Holdings group structure

The Tokyo Gas Group set up internal companies and operating companies and has adopted a holdings group structure, in order to grow by working with the ever-changing market and customers while making flexible and speedy decisions and management judgments.

We expand the discretion of the internal companies and operating companies, and will pursue Group synergy through collaboration within the Group.



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Energy Trading Company

First we will guarantee a stable supply of energy, then endeavor to increase the sophistication of AO&T while connecting with markets and customers through digital technology, building an optimized system unique to the Tokyo Gas Group and expanding profits through trading

expanding

Senior Managing Executive Officer Chief Executive of Energy Trading Company

TANAZAWA Satoshi



Our company includes the Raw Material Procurement Division, which engages in LNG contracts and transportation; the Electric Power Division, which deals with development and procurement of electric power sources, etc.; and the Product Division, which operates LNG terminals and power plants. With LNG and electricity as commodities, we aim to maximize earnings while guaranteeing a stable supply. Further, we will take the lead towards net zero CO₂ and create environmental value.

 Abundant LNG-related assets (e.g., procurement contracts, terminals and carriers); LNG transaction volume and trade management capabilities

- Scale of electric power business (generation and retail)
- Trade experience

Risks

- Problems in raw material procurement due to geopolitical risks, etc. related to the import of raw materials
- Supply disruption due to damage to production, supply, power generation facilities, etc. caused by large scale disasters
- Impact on earnings due to fluctuations in LNG and electricity wholesale market prices and costs of raw materials and fuels

Policies and actions for improving PBR

We are taking actions toward growing profits through increasing the scale and sophistication of LNG and electricity trading by increasing the sophistication of AO&T⁻¹, and toward early establishment of a plan for a digital trading platform⁻² which generates earnings in multiple electricity markets using digital technology.

Increasing the sophistication of AO&T

- While regarding the maintenance of security and stable supply as essential, we are carrying out measures to realize operations, build assets and improve their flexibility, etc., which contribute to the sophistication of AO&T.
- We are enhancing the system for expanding LNG trading

Early establishment of a digital trading platform plan

- Preparation for creation of a digital trading platform through function enhancement and acceleration of the creation of a platform which utilizes "KrakenFlex", a decentralized energy resource (DER)⁴ operation and management system
- We are promoting creation and acquisition of power sources, storage batteries, etc. for realizing a digital trading platform

Preparation of profit generation bases aimed at decarbonization and the advancement of electrification

 We are taking actions on long-term issues, e.g. responding to various environmental regulations and handling decarbonization auctions for Chiba-Sodegaura Power (CSP)¹³

Focus for setting KPIs

Profitability, investment efficiency

Medium to long-term cash flow generation ability
 Responsible commitment to materiality

Main actions for FY2023

- Took the decision to invest in LNG-fired thermal power generation business, looking firmly ahead to the realization of carbon neutrality
- Started introduction of "Kraken Flex", in preparation for creating a digital trading platform for the electric power field
- Expanded our carrier fleet by concluding a long-term charter for a newly built LNG carrier
- *1 Asset Optimization & Trading: Integrated operation to optimal operation of facilities and trading
- *2 A platform for optimizing ① the flexibility of the Tokyo Gas Group assets, ② the expansion of resources such as decentralized power sources, and ③ response to multiple electricity markets, in order to generate earnings from the market volatility
- *3 Switching from power sources that use fossil fuels to power sources for achieving carbon neutrality, such as hydrogen, ammonia, and renewable energy.
- *4 A general term for energy resources connected behind the customer's electricity reception point (power generation facilities, electricity storage facilities, demand facilities) and also power generation facilities and electricity storage facilities which directly connect to systems. Renewable energy power generation equipment such as photovoltaic power generation equipment, storage batteries, electric vehicles (EV), water heaters, etc.

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Customer & Business Solution Company

While creating sustained profit in the energy businesses, we will promote expansion and systematization of the solutions in "IGNITURE" and aim for profit growth in the gas, power and solutions businesses



Representative Corporate Executive Officer, Vice President Chief Executive of Solution Company

OGAWA Shinsuke



Our company provides customers with gas, electricity and solutions for residential and commercial customers. With the solutions developed by our business brand "IGNITURE", we contribute to achieving the ideal world envisioned by customers, through offering solutions to social issues and creating value.

 Community-based sales network composed of LIFEVAL, Enesta, and other outlets

- A customer base of approximately 13 million accounts
- Expertise in work requiring technical capability at customers' homes (i.e., device installation, repairs, etc.)
- Energy solution technology

Intensified competition driven by deregulation

- Decrease in demand caused by changes in lifestyle and business environment
- Policy changes and acceleration by national and local governments, including laws, regulations, and systems
- Delay in technological development required to deal with competition and alternatives

Policies and actions for improving PBR

Energy Business for residential customers

Until now we have leveraged the Tokyo Gas Group's visibility and brand in the Kanto region to acquire our position as a company that customers choose. We will leverage this position, and going forward, in preparation for a business environment with greater fluctuations, we will use our member site "myTOKYOGAS" as a digital communications base and promote improvement of customer relations and expansion of customer accounts.

Solutions Business for residential customers

We will optimally combine diverse facilities, services and controls, and provide solutions which customers can select without complication when they need. Utilizing our business base and scale in the Kanto region, and incorporating changes in the external environment as a growth area, we will endeavor to achieve business growth through expansion of our business domain using the "IGNITURE" brand (BTM⁻¹) and customer expansion (web sales).

Special Feature IGNITURE: Creating the Future P. 23

New Solutions Development Business for commercial customers

We aim to expand environmental consulting and subscription-type solutions such as environmental SaaS² and DX support SaaS and build a marketing and product management

base, then cross-sell'3 multiple products. Further in preparation for the discontinuous growth of newly developed solutions, we will actively conduct investment.

Focuses for setting KPIs

Cash flow generation ability

Earnings stability

Efficiency

Main actions for FY2023

- Introduced UK-based Octopus Energy Ltd.'s customer service system "Kraken" and their decentralized energy resources (DER) operation and management system "KrakenFlex," which utilize advanced digital technology
- Launched solutions business brand "IGNITURE"
- Concluded a basic agreement on heat source equipment optimum control Al development with AlSing Ltd.
- *1 Behind-the-meter: Business that utilizes facilities installed on the customer's side of the electricity meter
- *2 Software as a Service: A service in which a user can use software operated by a business that provides a service (server) through a network such as the Internet.
- *3 A sales method in which in order to increase sales per customer, related products are offered to customers who are already considering buying products.

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Tokyo Gas Engineering Solutions Corporation

As a partner in co-creation striving to solve management issues of our corporate customers all over Japan, we contribute to the realization of sustainable business operation and a sustainable society. We will accelerate the development of "IGNITURE," which offers the values of decarbonization, optimization, and resilience, to make solutions the Group's third core business after gas and electricity



Managing Executive Officer Tokyo Gas Engineering Solutions Corporation President, Representative Director

KONISHI Yasuhiro



Integrating the Tokyo Gas Group's corporate sales, we tackle the areas of on-site energy services, district heating and cooling and smart energy networks, engineering, and gas and electricity. We are also tackling the challenges of renewable energy and decarbonization, and aim for further improvement in profitability.

All-in-one proposals for solutions, gas, electricity, and engineering

- Plant and facility-related insights accumulated from the user's perspective and engineering solutions
- Experience in engineering projects related to over 100 LNG terminals in 20 overseas countries

Intensified competition driven by deregulation

- Rapid change in the market environment due to rapid progress in decarbonization
- Policy changes and acceleration by national and local governments, including laws, regulations, and systems
- Supply disruption due to damage to equipment and plants caused by large scale disasters

Policies and actions for improving PBR

Nationwide deployment of solutions

Up to now we have supplied gas and electricity in mainly Tokyo metropolitan area, but going forward in addition to supplying energy, we will strengthen the nationwide expansion of solutions sales.

While improving the efficiency of gas and electricity, we will promote the provision of environmental value through decarbonization solutions such as carbon offset city gas and electricity that has a nonfossil fuel certificate, etc. Concerning solutions, using our solutions business brand "IGNITURE" which we launched in November 2023, we will solve management issues of corporate customers across Japan, providing the values of decarbonization, optimization, and resilience.

Special Feature IGNITURE: Creating the Future P. 23

Promotion of engineering of renewable energy and decarbonization

We will steadily tackle engineering for LNG terminal and pipeline construction, utilizing the technical strength and know-how our Group has cultivated up to now. Concerning the growth areas of renewable energy and decarbonization-related fields, in addition to photovoltaic power generation and biomass power generation, we will tackle the challenges of wind power and geothermal engineering, operation and maintenance businesses, and aim to improve our earnings.

Focuses for setting KPIs Profitability and efficiency Medium-term cash flow generation ability

Main actions for FY2023

- Further energy saving and CO₂ reducing initiatives in AMU PLAZA KAGOSHIMA
- Provision of effluents treatment solutions for factories, using water treatment technology unique to the Tokyo Gas Group
- Started installation of photovoltaic power generation facilities at Narita International Airport, in preparation for the 180 MW facility to be installed 2045
- Started operation of disaster-resistant energy system at Arao City Ariake Medical Center (Kumamoto Prefecture)
- Introduced J-credits derived from renewable energy to Calbee's 3 business premises in the Kiyohara Industrial Park
- Started Japan's first on-site CO₂ recycling service
- •Deployed comprehensive utility services such as steam to Toray's U.S. plant
- Launched solutions business brand "IGNITURE"
- Agreement signed with James Fisher and Sons PLC for collaboration in O&M services, etc. for offshore wind power farms in Japan

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Regional Co-creation Company

Utilizing the trust and strong roots in the community that the Tokyo Gas Group has cultivated since its foundation, we will strive to solve regional issues including achieving carbon neutrality, and develop and grow together with the region and community



Managing Executive Officer Chief Executive of Regional Co-creation Company

KONISHI Masako



Community challenge solutions

Our company was started in October 2023. Aiming to contribute to solving regional and community issues through co-creation with stakeholders, we are responsible for providing solutions regarding decarbonization, etc. to regional administration, local governments and so on. We are also in charge of public information and public relations, wholesale supply to surrounding gas business operators, and more.

Our community-based strength in capturing issues from the perspective of the local community, cultivated since the company's founding.

- Co-creation ability to solve current issues and realize optimal solutions for the future.
- The ability to act, utilizing our technology and know-how

 Delay in providing speedy solutions to diversifying and increasingly complicated issues of local governments Decrease in share in the area of solution provisions due to

intensifying competition between different types of business

Policies and actions for improving PBR

Acquiring the position of a partner who promotes local government policy

As the Tokyo Gas Group's front of dealing with local government in a community-based manner, we implement value appeals through co-created proposals, conclude comprehensive cooperation agreements, propose solutions, and so forth. We promote the proposal of solutions that contribute to decarbonization, resilience, and regional revitalization, and aim to attain the position of a partner who promotes policies for solving community issues.

Providing solutions

Decarbonization

- Deployment of carbon neutral charts, ZEB consulting, photovoltaic power generation introduction support services, and so on which contribute to the creation of CO2 reduction roadmaps
- •Introduction of city gas for which greenhouse gases have been offset using carbon credits and "Sasutena Denki" with net zero CO2 emissions

Resilience

 Introduction of "BOUSAI TUMSY," a system for integrated management of information on disasters and evacuation sites and a gas air-conditioner which can be started even in an emergency

Optimization / Regional revitalization

 Support for the introduction of energy conservation educational programs, improvement of environmental awareness through the use of local wood

Special Feature IGNITURE: Creating the Future P. 25

Focus for setting KPIs • Medium-term cash flow generation ability

Main actions for FY2023

- Entered into comprehensive partnership agreements for carbon-neutral urban development with 31 local governments (Total to date: 54 local governments)
- Deployed projects which contribute to the resolution of community issues, including carbon neutrality (three areas total) with involvement of the entire region, including regional and community residents and private business operators
- Held 561 environmental education sessions related to energy in general: including city gas, environmental problems, etc. (No. of participants: 14,726)

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Green Transformation Company

Aiming towards the achievement of the "Carbon Neutrality Roadmap 2050" and the improvement of enterprise value, while respecting the viewpoints and relationships of diverse stakeholders, we aim for the early social implementation of the results of development, at the same time acting to acquire the intellectual property created during that process and standardize the technology, and contribute to the achievement of a society that has net zero CO2 emissions



Representative Corporate Executive Officer. Vice President Transformation Company

KIMOTO Kentaro

Photo of the WindFloat Atlantic project

courtesy of Principle Power/Ocean Winds

Declining competitiveness due to

- delayed implementation in society Lagging behind in the technological innovation race
- Uncertainty in international trading rules and system design for environmental value

As our main business we promote the expansion of power supply and the development of more advanced technology for renewable energy, the creation of a large-scale supply chain for energy based on carbon neutral gas (e.g., e-methane) and the development of innovative methanation technology, and the development and sales of CCM⁻² for PEM⁻¹ water electrolysis.

Our ability to mutually complement our technology and knowledge with our overseas and domestic partners and to develop projects Our ability to integrate, cultivated in the value chain from development to retailina

- Our multifaceted relationships with stakeholders
- Hydrogen production expertise and advanced fluid/structure analysis technology, gained from fuel cell development and the like

Policies and actions for improving PBR

Special Feature The Challenge for a Carbon Neutral Society P. 20 Renewable energies

Aiming for 100% carbon neutrality of domestic power supply in 2050⁻³, we are striving to expand transaction volume through the development and possession of various power supply, and to develop technology aimed at improving the economic viability of power plants. In addition, via equity investment in a fund set up by Octopus Energy Ltd., we are also focusing efforts on a flowback of knowledge regarding offshore wind power. Further, regarding floating offshore wind power, we have made an equity investment in Principle Power, Inc. which has advanced design technology, and we are promoting verification tests, etc. aimed at achievement of goals at an early stage.

e-methane

Special Feature The Challenge for a Carbon Neutral Society P. 19

Aiming for 100% carbon neutrality of the domestic gas supply in 2050⁻⁴, we are promoting projects in overseas leading to the creation of supply chains mainly in North America, Australia, and Malaysia, and in Japan we have also started newly considering the introduction of e-methane to the Oji Paper Tomakomai plant. Further, to reduce the cost of manufacturing e-methane, we are promoting the development of innovative methanation technology¹⁴, and we are also actively involved in rule-making both overseas and in Japan¹⁵. Moreover, as a method of achieving carbon neutrality, we also taking action to introduce overseas-produced biomethane.

Water electrolysis CCM for hydrogen production

Through joint development with SCREEN Holdings Co., Ltd., in 2023 we established

technology for CCM used for water electrolysis to enable rapid mass production of larger CCM at a lower cost, and we succeeded in the mass production of CCM exceeding 1,200 cm² in size. We further accelerated technological development, and we aim to start mass production of CCM with a size of 5,000 cm² in 2025.

Focus for setting KPIs Set milestones that measure steady progress of growing businesses

Main actions for FY2023

- Start of commercial operation of mega solar farm in Ichikai Town, Tochigi Prefecture
- Completed study on mass production method for floating platforms, aimed at lowering cost of offshore wind power
- Offshore wind power investment fund established and invested
- Participation of Sempra Infrastructure in the detailed study regarding the introduction of e-methane to Japan utilizing Cameron LNG terminal in the USA
- Achievement of desired goals for commercialization in the development of CCMs for PEM water electrolysis
- *1 PEM: Proton exchange membrane
- *2 CCM (Catalyst-coated membrane): An electrolyte membrane coated with a catalyst layer
- *3 Target value also includes transaction volume other than that for renewable energies
- *4 As a milestone, a goal to replace 1% of supply gas by 2030 and to increase that by tenfold in the 2030s
- *5 E.g., e-NG Coalition, an international alliance aiming to spread the use of e-methane all over the globe

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Tokyo Gas Network Co., Ltd.

So that city gas continues to be chosen as an indispensable energy for people's lives and society, we will firmly establish the value and presence of city gas and the gas business, and prepare for the expansion of the use of decarbonized gaseous energy



Network Co., Ltd. President. Representative Directo

SAWADA Satoru



Our company has inherited business including the gas pipeline business from Tokyo Gas, and in order to safely and stably supply energy, we improve resilience, carry out earthquake countermeasures, and also contribute to the local society. We will promote the spread of natural gas and lower carbon emissions and decarbonization through gas, and create environmental value

Strengths

- Many years of experience in safe, stable supply
- Ties with customers and communities that have been cultivated through the pipeline business

 Supply disruption due to damage to supply facilities, etc. caused by large scale disasters

Policies and actions for improving PBR

Enhancement of resilience

The introduction of smart meters has enabled remote meter reading, remote operation, and remote data collection, and meters can be read automatically even if a meter reader does not enter a site. Further, remote operation of gas on/off valves contributes to further strengthening safety maintenance and resilience during emergencies and disasters.

Earthquake protection

We have adopted preventive measures to minimize earthquake damage, such as the use of PE pipe⁻¹ for low-pressure gas pipelines. As emergency-preparation measures, we have expanded the installation of microcomputer meters that automatically shut off gas supply during earthquakes of seismic intensity of five or higher, and have divided the medium-and low-pressure pipelines into multiple blocks so as to minimize gas supply cut-off areas and to prevent secondary disasters. As recovery measures, we have established a thorough disaster prevention system that is capable of monitoring seismometers which are installed with high locational density, and controlling gas shut off. This system enables us to grasp the damage situation of each block where gas supply has been stopped, and to determine the most appropriate recovery method. Further, until recovery in areas where supply has stopped,

temporary supply facilities can be used to continue supply to hospitals and other places.

Contributing to the local community

We will promote cooperation with other infrastructure such as water supply, electricity, and communications, and advance efforts that contribute to improving community value.

- Focus for setting KPIs Maintenance of safe & stable supply
- Spread the use of city gas
 Improve productivity
 Improve business base

Main actions for FY2023

- Started installation of city gas smart meters throughout the entire supply area
- Conducted the Tokyo Gas Group comprehensive disaster drill, together with the Tokyo Metropolitan Police Department, the Metropolitan Expressway Co., Ltd., TEPCO Power Grid, Incorporated, and Nippon Telegraph and Telephone East Corporation
- Concluded a comprehensive partnership agreement with the Bureau of Waterworks Tokyo Metropolitan Government
- *1 Polyethylene piping, Combines both strength and ductility, and in an earthquake it is unlikely to allow gas to leak

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Global Business Company

We will carry out business selection and concentration. This is to maximize added value by concentrating on business areas where synergies between businesses and business expansion are expected and where the Tokyo Gas Group's strengths can be put to advantage



Representative Corporate Executive Officer, Vice President Chief Executive of Global Business Company

KASUTANI Toshihide



We have expanded our business in North America, SE Asia, Europe, and Australia, focusing mainly on resource development (upstream), LNG infrastructure projects and renewable energy projects (mid- to downstream). Going forward, we will expand optionality (ability to select) for transactions in the upstream, midstream and downstream areas, and along with striving to expand profits, we will continue to promote asset portfolio reorganization.

 Stable project management and operating capability in LNG terminals, power generation projects, etc.

- Knowledge and expertise related to resource development projects, LNG infrastructure projects and renewable energy projects
- Reliability in financial aspects

 The effect of fluctuations in resource prices and foreign exchange rates on Group accounts

 Response to overseas laws/regulations and business practices and the like leading to stagnation in business operations and increase in expense burdens, loss of business opportunities, reduction in asset prices, etc.

Policies and actions for improving PBR

North America

Shale gas-related business

We will acquire and develop high-quality resources which can have synergy with existing resources owned by the operating company (TG Natural Resources), expand shale gas production and reduce production cost. We will achieve a production margin that has a certain level of superiority even in the industry. Further, we will invest money in ARM Energy Trading, LLC, which conducts gas marketing and trading, and participate in its planning, maximizing profit by optimizing agreements that include gas produced.

Renewable energy-related business

In addition to the construction of Aktina Solar Power Plant, one of the largest solar power plants in the USA, we will leverage the acquisition of the Longbow Battery Energy Storage System (BESS) Project and of power marketing and trading by ARM Energy Trading, LLC, to maximize the value of renewable energy.

SE Asia

LNG infrastructure-related business

In Asia where demand for LNG is increasing, after creating relationships with local partners and governments, we will deploy projects such as LNG reception terminals construction, power

generation, and sales to customers for industrial use, and contribute to the stable supply of energy and reduced carbon emissions. The entire Tokyo Gas Group will create synergy in the area of LNG procurement as well.

Focus for setting KPIs

• Short to medium-term profit generation ability • Asset efficiency • Efficient earning power

Main actions for FY2023

- Transferred stock of five of our companies involved in Australian upstream projects
- Acquired all shares in Rockcliff Energy II LLC, a company that develops and produces shale gas in the states of Texas and Louisiana, USA
- Aktina Solar Power Plant in Texas, USA completed; and Longbow Battery Energy Storage System (BESS) Project acquired
- Made an equity investment in ARM Energy Trading, LLC, a gas marketing and trading company in North America
- Founded an amalgamated company aimed at evaluating the business potential of LNG receiving terminal business and LNG-fired thermal plants business (LNG to Power) in Thái Bình province, Vietnam



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Tokyo Gas Real Estate Co., Ltd.

Along with promoting the optimum use of our high-quality landholdings in the Tokyo metropolitan area, through a cyclic development model in which we include properties that we have developed in the private placement REIT, we will generate a stable and plentiful cash flow



Executive Officer Tokyo Gas Real Estate Co., Ltd. Representative Director

SATO Hirofumi



Taking full advantage of the land we have acquired over more than 130 years of business development, we have grown a leasing business which generates a stable cash flow. Through joint ventures with business partners and a private placement REIT, we are actively endeavoring to develop real estate which takes into account resilience, comfort, and environmental consciousness.

 High-quality land holdings in the Tokyo metropolitan area

- Synergy achieved by leveraging the Group's expertise
- Long-standing track record of operation and management of buildings

Real estate market conditions and intensified competition with competitors

- Decrease in business viability due to environmental changes (including infectious diseases, etc.)
- Damage or malfunction of owned and managed properties caused by large-scale disasters (earthquakes, fires, windstorm and flood damage, etc.)

Policies and actions for improving PBR

Long-term property model

In addition to fully utilizing high-quality office buildings and commercial buildings in the Tokyo metropolitan area, such as Shiniuku Park Tower, msb Tamachi, and GINZA aCUBE, we will promote improvement of asset efficiency through a CRE (Corporate Real Estate) strategy which includes optimum utilization of our real estate holdings, e.g., business location consolidation of the Tokyo Gas Group, sale, and external leasing. Further, we will expand our stable earnings base through increased asset-based earnings achieved by participating in the Yaesu 1-chome North District Category I Urban Redevelopment Project, etc., by urban planning at Shin-Toyosu, one of only a few large-scale sites that remain in Tokyo's 23 wards, and so on.

Cyclical development model

Along with promoting the acquisition and development of rental housing and offices that excel in environmental consciousness and disaster damage prevention aspects, we will also accelerate capital collection by utilizing off-balance-sheet activity via the Tokyo Gas Real Estate private REIT investment corporation whose operation began in March, 2024. Furthermore, we will aim for acceleration of growth through improvement of capital efficiency and capital gains, using a cyclic development model in which we direct the capital gained into acquisition of new assets and sell the assets after increasing their value.

Cooperative venture with local partner company in Australia

In Australia's housing market, which is seeing remarkable growth based on population increases, we are promoting cooperative ventures with local partner companies such as Cedar Woods Properties Limited, with a track record of real estate development that excels in environmental consciousness and cooperation with regional communities, and we will link this to further business growth.

Focus for setting KPIs

Cash flow generation ability
 Asset efficiency
 Profit composition of each business

Main actions for FY2023

- Newly acquired rental residences in the form of 125 residences in two buildings as part of our "LATIERRA" series
- Participated in planning for our second real estate development business in Australia,
- Completed College Court Kokubunji and La Tierra Académico Mitaka, comprising 352 residences in two buildings (Total no. of rental residences to date: 2,041 residences in 32
- Commenced operation of Tokyo Gas Real Estate Private REIT Co., Ltd.

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