

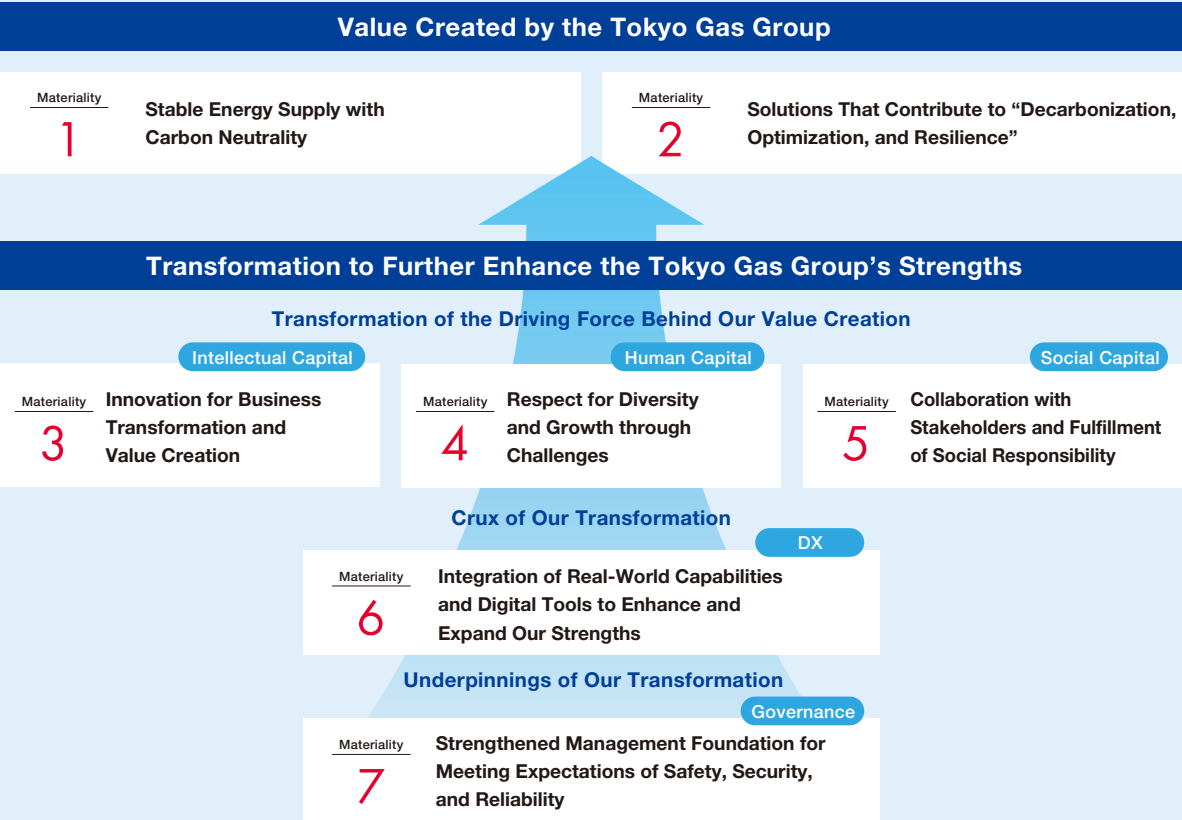
Standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future.

Special Feature Evolution of Our Materiality

Definition of Our Materiality Tokyo Gas Group initiatives (management issues) that embody our management philosophy and are needed to solve social issues

As Tokyo Gas marks its 140th anniversary, social issues are becoming increasingly complex and world affairs are changing at a dizzying pace. Even under such circumstances, we continue to uphold “safety, security, and reliability,” values that we have fostered since our founding, and to transform ourselves to meet and exceed the expectations of our customers and society through new challenges, under our management philosophy of “standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future.” With this commitment, we, the Tokyo Gas Group, revised our materiality in 2025.

Our Materiality Tokyo Gas Group Initiatives (Management Issues)



The Tokyo Gas Group has focused on integrating materiality in its business activities, with the goal of achieving both business growth and solving social issues.

[Reporting on business activities based on materiality \(Established in 2023\) P.43](#)

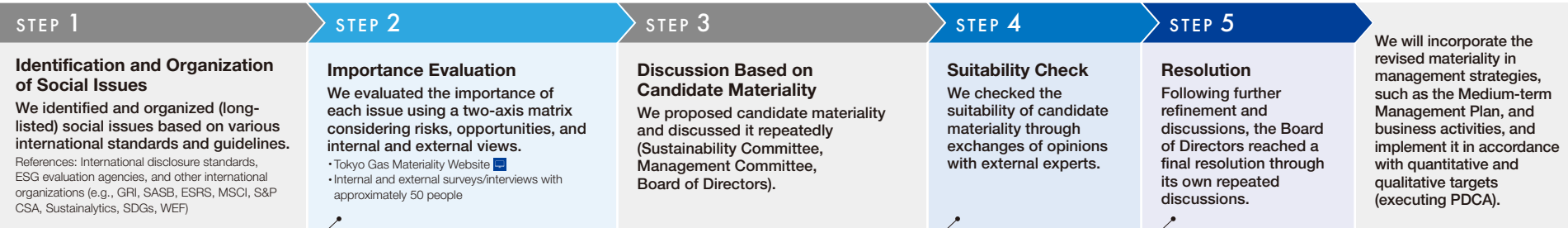
To strengthen this direction, we have redefined our materiality as “Tokyo Gas Group initiatives (management issues) that embody our management philosophy and are needed to solve social issues.” We structured and expressed the designated material issues as the value created by the Tokyo Gas Group (material issues 1 and 2) and transformation to further enhance the Tokyo Gas Group’s strengths for this purpose (material issues 3-7). We aim to link our material issues more deeply to our strategies, such as Medium-term Management Plan, and our business activities.

By ensuring a stable energy supply with carbon neutrality and providing solutions that contribute to “decarbonization, optimization, and resilience,” we aim to become “the energy that weaves the future.”

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Designation Process

We defined our materiality as being “Tokyo Gas Group initiatives (management issues) that embody our management philosophy and are needed to solve social issues.” We then identified specific issues, evaluated their importance based on risks and opportunities, engaged in external dialogue, held several rounds of internal discussions, and ultimately designated seven material issues. We placed particular emphasis on hearing directly from external stakeholders and reflecting their views, as well as thorough discussions among management.



STEP 4

Expert Commentary

Takashi Nawa

Visiting Professor
Hitotsubashi University
Business School

Tokyo Gas's materiality is a simple and accurate expression of society's expectations and the company's unique solutions in its sincere efforts to address various social issues based on its 140-year history. The seven material issues and the way they are structured are easy to understand and credible, demonstrating Tokyo Gas's commitment to implementation. In addressing its materiality, I expect the Tokyo Gas Group to fully leverage its history and DNA, which is built on real-world/hands-on capabilities and social implementation, unleash its ability to generate innovation from tradition, and continue providing value as one unified group.

STEP 5

Why These Material Issues?

1	Stable Energy Supply with Carbon Neutrality	Providing a stable energy supply is fundamental to business and a social responsibility. Achieving carbon neutrality by 2050 is also an opportunity for value creation. Achieving them together would be highly significant.
2	Solutions That Contribute to “Decarbonization, Optimization, and Resilience”	By leveraging our established strengths and deploying a range of cutting-edge solutions, we can continue to provide value for society and achieve solid growth together with our customers. <div>Tokyo Gas Website, IGNITURE Japanese only</div>
3	Innovation for Business Transformation and Value Creation	To achieve the above, we must enhance our intellectual capital, which will help transform our business in existing fields and create new value.
4	Respect for Diversity and Growth through Challenges	Greater engagement by diverse human resources, development of human resource portfolios, and enhanced productivity are essential. We aim to create an organization that promotes growth through new challenges and generates even greater value.
5	Collaboration with Stakeholders and Fulfillment of Social Responsibility	We must achieve mutual prosperity by strengthening our relationships and collaboration with customers, communities, governments, and business partners. We will enhance dialogue with investors and other stakeholders to fulfill our social responsibility.
6	Integration of Real-World Capabilities and Digital Tools to Enhance and Expand Our Strengths	Digital transformation is urgently needed across all our business activities. We will integrate our ability to capitalize on real-world opportunities with digital tools such as AI to enhance and expand the power of our organization.
7	Strengthened Management Foundation for Meeting Expectations of Safety, Security, and Reliability	We need to strengthen our governance and management foundation for meeting expectations of safety, security, and reliability. We will promote initiatives such as respect for human rights, conservation of natural capital, circular economy, and information security throughout our supply chain, and disclose these efforts.

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Special Feature Evolution of Our Materiality The Thinking Behind Our Seven Material Issues

Value Created by Tokyo Gas Group

Material issues 1・2

The Tokyo Gas Group will a stable energy supply with carbon neutrality, working with a sense of mission and an eye on the future. We will also provide solutions that contribute to “decarbonization, optimization, and resilience”, and seek optimal solutions for a rapidly changing world. We must also undergo various transformations so that we can continue to provide such value.

Transformation to Further Enhance the Tokyo Gas Group’s Strengths

Material issues 3・4・5

We will transform our business in existing fields, create new value through innovation, and enhance our intellectual capital. We will also manage our human capital in ways that maximize individual value contribution, enhancing our internal capabilities. Furthermore, we will respond to diverse expectations, while fulfilling our corporate social responsibility, in collaboration with stakeholders.

Material issues 6

We will improve productivity and elevate operations through AI and digitalization. When providing solutions, we will integrate our real-world capabilities, cultivated through close community engagement, with digital tools to satisfy more diverse values and needs.

Material issues 7

We will consider aspects such as human rights, natural capital, the circular economy, and information security across the supply chain when strengthening our management foundation, and ensure our transformation is underpinned by good governance.

Megatrends and Social Problems

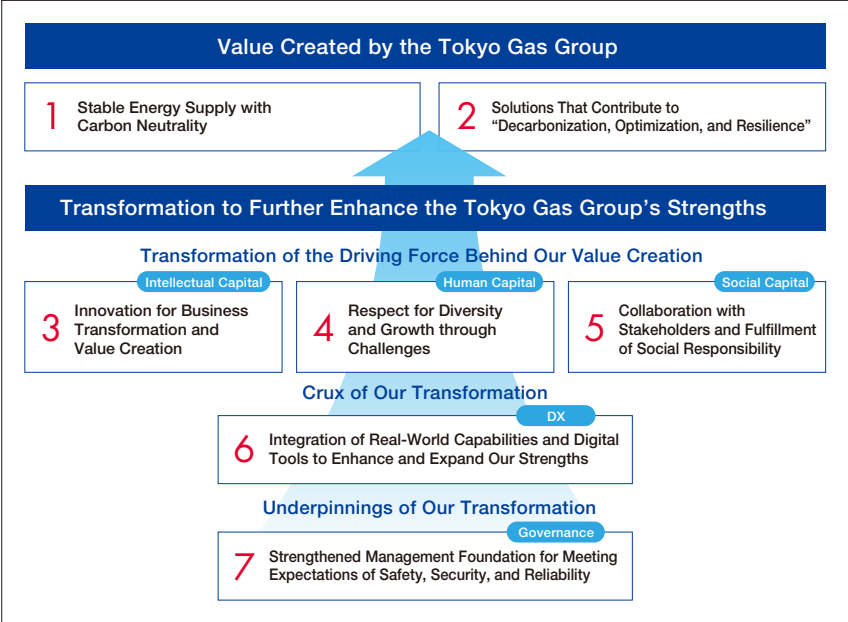
Climate change
Rising geopolitical risks
Resource price volatility
More intense and frequent disasters
Infrastructure aging
Development and proliferation of AI and robotics
Diversification of values and ideologies
Population decline in Japan
Diversification of attitudes towards work
Diversification of values and ideologies
Greater demand for environmental, social, and governance-related corporate social responsibility

Social Issues

Decarbonization Transition to a carbon-neutral society
Resilience Ensuring energy’s stable supply, safety, and cost-effectiveness / Resilient infrastructure and disaster risk reduction for daily life and communities
Optimization Adapting to a digital society and diversifying lifestyles and values Productivity improvement
DE&I* promotion Adapting to diversifying attitudes towards work
Natural capital conservation Respect for human rights Information security measures

* Diversity, Equity & Inclusion

Our Materiality Tokyo Gas Group’s Initiatives (Management Issues)



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Group Management Philosophy
Standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future.



The Value Creation Process

Materiality P.13

Management Vision / Medium-term Management Plan P.19

Management capital

Financial capital

- Total assets ¥3,855 billion^{*1}
- Growth investments ¥263.8 billion^{*2}
- Infrastructure investments ¥114.5 billion^{*2}

Manufactured capital

- Ownership and management of LNG carriers 10 ships^{*1}
- LNG terminals storage capacity 3.24 million kL^{*3}
- Generation capacity of a natural gas power station 1.631 million kW^{*3}
- Total length of the gas pipeline network 66,870 km^{*1}

Intellectual capital

- Resilience-related technologies and know-how
- Number of industrial property rights (patents, designs, trademarks) held 2,241^{*1}
- Research and development expenses ¥7.2 billion^{*1}

Human capital

- Group employees 15,572^{*6}

Social and relationship capital

- Brand strength
 - Domestic sales share for city gas No.1^{*4}
 - Share of domestic electricity sales by new power providers No.1^{*5}
 - Customer accounts Approximately 13 million^{*1}
- Cumulative number of comprehensive partnership agreements for carbon-neutral urban development 82^{*1}
- Relationships with business partners and affiliated companies

Natural capital

- LNG import volume 11,556 thousand tons^{*3}
- Equity interests in shale gas projects

Business activities P.31

Overseas

- Shale gas-related (including M&T^{*7} business)
- Renewable energy-related
- LNG infrastructure-related

Solutions

- Solutions for corporate and household customers

Real Estate

- Rental housing
- Rental buildings
- Large-scale development
- Overseas

Electricity

- LNG power generation
- Renewable energy-related
- Household electricity
- Corporate electricity

Gas

- LNG procurement
- LNG terminals
- LNG infrastructure
- Gas for households
- Gas for corporate customers

LNG trading

Human Resources Strategy

Financial Strategy

Corporate Governance P.68

Business activity results

Economic Value

- Segment profit ¥168 billion
- Profit attributable to owners of parent ¥183 billion
- ROE 11.1 %
- ROA 4.9 %

Note: FY2025 forecast, as of July 30, 2025

Social Value

- CO₂ reduction contribution 12 mn tons^{*8}
- Renewable power source transaction volume 2.2 mn kW^{*8}
- Securing a stable energy supply
- Ensuring infrastructure resilience
- Enhancing engineering and R&D capabilities
- Promoting collaboration with local communities and municipalities
- Improving Group employee engagement

Value created

Stable Energy Supply with Carbon Neutrality

Solutions that Contribute to “Decarbonization, Optimization, and Resilience”

Sustainable enhancement of corporate value

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^{*1} As of March 31, 2025 ^{*2} FY2025 forecast, as of July 30, 2025 ^{*3} FY2024 actual ^{*4} Based on annual demand in the 2024 GAS INDUSTRY HANDBOOK ^{*5} Based on actual electricity demand according to the Agency for Natural Resources and Energy's Electric Power Survey Statistics; figures as of March 31, 2025. ^{*6} Number of employees refers to full-time employees, including accepted seconded personnel, but excluding dispatched seconded personnel and temporary employees; figures as of March 31, 2025. ^{*7} Marketing and trading business ^{*8} FY2025 targets in Compass Transformation 23-25

Tokyo Gas History

In October 2025, Tokyo Gas will celebrate its 140th anniversary. Positioned in what we call the “third founding,” we are leveraging the experience accumulated over 140 years to move forward without pause. Together with all stakeholders, and guided by our management philosophy, “Standing by every person and dedicating ourselves to the society, we shall be the energy that weaves the future,” we strive to transcend the geographical boundaries of Tokyo and the business domain of gas, positioning ourselves as a company that shapes the future.

First founding

Scaling up through application expansion and area expansion

From 1885

Lighting up life in Civilization and Enlightenment

Tokyo Gas founded

In 1872, the first gas lamp in Japan was lit, softly illuminating the streets with a gentle glow. Subsequently, in 1885, Tokyo Gas Company (now Tokyo Gas Co., Ltd.) was founded by the industrialist SHIBUSAWA Eiichi, known as the “Father of Japanese Capitalism.” While the business began with gas lamps, it soon expanded beyond lighting to include gas for kitchens, hot water, heating, and other uses such as motive power and electricity. Over time, the company extended its service area from the Tokyo metropolitan region to nationwide, steadily growing the scale of its operations.



Founder:
SHIBUSAWA Eiichi
©Tokyo Gas
Gas Museum

Second founding

Contribution to the local environment through the introduction of LNG, IT-based productivity increase, and expansion of scope through value chain evolution

From 1969

Rising energy demand and environmental issues during economic growth

Japan’s first import of liquefied natural gas

Increased energy demand and environmental issues are caused by rapid economic growth. To provide solutions for these challenges, Tokyo Gas became the first company in Japan to import liquefied natural gas (LNG) to replace oil fuel. Subsequently, we constructed a system for the stable supply of gas by putting in place transport pipelines.



LNG carrier No. 1
Polar Alaska

From 1980

Sophisticated use of clean natural gas

Spread of natural gas cogeneration systems

After the first oil crisis, the government pushed policies for alternative energy. City gas is increasingly recognized as a source of clean energy, and so by making sophisticated use of natural gas, we will develop cogeneration systems for use in cooling/heating and hot water supply, and bring them to buildings, factories, and other locations.



Natural gas
First cogeneration generator

From 2000

Contributing to an affordable and stable electricity supply

Entry into power retail and generation

Following the liberalization of the electricity market, in 2001 we started a power retail business through ENNET Corporation. Since 2003, we have possessed and operated high-efficiency gas-fired thermal power plants. Leveraging these, we have contributed to the low-cost, stable supply of electricity and have constructed infrastructure for comprehensive gas and electricity solutions.

Evolution of security system

Start of operation of earthquake disaster prevention system

We began operating the earthquake disaster prevention system called SUPREME to improve safety in the supply of gas in Japan, a country prone to frequent disasters. In addition to automatically shutting off the gas supply when an earthquake is detected, it is now possible to shut off the gas supply remotely.

From 2004

Expansion into upstream business overseas

Tokyo Gas participated in the Darwin LNG Project in Australia. In 2023, the company shifted its business portfolio from Australia to North America, and it currently focuses on North America and Southeast Asia, conducting resource development, LNG infrastructure, and renewable energy businesses.

From 2019

Toward a carbon-neutral society

Net-Zero CO2 declaration

Ahead of the government’s 2020 announcement of the 2050 Carbon Neutrality Declaration, Tokyo Gas set a CO2 net-zero target in November 2019 under its management vision, Compass 2030. The company is promoting a responsible transition that balances a stable energy supply with decarbonization.



Provided by Ocean Winds and Principle Power
Floating offshore wind farm in Portugal

Third founding

Contributing to the global environment through decarbonization, expanding revenue opportunities through digitalization, and building a new ecosystem

From 2023

Providing solutions for a prosperous future for our customers

Launch of the IGNITURE solution brand

In November 2023, we launched IGNITURE, a new business brand for providing solutions, defining “decarbonization,” “optimization,” and “resilience” as its value propositions. To address evolving social challenges and customer needs, we will offer solutions under IGNITURE that combine our established strengths in the real world with GX and DX initiatives.



2025

140th anniversary of the founding

Beyond 140th

Even as social challenges grow more complex and global circumstances continue to change, we will uphold our commitment to safety, security, and reliability while embracing the strong resolve to embody “Beyond ～越えていく～”, striving to create new value that exceeds the expectations of our customers and society.

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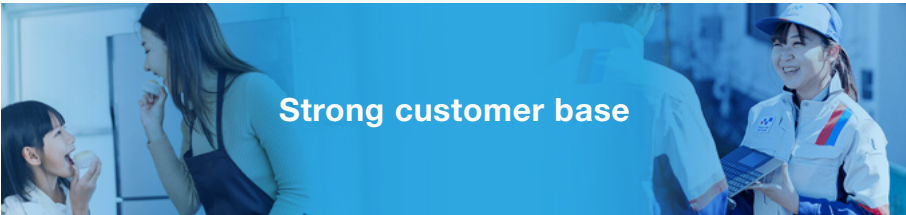
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Tokyo Gas Strengths


Leveraging the Tokyo Gas Group's strong customer base and energy assets and related technologies, cultivated since 1885, along with the operational capabilities developed as an energy provider, we create value by exceeding the expectations of our customers and society.



Strong customer base

No. of customer accounts Approx. 13 million	Employees with customer-facing expertise and technical skills	“myTOKYOGAS” subscriptions Approx. 4.7 million
Share of domestic electricity sales by new power providers No. 1 <small>Note: Based on the actual electricity demand in the Agency for Natural Resources and Energy's Electric Power Survey Statistics, as of the end of March 2025.</small>	Domestic sales share for city gas No. 1 <small>Note: Based on the annual demand in the Gas Business Handbook 2024 Edition.</small>	Number of Tokyo Gas LIFEVAL showrooms (including Enesta and Enefit) 132

Since the introduction of natural gas, the company has conducted appliance inspections and adjustments for approximately 5.5 million individual customers, building a strong foundation that has grown together with local communities. In 2008, we launched the community-based service network Tokyo Gas LIFEVAL, delivering “safety, security, and reliability” tailored to diverse lifestyles. After a temporary decline in gas customers following market liberalization, growth in the electricity business has compensated for this. Currently, we hold approximately 13 million customer accounts, primarily centered in the Tokyo metropolitan area, and have established the No. 1 position in domestic city gas sales share and the top position in sales volume among new electricity providers. Furthermore, in 2023, we established the solutions brand IGNITURE. By combining the brand strength of safety, security, and reliability cultivated since our founding with operational capabilities—such as the community-based sales and service network Tokyo Gas LIFEVAL and digital marketing leveraging approximately 4.7 million customer touchpoints—we aim to expand our business domains from the Tokyo metropolitan area to nationwide and overseas. At the same time, we are broadening our service offerings beyond gas to include electricity, renewable energy, and other diverse areas.



Energy assets and related technologies

LNG terminals and power stations 9	LNG value chain from upstream to downstream	Number of intellectual property rights (patents, designs, trademarks) held 2,241
Energy service contracts (cumulative) by Tokyo Gas Engineering Solutions Corporation Over 1,000	Total length of the gas pipeline network Approx. 66,870 km	Main overseas projects 26

The Group possesses facilities and functions across the entire LNG value chain, from upstream equity interests to bases, power plants, and pipeline networks, all the way to energy use at customer sites. In addition, operational capabilities cultivated over many years—such as LNG procurement, infrastructure operation and maintenance to ensure stable supply; LNG receiving systems and power generation control enabling flexible supply-demand response; and optimal energy use tailored to various customer applications—maximize the value of these business assets. As one example, the Group expands profits by leveraging its gas and electricity assets to provide stable and competitive energy. Also, by utilizing the operational flexibility of these energy assets, we generate revenue through LNG trading using existing assets and contracts. In this way, by cross-utilizing owned assets and operational capabilities and enhancing synergies among businesses, we provide energy and solutions tailored to customer needs while creating new business opportunities.

Note: All figures as of March 31, 2025

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