

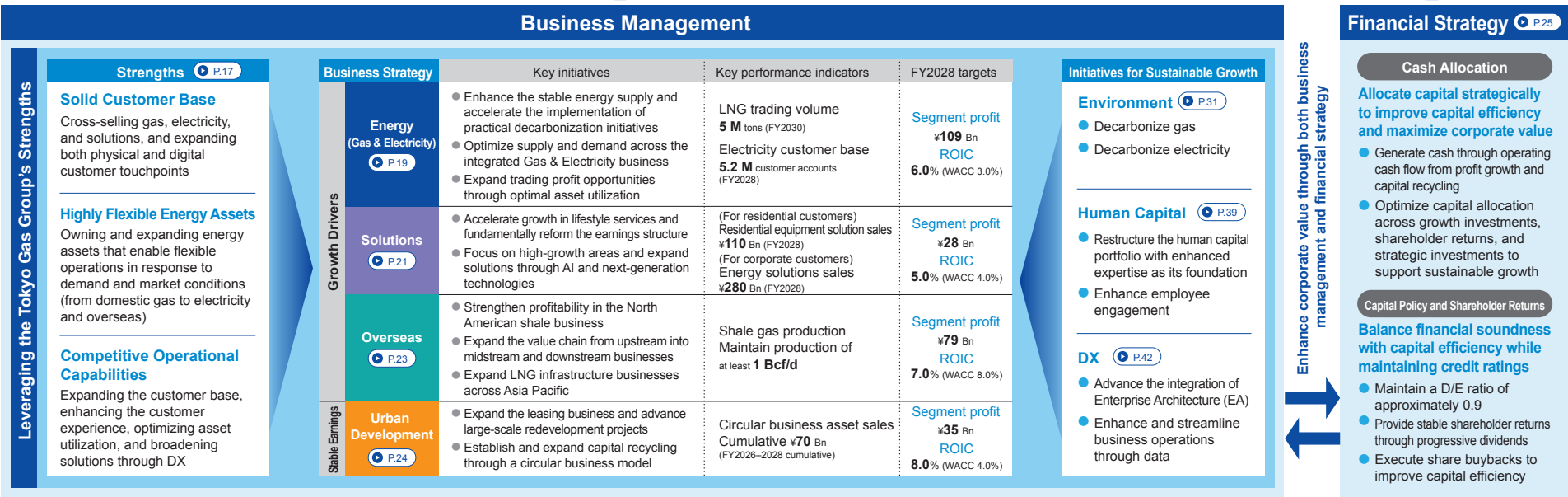
Overview of the FY2026–2028 Medium-term Management Plan

In October 2025, the Tokyo Gas Group announced its FY2026–2028 Medium-term Management Plan, which aims to accelerate the achievement of its management vision, Compass 2030. Positioning the Energy, Solutions, and Overseas businesses as growth drivers, the Group will leverage its three core strengths—its customer base, energy assets, and operational capabilities—together with initiatives in the areas of the environment, human capital, and DX, to enhance profitability and accelerate growth across its businesses. By thoroughly implementing ROIC-based portfolio management, we will pursue business management aimed at steady profit growth alongside a financial strategy based on an appropriate capital policy and shareholder returns. Through these two pillars, we will achieve our FY2028 targets, including our primary KPI, return on equity (ROE) of 9%, and enhance corporate value on a sustained basis during and beyond the Medium-term Management Plan period.

Business Environment and Market Trends Geopolitical risks, rising costs due to inflation and higher interest rates, increasingly severe natural disasters, growing demand for data centers driven by the widespread adoption of AI, decarbonization trends, etc. [P.16](#)

ROIC Management and Business Portfolio Management [P.18](#)

- Enhance profitability in each business through the introduction of segment-specific ROIC management
- Achieve an optimal portfolio through rigorous ROIC management and disciplined resource allocation



Strengthen the Management Foundation

Strengthen corporate governance (corporate governance framework; executive officers [skills matrix]; Board of Directors; Nominating, Compensation, and Audit Committees; internal controls; and dialogue with shareholders and investors) [P.46](#)

Foundations for sustainable growth (Environmental stewardship and respect for human rights throughout the supply chain) [P.44](#)

FY2028 Company-wide Targets

ROE: 9% (primary KPI), Shareholder returns: ¥200 Bn or more (three-year total), Dividend: ¥140 per share
ROIC: 5%, Operating cash flow: ¥1.2 Tn (three-year cumulative), Segment profit: ¥210 Bn

Around FY2030

ROE: 10% or higher
Targeting achievement of Compass 2030 by FY2028, ahead of schedule.

~2050

Creating value through sustainable growth
Net-zero CO₂

Introduction	Contents	
	Overview of the FY2026–2028 Medium-term Management Plan	15
CEO's Message	Business Environment and Market Trends	16
	The Tokyo Gas Group's Strengths	17
	ROIC Management and Business Portfolio Management	18
	Business Strategy	
Growth Strategy (FY2026–2028 Medium-term Management Plan)	Energy Business (Gas)	19
	Energy Business (Electricity)	20
	Solutions Business (Residential business)	21
	Solutions Business (C&I business)	22
	Overseas Business	23
CFO's Message	Urban Development Business	24
	Financial Strategy	25
Initiatives for Sustainable Growth		
Corporate Governance		
Data		

Business Environment and Market Trends

Business Environment during the FY2026–2028 Medium-term Management Plan

In an increasingly uncertain business environment, we believe the value of building a business portfolio that is resilient to market fluctuations and of maintaining the flexibility to optimize the use of our assets will continue to grow. We also see the rapid advancement of digital technologies, including AI, alongside a growing shortage of skilled frontline personnel, as key trends shaping this period.

PEST analysis

Politics	Economy
- Geopolitical risks are becoming increasingly pronounced, while rising protectionism is increasing the risk of a global economic slowdown and greater market volatility. - Although the medium- to long-term trend toward decarbonization remains unchanged, economic viability will also become an increasingly important consideration.	- Inflation is driving up the cost of materials, equipment, and labor. - Rising interest rates and growing demands for improved capital efficiency are increasing the cost of capital.
Society	Technology
- Japan's total population and workforce continue to decline, with shortages of skilled frontline personnel becoming increasingly severe. - More frequent and severe natural disasters are driving growing demand for resilience.	- The adoption of digital technologies, including generative AI and industrial robots, is accelerating across both digital and physical applications. - Growth in data centers is driving localized increases in electricity demand.

Domestic energy policy trends

The 7th Strategic Energy Plan places greater emphasis on ensuring a stable energy supply, leading to renewed recognition of the important role of natural gas.

Japan's carbon pricing scheme (GX-ETS) will be introduced in FY2026. With the planned introduction of a fossil fuel levy in FY2028 and other related measures, energy costs are expected to continue rising.

While the long-term trend toward decarbonization remains unchanged, there is growing momentum to advance the transition through practical and realistic measures.

Market Trends Surrounding the Group's Businesses

The markets in which the Tokyo Gas Group operates continue to grow. In addition to the densely populated Tokyo metropolitan area, which forms the foundation of our business, we see opportunities for growth in markets across Japan and overseas.

Gas Business

The Tokyo metropolitan area continues to attract more than 130,000 new residents annually, supporting steady growth in new gas meter installations. Global LNG demand is projected to reach 500 million tonnes by 2030, an increase of 100 million tonnes from 2024 levels, creating growth opportunities for the LNG trading business.

Electric Power Business

Since the liberalization of Japan's electricity retail market in 2016, new power suppliers have increased their share of the Tokyo market to approximately 30% as of 2025. Looking ahead, electricity demand across the greater Tokyo metropolitan area is projected to increase by 10% by 2030, driven in part by the expansion of data centers.

Solutions Business

The market for residential equipment, including solar power generation systems, storage batteries, and water heaters, in which we operate, is valued at approximately ¥2 trillion annually. Meanwhile, the market for C&I solutions is growing at an annual rate of approximately 10%, driven by increasing demand for decarbonization, optimization, and resilience.

Overseas Business

LNG exports from the United States, where we have operations, are projected to double to 220 million tonnes by 2030. Meanwhile, LNG demand in Southeast Asia, another key market for our overseas business, is projected to increase by 37 million tonnes over current levels by 2030.

Urban Development Business

Demand continues to outpace supply in the Tokyo metropolitan area, with rents for residential properties remaining on an upward trend. At the same time, new demand is emerging for real estate that places greater emphasis on environmental sustainability and community development.

Introduction	Contents
	Overview of the FY2026–2028 Medium-term Management Plan 15
	Business Environment and Market Trends 16
CEO's Message	The Tokyo Gas Group's Strengths 17
	ROIC Management and Business Portfolio Management 18
	Business Strategy
Growth Strategy (FY2026–2028 Medium-term Management Plan)	Energy Business (Gas) 19
	Energy Business (Electricity) 20
	Solutions Business (Residential business) 21
	Solutions Business (C&I business) 22
CFO's Message	Overseas Business 23
	Urban Development Business 24
	Financial Strategy 25
Initiatives for Sustainable Growth	
Corporate Governance	
Data	

The Tokyo Gas Group's Strengths

The Tokyo Gas Group's Strengths

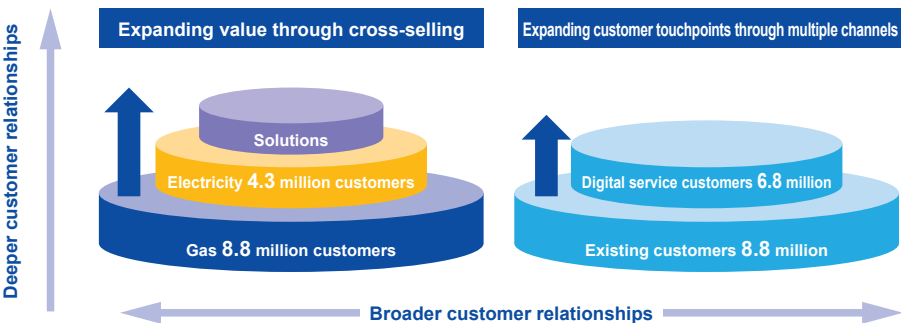
Our solid customer base, highly flexible energy assets, and competitive operational capabilities are the Tokyo Gas Group's core strengths. We will further strengthen these capabilities through DX powered by AI.



Solid customer base

The Tokyo Gas Group serves more than 8.8 million gas customers, making it Japan's No. 1 gas retailer, and more than 4.3 million electricity customers, the largest among new power suppliers. Within the Tokyo Gas Network service area, we hold a market share of more than 70% in gas and more than 30% in electricity.

We also have more than 6.8 million customers with whom we maintain digital touchpoints through myTOKYOGAS and TG Octopus Energy. We will continue expanding these digital touchpoints to strengthen customer engagement not only in our gas and electricity businesses but also across our solutions business.



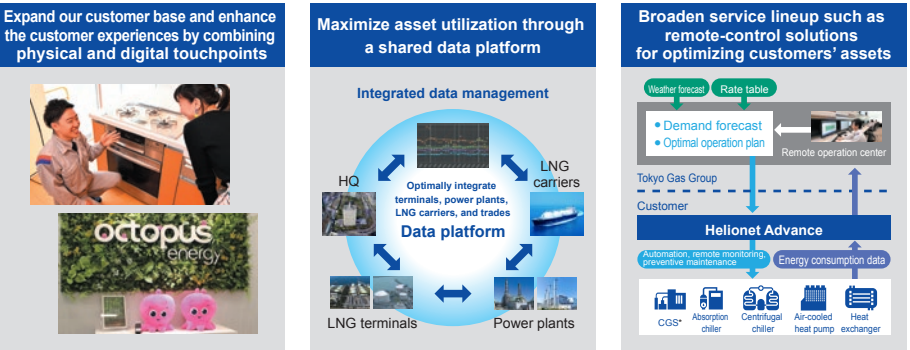
Highly flexible energy assets

We possess hard assets, including LNG storage tanks with a total storage capacity of 2.2 million tonnes; power generation facilities with a combined capacity of more than 2 GW, the largest among new power suppliers in Japan; district heating and cooling systems serving the largest number of customers in Japan; and shale gas assets representing more than 1% of U.S. natural gas production. Our soft assets include a diverse portfolio of LNG procurement contracts, together with energy consumption data and operational expertise.

Fuel Procurement and Transportation		Energy Production, Power Generation, and Supply	Energy Sales and Solutions
	North American shale gas assets 4th largest production in Haynesville area, more than 1 Bcf/d		LNG tanks 2.2 M-ton LNG storage capacity in Tokyo area, approx. 5% of global total
	LNG carriers Began operating carriers in 2003; in-house fleet comprises 12 vessels (including long-term chartered vessels)		LNG-fired power plants Operation of LNG-fired power plants with a combined capacity of more than 2 GW
			District heating & cooling/smart energy Japan's No. 1 district heating & cooling supplier; track record in smart energy network deployment
			Real estate Integrated development and operation of properties and energy systems

Competitive operational capabilities

We provide customer touchpoints through multiple channels, including more than 140 physical locations across the Tokyo metropolitan area and digital channels, serving 13 million gas and electricity customer accounts. We also leverage Kraken, our state-of-the-art customer information system (CIS), to enhance customer satisfaction. In addition, we have the capacity to receive approximately 250 LNG cargoes annually (around 5% of the global total) and are expanding trading profit opportunities through our proprietary trading systems. In our solutions business, we are Japan's No. 1 provider of energy services and outsourced facility operation, serving more than 1,000 customer sites nationwide. We also provide remote monitoring, control, and optimization services.



* CGS: Cogeneration System

Contents	
Introduction	
Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

ROIC Management and Business Portfolio Management

Full-scale Introduction of ROIC

Introduction of segment-specific ROIC management

To achieve the goals of the FY2026–2028 Medium-term Management Plan while driving sustainable growth and enhancing corporate value, we fully introduced return on invested capital (ROIC) as a management indicator in FY2026. Through ROIC management that takes into account the weighted average cost of capital (WACC), the cost of invested capital, we will strengthen the earning power of each business and promote management with a strong focus on improving capital efficiency.

Deployment across the organization and frontline operations

■ Introduction of Organization-specific ROIC Targets

We introduced ROIC targets for each internal company and key business subsidiaries based on the characteristics of their respective businesses and the FY2028 targets set out in the Medium-term Management Plan.

■ Translating ROIC Trees into Action

Alongside the full-scale introduction of ROIC, we have provided internal training to promote business management with a greater awareness of the cost of capital. We have also linked ROIC targets to our internal KPIs and will further strengthen ROIC initiatives by using ROIC trees tailored to each organization and business to translate these targets into concrete actions at the operational level.

Segment ROIC targets under the Medium-term Management Plan

(¥ Bn)

Business area	FY2028 plan		3-year WACC
	Invested capital	ROIC	
Energy (Gas & Electricity)	1,300	6.0%	3.0%
Solutions	410	5.0%	4.0%
Overseas (Parentheses: upstream only)	900	7.0% (9.0%)	8.0% (8.5%)
Urban Development (Includes profits from sale of real estate)	310	8.0%	4.0%
Company-wide	3,020	5.0%	3.5%

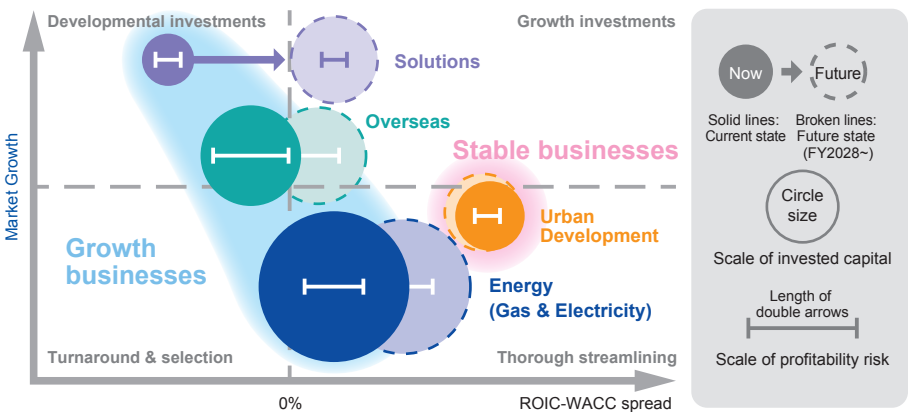
Note: The total of each segment's invested capital might not equal the Company-wide total. Excludes the effects of the application of new lease accounting standards.

Thorough Portfolio Management

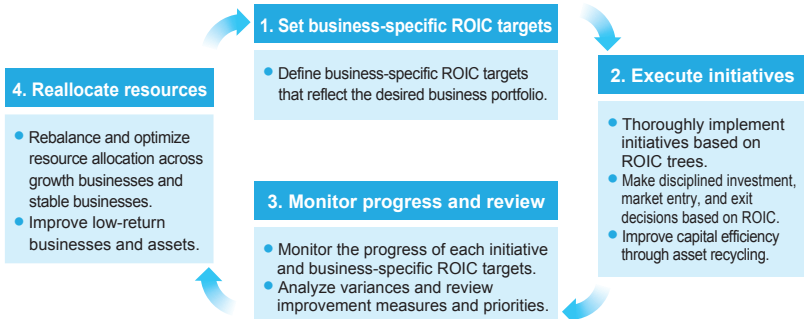
Achieving an optimal portfolio through disciplined resource allocation based on ROIC

While rigorously improving the profitability of each business through ROIC management, we will also apply disciplined resource allocation by using the ROIC-WACC spread as a key criterion for investment evaluation, market entry and exit, and asset portfolio optimization. We will prioritize the allocation of management resources to businesses with strong profitability and growth potential while improving or restructuring businesses and assets that do not generate returns commensurate with their cost of capital. By optimizing the balance between businesses that provide a stable earnings base and those that will drive future growth, we aim to build a business portfolio that achieves both sustainable earnings growth and improved capital efficiency.

■ Business Portfolio Based on the ROIC-WACC Spread



■ Advanced Business Portfolio Management Cycle Based on the ROIC-WACC Spread



Introduction	Contents
	Overview of the FY2026–2028 Medium-term Management Plan 15
	Business Environment and Market Trends 16
CEO's Message	The Tokyo Gas Group's Strengths 17
	ROIC Management and Business Portfolio Management 18
	Business Strategy
	Energy Business (Gas) 19
	Energy Business (Electricity) 20
	Solutions Business (Residential business) 21
	Solutions Business (C&I business) 22
	Overseas Business 23
	Urban Development Business 24
	Financial Strategy 25

CFO's Message	
Initiatives for Sustainable Growth	
Corporate Governance	
Data	

ROIC target (FY2028): **6.0%**

[WACC] **3.0%**

Segment profit target (FY2028): **¥109 Bn**

Gas

Strengths that generate a competitive advantage

- One of Japan's largest customer bases, comprising more than 8.8 million customers primarily in the Tokyo metropolitan area
- Energy assets, including LNG terminals and LNG carriers
- Procurement capabilities centered on long-term contracts; supply-demand balancing capabilities through the integrated operation of LNG terminals, vessels, and sales; and LNG trading capabilities
- Stable supply and profitability achieved through the optimization of operations using DX

Revenue structure

- Stable earnings underpinned by city gas sales
- Growing LNG trading earnings through the flexible use of assets
- Thorough cost reductions by leveraging economies of scale, DX, and other measures

Business expansion opportunities

- Growth in global LNG demand, increased domestic demand from data centers, and demand for fuel switching in industrial applications
- Capture of new demand driven by decarbonization needs through the widespread adoption of carbon-neutral gas
- Expansion of earnings opportunities by extending operations beyond the Tokyo metropolitan area, increasing wholesale sales, and promoting global LNG trading

Business risks

- Earnings volatility arising from geopolitical risks, fluctuations in foreign exchange rates, commodity prices, and LNG market prices
- Supply disruptions resulting from procurement constraints or damage to production and supply facilities caused by major natural disasters
- Higher customer acquisition costs and customer churn resulting from intensifying retail competition
- Declining gas demand due to medium- to long-term changes in the business environment, including demographic trends, electrification, and climate change

Key indicator

LNG trading volume: **5 M tonnes** (FY2030)

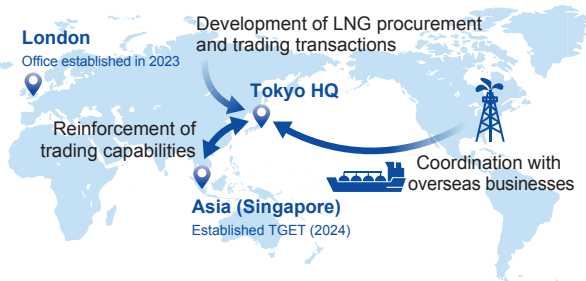
Enhancing supply stability and diversifying procurement

We place the highest priority on ensuring a stable energy supply as a provider of critical social infrastructure and are advancing the diversification of our LNG procurement sources, contract structures, and logistics. By strengthening our procurement portfolio, centered on long-term contracts, we have established a procurement structure that does not rely on any single region, including the Strait of Hormuz. Going forward, we will continue to optimize the integrated operation of our LNG terminals, LNG carriers, and sales activities to respond effectively to an increasingly uncertain market environment.

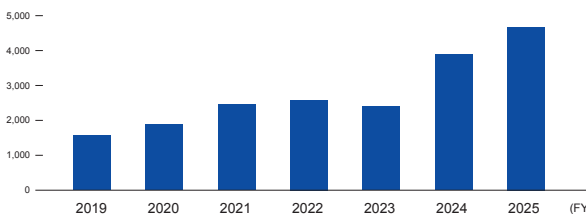
Expanding earnings through LNG trading

We are expanding our global LNG trading business through TG Energy Trading, established in Singapore in 2024. By leveraging the operational flexibility of our LNG assets, including LNG storage tanks with a total capacity of 2.2

Expansion of LNG trading



LNG trading volume (1,000 t)



million tonnes (approximately 5% of the global total) and LNG carriers, together with the optionality embedded in our LNG procurement contracts, such as volume and shipping arrangements, we maximize profit through our unique Asset Optimization & Trading (AO&T) capabilities. We aim to increase LNG trading volume to 5 million tonnes by FY2030.

Strengthening earnings

We will strengthen our earnings by thoroughly reducing costs through value engineering and system optimization using digital transformation (DX), while enhancing profitability by providing pricing plans tailored to customers' needs.

Strengthening infrastructure resilience

To ensure the safe and reliable supply of city gas, we will continue to maintain, repair, and renew our supply infrastructure in a planned manner. At the same time, we will strengthen resilience through initiatives such as the wider deployment of smart meters, while advancing both safety and operational efficiency.

Advancing the adoption of carbon-neutral gas

To meet customers' decarbonization needs with solutions that can be deployed in the near term, we will accelerate the supply of imported biomethane while promoting the adoption of carbon-neutral gases, including e-methane and biomethane.

Main Actions for FY2025

- ✓ Signed a new LNG procurement agreement with an LNG liquefaction terminal operated by Venture Global in the United States
- ✓ Reached Japan's first agreement to supply city gas produced from imported biomethane (RNG)
- ✓ Jointly advancing an e-methane project in Manitoba, Canada, with Teralta
- ✓ Completed the replacement of gray cast iron pipes in February 2026

Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

ROIC target (FY2028): **6.0%**

[WACC] **3.0%**

Segment profit target (FY2028): **¥109 Bn**

Electricity

Strengths that generate a competitive advantage

- Japan's largest customer base among new power suppliers, supported by digital marketing capabilities
- Optimization of electricity supply and demand and trading through AI, leveraging supply and balancing capacity from a combination of LNG-fired power generation, storage batteries, and other resources
- Integrated monetization of electricity sales, power generation, and balancing capacity by combining customer touchpoints, power source development, and trading capabilities

Revenue structure

- Maximizing revenue per customer through cross-selling with gas services, customer management using Kraken, and initiatives to increase customer lifetime value (LTV)
- Generating earnings by optimizing the operation of diverse resources, including LNG-fired power generation and storage batteries, across multiple markets, including the wholesale electricity market, capacity market, and balancing market
- Expanding value-added earnings through offerings that meet customers' decarbonization needs, including power purchase agreements (PPAs) and effectively renewable electricity

Business expansion opportunities

- Growing electricity demand driven by data centers, semiconductor manufacturing facilities, and other high-power users
- Increasing demand for balancing capacity as aging thermal power plants are retired and renewable energy adoption expands
- Growing demand for renewable electricity, non-fossil energy certificates, and PPAs driven by corporate decarbonization initiatives

Business risks

- Higher procurement costs resulting from fluctuations in electricity market prices, fuel prices, and tightening supply-demand conditions
- Increased market volatility associated with the expansion of renewable energy
- Higher customer acquisition costs and increased customer churn resulting from intensifying retail competition

Key indicator

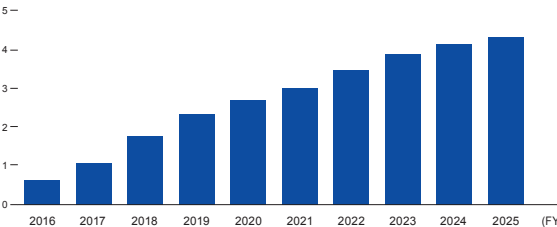
Electricity customer base: **4.33 M customer accounts** (FY2025)

➔ **5.20 M customer accounts** (FY2028)

Expanding the electricity customer base

In our electric power business, we aim to expand our electricity customer base to 5.2 million by FY2028 through cross-selling to our gas customer base and digital marketing initiatives. Building on the customer acquisition capabilities we have developed since the liberalization of Japan's electricity retail market, we will combine customer management using Kraken with more sophisticated pricing plans to enhance both the customer experience and profitability. In addition to strengthening our presence in the Tokyo metropolitan area, we will expand digital customer acquisition beyond our existing service area to build a larger and more stable retail customer base. We will also broaden our portfolio of decarbonization offerings, including off-site corporate PPAs, to meet growing demand for environmental value while further expanding our customer base.

Electricity retail customers (million accounts)



Expanding power generation capacity and balancing resources

To meet growing electricity demand, we are advancing the construction of the Chiba Sodegaura Power Plant, which is scheduled to commence operations in phases beginning in March 2030, thereby expanding the supply capacity needed to ensure a stable electricity supply. In addition, to address output variability from growing renewable energy and the need to balance capacity, we will expand the scale of our grid-scale battery storage operations, securing 1 GW in FY2026 and aiming to reach approximately 2 GW in the early 2030s. We now expect to achieve our FY2030 target of securing 1 GW of battery energy storage capacity by FY2028. By combining thermal power generation, renewable energy, and battery energy storage, we will achieve both a stable electricity supply and enhanced profitability.

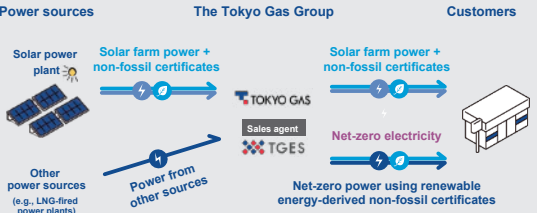
Enhancing power trading capabilities

We will maximize revenue across the wholesale electricity market, capacity market, and balancing market by optimizing the operation of diverse resources, including LNG-fired power generation and battery energy storage, across multiple markets. We will also enhance supply-demand operations by improving the accuracy of demand, power generation, and market price forecasts using AI.

— Providing environmental value through corporate PPAs —

An off-site corporate PPA is a mechanism through which electricity and the associated non-fossil environmental value generated at solar power plants and other renewable energy facilities located away from a customer's site are supplied via the transmission and distribution network. This enables customers to use effectively renewable electricity on a long-term, stable basis without installing generation facilities on their own premises. We will capitalize on the growing opportunity presented by the expansion of renewable energy by promoting the adoption of off-site corporate PPAs while addressing customers' needs for environmental value and the challenges associated with installing renewable energy facilities.

Supply of carbon-neutral power using an off-site corporate PPA



Main Actions for FY2025

- ✓ Expanded our electricity customer base to 4.3 million customer accounts
- ✓ Commenced commercial operation of one of Japan's largest dedicated biomass power plants
- ✓ Steadily expanded battery energy storage capacity (through in-house development, offtake agreements, and operation and maintenance services)
- ✓ Implemented an on-site and virtual PPA utilizing thin, lightweight solar panels at Mitsui Home's Saitama plant
- ✓ Implemented off-site corporate PPAs at nine Life Corporation stores in the Tokyo metropolitan area

Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

ROIC target (FY2028): 5.0%

[WACC] 4.0%

Segment profit target (FY2028): ¥28 Bn

Residential business

Strengths that generate a competitive advantage

- A customer base of more than 8.8 million gas customers and more than 4.3 million electricity customers, together with digital customer touchpoints through myTOKYOGAS and other platforms
- Extensive physical customer touchpoints through Tokyo Gas LIFEVAL, supported by a nationwide installation, maintenance, and field service network
- One-stop solutions spanning residential equipment, solar power systems, battery energy storage systems, house cleaning, and other services

Revenue structure

- Stable flow revenue from equipment sales for new homes and through customer channels such as Tokyo Gas LIFEVAL, complemented by recurring revenue from maintenance services, house cleaning, and solar power and battery energy storage services
- Increased revenue per customer through cross-selling and maximizing LTV
- Expanded earnings through the further enhancement of wholesale functions and the integration of installation capabilities

Business expansion opportunities

- Expand opportunities as a “company for everyday living” that goes beyond energy
 - Growth in the markets for distributed energy solutions, including solar power and battery energy storage systems, as well as equipment replacement and renovation for existing homes
 - Growing demand for energy conservation, decarbonization, resilience, and improved time efficiency
- Expand our market from the Tokyo metropolitan area to customers nationwide

Business risks

- Constraints on installation capacity due to shortages of skilled installation personnel, rising material costs, and seasonal fluctuations in demand
- Intensifying competition from e-commerce businesses and residential equipment providers

Key indicator
Residential equipment solutions sales:
¥90 Bn (FY2025) ➔ ¥110 Bn (FY2028)

Accelerating the growth of residential services

In our residential solutions business, we will leverage the customer base and physical customer touchpoints we have built through our gas and electricity businesses as we evolve into a company for everyday living that goes beyond energy. In the solar power and battery energy storage business, we will deliver decarbonization and resilience value through IGNITURE Solar, which reduces customers’ up-front costs. Going beyond equipment installation, we will expand into the remote control of battery energy storage systems and participation in electricity markets, establishing the foundation for a distributed energy business.

Reforming the revenue structure of the residential equipment replacement business

In addition to gas appliances such as water heaters and cooktops, we will expand our product lineup to include toilets, air conditioners, and interior window renovation solutions. By combining the convenience of an online platform that enables customers to obtain quotations, schedule installations, and complete payments with the high quality of installation services backed by the Tokyo Gas brand, we will deliver customer experience that offers both convenience and peace of mind. We will also rebuild our earnings base by streamlining commercial and logistics operations, optimizing pricing, and introducing a construction management system.

Achieving operational excellence through installation capabilities and DX

Alongside the acquisition of installation companies as subsidiaries, we are enhancing installation quality and expanding installation capacity by developing and retaining installation personnel, including those at partner installation companies, through training programs at our installation training center, which opened in August 2024 and combines hands-on and digital learning using tablet devices and GoPro cameras. Leveraging insights gained through our physical customer touchpoints together with online behavior, purchasing, and installation data, we will optimize customer proposals, balance workloads between peak and off-peak periods, and automate operations.

Training at the installation training center

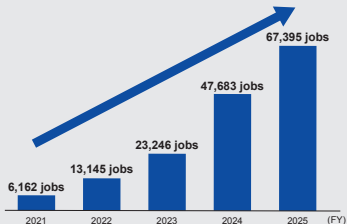


Driving high growth in house cleaning services

By combining physical and digital strengths, including the convenience of a fully online ordering process, the technical expertise and customer service skills of our staff, and trust in the Tokyo Gas brand, our house cleaning business has grown to rank No. 3 in usage in the Tokyo metropolitan area.* By meeting customers’ needs to reduce the burden of housework and make more effective use of their time, we will continue to expand the business while enhancing the value we provide as a lifestyle service, building on our high level of customer satisfaction.



Growth in the house cleaning business



* Internet survey conducted by Macromill (December 17–18, 2025) among 1,030 men and women aged 20–79 residing in Tokyo and the three surrounding prefectures who used house cleaning services in 2024 or 2025. Covers companies offering services that use specialized equipment to clean air conditioners, kitchens, bathrooms, and other areas. House cleaning matching platforms are excluded.

Main Actions for FY2025

- ✓ Launched IGNITURE GX Pack M, a decarbonization solution package integrating solar power generation and battery storage for newly built apartment buildings
- ✓ Launched comprehensive home appliance support, which includes repair coverage for home appliances and smartphones
- ✓ Enhanced AI-powered analysis of customer feedback
- ✓ Made Yokoyama, a residential equipment wholesaler, a subsidiary
- ✓ Opened and began testing a physical location for a fitness business as part of efforts to develop new services for younger customers

Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

ROIC target (FY2028): 5.0%

[WACC] 4.0%

Segment profit target (FY2028): ¥28 Bn

C&I business

Strengths that generate a competitive advantage

- More than 1,000 energy service projects nationwide* and Japan's leading energy service provider
- An end-to-end service model spanning facility installation, operation, maintenance, energy management, and decarbonization proposals, supported by decades of accumulated operational data and user expertise
- Ability to propose optimal solutions based on a broad portfolio of GX solutions, including environmental consulting, energy conservation, renewable energy, and carbon offset services
- In addition to leveraging accumulated energy and facility data, we are also rolling out DX solutions, including AI-based optimization and control

* We design and own customer facilities and provide remote monitoring, operational optimization, maintenance, and other operational support.

Revenue structure

- Achieving both higher earnings and improved capital efficiency through recurring revenue from energy services and near-term earnings from engineering projects that require no investment
- Expanding sales by broadening products, services, and geographic reach
- Cross-selling GX and DX solutions, primarily to existing customers, and maximizing lifetime value (LTV)

Business expansion opportunities

- Growing demand for distributed power sources and resilience solutions, particularly from data centers
- Increasing demand for decarbonization-related disclosure and investment in response to the SSBJ Standards, the GX-ETS, and other developments
- Increasing demand for investment in DX, including AI, to address labor shortages and improve productivity and competitiveness
- Growing demand for energy services overseas, particularly in North America

Business risks

- Sensitivity of capital investment to economic conditions, as well as rising construction and labor costs
- Reduced competitiveness of existing solutions due to technological advances and other factors
- Changes in customer demand for decarbonization investments and related solutions resulting from changes in regulations and government policies

Key indicator

Revenue: ¥230 Bn (FY2025) → ¥280 Bn (FY2028)

Expanding into high-growth markets

Building on the extensive track record and operational expertise we have accumulated over many years, we are expanding our solutions business across Japan and overseas. In Japan, we will demonstrate the value of our hybrid power solutions for data centers and other high-growth markets by deploying solutions that combine cogeneration systems (CGS), renewable energy, and facility management.

Integrated GX solutions

As many companies have set interim targets for 2030, the focus is shifting from disclosure to investment in emissions reduction. We will provide integrated GX solutions tailored to each customer's needs, helping them accelerate decarbonization while enhancing our own profitability. We will also expand our demand response and virtual power plant initiatives by aggregating customer resources to help stabilize power supply and demand across increasingly important electricity markets.

Optimizing energy use through AI

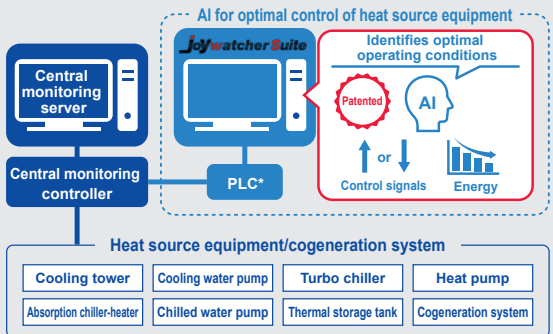
Leveraging the operational data we have accumulated from district heating and cooling facilities, cogeneration systems, gas air conditioning, electric air conditioning, and other systems, we have commercialized our AI for optimal control of heat source equipment, which uses our proprietary algorithms to identify optimal operating conditions. Starting with equipment optimization, we will expand DX solutions that enhance productivity and competitiveness in the commercial building and manufacturing sectors.

Case study: AI for optimal control of heat source equipment

In FY2025, we deployed our AI for optimal control of heat source equipment at TAKANAWA GATEWAY CITY. Using JoyWatcherSuite, the SCADA software we developed and market, we collect operational data from heat source

equipment, enabling the AI to deliver further reductions in CO₂ emissions and operating costs. This marks the first deployment of its kind at a newly constructed district heating and cooling facility in Japan.

AI for optimal control of heat source equipment at TAKANAWA GATEWAY CITY



* PLC: Programmable Logic Controller. Collects data such as flow rates and temperatures and transmits control signals to the central monitoring system.

Energy center central monitoring room



Image courtesy of Station City Energy Create Co., Ltd.

Main Actions for FY2025

- ✓ Deployed on-site and virtual PPAs utilizing Japan's first lightweight solar panels
- ✓ Launched an optimal operation service for high-voltage battery energy storage systems
- ✓ Commercialized a Joint Crediting Mechanism (JCM) project in the Philippines to reduce methane emissions from rice paddies
- ✓ Deployed a CO₂ utilization service and AI for optimal control of heat source equipment at TAKANAWA GATEWAY CITY
- ✓ Signed partnership agreements with 93 municipalities (as of the end of FY2025)

Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

Overseas Business

ROIC target (FY2028): **7.0%**
[WACC] **8.0%**
Segment profit target (FY2028): **¥79 Bn**

Strengths that generate a competitive advantage

- Stable management and operation of energy infrastructure, including LNG terminals and power plants, backed by extensive LNG expertise and know-how
- Low-cost operations and high productivity supported by high-quality shale gas assets in North America (ranked fourth in the Haynesville region, with production exceeding 1 Bcf/d) and a local management team with extensive upstream expertise
- Proven track record in gas and LNG-related businesses across Asia Pacific
- Strong financial credibility

Revenue structure

- Profit primarily driven by shale gas sales in North America
- Diversifying and expanding earnings in North America by leveraging the shale gas business to expand into midstream and downstream businesses
- Securing stable medium- to long-term earnings in Asia Pacific, centered on LNG terminals

Business expansion opportunities

- Growing energy demand in North America driven by economic growth, data center expansion, and increased LNG production
- Growing demand for energy, including LNG, in Asia Pacific driven by economic growth

Business risks

- Earnings impact from fluctuations in commodity prices, foreign exchange rates, and interest rates, as well as rising inflation
- Business disruption, increased costs, and asset impairment resulting from geopolitical and country risks, as well as overseas regulations and business practices

Key indicator

Shale gas production: Maintain production of more than **1 Bcf/d**

Enhancing the profitability of the North American shale gas business

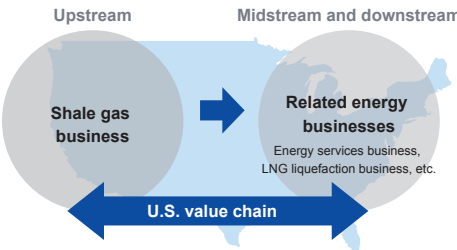
We will further enhance the profitability of the North American shale gas business, the primary earnings driver of our overseas business. At TG Natural Resources (TGNR), which became our wholly owned subsidiary, we are leveraging our geographically concentrated acreage to operate efficiently. While maintaining production of more than 1 Bcf/d, we will pursue further efficiencies in development and other operations to achieve low-cost operation at approximately \$2/MMBtu. On the sales side, we will use hedging flexibly while strengthening our marketing capabilities to stabilize and expand earnings.

TGNR's competitive advantages

Scale	Production volume	Fourth-largest producer in the Haynesville region (Equivalent to approximately 10 million tonnes of LNG per year)
	Operational capabilities	Higher production per unit of well lateral length than competitors
Quality	Environmental performance	Methane emissions intensity (2024): 0.11%* (Haynesville regional average, 2024: 0.49%**)

* Calculated based on data published in the TGNR Sustainability Report.
** Source: S&P Global, All over the map: Basin-level methane metrics reveal uneven US gas performance ahead of EU regulations.

Expanding the U.S. value chain



Expanding the value chain from upstream to midstream and downstream

We will expand and stabilize earnings by participating in midstream and downstream businesses that enable us to capture opportunities arising from growing energy demand in North America and increasing U.S. LNG production. Building on our North American shale gas business, we will also develop a global LNG value chain to expand earnings opportunities while mitigating exposure to price volatility.

Expanding the LNG infrastructure business in Asia Pacific

In Asia Pacific, where LNG demand is growing, we will work with leading local companies to develop value chains centered on LNG receiving terminals. We will apply the knowledge gained to subsequent projects and secure stable medium- to long-term earnings in midstream and downstream businesses, including LNG-to-power and gas distribution.

Philippines: LNG receiving terminal business



Main Actions for FY2025

- ✓ Made TGNR a wholly owned subsidiary
- ✓ TGNR divested its interest in a gas exploration and production company (non-core acreage with peak development completed)
- ✓ Signed a virtual PPA with Kuraray America, Inc. using power generated by the Aktina Solar Power Plant in the United States
- ✓ Agreed to sell a natural gas-fired power generation business in Pennsylvania, U.S. (announced in FY2026)
- ✓ Participated in the Vinh Long Province nearshore wind power project in Vietnam
- ✓ Signed a joint development agreement for an LNG receiving terminal development project in Malaysia (announced in FY2026)

Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

Urban Development Business

ROIC target (FY2028): 8.0%

[WACC] 4.0%

Segment profit target (FY2028): ¥35 Bn

Includes gains and losses on the sale of real estate

Strengths that generate a competitive advantage

- High-quality real estate portfolio in the Tokyo metropolitan area
- Extensive track record and technical expertise in building maintenance and management
- Integrated development and operation of real estate and energy systems, creating value through environmental performance, resilience, and comfort
- Integrated development with smart energy networks and district heating and cooling systems, creating value unique to the Tokyo Gas Group

Revenue structure

- Stable earnings underpinned by income gains, including rental income from properties held
- Capital gains generated through a circular business model encompassing property acquisition, development, value enhancement, and sale
- Fee income from building management and private REIT management services
- Generate gains from the sale of residential properties and land in Australia

Business expansion opportunities

- Growth potential in the high-value-added rental housing business in the Tokyo metropolitan area
- Growing demand for real estate that emphasizes environmental performance and community
- Population growth and rising housing demand in Australia

Business risks

- Decline in asset values due to a downturn in the real estate market, rising interest rates, or higher capitalization rates
- Rising construction and building maintenance costs

Key indicator

Cumulative property sales under the circular

business model (FY2026–2028): ¥70 Bn

Expanding the leasing business and advancing large-scale redevelopment projects

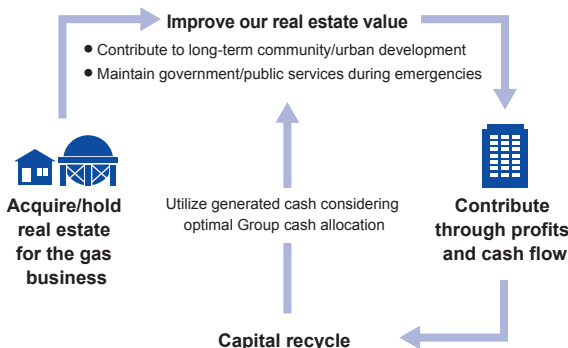
We will enhance asset value by optimizing our portfolio of high-quality leasing properties in the Tokyo metropolitan area, including Shinjuku Park Tower and msb Tamachi, while implementing our Corporate Real Estate (CRE) strategy to consolidate Group business locations and maximize the value of our real estate assets through property sales and leasing to third parties. We will also leverage synergies with the smart energy networks developed under IGNITURE to advance environmentally sustainable and resilient communities through the Yaesu 1-Chome North District redevelopment project and the Shin-Toyosu area, thereby expanding our stable earnings base.

Expanding capital recycling through the circular business model

We will expand capital recycling by accelerating capital recovery through the sale of existing properties and reinvesting in properties with higher profit potential, thereby generating cash flows that support stable, sustainable growth. Through our circular business model, under which properties we develop are incorporated into private REITs (with cumulative property sales of ¥70 billion over FY2026–2028), we will generate capital gains, shift assets off the balance sheet, and increase asset management fees.

We will also develop and market residential properties in Australia in partnership with leading local companies, including Cedar Woods and Peet, where housing shortages have become a social issue amid continued population growth.

Real estate value creation cycle



Staria Isogo (Logistics Facility) completed in March 2026



Main Actions for FY2025

- ✓ Completed LATIERRA Academico Kitasenju
- ✓ Completed Fuu Oimachi by LATIERRA, a rental residence with shared amenities
- ✓ Advanced the Yaesu 1-Chome North District and Shin-Toyosu redevelopment projects
- ✓ Advanced asset replacement and development plans to expand the leasing business and circular business model
- ✓ Reopened Park Hyatt Tokyo following its renovation

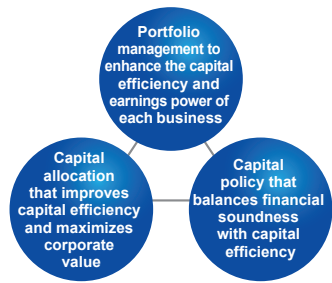
Contents

Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

Financial Strategy

Financial Strategy under the FY2026–2028 Medium-term Management Plan

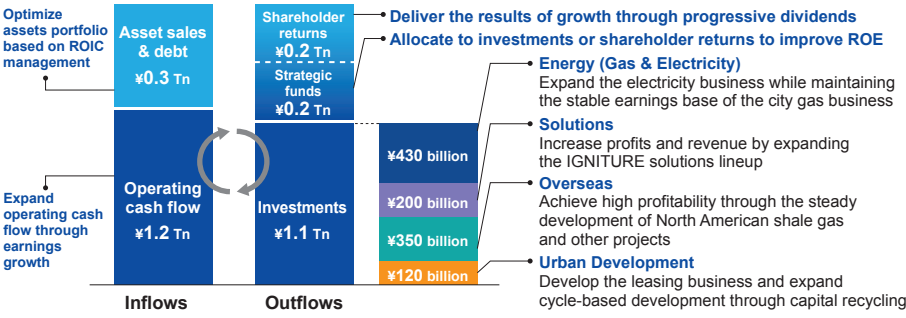
Reflecting our dialogue with the capital markets, we have positioned an ROE of 9%—a level that exceeds our cost of equity—as our most important management indicator. To achieve this target, our financial strategy is built on three pillars: (1) portfolio management to enhance the capital efficiency and earnings power of each business; (2) capital allocation that improves capital efficiency and maximizes corporate value; and (3) a capital policy that balances financial soundness with capital efficiency.



ROIC Management and Business Portfolio Management P.18

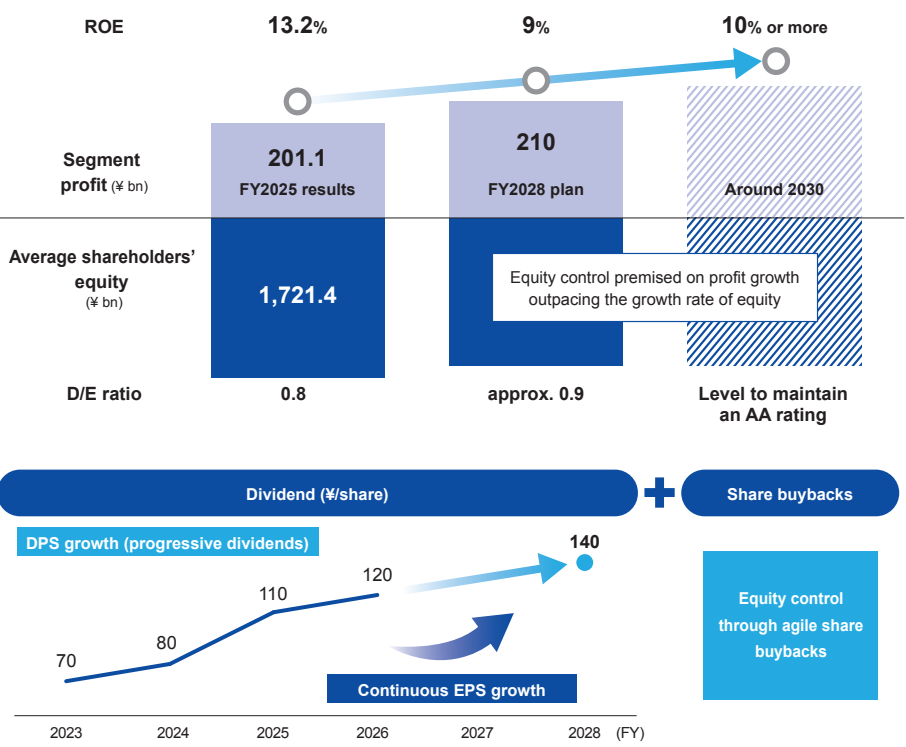
Cash Allocation

We will rigorously allocate capital to enhance capital efficiency and maximize corporate value, taking into account profit levels, progress in asset sales, and growth investment opportunities. In addition to generating operating cash flow through profit growth, we will generate cumulative cash inflows of ¥1.5 trillion over the three-year period by applying ROIC management to optimize our business portfolio and asset base, including the divestiture of inefficient assets. We will allocate this cash to ¥1.1 trillion in investments for sustainable growth, shareholder returns of at least ¥200 billion, and ¥200 billion in strategic cash allowance. Strategic funding will be allocated to growth investments if opportunities are available that are expected to contribute to ROE and ROIC over the medium to long term; otherwise, it will be allocated to shareholder returns, thereby maximizing shareholder value. With strict investment discipline, we will carefully select and execute investments that support profit growth, improve capital efficiency, and maintain a stable earnings base.



Capital Policy and Shareholder Returns

With respect to our capital structure, we will maintain the financial soundness required of an AA-rated domestic issuer to preserve the financial flexibility needed to manage the risks inherent in our business as an energy infrastructure company. Within this framework, we will increase leverage to reduce our cost of capital by maintaining an appropriate balance between debt and equity, targeting a debt-to-equity (D/E) ratio of approximately 0.9. This approach will enable us to achieve both financial soundness and capital efficiency, thereby supporting improvements in ROE. For shareholder returns, we will provide stable returns by sharing the benefits of growth through progressive dividends and plan to increase the annual dividend to ¥140 per share by FY2028. In addition, we will conduct share buybacks while maintaining a D/E ratio of approximately 0.9 to improve capital efficiency, thereby driving EPS growth and enhancing ROE.



Contents	
Overview of the FY2026–2028 Medium-term Management Plan	15
Business Environment and Market Trends	16
The Tokyo Gas Group's Strengths	17
ROIC Management and Business Portfolio Management	18
Business Strategy	
Energy Business (Gas)	19
Energy Business (Electricity)	20
Solutions Business (Residential business)	21
Solutions Business (C&I business)	22
Overseas Business	23
Urban Development Business	24
Financial Strategy	25

Introduction
CEO's Message
Growth Strategy (FY2026–2028 Medium-term Management Plan)
CFO's Message
Initiatives for Sustainable Growth
Corporate Governance
Data