Action Policy Toward Continuous Corporate Value Enhancement

FY2025 marks our 140th anniversary and the final year of our current Medium-Term Management Plan (MTMP). As we reach this milestone, we are reaffirming our commitment to continuous corporate value enhancement.

We recognize the importance of addressing to the concerns from our investors as to whether we are capable of achieving our ROE target of 8% in FY2025, taking into consideration of current FY2024 financial outlook and the fact that our PBR had been below 1.0x since FY2020.

Since the announcement of current MTMP, we have accelerated our efforts to enhance corporate value. On January 31, we clearly committed to achieving a ROE of 8% in FY2025 and demonstrated our willingness to aim for an ROE exceeding 10% around FY2030. With this announcement, we hope that we have made clear that we regard capital efficiency as the most important financial metric. We also promised to present our key themes for the next MTMP by the end of March, and we are committed to prioritizing dialogue with stakeholders as we formulate our next MTMP.

Achieving high ROE targets is challenging, as we require intensive infrastructure and assets to enable stable and resilient infrastructure service. However, we believe we can achieve these targets by leveraging our solid domestic customer base and assets to enhance the profitability and asset value of our existing businesses. Additionally, we believe expanding into adjacent business fields and interconnecting our businesses to create new value will better position us to achieve our targets. Domestically, we aim to increase corporate value by cross-selling gas, electricity, and solutions to our customer base, further strengthening the customer base itself, and converting existing real estate assets in our urban development business, integrating building and energy system development/operation. Internationally, we will focus on ensuring profitability in our shale gas business while expanding into mid/downstream operations in the U.S. and LNG trading worldwide. Furthermore, strengthening resilience of existing infrastructure, working toward carbon neutrality, and adapting to the digital society are also crucial missions that support these efforts.

Growth investments are essential for continuous value creation, and we are strengthening our investment discipline and elevating our investment strategies. For example, in the shale gas business, we learned from past experiences to invest in a U.S. shale company with management familiar with local operations, strengthen governance, and gradually acquire a majority stake. This has allowed us to execute advanced area strategies and expansion investments. As a result, our shale gas business is expected to become a major profit pillar in FY2025.

Under the current MTMP, our financial strategy, which is instrumental for our growth, includes a highly flexible capital return policy. This policy includes a baseline target total return ratio of 40%, with room for opportunistic increases beyond that target as appropriate. To maintain capital efficiency, we are conducting significant share buybacks in FY2025, as we did in FY2024, to reverse the increase in equity from strong performance over the past two years to appropriate levels. We aim to enhance corporate value through this dual approach of steady growth investments and appropriate capital policies.

With this announcement, we hope to convey our plan to deliver continuous corporate value enhancement, earning the trust of our stakeholders and securing your support over the medium- to long-term.

March 26, 2025

TOKYO GAS CO., LTD

Representative Corporate Executive Officer, President and CEO

SASAYAMA Shinichi

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Action Policy Toward Continuous Corporate Value Enhancement

March 26, 2025

TOKYO GAS

Executive Summary

- FY2025 marks the final year of our current Medium-Term Management Plan (MTMP) "Compass Transformation" which is an important milestone toward our Compass 2030 vision
- We announced, "**Working Toward Continuous Corporate Value Enhancement**" in January and promised to announce, "**initiatives to achieve a ROE of 8% in 2025**" and "**key themes for our next MTMP**"
- In this presentation, we will provide more detail on these initiatives and our growth story for 2030

Initiatives to achieve a ROE of 8% in 2025

FY25

Net Income target of JPY 131bn, with **buybacks up to JPY 120bn for 1H FY2025,** to achieve a ROE of 8%. Further buybacks to be determined based on company performance

Plans to **increase dividends by JPY 10/share at End FY2024**

Growth Story and Financial Policy for the Next MTMP

Strengths

Our solid domestic customer base (13M accounts between gas and electricity)

Our **domestic/overseas energy assets** built up with a focus on the gas business

Value

Enhance profitability and increase value of existing businesses/assets in three areas

Expand through disciplined investments and **create value by connecting each business**

Domestic Energy Solution

- Increase profitability by increasing customer spend and expanding our customer base
- Deploy assets to increase LNG trading

Urban Development

- Enhance real estate value by providing resiliency and reducing environmental impact
- Explore growth investments as long as standalone FCF is positive

Overseas

- Realize value by maintaining shale gas production volume and low-cost operations
- Expand into mid/downstream with shale gas being our core business

Finance

Engage in dialogue with our stakeholders to create the next MTMP

Continuously **examine the appropriate capital policy and shareholder returns** in consideration of necessity of an equity base control by ensuring that profit growth outpaces equity growth

Boost EPS through steady profit growth and agile buybacks, **realizing progressive dividend policy**

Initiatives to Achieve a ROE of 8% in 2025

Specific Initiatives to Achieve a ROE of 8%

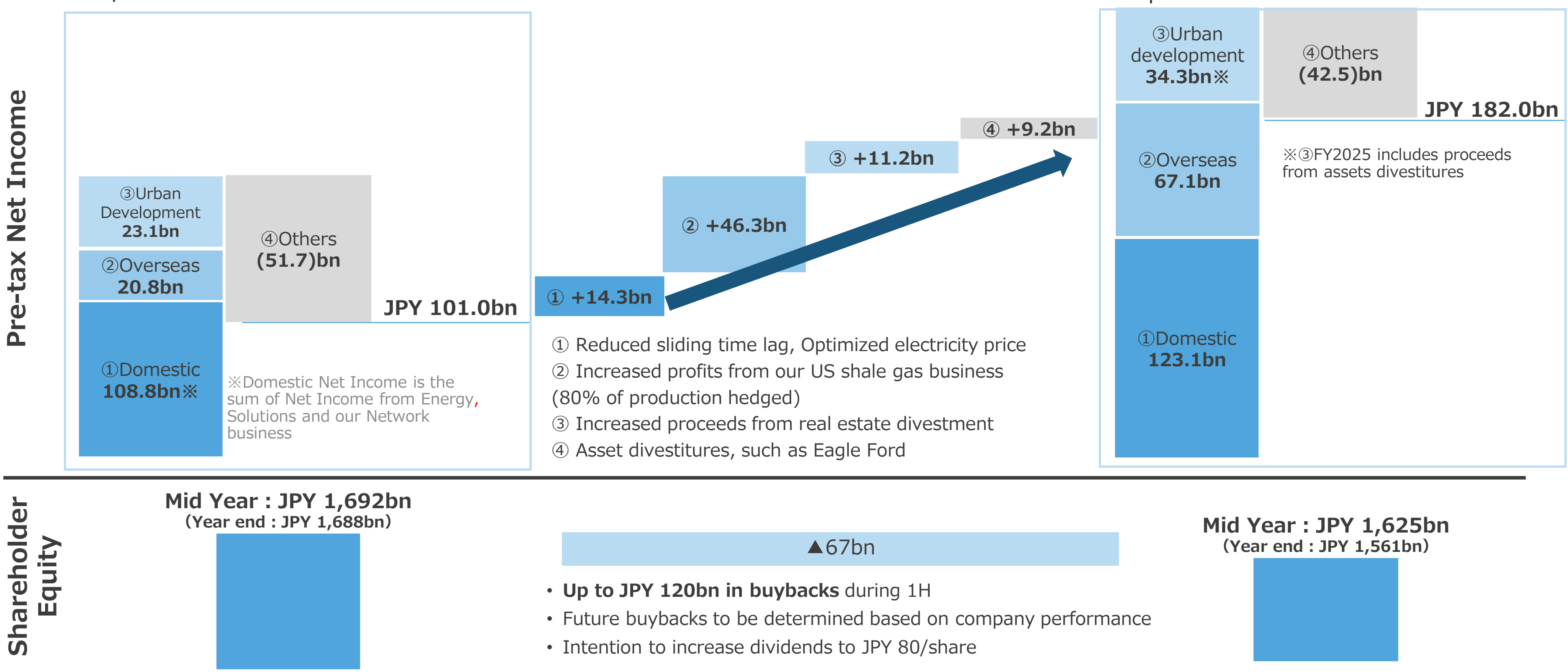
- Targeting a **Net Income of JPY 131bn** for FY2025
- **Completed JPY 120bn in buybacks in FY2024**, responding to growth in our equity base driven by strong financial performance. **Announcing a new buyback program up to JPY 120bn for 1H FY2025.** Future buybacks will be determined based on company performance
- **Dividends to be raised by JPY 10 to JPY 80/share at End FY2024**

FY2024 Outlook

Net Income	JPY 72bn
Shareholder Equity	JPY 1,692bn
ROE	4.3%
Capital Investments	JPY 390bn

2025 Projection※

Net Income	**JPY 131bn**
Shareholder Equity	**JPY 1,625bn**
ROE	**8.1%**
Capital Investments	**JPY 372bn**



※ Assumptions (approx. net income sensitivities): Oil at USD 75/bbl (-¥1.4bn/+$1), Henry Hub at USD 3.2/MMBtu (after hedge base $6mm/+$0.1), FX at JPY 150/USD (-¥0.7bn/ ¥1 depreciation)

Growth Story and Financial Policy for the Next MTMP

（Competitive Advantages of Tokyo Gas ）

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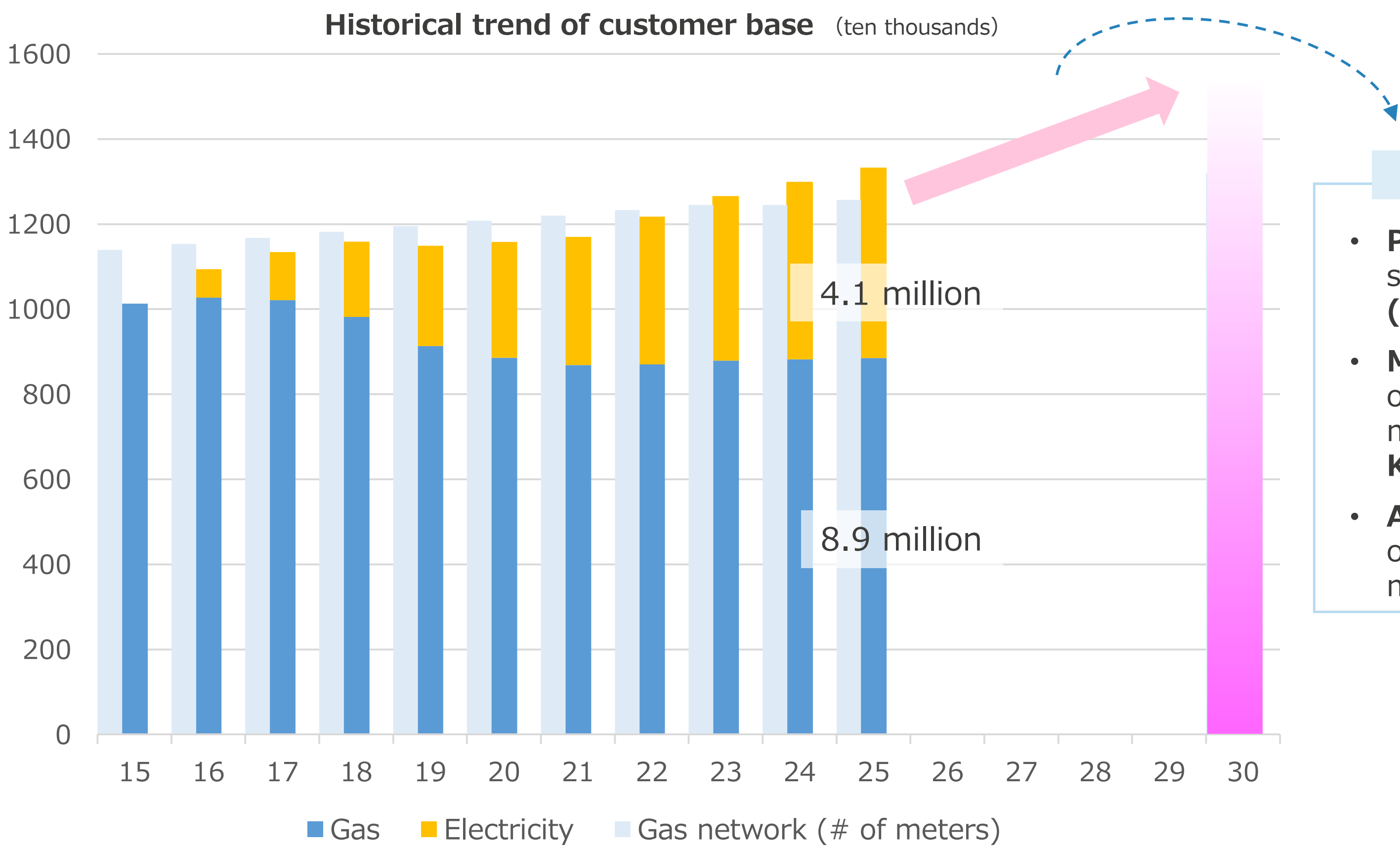
Strengthen and Expand Our Customer Base

- **Strong customer base of 13 million accounts**, servicing **one of the largest energy markets in the world**
- Despite a general decline in number of gas customers following the deregulation, our gas customer base has been on the rise since last year and **our overall customer base is expanding, driven by steady growth in electricity customers**
- We are **further strengthening our customer base** by expanding the product lineup, marketing channels, and sales area



Grow customer base

- **Product:** Expand our solution services lineup **(launched IGNITURE)**
- **Marketing**: Accelerate online sales and digital marketing **(Installing Kraken system)**
- **Area:** Expand Services outside the Tokyo metropolitan area

Business Expansion Leveraging Our Energy Assets

- **Natural gas remains a competitive product,** recognized as a **"critical energy source even in a post-carbon neutral era"** in the 7th Strategic Energy Plan of Japan
- Utilize our gas assets and customer base to expand our **electricity, urban development, and overseas business**
- Strengthen our businesses by **tackling issues such as resilience of infrastructure, carbon neutrality, and the digitization of society**

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Actively tackle social problems

- Resilience of infrastructure
- Carbon neutrality
- Digitization of society

- Enhance earthquake resistance and upgrade aging infrastructure
- **Achieve carbon neutrality** by leveraging our existing and new assets (e-methane, RNG, Renewables etc)
- **Increase digital touchpoints with our customers** and respond to changes in customer needs

- **Enhance profitability of existing businesses and increase value of owned assets** in each area
- **Expand through disciplined investments** and **create unique value by connecting each business** ※

※ Please refer Appendix for specific examples

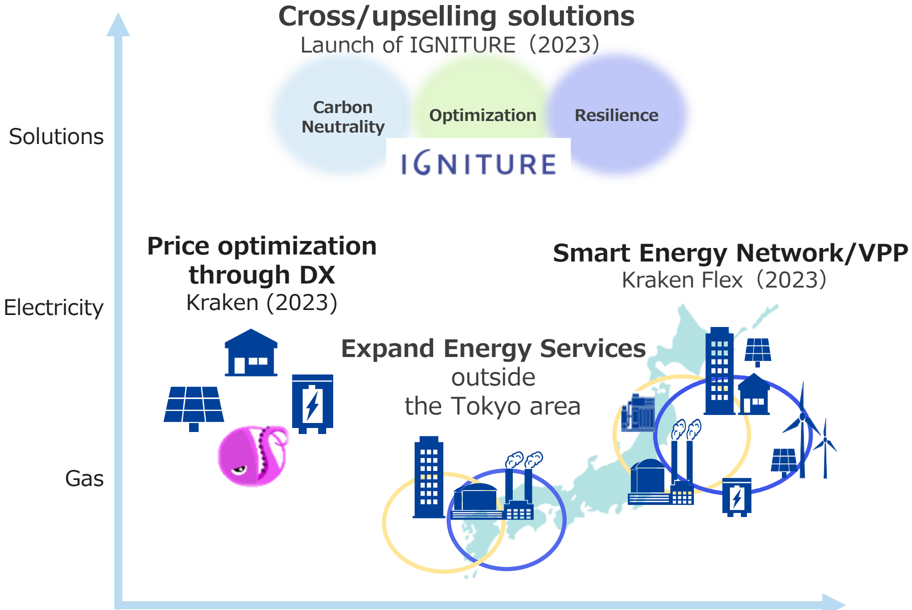
Growth Story and Financial Policy for the Next MTMP

(Business Growth Story)

Bolstering and Expanding Our Energy & Solutions Business

Improved Profitability	Boost profits by **increasing profit per customer** and **expanding our customer base** **Utilize digital marketing, cross-sell electricity and solutions,** and develop new accounts
Expansion	Drive new revenue streams in the **LNG trading and electricity markets**

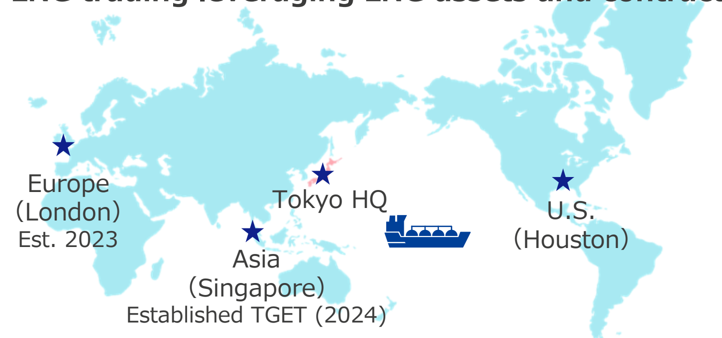
Increase profit per customer X expand customer base



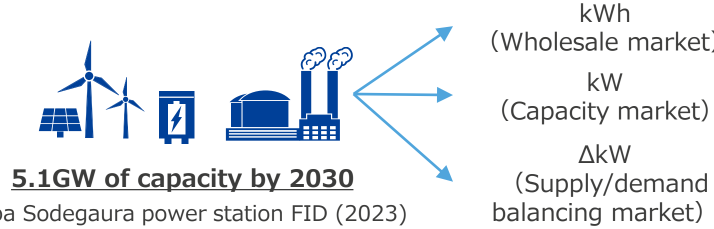
Create new opportunities by interconnecting customers

New revenue leveraging the optionality of our assets

LNG trading leveraging LNG assets and contracts



Power supply and adjustment capacity to earn in multiple electricity markets



5.1GW of capacity by 2030

Chiba Sodegaura power station FID (2023)

Profitability and scale

Profit from Gas/Electricity/Solutions, excluding sliding time lag.（Solutions excluding Urban development）

EBIT (JPY)	**115bn/year※** (Avg. for FY20-FY24)	▶	**130bn/year** (Target for FY25-FY30)

Cumulative capex (FY2026-FY2028) : **JPY 700bn~**

※Excludes FY22 due to increased commodity price volatility

Improving Urban Development Value Through Capital Recycling

Improved Profitability	Enhance real estate value by providing the community with increased resilience and reduced ESG impact
	Realize Synergies by **integrating building development/operations with energy systems**
Expansion	Improve profitability/capital efficiency by **balancing capital recycling and new investments** while **maintaining positive FCF**

The value enhancement cycle for urban development

Improve our real estate value

- Contribute to long term community/urban development
- Maintain government/public services during emergencies

Acquire/hold real state for the gas business

Utilize generated cash considering optimal TG group cash allocation

Contribute through profits and cash flow

Capital Recycle

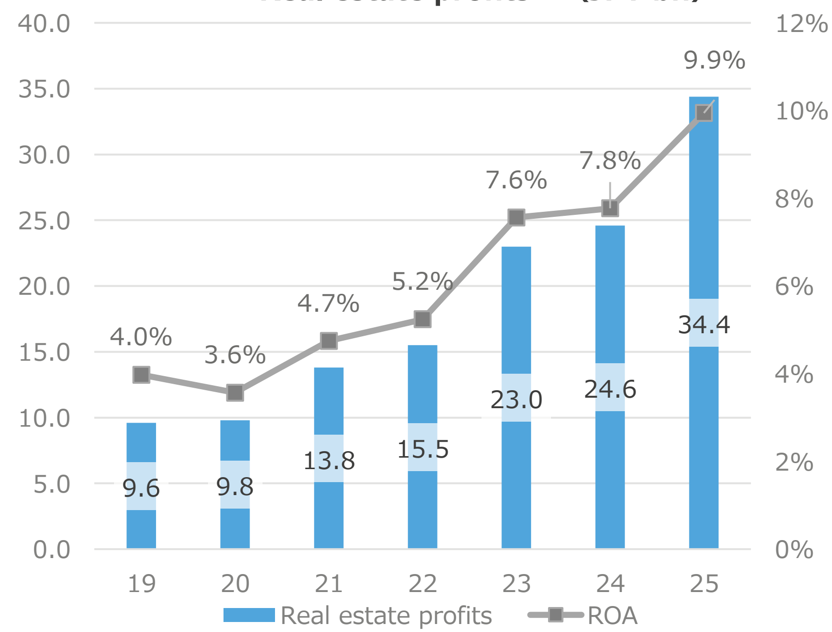
- Employ our private REIT (acquired an asset management firm in 2023)
- Plan to divest about JPY 100bn through FY2025-FY2028
- Below is the decision matrix for holding/divesting (Execute divestments at an appropriate time, considering market conditions)

Premise	Decisions are made under the premise of allowing all shareholders to benefit from the stable income and real estate value in the long term
Synergy	• Regional symbiosis and integration with the energy business • Importance to maintain regional resilience and stable supply • Necessity of profit/cashflow from asset for overall TG portfolio
Economics	• Returns consistent with normal real estate businesses • Value creation opportunities in the mid-to-long term

Improving profits and asset efficiency

- Increase profits by enhancing values of both the community brand and real estate
- Improve capital efficiency through capital recycling

Real estate profits※1 (JPY bn)



※1 Segment profits + Gain(loss) from fixed asset divestment. FY24 outlook, FY25 projection

Profitability and scale

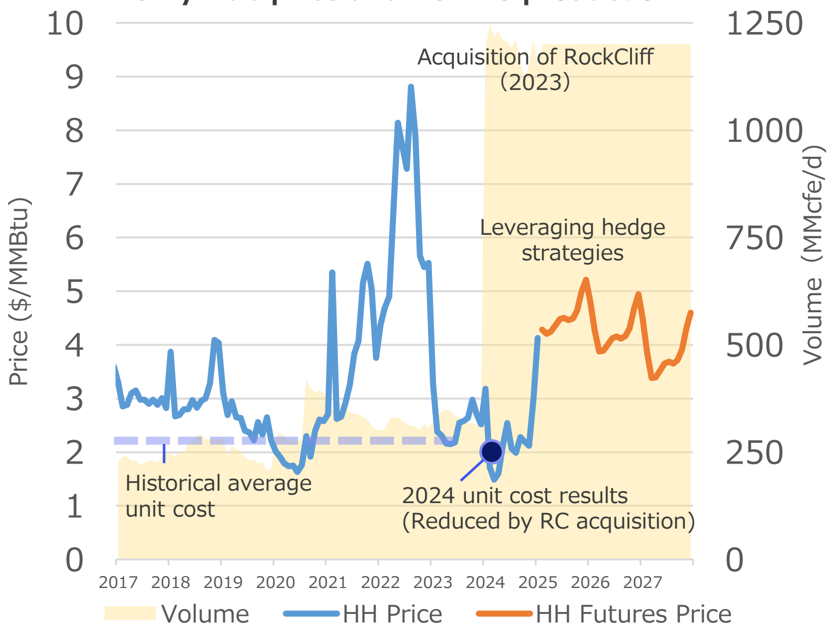
Real Estate Profit (JPY)	**17bn/year** (Avg. for FY20-FY24)	▶	**30bn/year** (Target for FY25-FY30)

Cumulative capex (FY2026-FY2028) : **JPY 100bn~**

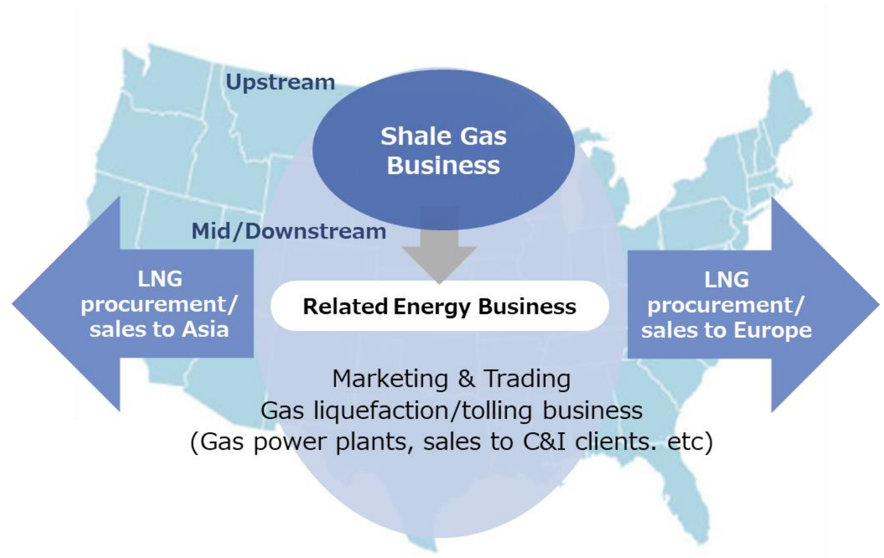
Overseas Expansion with US Shale as a Core Asset

Improved Profitability	US LNG exports growth increase **the value of the Haynesville (HV)** area, where TGNR is the No.4 producer Our upstream focused local management enables us to **maintain 1Bcfed※1 production and around $2/MMbtu※1 unit cost**
Expansion	Stabilize profits by **expanding into US mid and downstream operations and trading of US LNG**

Focus on HV area to reduce unit cost and increase production



Expand the business centered around Shale business



Investment into ARM,
a gas marketing and trading company
(2024)

Profitability and scale (Shale business standalone)

Assumed Henry Hub price of USD $3.2/MMbtu

EBIT (USD)	**90M/year** (Avg. for FY20-FY24)	▶	**450M/year** (Target for FY25-FY30)

Cumulative capex (FY2026-FY2028) : **USD 1.9bn~**

Acquired a minority stake in TGNR in 2017 and, after gaining expertise, majority stake in 2020. Have continued to expand the business thereafter

※1 billion cubic feet equivalent per day、1bcf=1000MMCf = 1,000,000Mcf、1MMbtu≒1Mcf

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Growth Story and Financial Policy for the Next MTMP

（Financial Policy）

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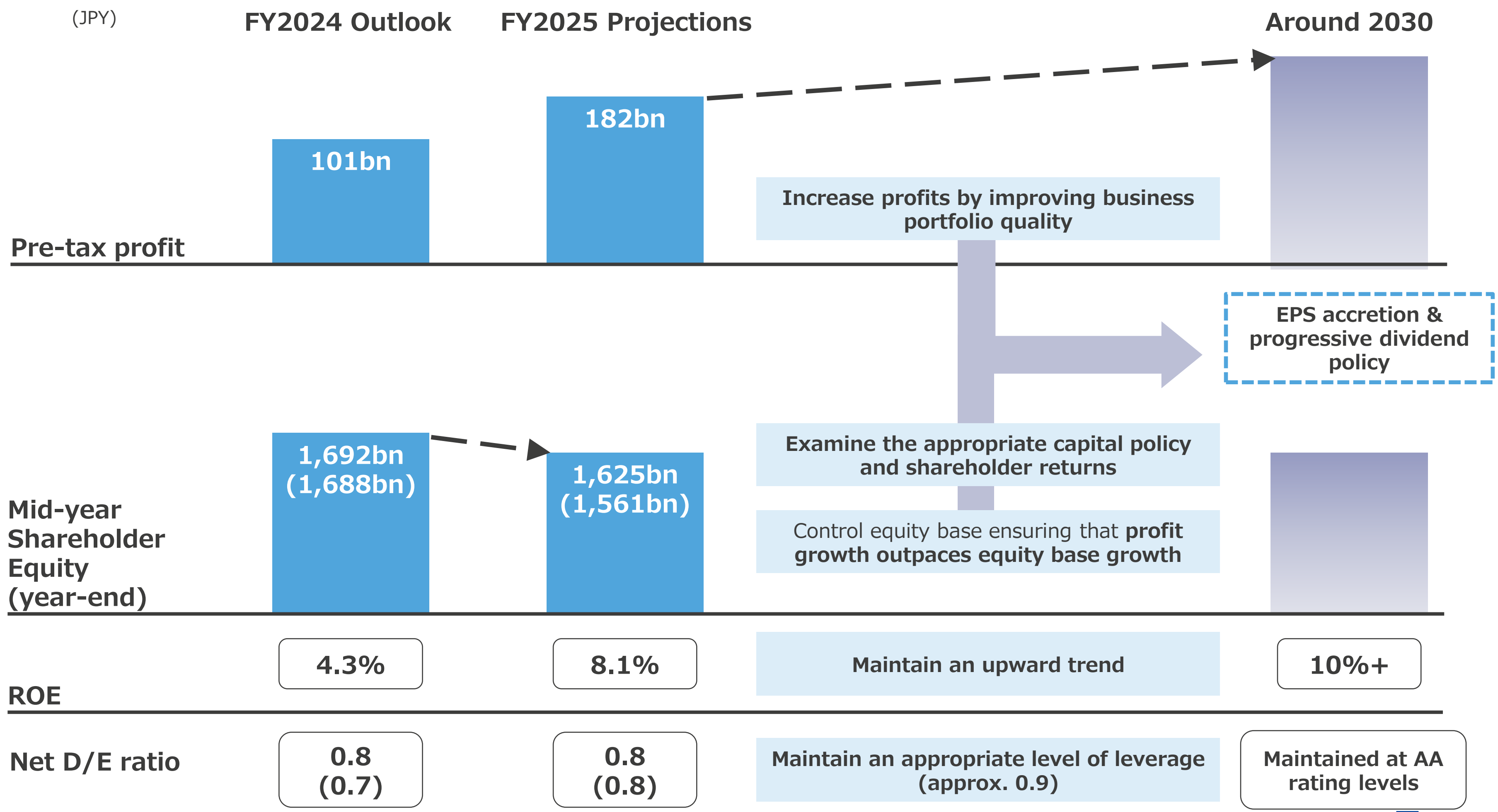
Capital Policy for Sustainable Growth

- **Improve and maintain ROE** with appropriate level of leverage, based on maintaining financial soundness
- Continuously **examine the appropriate capital policy and shareholder returns**, considering the necessity of a equity base control by ensuring that profit growth outpaces equity growth
- **Boost EPS** through steady profit growth over the mid-to-long term and agile share buybacks, **realizing progressive dividend policy**



FY2026-FY2028 Capital Allocation Plan

- Expand cash inflow with an **operating CF of over JPY 1.2tn and divestitures of more than JPY 100bn**
- **Invest more than JPY 1.1tn and return over JPY 200bn to shareholders** by appropriately leveraging debt
- Grow sustainably by **meeting the expectations of our multiple stakeholders** through the capital allocation plan

Capital allocation for the MTMP period (FY2026-FY2028) (※Estimated figures. To be confirmed with MTMP)

	Cash-IN
• Reduce cost of equity by maintaining an optimal capital structure and appropriate leverage • Take appropriate risks when the opportunities arises	**Appropriate debt**
• Divestment of unprofitable businesses/assets (total of overseas and domestic, including real estate)	**Business/ Asset divestment JPY 100bn~**
• Create stable CF from core businesses	**OP CF JPY 1.2tn~**

Cash-OUT	
Investments JPY 1.1tn~	• Execute investments required to grow/revolutionize our various businesses • Achieve returns that surpass risk-adjusted hurdle rate through advanced and disciplined investment techniques • In addition to core business investments, we will continue to seek strategic M&A opportunities to expand our product portfolio and drive inorganic growth
Strategic cash allowance	• Appropriately distribute to shareholder returns and growth investments
Shareholder returns JPY 200bn~	• Examine the appropriate capital policy and shareholder returns • Realize progressive dividends and execute agile buybacks to maintain an appropriate equity base • Estimated total includes both buybacks and dividends

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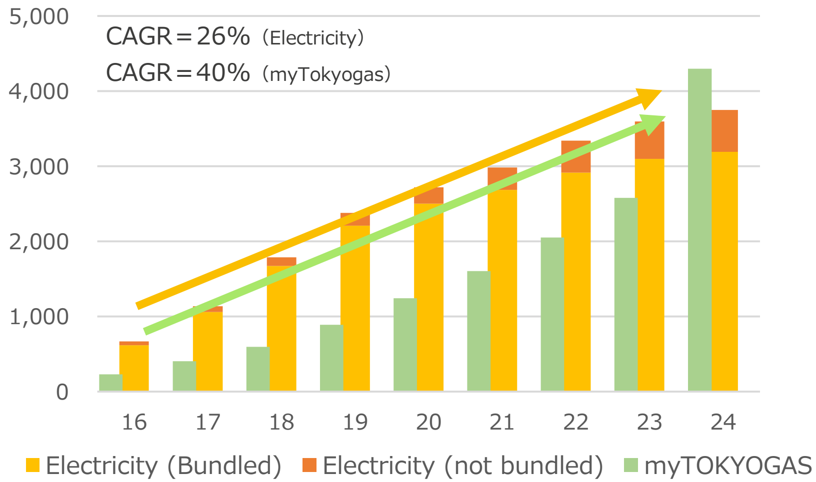
Appendix

Appendix 1: Value Creation Through Business Expansion

Cross selling to gas customers

- Gain new customers by **bundling electricity with gas**
- Grow electricity only customers by expanding our customer base with bundled products
- **Increase our digital touchpoint with customers** through our growing membership for our online service myTOKYOGAS. (4.6mm accounts as of Feb. 2025)

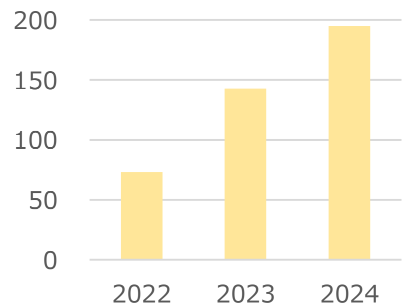
Electricity customers/myTOKYOGAS accounts (thousands)



Digital touchpoints through myTOKYOGAS

Expansion outside the Tokyo Metropolitan area

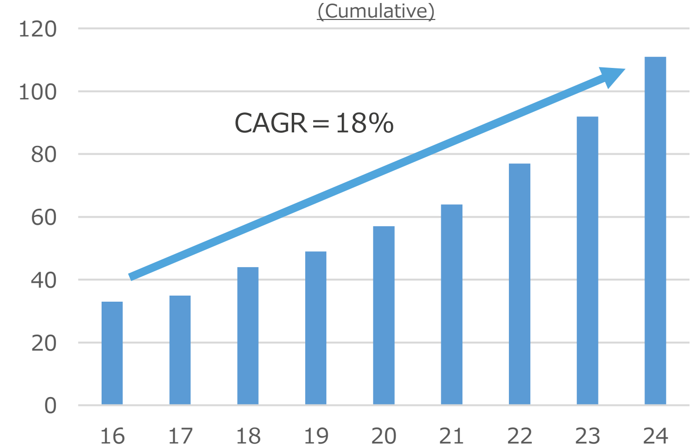
(Customer numbers (thousands))



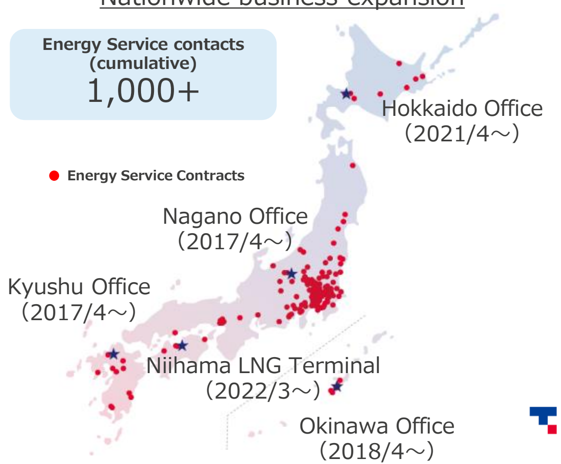
Expansion of TGES' solutions business

- **Nationally deploy our solutions business** such as Energy Services
- **Establish 4 new regional offices** to gain customers
- One stop shop to support all energy related needs such as **de-carbonization, optimization, and resiliency**

\# of contracts outside the Tokyo Metropolitan area (Cumulative)



Nationwide business expansion



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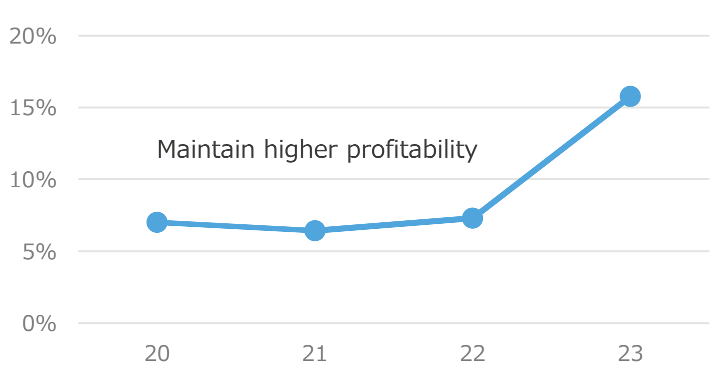
Appendix 2: Value Creation Through Interconnected Business

Joint development of real estate and energy systems

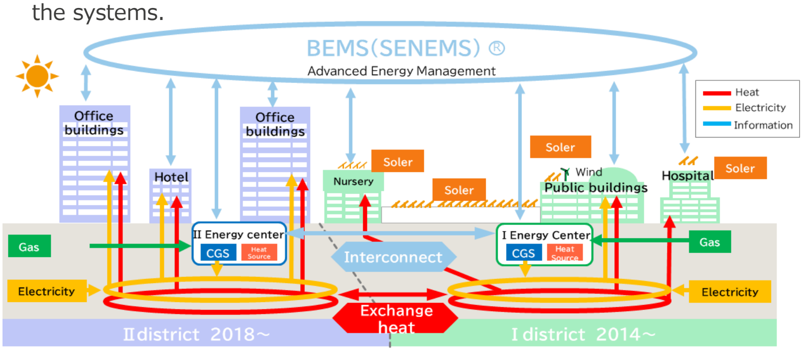
- **Involved in development from an early stage** by owning the building. **Design, implement, and operate optimal energy systems to enhance profitability** from our energy business
- **Improve efficiency of the building and community** through integration with Building Energy Management Systems (BEMS)

Profitability of Energy Systems (※)



※ (Profit margin for energy systems in assets owned by us) – (Profit margin for energy systems in assets not owned by us)

※ Profitability may vary depending on the maintenance schedule of the systems.



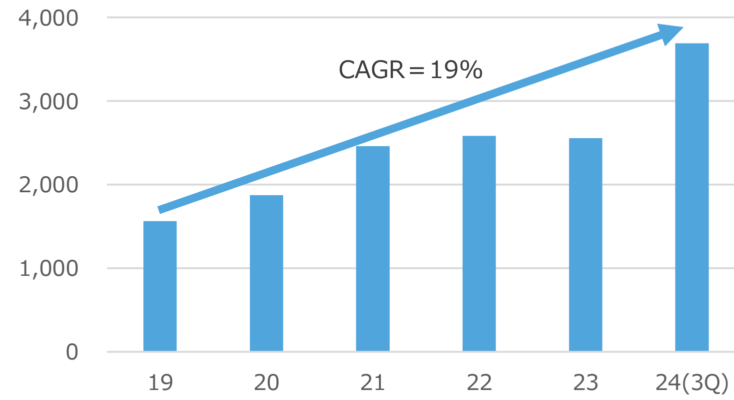
Example of value creation (Tamachi district)

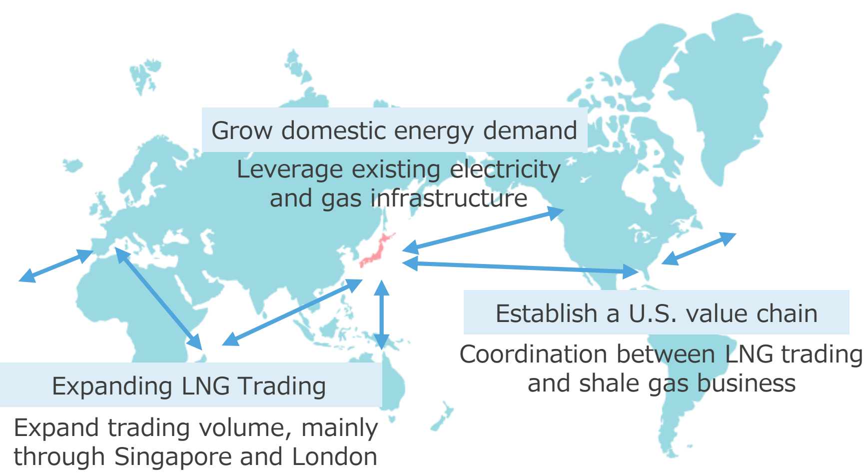
Realized **34.6% energy consumption cut** in the development area
(As compared to energy efficiency standards in 2005)

LNG trading in the domestic/international markets

- **Expand LNG trading** by leveraging our existing assets such as current supply contracts
- **Enhance value proposition** through close communications with our business partner
- **Aim for a total trading volume of 5mm tons** in 2030

LNG trading volume (thousand tons)





< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies and beliefs, and other statements herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. As such, they are based on management's assumptions and opinions stemming from currently available information and therefore involve risks and uncertainties.

The Company's actual performance may greatly differ from these projections, due to these risks and uncertainties which include without limitation general economic conditions in Japan, crude oil prices, the weather, changes in the foreign exchange rate of the yen, rapid technological innovations and the Company's responses to the progress of deregulation.