



# What kind of Company Is the Daigas Group?

**The Daigas Group is a comprehensive energy company with three core businesses: domestic energy, international energy, and Life & Business Solutions (LBS). We continue to strengthen our existing businesses and expand into new business area by leveraging our group's value chain and expertise.**

This section presents the history of the Daigas Group's business growth from its establishment to the present, as well as its value creation process.

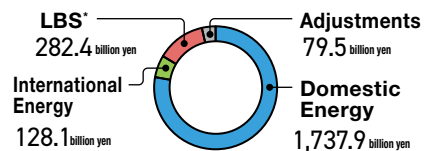
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# At a Glance [ FY2025.3 ]

## Consolidated net sales



**2,069.0** billion yen

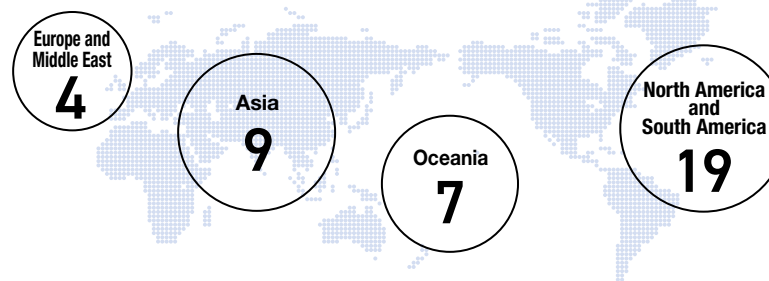
\*Life & Business Solutions

## Number of consolidated subsidiaries

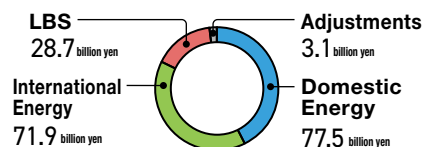


**163**

## Number of business projects in overseas energy segment



## Segment profit



**181.3** billion yen

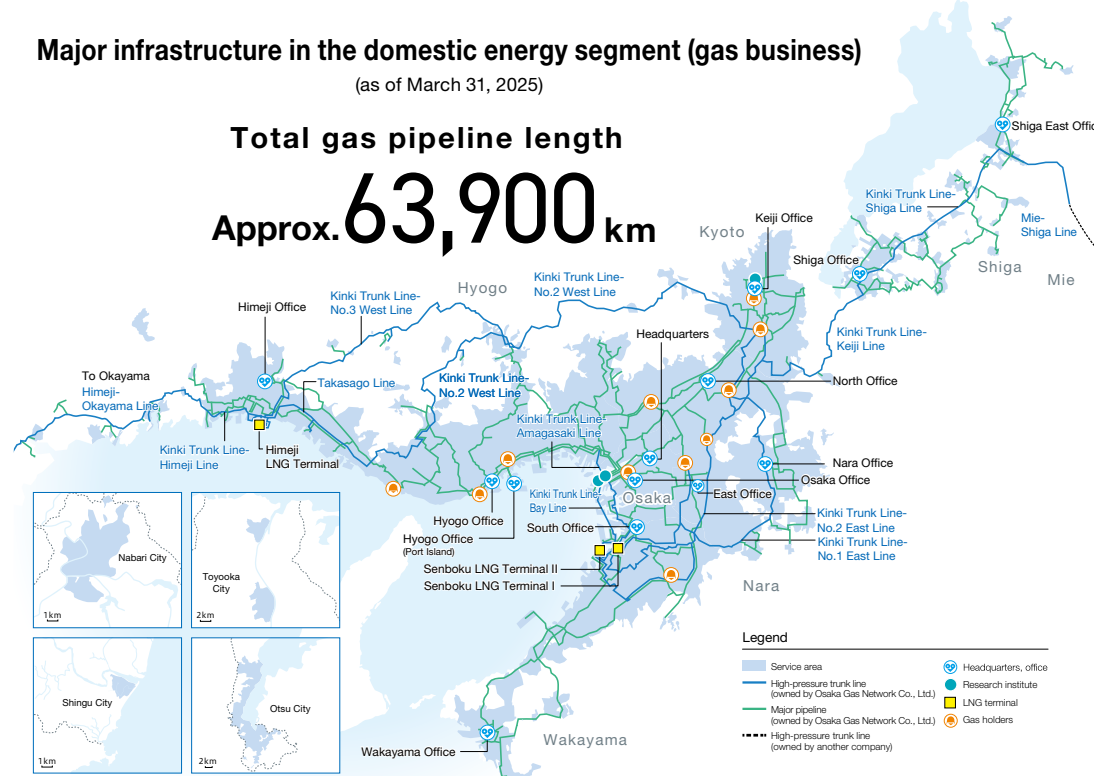
## Number of employees (consolidated)



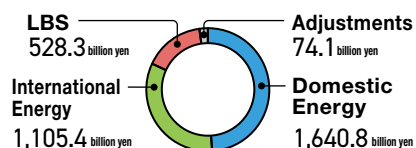
**21,404**

## Major infrastructure in the domestic energy segment (gas business) (as of March 31, 2025)

Total gas pipeline length  
**Approx. 63,900 km**

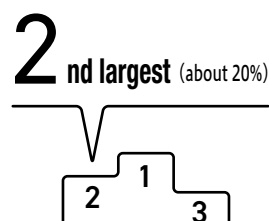


## Segment assets



**3,200.5** billion yen

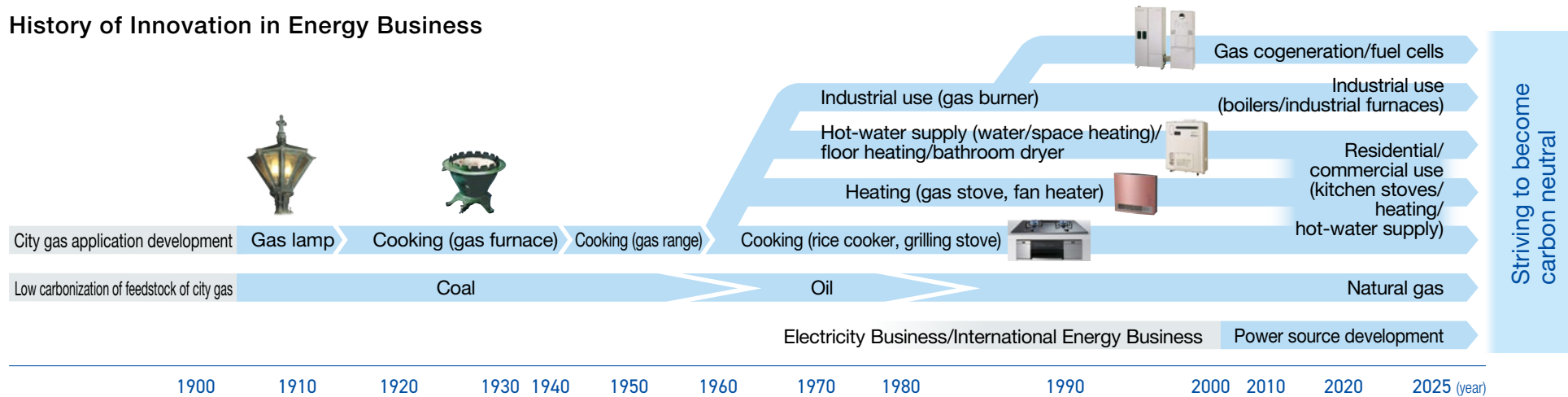
## Share of domestic city gas market



# History of Growth in the Daigas Group's Businesses

The Daigas Group's gas business began with gas supply in 1905. In the 120 years since then, the gas business that started with lighting gas lamps has expanded the application of gas to cooking, heating, hot water, and power generation, overcoming many obstacles as society evolved and lifestyles changed. Additionally, founded on the relationships with customers and regions that have been fostered through the energy business, the Daigas Group has expanded its business domains and developed into a corporate group that provides various products, services, and solutions.

## History of Innovation in Energy Business



## Social Background and Daigas Group's Strategy

### Social Issues and Needs

#### Improving regional safety

#### From oil lamp to gas lamp

At that time, electrical lights were still expensive, and oil lamps, which were widely used, often caused fires, making them one of social issue in urban areas.

#### Gas supply begins

Working to popularize gas lamps  
With the provision of safe and affordable gas to citizens being set forth as the purpose of the incorporation of the Company, efforts were made to popularize gas lamps.

#### Changes in lifestyle

#### Life changed by gas

Various lifestyles and people's customs were undergoing changes, and women's participation in society also began.

#### Proposals of new lifestyles

Dissemination of gas to residential kitchens significantly reduced the burdens of household duties associated with traditional cooking stoves.

#### Increase in energy demand

#### Increase in population/postwar recovery

It became necessary to address increased energy demand and rapid urbanization.

#### Introduction of LNG

Transitioning to natural gas was a long-term project that required huge up-front investment, but it resulted in improving the stability of gas provision and reducing environmental burdens, etc.

#### Realization of sustainable society

#### Growing concern for Improving environment

SDGs, Paris Agreement, and TCFD recommendations, etc., have been presented as pressing issues that must be tackled on a global scale.

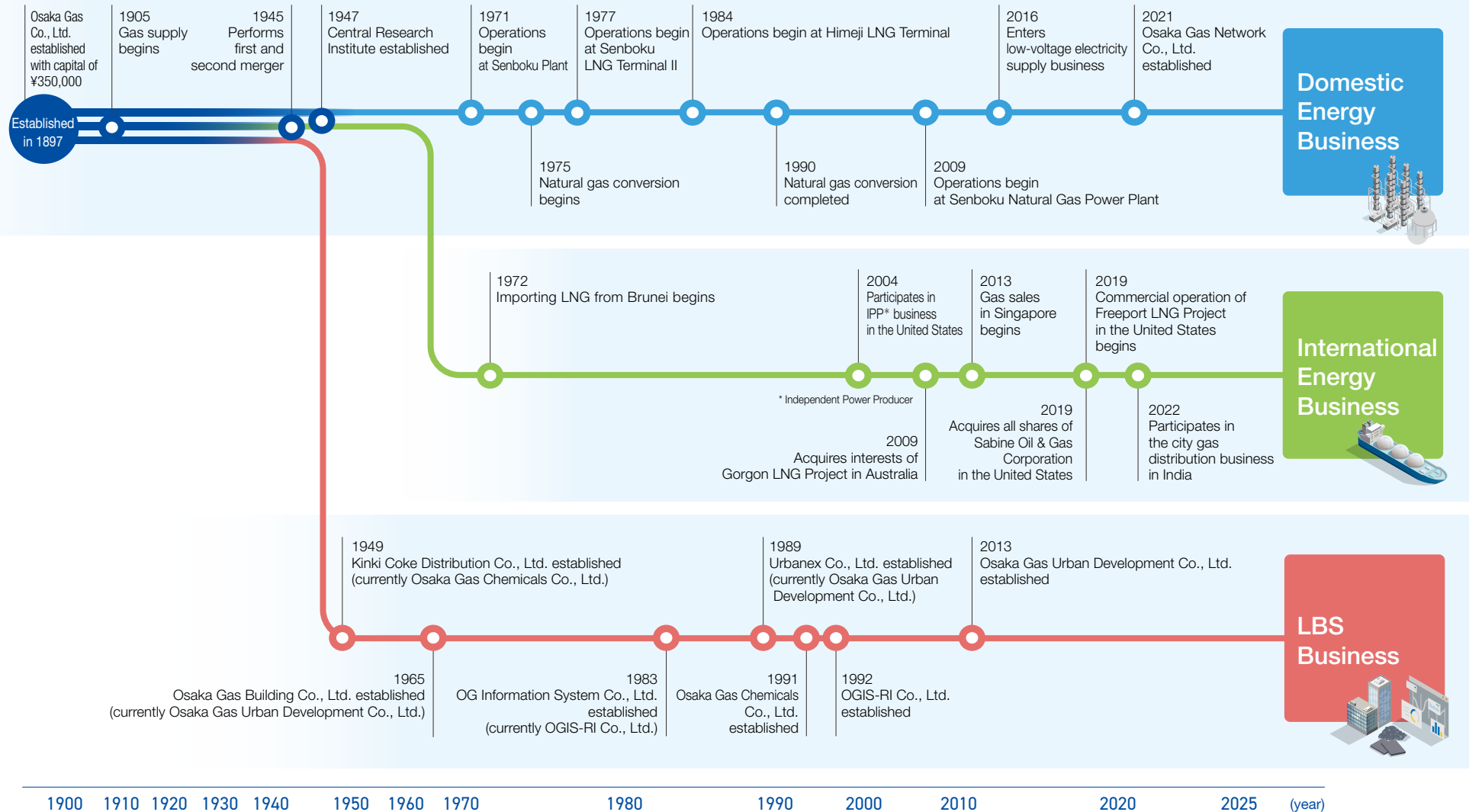
#### Development of advanced products

By developing advanced equipment, systems, and technologies, we aim to achieve carbon neutrality by 2050 together with our customers.

### Daigas Group's Co-creation of Value



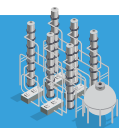
## History of Growth in the Daigas Group's Businesses



# Businesses

We aim to further grow our existing businesses, create value for a sustainable future, and evolve as an aggregate of multiple businesses through expansion into new global fields. We will strive to achieve that by leveraging our competitive capital and our expertise in the three core business segments: the Domestic Energy business, International Energy business, and Life & Business Solutions (LBS) business.

## Domestic Energy Business



### Business Unit LNG & Engineering/Power

We are responsible for the operation and maintenance of gas manufacturing plants, as well as the development, operation, maintenance, and management of thermal power plants and renewable energy power plants. In addition to providing a wide variety of energy sources such as low-carbon LNG and CO<sub>2</sub>-free electricity, we create environmental value through technological development aimed at realizing a low-carbon and decarbonized society, including engineering projects and plant design.



### Business Unit Network

Osaka Gas Network Co., Ltd.\* has established a solid network of city gas supply and a complete security system, and by deepening our expertise and utilizing cutting-edge digital technology, we are delivering city gas safely and securely.



\*Established on April 1, 2021 as a preparatory company for the spin-off in 2022.

### Business Unit Energy Solution

We develop advanced products and services including energy for residential, commercial, and industrial customers, and expand sales of such products and services, thereby co-creating diverse advanced solutions for our customers.



### Business Unit Trading

We are diversifying our LNG procurement sources and price indexes to ensure a stable supply of LNG to our customers both in Japan and overseas.

## International Energy Business



### Business Unit Energy Resources & International

We are growing and expanding our international business mainly in the United States, Asia, and Oceania.

#### Upstream

We are working to increase production and profits through gas field projects, including with the U.S. shale gas development company (Sabine Oil & Gas Corporation).

#### Mid- & downstream in North America

Utilizing know-how we have cultivated in Japan, we are participating in overseas power generation projects, LNG terminal projects, energy service projects, and more.

#### Asia

Utilizing the experience and strengths we have cultivated in the domestic city gas business, we are working to expand sales by promoting the development of city gas infrastructure. We are also involved in renewable energy projects, contributing to the economic development and the transition to low-carbon energy in Asian countries.



## Life & Business Solutions (LBS) Business



### Business Unit Urban Development

We roll out real estate businesses, which extends widely to include the development of properties such as condominiums for sale and rent, office buildings, and logistics facilities, as well as their operation and management, and the sale of properties to private REITs.



### Business Unit Information Technology

Our information technology business traces back to developing and managing systems for the Group's businesses. We have enhanced our technological capabilities through M&A, and now support digitalization by providing total solutions that meet both internal and external needs through IT consulting, systems development, operations management, data analysis, and more.



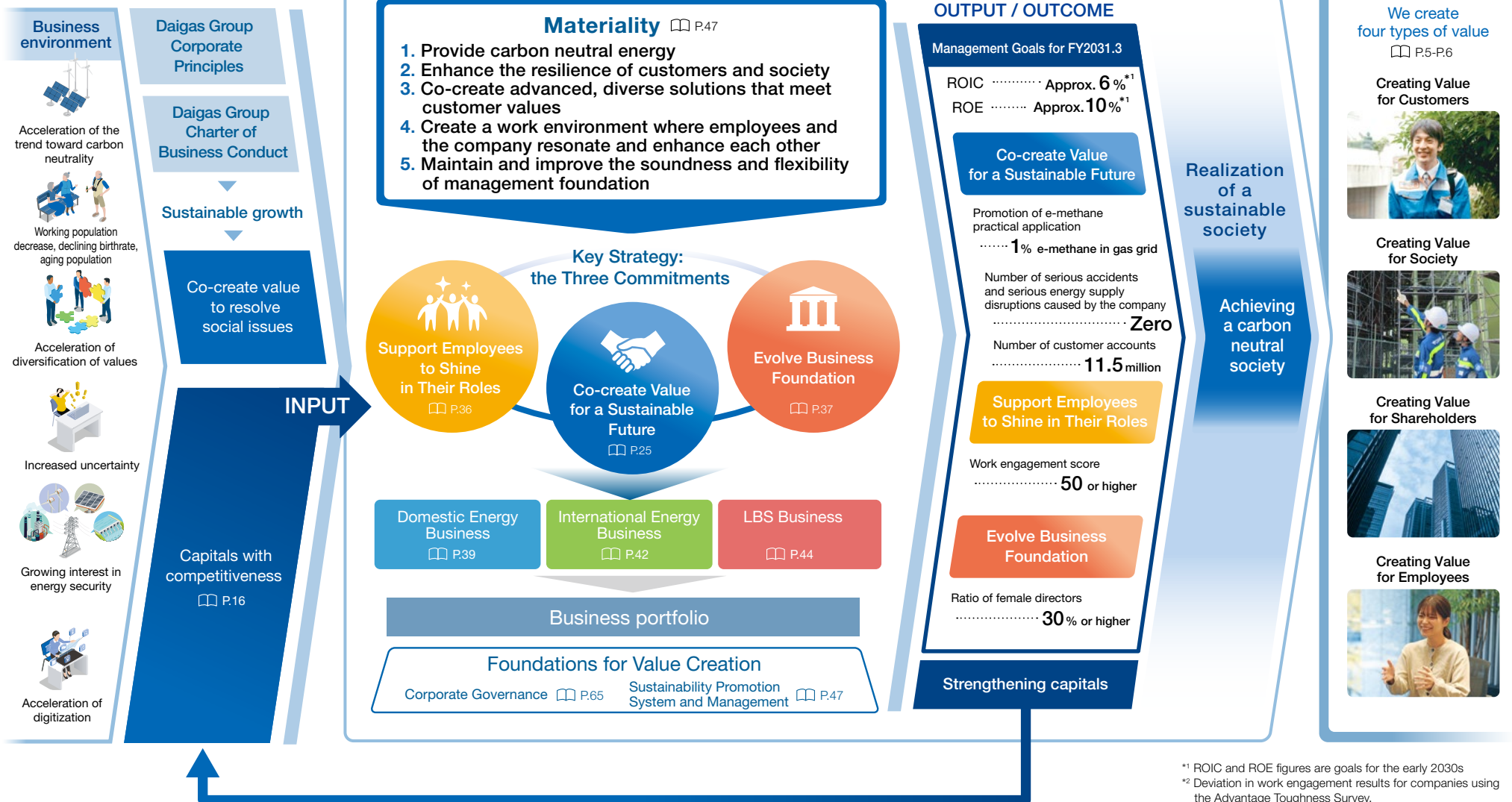
### Business Unit Materials

We leverage the company's accumulated coal chemistry technologies (such as the application of by-products from gas production using coal as a raw material) to conduct research and development, manufacture, and sale of high functional materials such as fine materials, preservatives, carbon materials, and activated carbon, we are expanding our business both in Japan and overseas.



# Value Creation Process

We aim to realize a sustainable society and value creation by leveraging our capitals with competitiveness and following our values that have been long cherished since the company's foundation.



<sup>\*1</sup> ROIC and ROE figures are goals for the early 2030s  
<sup>\*2</sup> Deviation in work engagement results for companies using the Advantage Toughness Survey.

# Capitals with Competitiveness

The Daigas Group strives for the maximization of corporate value while maintaining a strong and sound financial base supported by disciplined financial strategies to achieve sustainable business growth.

Financial capital	Manufactured capital	Intellectual capital	Human capital	Social capital	Natural capital
<p>The Daigas Group maintains a strong and sound financial base supported by disciplined financial strategies, to achieve sustainable business growth.</p>	<p>Our various facilities for energy supply are indispensable capital of the Group. We will strengthen our manufactured capital such as natural gas power plants and shale gas development as growth domains in the transition phase.</p>	<p>The Group possesses expertise in diverse technological development, including technologies related to gas synthesis and catalysts, and technologies related to the design and construction of LNG receiving terminals, etc, cultivated in the energy business. We will utilize these intellectual properties as well as strengthen technological development that contributes to carbon neutrality including the introduction of e-methane.</p>	<p>We believe it is important to create discontinuous innovation to improve corporate value over the medium to long term, and that the driving force for such innovation is co-creation by diverse individuals. We aim to achieve sustainable growth by strengthening the recruitment and development of human resources, in addition to increasing the engagement of each employee.</p>	<p>The Group, which develops businesses rooted in the local community, has opportunities for contact with stakeholders in a wide range of fields, and has built relationships of trust. We will aim to achieve sustainable business growth by strengthening service creation through collaboration with stakeholders.</p>	<p>Recognizing that natural gas is a finite resource, we are striving for its efficient and effective use, while also pursuing the diversification of energy sources for a stable supply of energy and to ensure security. Our aim is to realize S+3E*4 through the effective use of natural gas and renewable energy.</p>
As of March 31, 2025					
Financial soundness*1	Capital expenditures (FY2025.3 results)	Number of patents held:	Number of Group employees:	Service chain partners:	LNG handled (FY2025.3 results):
Equity ratio: <b>55.5</b> %	<b>221.7</b> billion yen	<b>2,740</b> patents	<b>21,404</b> employees	Approx. <b>200</b> stores	Approx. <b>11.20</b> million tons
D/E ratio: <b>0.50</b> times	Gas manufacturing plant	R&D expenses (FY2025.3 results):	Work engagement score*3	Low-voltage electricity supply contracts:	Renewable energy development contribution
	<b>2</b> locations	<b>12.69</b> billion yen	<b>52.2</b>	Approx. <b>1.92</b> million	
	Central Control Office*2	R&D expenses by segment (Domestic Energy: 9.37 billion yen, LBS: 3.32 billion yen)		Gas supply contracts:	<b>3,700</b> MW
				Approx. <b>5.11</b> million	
				Building and maintaining co-creation relationship with stakeholders	

## Medium-Term Management Plan 2026 Targets

## Direction for further enhancement

<p><b>Increase financial leverage while monitoring financial soundness</b></p> <p>ROIC: approx. 5.0%</p> <p>ROE: approx. 8.0%</p> <p>Shareholders' equity ratio: 45% or higher</p> <p>D/E ratio: 0.8 or lower (FY2027.3)</p> <p>📖 P.11-P.12,P.38</p>	<p><b>Electricity business such as construction of Himeji Natural Gas Power Plant, acceleration of shale gas development in the US</b></p> <p>Investment in primary growth fields: approx. 460.0 billion yen (FY2025.3-FY2027.3)</p> <p>📖 P.24,P.41,P.43</p>	<p><b>Promotion of methanation technology development</b></p> <p>Investment in the carbon neutral field: Approx.100.0 billion yen (FY2025.3-FY2027.3)</p> <p>📖 P.24,P.29</p>	<p><b>Strengthen recruitment and development of human resources</b></p> <p>📖 P.36</p>	<p><b>Creation of new businesses and services through collaboration with stakeholders</b></p> <p>📖 P.35</p>	<p><b>Contribution to the widespread use and expansion of renewable energy</b></p> <p>Renewable energy development contribution: 4 GW (FY2027.3)</p> <p>📖 P.41</p>
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\*1 Calculated with 50% of issued hybrid bonds as equity \*2 Operating 24 hours a day, 365 days a year to ensure stable supply and safety \*3 Deviation in work engagement results for companies using the Advantage Toughness Survey

\*4 S+3E: Safety, Energy security, Economic efficiency, and Environment