

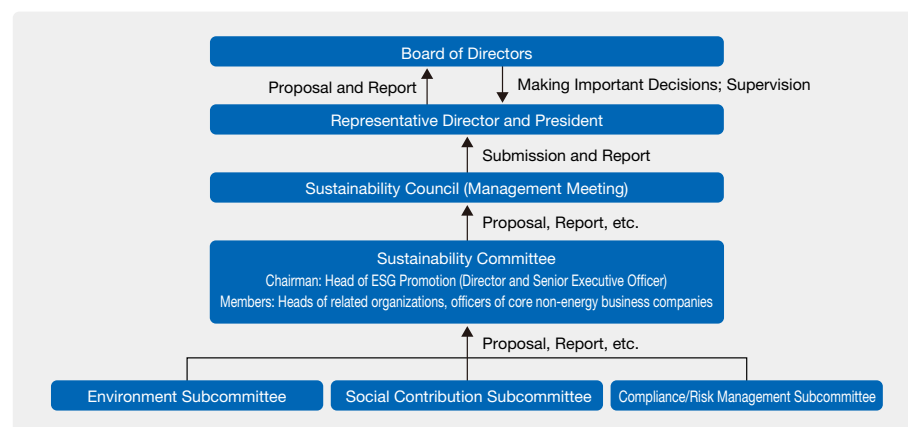
Sustainability Management

Sustainability Promotion System and Governance

The Daigas Group has an Sustainability Committee, chaired by the Head of Sustainability Promotion (Director and Senior Executive Officer), who supervises the Group's sustainability activities. This committee, whose members include the heads of related organizations, coordinates and promotes sustainability activities in a cross-organizational manner. The setting of key issues (materiality), indicators and targets for Sustainability management, the status of achievement, and other matters are submitted to and deliberated at the Sustainability Council. The Board of Directors is then consulted on important matters related to sustainability activities and is responsible for decision-making and supervision.

The Group has also established the Environment Subcommittee, Social Contribution Subcommittee, and Compliance/Risk Management Subcommittee, and works closely with the subcommittees in promoting sustainability activities.

■ Sustainability Promotion System (As of April 1, 2025)

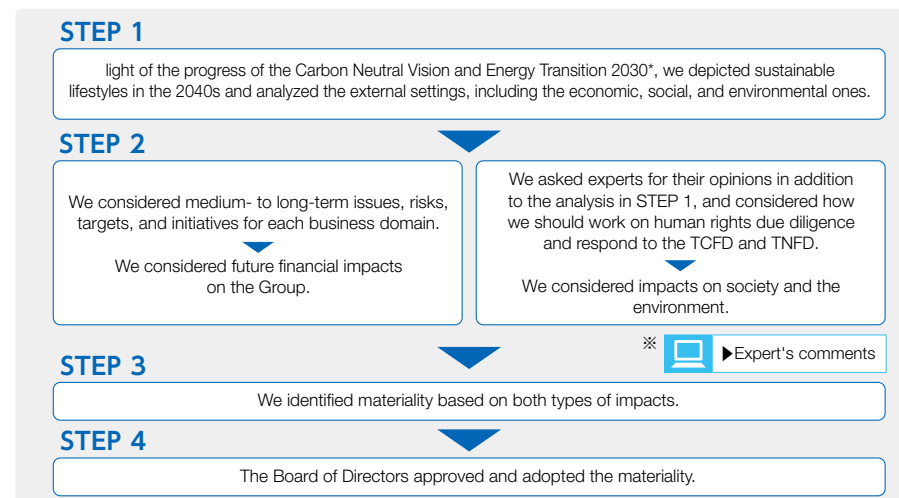


Main Topics for Sustainability at the FY2025.3 Board of Directors Meetings

- May 2024: Performance report for FY2024.3 sustainability indicators and human rights due diligence report
- Nov 2024: First-half performance report for FY2025.3 sustainability indicators
- Mar 2025: Performance forecast report for FY2025.3 sustainability indicators, and sustainability indicator targets and sustainability management plans for FY2026.3, revisions to Group regulations and policies, etc.

Identification of Materiality

In formulating the Medium-Term Management Plan 2026, the Daigas Group identified materiality in light of experts' opinions and other factors, taking into account the progress of climate change countermeasures, changes in the business environment, and social trends related to sustainability.



Identified Materiality

- 1 Provide carbon neutral energy
- 2 Enhance the resilience of customers and society
- 3 Co-create advanced, diverse solutions that meet customer values
- 4 Create a work environment where employees and the company resonate and enhance each other
- 5 Maintain and improve the soundness and flexibility of management foundation

KPI Performance Evaluation Processes

Outcomes of the initiatives related to sustainability indicators are reported and followed up on three times a year at each meeting within the sustainability promotion system, and are evaluated and supervised by the Board of Directors. At Board of Directors meetings, discussions are held on whether medium- to long-term targets set for initiatives that are progressing smoothly are appropriate. In addition, regarding indicators whose targets are difficult to achieve, discussions are held on causes and solutions. These evaluation processes are used to improve initiatives and review plans for each business related to materiality.

