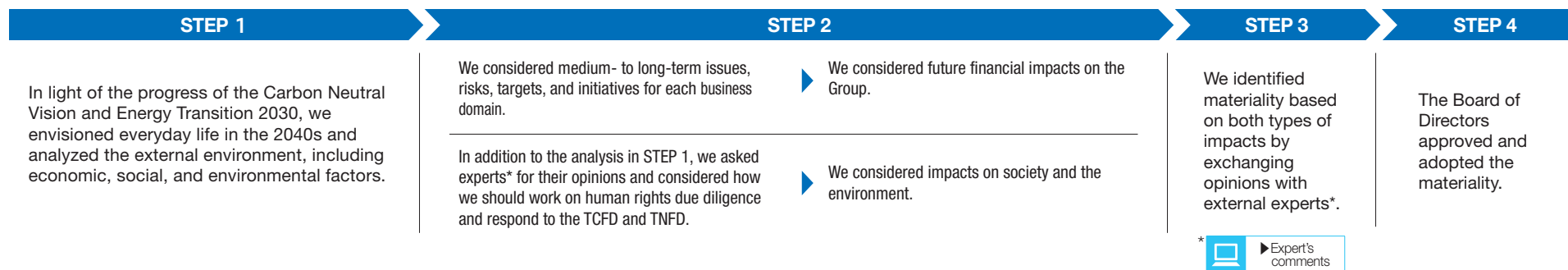


Materiality Indicators, Targets and Results

In formulating the Medium-Term Management Plan 2026, we identified five materialities taking into account the views of experts and other stakeholders. To strengthen alignment with our management strategy and promote initiatives that contribute to “co-create value for a sustainable future,” “support employees to shine in their roles,” and “evolve the business foundation,” we have established indicators and targets to monitor progress of these initiatives. For indicators that achieved their FY2027 targets ahead of schedule as of FY2026 through accelerated initiatives, we will continue to pursue further improvements without being constrained by those targets. For details on why each materiality is considered important, please refer to our Sustainability Website.

Materiality Identification Process



For our initiatives in FY2026, please see the Sustainability Report 2026.

Key strategy	Materiality	Sustainability indicators	Risks	Opportunities	Main achievements in FY2025	Main achievements in FY2026	FY2027 targets	FY2031 targets
Co-create value for a sustainable future 	Provide carbon neutral energy	Avoided emissions ¹	- Impact on business plans stemming from international rules and regulations related to carbon neutrality - Intensifying competition to secure suitable business sites	- Global promotion of widespread use and advanced utilization of natural gas - Development of e-methane, hydrogen, and other new energy sources - Promotion of business that provides carbon neutral energy seamlessly by utilizing established equipment and infrastructures - Development of carbon neutral technologies and services	6.29 million tons/year	7.38 million tons/year	7 million tons/year	10 million tons/year
		Renewable energy development contribution			3.7 GW	4.54 GW	4 GW	5 GW
		Percentage of renewables in our power generation portfolio in Japan			30.4%	38.0%	Approx. 30%	Approx. 50%
		CO ₂ emissions of Daigas Group ²			23.44 million tons (-8.58 million tons)	23.32 million tons (-8.70 million tons)	—	27.02 million tons (-5 million tons)
		CO ₂ emissions reduction in the Group company offices and vehicles			50%	57%	67%	100%
		Promotion of e-methane, etc. practical application			Conducted a detailed FEED study on e-methane supply chain projects	Decided to conduct FEED study on e-methane supply chain projects	Final investment decisions in e-methane supply chain projects	1% e-methane in gas grid
		Promotion of methanation technology development			Completed the first phase of SOEC GI funds business and formulated the second phase implementation plan	Completed manufacture of SOEC methanation bench-scale equipment and began trial operation	Transition to the second phase of SOEC GI funds business	Establishing a pilot-scale (400 Nm ³ /h class) SOEC technology

Materiality Indicators, Targets and Results

Key strategy	Materiality	Sustainability indicators	Risks	Opportunities	Main achievements in FY2025	Main achievements in FY2026	FY2027 targets	FY2031 targets
Co-create value for a sustainable future 	Enhance the resilience of customers and society	Number of serious accidents and serious energy supply disruptions caused by the company	● Difficulty in procuring fuels and materials	● Building disaster-resilient infrastructure and expanding demand through product development	Zero	Zero	Zero	Zero
		Establishment of resilient facilities	● Increase in costs for facility repair and measures against natural disasters ● Supply disruption due to disasters and accidents	● Maintenance of sustainable business foundations through sharing disaster preparedness knowledge and collaborating with local communities	● Seismic retrofit rate: Approx. 90% ● Number of seismic supply blocks: 738 blocks ● Completed countermeasures for gray cast iron pipes	● Seismic retrofit rate: Approx. 90% ● Number of seismic supply blocks: 745 blocks	Implementation of measures for disaster prevention and aging pipes	
	Co-create advanced, diverse solutions that meet customer values	Customer accounts	● Changes in customer mindset	● Improving operational efficiency and productivity through digital transformation	10.71 million accounts	10.89 million accounts	10.9 million accounts	11.5 million accounts
		Customer satisfaction rate	● Delay in the advancement of digital transformation	● Strengthening new business creation capabilities through business transformation and behavior change	92%	93%	90%	—
		Creation of innovation	● Obsolescence of existing business models ● Intensifying competition due to productivity improvement and new market entrants	● Strengthening organizational culture and structure for the creation of new businesses and services	Social implementation of new services that contribute to low/decarbonization and efficient infrastructure maintenance	Social implementation of diverse new services in the digital, energy, and environment domains	Creation of new business and services	
Support employees to shine in their roles 	Create an environment that enhances value for employees and the company	Percentage of women among employees newly promoted to middle management positions	● Shortage of workers ● Increased measures to secure and develop the next generation	● Promotion of innovation through a diverse workforce ● Maximization of output	18.2%	17.4%	20% or higher	30% or higher
		Percentage of women among newly hired career-track employees			39.4%	31.5%	30% or higher	30% or higher
		Work engagement score ³			52.2	52.8	50 or more	50 or more
		Total number of new graduates and mid-career hires (career-track positions)			116 people	Cumulative total of 2 years: 250 people	Cumulative total of 3 years: 330 people	—
		Readiness rate for next-generation management talent			260%	280%	250%	—

Materiality Indicators, Targets and Results

Key strategy	Materiality	Sustainability indicators	Risks	Opportunities	Main achievements in FY2025	Main achievements in FY2026	FY2027 targets	FY2031 targets
Evolve the business foundation 	Maintain and improve the soundness and flexibility of management foundation	Percentage of female directors	● Tightening, amendment and repeal of laws and regulations ● Loss of trust from stakeholders ● Disruption to business continuity due to litigation, suspension of transactions, etc. ● Increased difficulty in raising funds	● Strengthening of corporate governance ● Strengthening of compliance ● Stabilising of the Group's business revenue through the development of local communities	26.7%	26.7%	25% or higher	30% or higher
		Number of serious violations of laws and regulations			1 case ⁴	Zero	Zero	Zero
		Recruitment of DX core staff			243 employees	310 employees	300 employees	—
		Respect for human rights			Implemented human rights due diligence	Implemented human rights due diligence and identified risks in each business	Promotion of human rights initiatives across the Daigas Group and throughout the supply chain	
		Contribution to local communities			● Provided next-generation education on energy and the environment, disaster preparedness, etc. ● Provided support for children in need of social care and employment support for people with disabilities ● Supported local governments in implementing their climate action plans	● Promoted the healthy development of the next generation through energy and environmental education, disaster preparedness education, and the NOBY SPORTS CLUB ● Provided support for children in need of social care and employment support for people with disabilities ● Implemented community co-creation activities in collaboration with NPOs, etc. ● Participated in administrative activities (urban development concepts, etc.)	Engagement with local communities	
		Sustainable growth of LBS business			● Materials business: Reduced environmental impact by introducing power generation facilities utilizing waste heat from an activated carbon plant in India ● Information Technology business: Supported the employment of people with disabilities and contributed to environmental sustainability through PC reuse initiatives ● Urban Development business: Obtained ZEH-M certification for rental apartments and condominiums	● Materials business: Expanded the FY2025 initiative to other factories in India and, to reduce environmental impact, considered introducing a new carbonization furnace and a power generation facility utilizing its waste heat ● Information Technology business: Contributed to environmental sustainability, supported the employment of people with disabilities through the donation of refurbished PCs and the outsourcing of work to welfare workshops, and provided support for people with disabilities and children through employee participation events ● Urban Development business: Obtained ZEH-M certification for rental apartments and condominiums, and promoted ZEB-Ready and other certifications for other development projects.	Promoting distinctive sustainability initiatives in the LBS business	

¹ Calculate the estimated effect of CO₂ emissions reduction in one year of the target FY by introducing high efficiency facilities and low carbon energy, etc. to customer sites and the company's business activities in and after FY2018.

² CO₂ emissions in the domestic supply chain (Scope 1, 2 & 3). Figures in parentheses represent CO₂ emissions reduction compared to FY2018. Please refer to □ P.57 and □ the Sustainability Report 2026 for greenhouse gas emissions from the Daigas Group's value chain (Scope 1, 2 & 3).

³ Deviation in work engagement results for companies using the Advantage Toughness Survey

⁴ Please refer to □ P.54 for further details on inappropriate conduct in the sale of ENE-FARM in FY2025.