

Business Strategies by Segment

Domestic Energy Business

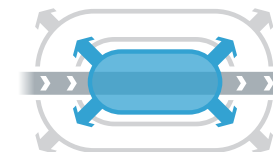
FY2026
Results

Net sales **1,643.4** billion yen
Segment profit* **71.9** billion yen

FY2027
Forecast

Net sales **1,635.0** billion yen
Segment profit* **55.5** billion yen

* Operating profit + share of profit of entities accounted for using equity method



What We Aim To Be

In our Domestic Energy business, we will continue to prioritize supplying safe, secure, and stable energy to our customers. At the same time, we will make use of the relationships of trust we have built up with our stakeholders to create a variety of services that contribute to our customers' comfortable lives and the development of their businesses, thereby aiming for the sustainable growth of the Daigas Group.

In addition, by promoting carbon neutrality ("CN") and utilizing natural gas, we aim to help our customers seamlessly transition to a CN society without burdensome procedures.

Business Environment Awareness

Strengths

- An energy value chain from procurement to manufacturing, supply, and sales
- High technical capabilities and know-how for stable supply
- Products and services related to low-carbon energy such as LNG, city gas, and natural gas-fired power generation, as well as renewable energy, and technology and know-how including e-methane, a decarbonized energy source
- Stable customer base and long-standing relationships of trust

Opportunities

- Demand for switching to low-carbon energy during the transition period
- Increasing demand for renewable energy and growing need for grid stabilization
- Increasing energy demand due to advances in DX and generative AI

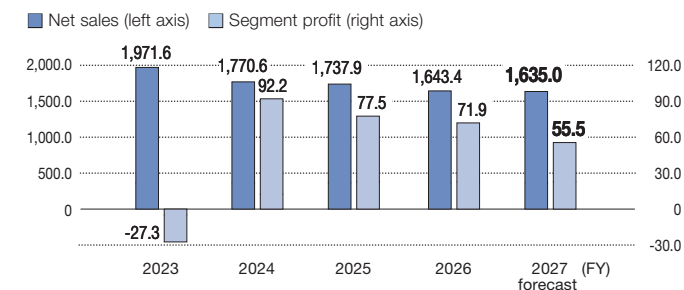
Issues

- Stable and economical procurement of raw fuels
- Securing competitive power sources and expanding the use of renewable energy
- Ensuring stable supply and continued safety

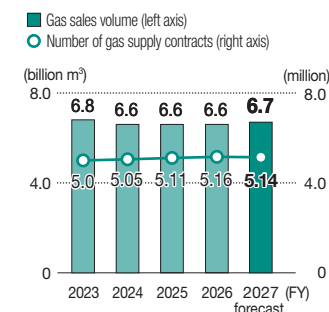
Risks

- Problems with procurement, gas production, power generation, and supply due to disasters, etc.
- Rapid changes in the market environment due to climate change and accelerating CN trends
- Intensifying competition with other companies

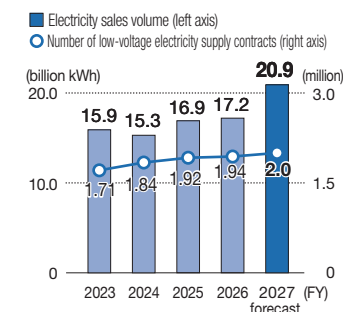
Net Sales (billion yen) Segment Profit (billion yen)



Domestic Gas Sales Volume and Number of Gas Supply Contracts



Domestic Electricity Sales Volume and Number of Low-voltage Electricity Supply Contracts



INPUT

- Segment assets **1,712.3** billion yen
- Segment growth investment **51.6** billion yen
- Quality improvement investment **79.8** billion yen
- High technical capabilities and know-how for stable supply
- Stable customer base and long-standing relationships of trust

OUTPUT

- Net sales **1,643.4** billion yen
- Segment profit **71.9** billion yen
- Number of serious accidents and serious energy supply disruptions caused by the company **Zero**
- Number of customer accounts **10.89** million

OUTCOME

- Safe, secure and stable energy supply
- Contribution to CN society
- Co-creation of diverse solutions with stakeholders



Retail and Wholesale

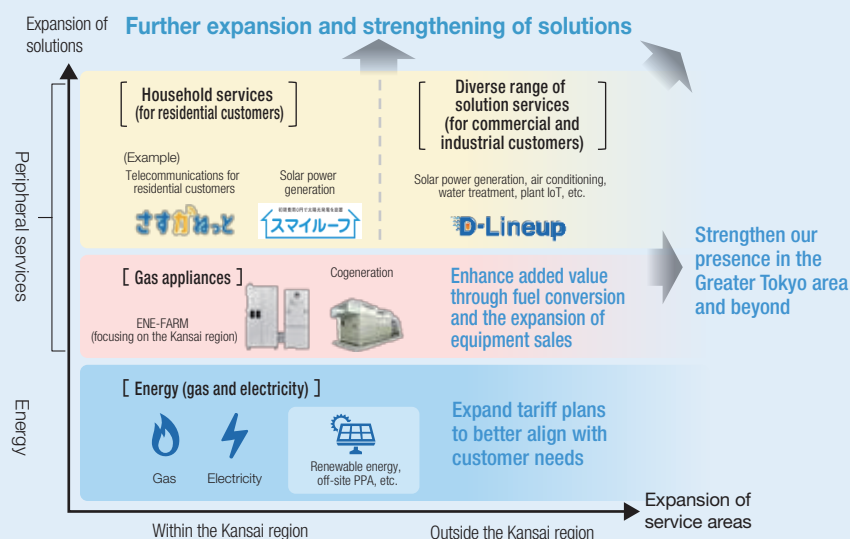
Market environment

In the Seventh Strategic Energy Plan, natural gas continues to be positioned as an important energy source during the transition period toward both stable supply and decarbonization. As competition continues following the full liberalization of the market, although switching among existing customers has slowed down, there continues to be competition for customer acquisition when customers move homes or otherwise relocate. Meanwhile, the challenges facing commercial and industrial customers are becoming increasingly diverse, and there are growing needs for fuel conversion for low-carbon and decarbonized energy, energy saving, labor saving, and lower initial investment costs.

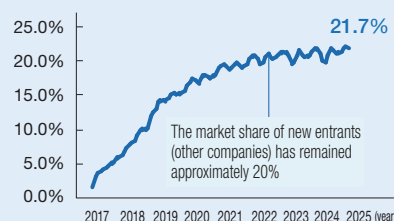
Main initiatives

Driving effective cross-selling and nationwide business development by leveraging a strong sales foundation and a diverse product portfolio

We are working to enhance customer retention and grow our customer base by offering a diverse range of solutions while expanding into new service areas. For residential customers, in addition to supplying gas and electricity, we are expanding comprehensive lifestyle services nationwide, including Sumai Roof, a solar power service with no upfront costs, and Sasuga Net internet service. For commercial and industrial customers, while focusing on large-scale fuel conversion proposals from oil and coal, we are enhancing our D-Lineup solutions for solar power generation, water treatment, and IoT in factories, capturing transition-period demand while helping to improve customers' corporate value.



■ Market share of new entrants in residential sales volume in the Kinki area (gas)



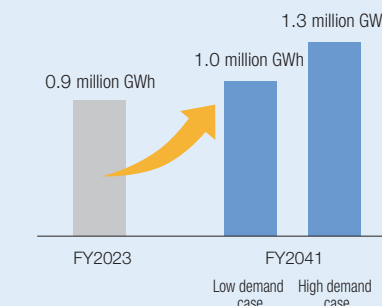
Source: The Gas Trading Report

Power Generation, Power Trading

Market environment

With the increasing expansion of data centers in line with the spread of generative AI, as well as the electrification of industry aimed at decarbonization, we expect a growth in demand over the medium to long term. On the other hand, risks associated with fluctuations in electricity supply and demand are rising due to an increasing frequency of extreme weather conditions, and the expansion of renewable energy sources, whose output is influenced by the weather. Against this backdrop, the value of power sources with reliable generation and supply capacity, and the ability to adjust output depending on demand, is relatively increasing.

■ Projected domestic electricity demand for FY2041



Source: The Agency for Natural Resources and Energy's reference material for the Seventh Strategic Energy Plan, "Outlook for Energy Supply and Demand in FY2040."

Main initiatives

Strengthening the power portfolio and enhancing competitiveness through the construction of new in-house power plants

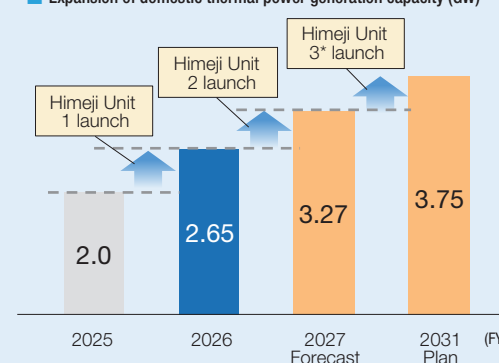
Since 2026, we have gradually started operations at the Himeji Natural Gas Power Plant, and as a result we expect a significant increase in domestic thermal power generation capacity from approximately 2.0 GW to 3.2 GW. In addition to combining our expertise in optimal LNG trading and our ability to flexibly adjust gas-fired power generation, we will use renewable power sources and bilateral/market procurement to create a portfolio with outstanding cost competitiveness, environmental performance, and stability.

Moreover, we will also proactively make use of storage batteries, whose importance is increasing in line with the growing adoption of renewable energy. We will aim to contribute to the stabilization of the power grid and improve operational flexibility in response to changes in supply and demand. In doing so, we will seek to steadily grow the business as we aim for an operational capacity equivalent to 1.0 GW by FY2031.



Himeji Natural Gas Power Plant

■ Expansion of domestic thermal power generation capacity (GW)

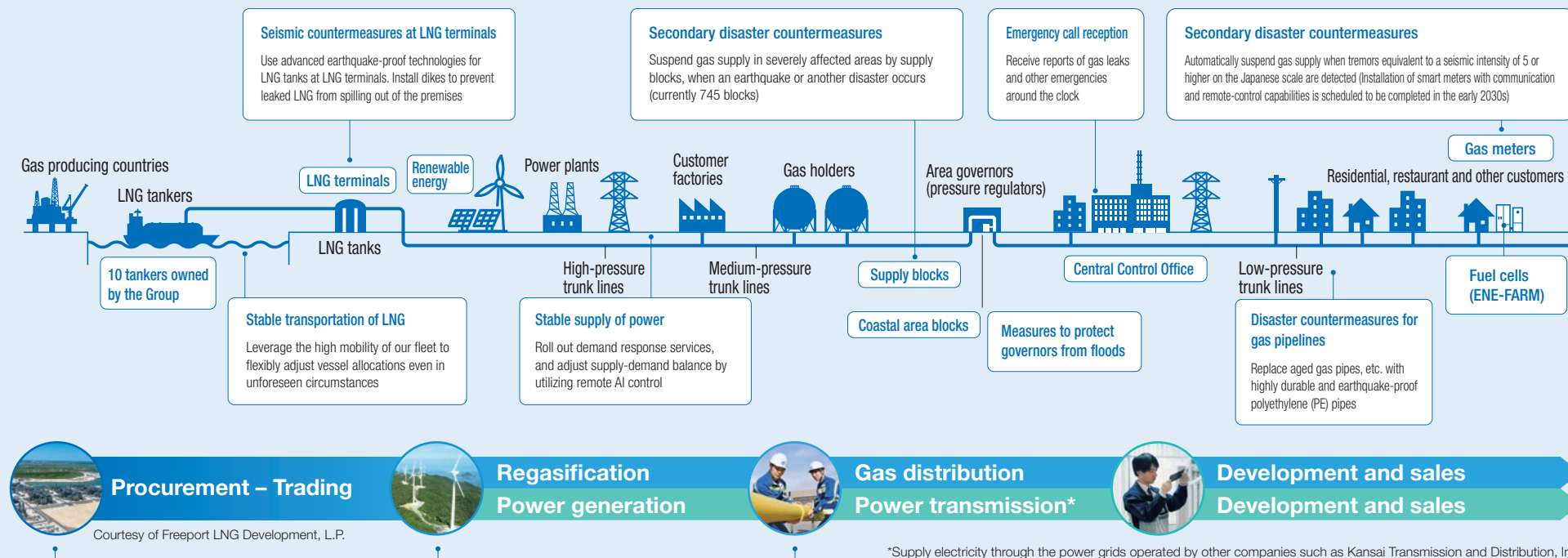


*Unit 3 is designated as a power source for the long-term decarbonized power source auction.

Initiatives to Enhance Resilience in the Energy Supply Chain

With the aim of enhancing the resilience of its energy supply chain, the Daigas Group is working to ensure stable procurement and optimize procurement and sales by leveraging its trading and transportation expertise and collaborating across the value chain. We are also working on disaster preparedness measures, such as enhancing safety and the stability of energy through technological development and raising employee safety awareness.

We are enhancing safety and the reliability of stable energy supply through various measures and technological developments at every stage of the energy value chain, from production to consumption. We also provide regular training to employees to raise safety awareness.



Diversification of LNG Suppliers

We are working on the stable procurement, development, and supply of natural gas that will play an important role during the transition period. While basing our LNG procurement on long-term contracts, we diversify our procurement regions to mitigate the impacts of geopolitical risks and unforeseen disruptions, thereby building a more flexible and stable procurement system.

Launch of LNG Bunkering Service

Heavy fuel oil is primarily used for marine fuel, and the International Maritime Organization (IMO) has set a goal of zero GHG emissions by around 2050. We started a Ship-to-Ship¹ LNG bunkering Service in the Osaka Bay and Setouchi area in April 2026. Alongside the Truck-to-Ship² and Shore-to-Ship³ services we already offer, this will enable LNG fuel supply through all three major bunkering methods, thereby contributing to a stable and flexible LNG fuel supply. In the future, we also aim to decarbonize marine fuel by replacing LNG with e-methane as marine fuel.

¹ Transferring LNG fuel from an LNG bunkering vessel to an LNG-fueled vessel moored at a wharf or at anchor

² Transferring LNG fuel from an LNG tanker parked on a wharf to an LNG-fueled vessel moored at a wharf

³ Transferring LNG fuel from an on-shore facilities, such as an LNG terminal, to an LNG-fueled vessel moored at a wharf or jetty

Building of a Robust Gas Pipeline Network

To improve the stability of supply, we are moving forward with the construction of the Amagasaki-Kumiyama Line, an approximately 49 km high-pressure trunk line between Hyogo Prefecture and Kyoto Prefecture. Toward its completion in September 2028, we are currently making steady progress with excavation work for underground tunnels and pipeline installation work. In building robust infrastructure that is resilient in both times of normality and unexpected disasters, we will contribute to the creation of a safe and secure society for the Kansai area.



Courtesy of Freeport LNG Development, L.P.

International Energy Business

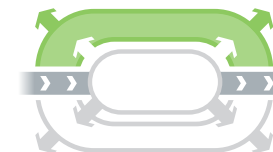
FY2026
Results

Net sales **143.7** billion yen
Segment profit* **88.3** billion yen

FY2027
Forecast

Net sales **140.0** billion yen
Segment profit* **85.5** billion yen

* Operating profit + share of profit of entities accounted for using equity method



What We Aim To Be

In our International Energy business, we have expanded and diversified our business domain from upstream to mid- & downstream businesses, making use of the experience and knowledge we have accumulated over many years of operating in various countries, while also utilizing the O&M and engineering capabilities of the energy value chain we have built in Japan, as well as our ability to propose solution services.

The International Energy business has now grown into one of our business pillars, contributing to the profits of the Daigas Group as a stable earnings base that is not dependent solely on the Domestic Energy business.

We will continue to efficiently expand our profit scale, and aim to provide stable, low-cost energy supplies and convenient services that contribute to the sustainability of the carbon neutral ("CN") society by developing e-methane projects and taking other measures.

Business Environment Awareness

Strengths

- Developing business across the value chain from upstream to mid- & downstream
- Operational expertise in the energy business, leveraging knowledge gained in Japan

Issues

- Safe and stable operations for stable procurement and profit
- Acquiring know-how in new fields through business participation

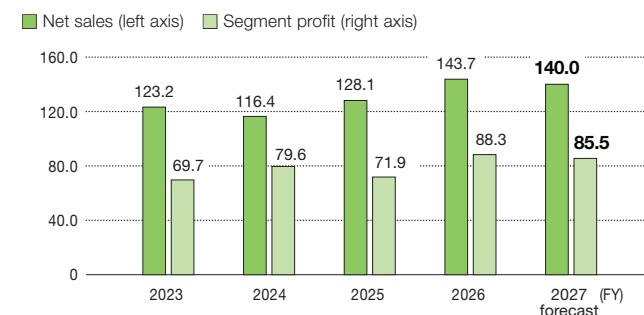
Opportunities

- Increasing demand for low-carbon and decarbonized energy
- Increasing energy demand in emerging markets

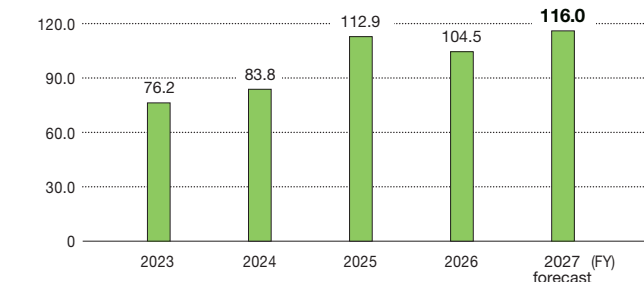
Risks

- Implementation or change of policies and regulations, deterioration of economic or social conditions, etc. in the countries in which the Group operates
- Market fluctuation in areas including crude oil prices and gas prices, technical issues

Net Sales (billion yen) Segment Profit (billion yen)



Growth Investment Amount for Each Fiscal Year in International Energy Business (billion yen)



INPUT

- Segment assets **1,083.9** billion yen
- Segment growth investment **104.5** billion yen
- Developing business across the value chain from upstream to mid- & downstream
- Operational know-how for the energy business, leveraging knowledge gained in Japan

OUTPUT

- Net sales **143.7** billion yen
- Segment profit **88.3** billion yen
- Steady profit growth through price hedging, development expansion, and stable operations at Sabine Oil & Gas Corporation in the U.S.
- Expanding city gas business in the growing market of India

OUTCOME

- Stabilizing global energy supply
- Contribution to CN society
- Contribution to national and regional economic development

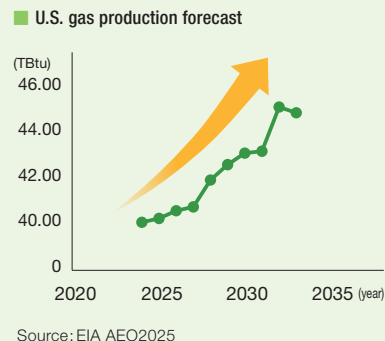


Shale Gas in the U.S.

Market environment

Production of natural gas, primarily shale gas in the U.S., is expected to continue growing, supported by strong domestic demand and expanding LNG exports. The current increase in demand for power driven by the expansion of data centers is one factor underpinning the market.

Meanwhile, Henry Hub futures prices—a benchmark for natural gas prices in the U.S.—may fluctuate in response to temporary changes in the supply-demand balance caused by seasonal weather patterns and inventory levels. However, they are expected to remain stable within a certain range over the medium to long term.



Main initiatives

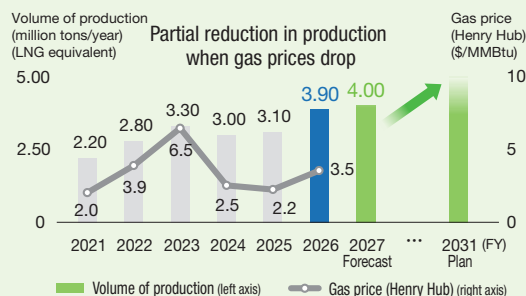
Stable profit contributions through price hedging and medium- to long-term production expansion

At the beginning of each fiscal year, we hedge the sales price of 70–80% of the expected sales volume for the year. This helps stabilize earnings, while enabling us to pursue upside profit potential by flexibly increasing production when gas prices rise. We plan to produce four million tons in FY2027 and will aim for further profit growth while increasing production through the acquisition of additional mining areas in the future. Development is projected to continue for approximately the next 10 years. Moreover, rather than simply benefiting from positive market conditions, our profit growth has also benefited from cost reduction initiatives, including the optimization of excavation work through the accumulation of operational expertise, and flexible contract negotiations in line with market trends. Furthermore, by leveraging the Group's expertise in safety management, we have achieved safe and stable operations, including recording zero occupational accidents among local employees.



Well drilling site

Trends in shale gas production and gas prices



City Gas Distribution and Renewable Energy in India

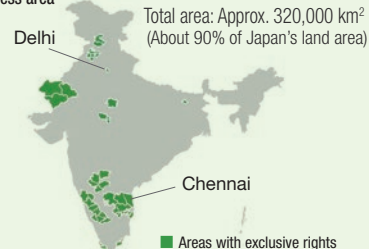
Main initiatives

City gas

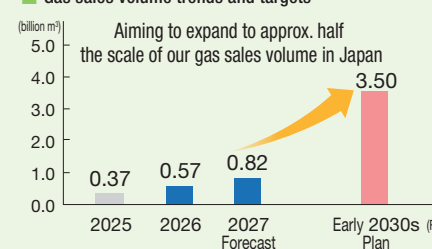
Developing city gas businesses in 19 areas where we hold exclusive rights, leveraging expertise developed in Japan

Since investing¹ in a city gas business in 2021, we have developed businesses in 19 areas (equivalent to approximately 10% of India's land area) where we have obtained exclusive infrastructure rights² from the Indian government, leveraging expertise developed in Japan, including supply infrastructure construction and maintenance and demand development. Supported by a national policy that prioritizes the allocation of low-cost domestic natural gas to the transportation and residential sectors, we have built approximately 11,000 km of pipelines and more than 500 CNG stations. As a result, the number of residential customers has reached approximately 150,000 (as of March 31, 2026).

Business area



Gas sales volume trends and targets



¹ Invested in AG&P LNG Marketing Pte. Ltd. through a Japanese consortium comprising Osaka Gas Singapore Pte. Ltd., SUMITOMO CORPORATION, and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development
² Exclusive infrastructure rights for 25 years and exclusive gas sales rights for eight years

Main initiatives

Renewable energy

Collaboration with a leading local company

In collaboration with CleanMax, we have acquired approximately 280 MW* of renewable energy assets. We will continue to develop new projects moving forward and aim to own around 400 MW* of renewable energy assets by FY2029.

*Figures from a Japanese consortium in which we have invested. Including power plants under development.

Electricity in the U.S. (Thermal Power)

Main initiatives

By contributing to business operations through expertise accumulated in our domestic businesses, and enhancing value through refinancing and operational improvements, we strive to secure stable earnings. On the other hand, without clinging to asset holdings, we will sell assets that have reached their maximum value and assets with low profitability, and examine new investments in projects with outstanding potential. In doing so, we will flexibly replace our assets and strive for maximum investment efficiency.

List of owned power assets (as of March 31, 2026)

- Approximately 1,300 MW across five power plants
- Enhancing capital efficiency through selection and concentration

Status	Sold in	Name of power plant (region)	Equity capacity (MW)
Owned	—	Fairview (PJM)	525
		Three Rivers (PJM)	188
		St. Charles Energy Center (PJM)	186
		Towantic (ISO-NE)	389
		Saranac (NY-ISO)	48
Divested	FY2024	Whitewater	69
	FY2026	Michigan Power, Lakewood, Klean Energy, Shore	474

Life & Business Solutions (LBS) Business

What We Aim To Be

We are steadily growing profits from the LBS business by leveraging the technology and business know-how we have cultivated in the energy business. By developing businesses separate from the energy business, we make them less susceptible to the effects of crude oil prices and exchange rates, and they are steadily making contributions to the Group's profits.

We will accelerate growth by leveraging the strengths that each company has cultivated, such as asset-light real estate business management and provision of high-value-added systems and high-performance materials, and the synergies within the Daigas Group.

Business Environment Awareness

	Urban Development	Information Technology	Materials
Materials	Rolling out a wide range of real estate-related business, including development, management, and sales	Ability to provide one-stop service from IT strategy formulation to development, maintenance, and operation	Technological capabilities to develop highly functional and high value-added products to meet domestic and overseas demand
Opportunities	Booming real estate investment market	Increasing need for digital transformation, including AI	Increasing environmental awareness
Issues	Responding to rising construction material prices	Securing and developing human resources	Responding to rising raw material prices and developing high value-added products
Risks	Deteriorating real estate market conditions	Information leaks due to advanced cyber attacks	Rising raw material prices

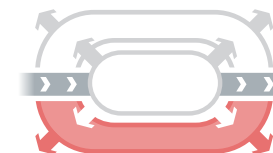
FY2026
Results

Net sales **319.8** billion yen
Segment profit* **37.4** billion yen

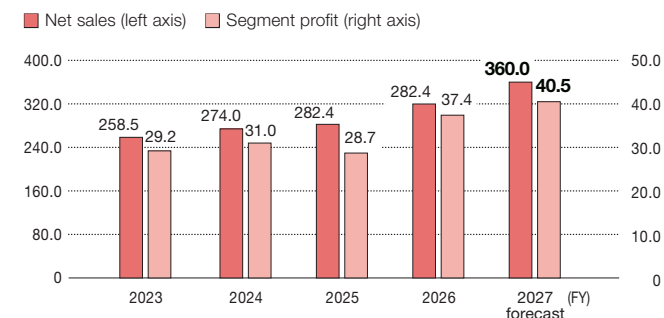
FY2027
Forecast

Net sales **360.0** billion yen
Segment profit* **40.5** billion yen

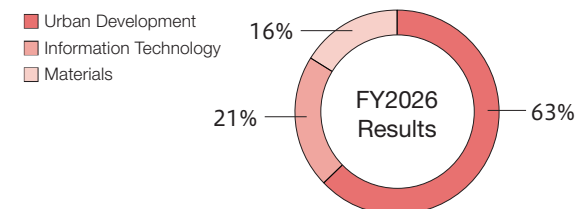
* Operating profit + share of profit of entities accounted for using equity method



Net Sales (billion yen) Segment Profit (billion yen)



Composition of LBS Segment Profit



INPUT

- Segment assets **571.5** billion yen
- Segment growth investment **47.2** billion yen
- Expanding the real estate business domain with a focus on capital efficiency
- Providing one-stop service from development, maintenance, and operation
- Developing and selling high-value-added chemical products

OUTPUT

- Net sales **319.8** billion yen
- Segment profit **37.4** billion yen
- Growth in real estate business centered on rental and for-sale apartments
- Strengthening of ERP* business domain through M&A
- Strong performance of inorganic materials and other products

*ERP is the abbreviation for enterprise resource planning. It is a system for integrated management of the customer's entire business from the perspective of effective use of management resources.

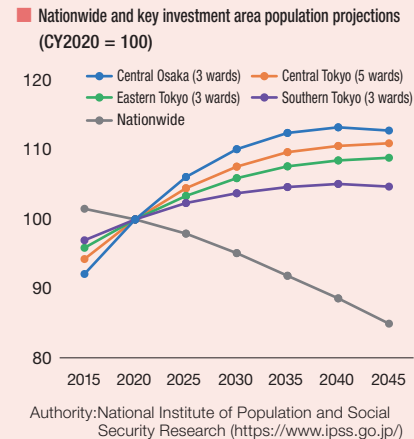
OUTCOME

- Providing comfortable places, spaces, and services
- Evolving our customers' businesses
- Contributing to a sustainable society through manufacturing



Urban Development

Market environment As Japan's population continues to decline, continued population inflow and growth are expected in the central areas of Osaka and Tokyo, the Group's focus for its urban development business. In these urban areas, there is growing demand for a live-work-nearby lifestyle with convenient access to transportation. In addition, supported by the concentration of urban functions, demand for high-quality residential properties and office buildings remains solid. Although temporary fluctuations due to changes in the financial environment should be monitored closely, we expect the market environment to remain favorable.



Main initiatives **Harnessing Group synergies with Domestic Energy business**

Making full use of our strong human networks, brand strength, and financial resources, we handle every stage of the process from the acquisition of prime land through to development, sales, and leasing.

Leveraging business expertise cultivated in the Kansai region, we have actively expanded our rental apartment business in the Greater Tokyo area since 2009 and steadily increased the scale of our operations.

By actively using strategic gas-based products in the properties we develop, such as underfloor heating, "Kanta-kun" clothes dryers, and ENE-FARM, we are aiming to differentiate our properties from the competitors and significantly improve the added value of our residential properties. Going forward, while continuing to acquire and develop prime properties, we will increase the share of our capital recycling businesses over the medium to long term. By combining stable recurring revenue with revenue from asset sales, we aim to further improve capital efficiency and drive profit growth. Meanwhile, we have steadily sold properties to private REITs and will aim for cumulative sales of 100.0 billion yen by FY2031.



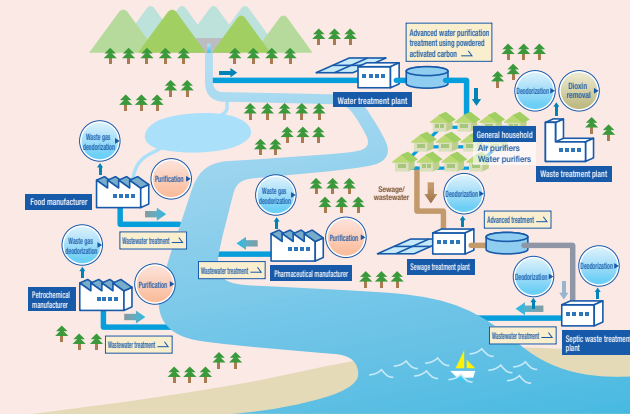
URBANEX Higashiumeda

Group synergy effects

Strengthening the capabilities to acquire land information and propose sets of energy products by utilizing the Daigas Group's sales network

Materials

Market environment With tighter environmental regulations worldwide and growing awareness of the importance of environmental conservation, demand for environmentally friendly materials used for water and air purification is growing both in Japan and overseas. Demand for activated carbon in particular, which is widely used across industry and everyday infrastructure, is being driven by growing demand for purification solutions, and we expect the market to continue growing sustainably over the medium to long term.



Uses for activated carbon

Main initiatives **Enhancing activated carbon supply capacity and sales, and applying it to carbon neutrality sectors**

Based on coal chemistry technologies that use byproducts of coal gas manufacturing, as well as pharmaceutical-related technologies, we are increasing our development and sales of high-value-added materials that contribute to industry, lifestyles, and the environment.

One of our key focus areas is the activated carbon business. Primarily through Jacobi, an overseas subsidiary we acquired in 2014, we will expand the sales volume of activated carbon by steadily enhancing our supply capacity year by year through continued investments, including the expansion of manufacturing facilities, to meet growing medium- to long-term demand. Currently, we are focusing on the research and development of highly functional products with high added value. Toward 2030, we will aim to expand our activated carbon recycling service and ion-exchange resin business, etc. At the same time, we are also considering the use of materials developed and sold by Osaka Gas Chemicals Co., Ltd. in our biogas business.



Activated carbon

Group synergy effects

Strengthening the development of highly functional products with high added value through collaboration in the R&D field, including joint research within the Group and talent rotation programs