

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

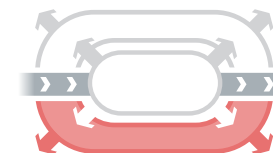
**FY2026
Results**

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

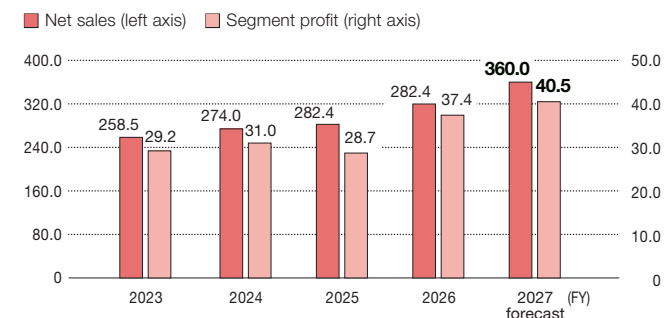
**FY2027
Forecast**

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

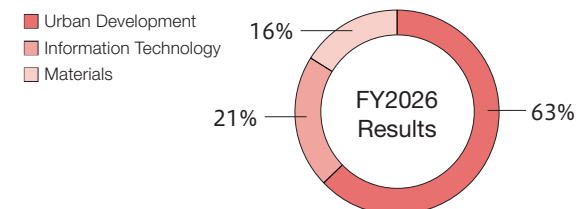
* Operating profit + share of profit of entities accounted for using equity method



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

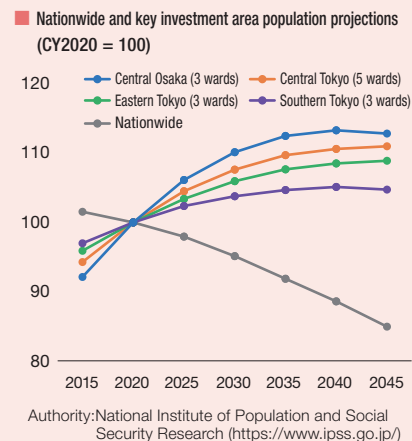
- Providing comfortable places, spaces, and services
- Evolving our customers' businesses
- Contributing to a sustainable society through manufacturing



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

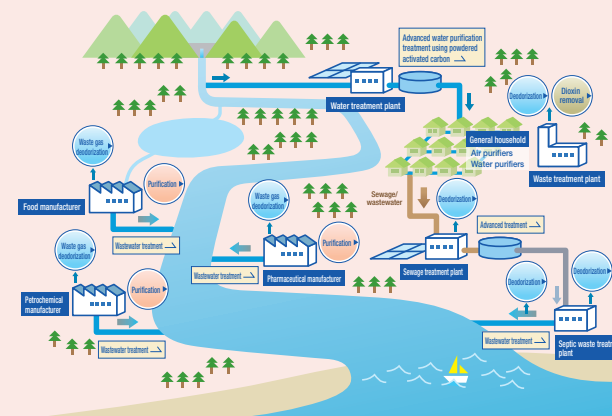
Group synergy effects

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