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.

Materiality	What we aim to be	Sustainability indicators	Main achievements in FY2025	Main achievements in FY2026		FY2027 targets	FY2031 targets
Provide carbon neutral energy	We will contribute to the achievement of a carbon neutral society through the advanced use of natural gas, the introduction and popularization of e-methane, the expansion of renewable energy, and other efforts to achieve carbon neutral thermal and electrical energy, as well as negative emission initiatives.	Avoided emissions[1]	6.29 million tons/year	7.38 million tons/year	P.46	7 million tons/year	10 million tons/year
		Renewable energy development contribution	3.7 GW	4.54 GW	P.48	4 GW	5 GW
		Percentage of renewables in our power generation portfolio in Japan	30.4%	38.0%	P.48	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)	P.47	—	27.02 million tons (-5 million tons)
		CO_2 emissions reduction in the Group company offices and vehicles	50%	57%	P.48	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	P.72-P.74	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	P.72-P.74	Transition to the second phase of SOEC GI funds business	Establishing a pilot-scale (400 Nm3/h class) SOEC technology
Enhance the resilience of customers and society	We will strengthen the safety and stability of the energy supply chain and continue to fulfill our mission of ensuring a stable supply.	Number of serious accidents and serious energy supply disruptions caused by the company	Zero	Zero	P.117-P.119	Zero	Zero
		Establishment of resilient facilities	• 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	P.118-P.119	Implementation of measures for disaster prevention and aging pipes	

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Co-create advanced, diverse solutions that meet customer values	We will provide cuttingedge and diverse options to realize comfortable living and increased corporate value.	Customer accounts	10.71 million accounts	10.89 million accounts	P.122-P.124	10.9 million accounts	11.5 million accounts
		Customer satisfaction rate	92%	93%	P.122-P.124	90%	—
		Creation of innovation	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	P.85	Creation of new business and services	
Create an environment that enhances value for employees and the company	By attracting diverse talents and creating an environment where employees can work hard, we will maximize the potential of our employees and build relationships in which both employees and the company can grow.	Percentage of women among employees newly promoted to middle management positions	18.2%	17.4%	P.93-P.94	20% or higher	30% or higher
		Percentage of women among newly hired career-track employees	39.4%	31.5%	P.93-P.94	30% or higher	30% or higher
		Work engagement score[3]	52.2	52.8	P.88	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	P.88	Cumulative total of 3 years:330 people	—
		Readiness rate for nextgeneration management talent	260%	280%	P.88	250%	—

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Maintain and improve the soundness and flexibility of management foundation	By maintaining and improving the management foundation of the Group, we will steadily address each of our key issues and contribute to the development of the supply chain and the local community as a whole.	Percentage of female directors	26.7%	26.7% P.134	25% or higher	30% or higher
		Number of serious violations of laws and regulations	1 case[4]	Zero P.134	Zero	Zero
		Recruitment of DX core staff	243 employees	310 employees P.81	300 employees	—
		Respect for human rights	Implemented human rights due diligence	Implemented human rights due diligence and identified risks in each business P.106 P.108	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.) P.127-P.130	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 P.47 • 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 P.128 • Urban Development business: Obtained ZEH-M certification for rental apartments and condominiums, and promoted ZEB-Ready and other certifications for other development projects. P.52	Promoting distinctive sustainability initiatives in the LBS business	

1 Calculate the estimated effect of CO_2 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 CO_2 emissions in the domestic supply chain (Scope 1, 2 & 3). Figures in parentheses represent CO_2 emissions reduction compared to FY2018. Please refer to P.47 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.151 for further details on inappropriate conduct in the sale of ENE-FARM in FY2025.