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Today, I will walk you through the Daigas Group FY2027.3 Management Plan.

P.1 Strategic Overview

Let me begin with our overall direction. Under our Medium-Term Management Plan 2026, we are guided by our vision: "Secure peace of mind today, build sustainable lifestyles for tomorrow." We provide a safe and stable energy supply to ensure customer peace of mind, even amid geopolitical uncertainty while addressing long-term social challenges.

FY2027.3 marks the final year of the current plan. In this final year, we will focus on executing our key initiatives and delivering on our targets.

P.2 Impact of Middle East Instability on the Daigas Group

Before turning to the details of the plan, let me briefly comment on recent developments in the Middle East, including the Strait of Hormuz. At present, we see no immediate impact on our LNG procurement or overall energy supply. We do not source LNG via the Strait of Hormuz and maintain a well-diversified procurement portfolio. In addition, our long-term contracts and owned power sources provide a stable supply base. That said, the situation remains uncertain. Should instability persist, global energy procurement conditions could tighten. We will continue to closely monitor developments and take appropriate measures to mitigate risks.

P.3 Key Strategy of Medium-Term Management Plan 2026 (1) Co-create Value for A Sustainable Future

Let me now turn to the key initiatives of our plan. I will begin with our carbon neutrality strategy. Under our priority of "Co-create value for a sustainable future," we are making steady progress.

In thermal energy, we are working toward introducing more than 1% e-methane by FY2031.3. We commenced full-scale Sabatier methanation trials in Nagaoka in February and are also advancing bench-scale testing of SOEC methanation technologies. Overseas, we are progressing FEED for an e-methane production joint project in Nebraska, U.S.

In electricity, all of our eight biomass power plants are now operational, and our renewable energy development contribution is expected to reach 4.61 GW in FY2026.3. We remain on track to achieve 5 GW by FY2031.3, while also expanding storage battery capacity.

P.4 Key Strategy of Medium-Term Management Plan 2026

(2) Support Employees to Shine in Their Roles, (3) Evolve the Business Foundation (Business Transformation through DX)

Next, let me move on to other key initiatives, "Support employees to shine in their roles" and "Evolve the business foundation." We are strengthening both human capital and digital transformation.

On the human capital side, we are enhancing talent acquisition, targeting 360 hires in FY2027.3, including core companies and Osaka Gas Network. At the same time, we are accelerating DX across our operations. This includes scaling the use of AI in customer service and optimizing the LNG and electricity value chain to improve productivity and efficiency. We are also fostering a culture that promotes DX and strengthening core talent to accelerate these initiatives.

P.5 Our Business Portfolio

As shown on this slide, we leverage our Domestic Energy business as our core, capturing synergies to drive growth in International Energy and Life & Business Solutions (LBS).

P.6 Domestic Energy: Retail and Wholesale (Residential, Commercial, and Industrial)

In the Domestic Energy Business, we are accelerating cross-selling and nationwide expansion by leveraging our strong customer base and broad product portfolio.

P.7 Domestic Energy: Electricity

Turning to the power and renewable energy business. In the domestic thermal power, Unit 1 of the Himeji Power Plant began operations in January 2026, with Unit 2 scheduled for May. These additions will increase our capacity by 1.2 GW to 3.2 GW, enabling us to respond promptly to rising electricity demand from data centers and AI. We have also started construction of Unit 3, targeted for operation in FY2031.3.

In renewable energy, we will continue to expand development and procurement while leveraging our integrated value chain to provide added value to customers, including through virtual PPAs. Through these initiatives, we will further grow our renewable energy business. Details on storage batteries will be covered on the next slide.

P.8 Domestic Energy: Expansion of the Storage Battery Business

The rapid expansion of renewable energy has significantly increased demand for storage batteries. We are building our battery business across the entire value chain, from grid-scale and co-located systems to on-site installations for customers. Our competitive advantage lies in the integration of trading capabilities to monetize batteries in power markets, DX-driven automated operations, and advanced technical expertise accumulated at KRI, our R&D subsidiary. In addition, KRI's recent acquisition of ENAX shares enables a one-stop platform from R&D through large-scale prototyping. By leveraging these strengths, we aim to establish ourselves as a fully integrated battery business operator.

P.9 Domestic Energy: Resilience (LNG Trading, Regas Terminals, Engineering, and Gas Networks)

Next, let me turn to our efforts to enhance energy supply chain resilience. As previously mentioned, we will maintain stable LNG procurement through long-term contracts and geographic diversification. Meanwhile, demand for LNG as marine fuel is growing alongside the global shift toward carbon neutrality. Leveraging our experience in truck-to-ship and terminal-to-ship bunkering, we will expand into ship-to-ship bunkering using dedicated vessels starting this April. With the number of LNG-fueled vessels expected to rise, we are targeting an annual supply volume of approximately 70,000 tons by 2030.

P.10 Domestic Energy: Gas Supply Safety and Reliability

Next, let me turn to our network business. To strengthen supply stability, we are constructing the Amagasaki-Kumiyama high-pressure pipeline, scheduled for commissioning in FY2029.3. In parallel, we are rolling out smart meters across all customers. Since FY2026.3, we have begun utilizing their communication capabilities to enable faster safety confirmation and improve operational efficiency, with full deployment targeted by FY2034.3.

P.11 International Energy: United States

Next, let me turn to our International Energy Business. In upstream, our shale gas subsidiary Sabine dynamically adjusts

production in line with market prices, increasing output during price upswings to capture upside. In the U.S. thermal power business, we provide timely supply from competitive power sources to meet growing demand driven by the expansion of AI and data centers. We will continue to enhance asset value while selectively pursuing high-quality investment opportunities to drive medium- to long-term earnings growth.

P.12 International Energy: India

In Asia, we are expanding gas infrastructure in India. We target gas sales of 820 million cubic meters in FY2027.3 and 3.5 billion cubic meters in FY2031.3, equivalent to roughly half of our current domestic volume. At the same time, we are advancing renewable energy projects and asset acquisitions with local partners. By leveraging the expertise developed in Japan, we aim to generate approximately 10 billion yen in profit from the Indian market in the early 2030s.

P.13 Life & Business Solutions (LBS): Real Estate, Information Technology, and Materials

Next, let me turn to the Life & Business Solutions (LBS) segment. Each of these businesses has evolved from our core gas operations, achieving steady and sustainable earnings growth by leveraging synergies within the Daigas Group.

In the real estate business, apartment leasing and condominium development and sales, our core operations, remain solid, and we are expanding into new areas such as offices in the Greater Tokyo area and logistics facilities. Over the medium to long term, we aim to increase the proportion of turnover-type businesses to improve asset efficiency while expanding profit scale.

P.14 Technology Development and New Business Initiatives

Next, let me discuss our technology development and new business initiatives. We have completed the Daigas Innovation Center, a new R&D hub that will strengthen our research capabilities and accelerate value creation through enhanced facilities and open innovation with external partners.

In new business areas, we are focusing on carbon credits. Leveraging "Green Checker," our generative AI-based quality evaluation system, we are expanding our business across the entire carbon credit value chain, from procurement to trading and sales.

P.15 Key Financial Targets (FY2027.3)

Now, let me turn to our financial targets. For FY2027.3, we are targeting: ordinary profit (excluding time-lag effect) of 183.0 billion yen, EBITDA of 330.0 billion yen, ROIC of 5.2%, and ROE of 8.0%. These targets are in line with the goals set in our Medium-Term Management Plan. While these figures do not reflect the recent instability in the Middle East, we expect the negative impact from higher crude oil prices to be partially offset by positive effects from increases in other energy prices. Specifically, we assume a crude oil price of \$65/bbl for FY2027.3. If crude oil prices were to increase by \$30 to \$95 per barrel and remain at that level for one year, ordinary profit would decline by 36.0 billion yen, including the time-lag effect. Excluding the time-lag effect, the negative impact on profit would be limited to 6.0 billion yen. This sensitivity analysis reflects only changes in crude oil prices; in practice, fluctuations in JKM and coal prices would also have an impact.

As mentioned at the outset, the situation remains highly uncertain. If economic activity in Japan and overseas were to slow further, these assumptions could be affected. We will continue to monitor developments closely and take appropriate measures as necessary.

P.16 Capital Allocation and Shareholder Returns

Finally, let me turn to our capital allocation. We expect three-year cumulative operating cash flow to exceed the original plan

by 65 billion yen. This increase will be allocated in a balanced manner between investments for growth and shareholder returns to support a virtuous cycle of long-term growth.

For shareholder returns, following the increase of our DOE target to 3.5%, we plan an annual dividend of 130 yen per share, representing a 10 yen increase. In addition, we will implement flexible additional return measures in line with business performance to ensure appropriate shareholder returns.

This concludes my presentation on the Daigas Group FY2027.3 Management Plan. Thank you.

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