SAIBU GAS GROUP

INTEGRATED REPORT 2026

Saibu Gas Group Integrated Report 2026

SAIBU GAS GROUP

Powered by connection*

Transforming a 100-year relationship into competitive strength for the future.

Saibu Gas Group has a 100-year relationship with its customers.

Out of this has emerged a culture of valuing people and relationships that will continue into the future.

We will transform this connection into a competitive advantage as we continue journeying together with local communities.



A customer base rooted in the local community

Powered by connection.





A sustainable infrastructure network

People and an organization that continue to be trusted by the local community

For more information, please see 📖 P.19 and 📖 P.20.

*Powered by connection. --- Message set forth in Saibu Gas Group Vision 2030

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What "connection" means to me.

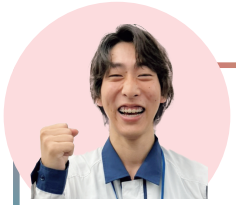
Saibu Gas Group leverages the power of "connection" in order to create value that will transform the future to help achieve the ideal vision for both the Group and society.
In order to encourage Group employees to think anew about what this value looks like, we asked them to reflect on what "connection" means to them.
Here, in their own words, are some of the thoughts on "connection" expressed by employees working in the field.



Saibu Gas
Kitakyushu Industrial Energy Market Development Dept.
Rin Kuroki

It's the trust I build with our customers through daily conversations. I strive to be someone customers can trust to carefully address even the smallest requests and to provide consultations with peace of mind.

Main Duties: Industrial gas and electricity sales in the Kitakyushu area



Saibu Gas
Customer Service Fukuoka East Office
Toranosuke Oda

During daily inspections, every time customers tell me they can use our products with peace of mind, I realize that we are building relationships of trust.

Main Duties: Regular safety inspections of city gas facilities



Saibu Gas Real Life Fukuoka Chuo-Minami/Sawara Branch, Sales Dept.
Yu Kagawa

It's about providing attentive service to each and every customer, building trusting relationships where they can confidently rely on us, and deepening our connections as a familiar presence in the community.

Main Duties: Gas valve opening/closing and gas leak alarm replacement work



Saibu Gas Nagasaki Sales Dept., Living Development Group
Ayano Katsuki

It's about building trust by listening attentively to our customers' concerns and responding carefully, fostering a relationship where they feel comfortable relying on us when something comes up.

Main Duties: Development of proposals for expanding sales of residential gas and electricity in the Nagasaki area



HASSENKAKU
Main Branch Sales Dept., Service Group
Surendra Shrestha

It's a relationship which involves transcending differences in position and culture, valuing the feelings of each and every colleague, and growing together while supporting one another to provide better service.

Main Duties: Service, customer care, and operational duties at banquet halls



Saibu Gas Kensetsu Engineering Dept., Engineering Section
Yuma Michiyama

It's the ability to build trust through mutual support and cooperation, to improve safety and quality towards the same goal, and to complete a project together with colleagues.

Main Duties: General construction site management duties



Kumamoto Kanko Kensetsu Pipeline Dept.
Daisuke Tagami

It's about building trust through communication across generations, passing on technology and culture to the next generation, and creating a good work environment.

Main Duties: Site manager for city gas pipeline laying construction



Saibu Gas Life Support West Life Minamikatae
Mayo Todaka

It's about ensuring customers are glad to see us and feel peace of mind that we are accessible and trustworthy.

Main Duties: Support for residents of care facilities and community-based home nursing services



Saibu Gas
Fukuoka Gas Supply and Distribution Dept., Safety Group
Nobuko Nishida

It's about having colleagues who are active in various fields, sharing information, leveraging each other's strengths, and having people you can rely on and help each other when needed.

Main Duties: Emergency safety response services for city gas



Kyusyu Gas Assou Gas Business Division, Omuta Plant
Taku Umeda

It's about thoroughly managing our facilities so that we can ensure a stable supply of gas 24 hours a day, 365 days a year, starting from the factory where the gas originates.

Main Duties: Operation and maintenance of raw material receiving and manufacturing facilities



Hibiki LNG
Operations Dept., Construction Group and Facilities Group
Yuki Tsunoda

It's about understanding your role within the overall picture, taking the design vision, giving it shape through construction, and becoming the driving force that connects it to the foundation supporting future businesses.

Main Duties: Construction management and design support for tank expansion projects



eneseed
Business Dept.
Ken Takahama

It's about leveraging our on-site capabilities, supporting each other, and contributing to sustainable energy through safe and stable power plant operations.

Main Duties: Operation, maintenance, and coordination of renewable energy facilities

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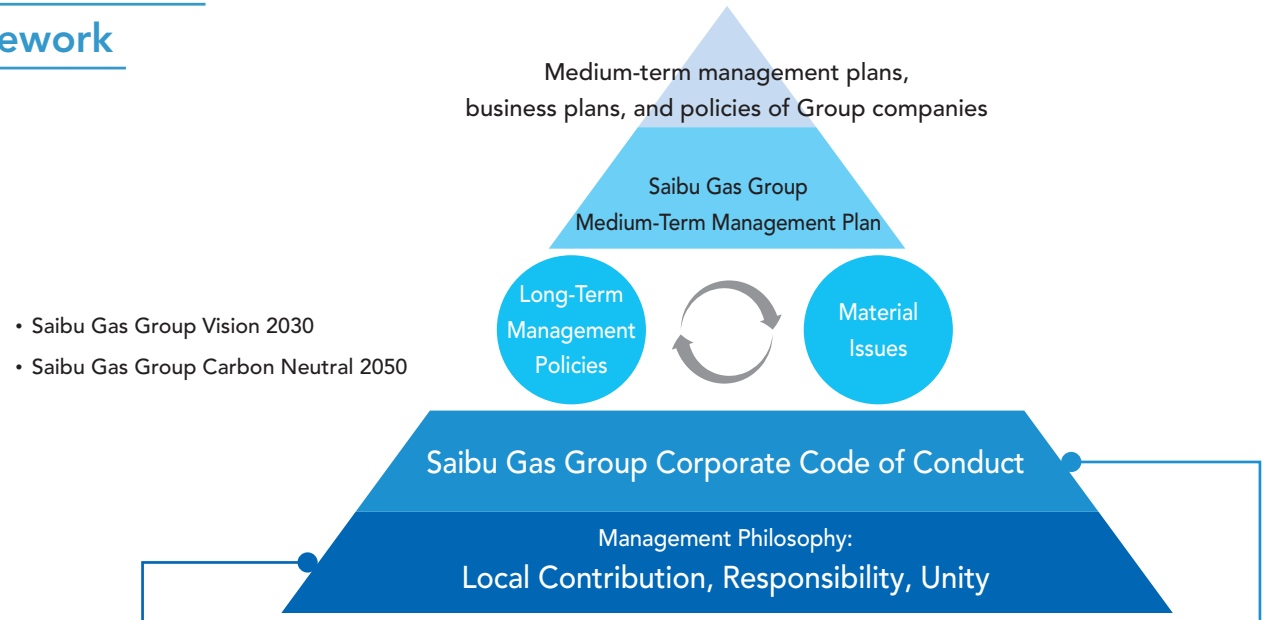
Saibu Gas Group Vision 2030

Group Future Vision for 2030

"Create the future by connecting people, cities, and societies."
Powered by connections with people, cities, and societies,
Saibu Gas Group will take on a challenge of creating value that changes the future
and lead the realization of a sustainable and prosperous society.

Saibu Gas Group Corporate Philosophy Framework

Creation of Customer and Social Value



- Saibu Gas Group Vision 2030
- Saibu Gas Group Carbon Neutral 2050

Management Philosophy

Our management philosophy is based on "local contribution," "responsibility," and "unity."

Local Contribution
We are a part of the community and prosper together with it. We aim to contribute locally and strive daily to improve our efficiency.

Responsibility
We consider "ongoing service," "ensuring safety," and "customer satisfaction" to be the essential responsibilities which we strive to fulfill.

Unity
We rely on "harmonious cooperation" and "mutual improvement" as the two wheels that will drive us forward.

Saibu Gas Group Corporate Code of Conduct

We have established the Saibu Gas Group Corporate Code of Conduct based on the fundamentals of our management philosophy—local contribution, responsibility and unity.

1. Corporate activities that guarantee safety and security
2. Compliance and fair business practices
3. Fair information disclosure and constructive dialogue with stakeholders
4. Respect for human rights and improvement of the workplace environment
5. Commitment to environmental issues
6. Thorough crisis management
7. Leading by example from top management

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Powered by connection. Pursuing stronger corporate value. The President discusses his growth strategy and vision for the future.

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Outside Director Roundtable Discussion

Saibu Gas' outside directors discuss the roles they play and the growth strategies they want to see to achieve sustainable growth and enhance corporate value.

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Saibu Gas Group Strengths

A look at the sources of our value creation—our customer base, human resources and organization, and infrastructure network—supported by the connections we have cultivated over approximately 100 years.

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Capital Policy and Financial Strategy

A discussion of financial strategies aimed at increasing corporate value by balancing growth investments with improved capital efficiency.

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Editorial Policy

In compiling this integrated report, we have summarized our various initiatives to help our stakeholders understand the story of our Group's medium- to long-term value creation.

In editing, we have referenced the IIRC (International Integrated Reporting Council, now the IFRS Foundation) "Integrated Reporting Framework" to enhance not only financial information but also non-financial information such as business model, sustainability, and corporate governance.

Further detailed information and the latest updates, including press releases, are available on our website. Please visit us there.

Note Regarding Forecasts

This integrated report also includes forward-looking statements regarding our Group's business, industry, and global capital markets, based on our Group's current plans, estimates, expectations, or forecasts.

Furthermore, forward-looking statements, such as performance forecasts, are based on information currently available to the Company, and actual results may differ significantly due to various risks, uncertainties, and other factors.

Target Scope

Saibu Gas Holdings Co., Ltd. and its consolidated subsidiaries

Target Period

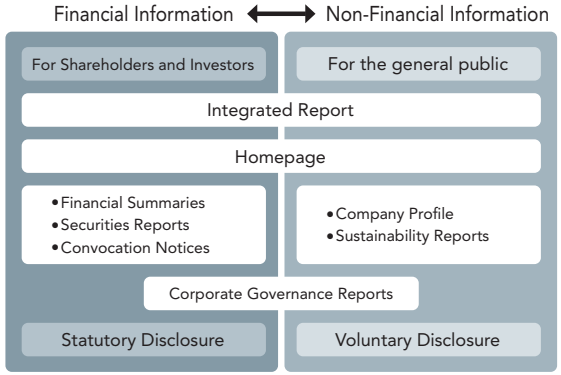
FY2025 (April 1, 2025 - March 31, 2026)
Some content includes initiatives for FY2026.

Latest Information

Sustainability Website
https://hd.saibugas.co.jp/sustainability/

For Shareholders and Investors
https://hd.saibugas.co.jp/ir/

Information Disclosure System



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President's Message



"Where there's a will, there's a way."

This is our conviction as we pool our collective wisdom and make decisions with a sense of urgency.

Based on frontline perspective, we will secure and enhance our competitive advantage through improved organizational capabilities and strategic investment in human capital, thereby achieving long-term and sustainable growth while increasing our management and profitability stability.

■ Results After Two Years as President

I cherish the saying, "Where there's a will, there's a way," as a fundamental principle for management. No matter the circumstances, a clear will—"This is how we want to be," "This is what we want to do,"—is the starting point for everything. I believe that such will paves the way, motivates people, and ultimately transforms the organization itself. Currently, our business environment is undergoing structural and irreversible change. I am always approaching management with a strong sense of urgency that "If we do nothing, we won't be able to pass on to the next generation the security and trust we've built up." It is with this awareness in mind that our company has re-evaluated its core business and shifted its management focus from diversified, diffuse M&A to being an integrated energy business centered on gas energy and electricity and other energy businesses, emphasizing selection and concentration. That is why, ever since becoming president in 2024, I have repeatedly emphasized the need to "change up roles." Rather than leaving it as a mere slogan, I have emphasized reviewing the decision-making process and the very structure of the organization, and demonstrating change through concrete actions. By creating an environment where open discussions are possible, and by continuously sending the message that each individual should re-examine their own role and act with the resolve to take on challenges, we are beginning to feel that steady but definite changes are starting to take root within the organization. Also, I have no intention of making decisions in management entirely on my own. I do my utmost to pool the collective wisdom, sincerely listen to the opinions of the other officers, and ultimately take responsibility for the decision myself. I am convinced that this cumulative process is what makes an organization strong enough to overcome the uncertainties of the times.

Take, for example, the capacity expansion of Hibiki LNG Terminal in Wakamatsu Ward, Kitakyushu City, Fukuoka Prefecture, which was announced in November 2024. The background is that, in addition to the geographical advantages of Hibiki LNG Terminal, there is a strong potential demand for low-carbon energy, mainly for industrial and manufacturing purposes, in northern Kyushu, which is a major business area for our Group. It is a large-scale investment with a total project cost of approximately 50 billion yen, and to be honest, I myself had some hesitation, and there were also voices saying that we should consider it for another year. However, after repeatedly conducting all sorts of simulations and thoroughly pooling the collective wisdom, I ultimately took the responsibility and made the decision.

In addition, we put the utmost importance on ensuring a high degree of balance between satisfying the public interest we serve as a company responsible for regional infrastructure and achieving profitability and capital efficiency as a business. The fact that natural gas was given a prominent position as an "important energy source even after carbon neutrality is achieved in 2050" in the 7th

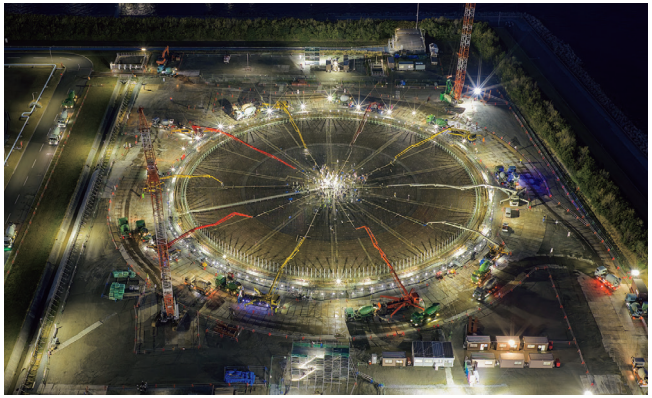
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Strategic Energy Plan approved by the Cabinet last year also provided a strong boost. We believe this investment was a decision made at the optimal timing. Prior to the investment decision, we collaborated with JERA, Japan's largest LNG handling company, and concrete results, such as LNG swap, are already beginning to emerge from the partnership. By leveraging the advantageous location of Hibiki LNG Terminal and incorporating JERA's extensive expertise in the energy business, we will actively engage in Asia-focused global energy projects.

This investment is both a business foundation supporting the sustainable growth of our Group and a strategic investment to contribute to the low-carbon and decarbonization of the region. In other words, it is an investment to enhance the stability of business and profitability while continuing to support the energy infrastructure of the local community for the future. This large-scale investment, which also takes into consideration environmental contributions, looks ahead to low-carbonization through natural gas and future decarbonization through the introduction of e-methane (synthetic methane), and it will further enhance the sustainability of our Group.



Geographic advantage of proximity to Asia


Expansion work on Hibiki LNG Terminal No. 3 tank
Bulk concrete placement at the bottom of the tank (as of April 2026)

However, such strategies and investments do not create value entirely on their own. The driving force is ultimately people, and at its core lies an unwavering connection with the local community and our customers.

■ "Connection" as the Source of Value Creation

Our Group operates multiple businesses including real estate and lifestyle services, with energy as our core business. One of the Group-wide strategic pillars of the Medium-Term Management Plan "ACT 2027" is Group network management, and a strategic priority of this is to "strengthen connections with local communities and customers." Our Group has cultivated connections with local communities for many years through our energy business, and we believe that the source of our Group's competitiveness lies in our connections with local communities and customers.

This is not just a relationship; it is the culmination of the brand value of "safety and security" that we have cultivated through our gas business over a span of roughly 100 years, the "trust" we have earned from our customers based on that brand value, and the accumulation of many years of being closely connected to the local community and contributing through our business. We believe that improving regional value itself is directly linked to the Group's competitive advantage.

This connection is also a concept that embodies the very DNA of our Group. Our culture of "connection" has been shaped by the sincere efforts made on behalf of customers by each and every employee which have steadily built relationships with the local community. This is the unique strength of our Group, and it is the unchanging axis that runs through all of our strategies. Furthermore, human resources who embody this culture create value unique to our Group in terms of capital, such as equipment and customer base, which leads to competitive advantage.



Our Group's employees have a culture of "connection," and they connect with local residents through a variety of opportunities.

I do not see "connection" as something artificially created by business but rather as something which organically occurs in the course of work, and it is this which creates new value. And this approach, in fact, is steadily bearing fruit through our employees' efforts in workplaces and at work sites.

After transitioning to a holding company structure, we have deepened our ties with the local community, and now we have a system in place that allows us to ascertain the issues faced by our customers and local communities in a more detailed manner than before.

For example, in Kumamoto, in response to the issue of the aging population in the region, we launched a real estate brokerage service called "Jitsumado" which helps people with issues related to the management of their parents' homes (see page 25). Also, in Shimabara (Nagasaki prefecture), a personal shopper service is being rolled out to address similar needs. All of these initiatives were born out of actual experience and awareness in the real world, rather than relying on ideas on paper. We believe that B2C businesses that respond to such regional issues will ultimately lead to large value creation if each of our Group companies is rooted in the community and carefully accumulates efforts to contribute to the community, even if each business is small in scale.

In this way, by working in real estate business and on local development, as well as working to address regional issues, we aim to revitalize these regions, which are the source of our Group's growth, and to further strengthen "connections" with local communities and customers.

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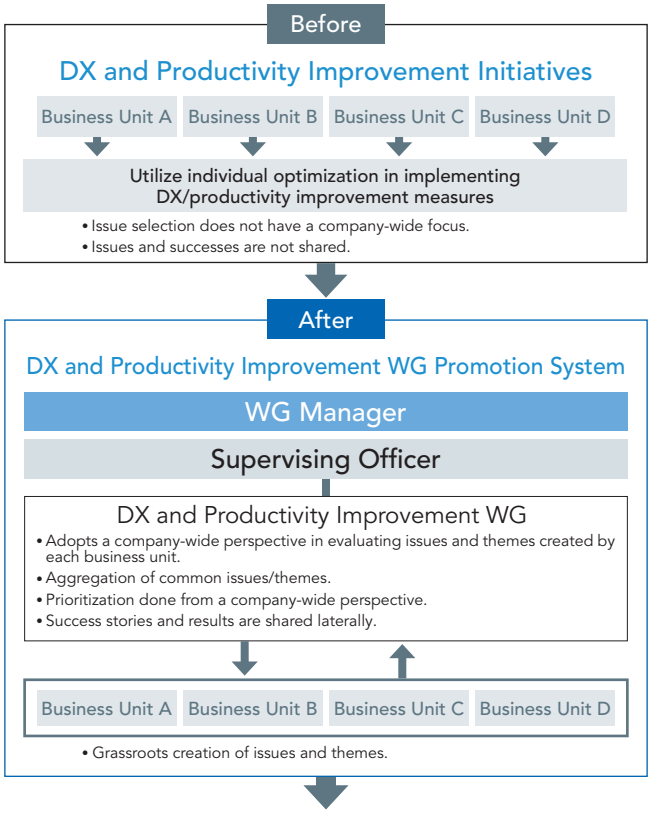
A Management Foundation That Supports Execution

In order to enhance our ability to put plans into action, our Group is proceeding with organizational reforms to improve the speed of decision-making and execution.

As a mechanism to support execution, we have introduced a supervising officer system which ensures that decisions are made and implemented across the entire Group in an integrated manner, thereby addressing management issues that would tend to be separated in a traditional siloed organization. For important themes such as digital transformation (DX) and productivity improvement, IR and shareholder value creation, global energy business, and electricity solutions, we will designate a supervising officer for each, clarify lines of responsibility, and oversee execution across departmental boundaries. In this way, we will increase the speed from decision-making to execution regarding themes and maintain momentum in continuing to create results. We will then link these results to stable earnings and improved capital efficiency. Our new structure embodies this idea and is a system to overcome organizational silos and ensure the implementation of strategies. Through this, we will also promote changes in our corporate culture itself. The most important factor in realizing the strategies and value creation described above is the ability to follow through. What this requires is the fortitude and integrity to confront challenges and unresolved issues from the past head-on, as well as the resilience and determination to keep moving forward even in the face of adversity. We will work to see that such determination and attitude is shared throughout our Group and will promote transformation through a "whole-team effort."

Shift from Individual Optimization to Company-Wide Optimization

Examples of organizational transformation via the introduction of a supervising officer system (DX/productivity improvement)



Group-Wide Productivity and Corporate Value Improvement

Under the supervision of supervising officers, we will pursue important themes that are directly linked to future growth and improvement of corporate value across the company, thereby enhancing our ability to put plans into action.

Important Themes for Supervising Officers	Summary	Aim of Supervising Officer Assignment
DX and Productivity Improvement	• Review business processes and practices across the company to achieve sustainable productivity improvements. • Build a virtuous cycle in which the results of productivity improvements are reinvested in human resources and business.	• Move away from business unit-specific improvement activities, and use company-wide optimization to promote structural reforms
IR and Shareholder Value Creation	• Perform integrated strengthening of IR, shareholder returns, and governance • Deepen understanding and trust through dialogue with investors.	• Integrate previously separated shareholder and investor relations efforts and promote initiatives aimed at increasing corporate value in an integrated manner.
Global Energy Business	• Leverage the advantages of Hibiki LNG Terminal to expand terminal utilization business. • Build a new revenue base through participation in overseas gas mid- and downstream business.	• Expand the business area from a domestic focus to the growing market of Asia, and develop a third pillar of earnings.
Electricity Solution	• Build a power supply portfolio that combines in-house power sources, renewable energy, and storage batteries. • Develop high value-added services that utilize electricity and environmental value.	• Evolve from a business centered on electricity sales volume to a profit structure that includes power generation and supply and demand management.

Shift to Capital Efficiency-Conscious Management

Amidst ongoing large-scale investments in the energy sector, it is essential for us to re-examine how we use capital in order to achieve sustainable growth as an infrastructure company. One concrete way to do this is to introduce ROIC (return on invested capital) as a financial indicator, as put forward in ACT 2027. Since the last fiscal year, we have been working to establish ROIC in a way that leads to action at the operational level, through measures such as developing a ROIC tree, and we are currently in the stage of further deepening this initiative. This is not merely the introduction of a management indicator, rather it is an effort to fundamentally improve the way each business operates and the quality of investment decisions.

Up until now, our business structure revolved around a total cost method, where a certain profit margin was added to the cost to recover our investment, and we managed our business primarily based on the P&L (sales and profit). However, we are now shifting to a management approach that takes into account the cost of capital, with a stronger focus on how much return we are generating on the capital we have invested.

As an infrastructure company, it is not realistic to significantly improve ROIC in a short period of time. That is why I believe it is important to steadily improve the quality of our revenue through "selection and concentration" and to build a business portfolio that can generate stable cash flow. This will take some time, but we will work persistently to steadily improve capital efficiency.

Furthermore, we will continue reviewing and revising our current business portfolio to ensure its optimal performance. This will ensure a thorough focus on capital efficiency in investment decisions and business operations, leading to improved profit quality and more effective use of capital.

Specific initiatives for capital efficiency-conscious management (see page 30 📖) will be promoted through a collaborative effort between management and finance, from a medium- to long-term perspective.

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Investing in Human Capital

People are the foundation which underpins all our efforts to secure a competitive advantage and achieve sustainable growth. Human Capital Management is a medium- to long-term management strategy aimed at enhancing the overall competitiveness and profitability of the Group by raising organizational capabilities. I consider this not merely a human resources initiative but, in fact, a crucial strategy at the core of management.

Based on this thinking, we decided, as part of "ACT 2027", to invest in human capital beyond the conventional framework, including improving compensation and enhancing training. This will lead to medium- to long-term profit growth through increased productivity and strengthened competitiveness.

These investments are not costs but, rather, forward-looking investments in the future that will lead to increased productivity and growth. We will steadily achieve increased productivity as a return on these investments, while also improving employee engagement by creating an environment where employees can work with a positive attitude. This will lead to the establishment of a sustainable virtuous cycle where the generated profits are reinvested back into people.

I have complete confidence in each and every employee. Our Group's serious, honest, and community-oriented approach to our work is a major strength and is the product of a culture that has been cultivated over many years. On the other hand, in today's rapidly changing environment, we cannot rest on our laurels; instead, we must encourage each employee to think for themselves, take on challenges, and further enhance their ability to transform the company.

I once had the opportunity to hear an explanation about whiskey making. It was about how combining raw spirits with different characteristics creates a deeper value. I believe that the same is true for human resources; by respecting diverse individualities and uniting them as an organization, we can create greater value. To that end, it is essential to create an environment where each employee can take on challenges with peace of mind. We will work to improve well-being and provide opportunities to cultivate a strategic perspective beyond daily work, and we will develop a system that allows employees to feel a sense of personal growth.

■ To Our Stakeholders

As a foundation for supporting future Group management, I believe it is crucial to build a Group network that spreads out in concentric circles, where each Group company can demonstrate its uniqueness while collaborating under shared values and mutually leveraging each other's strengths. Within this shared set of values, each Group company should develop its own original business while adhering to a standardized governance system. However, any business that deviates from the brand values of safety, security, and trust that our Group has built must be excluded from this concentric network.

This concentric circle approach is a crucial framework for ensuring continuous review of the Group's overall business portfolio and is an essential perspective for achieving both capital efficiency and growth. We assess whether each business aligns with our Group's values and confidently pursue areas which are reasonable in light of these values and where there is a clear path to success.

Our Group will continue to cherish our connections with all stakeholders and strive for sustainable growth and improved corporate value. At the same time, we aim to improve the value for our customers, shareholders/investors, employees, local communities, business partners, and the environment, practicing management that connects and synergistically enhances these values. Regarding the scope of our Group businesses, we will steadily and efficiently expand our operations by shifting from a diversified M&A approach focused on scale to a selective and concentrated diversification strategy centered on the three revenue pillars of Integrated Energy Business, Real Estate Business, and Global Energy Business, as well as Group business synergies centered on Food and Well-being.

Our goal is to remain a company that everyone involved with our Group can proudly say, "It's good doing business with Saibu Gas Group. It's enjoyable doing business with Saibu Gas Group."

We appreciate the understanding and support you have shown us thus far and sincerely hope that you will continue to do so going forward as well.

column

Takuji's Room



Our conversation series, "Takuji's Room," which is published on our company intranet, has now exceeded 160 installments. We visit the front lines of each Group company to share our vision for Saibu Gas Group and engage in ongoing dialogue with employees.



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Outside Director (Audit and Supervisory Committee Member) Roundtable Discussion

Outside Directors' Perspective on Enhancing Corporate Value

How do the outside directors oversee Saibu Gas Group as it pursues transformation and growth? Drawing on their diverse expertise and experience, they engaged in a frank discussion regarding the evaluation of management, key challenges, and the ideal approach to governance for enhancing corporate value.



Saibu Gas Holdings Co., Ltd.
Director, Audit and Supervisory Committee Member (Outside)
Kiyota Takata

Saibu Gas Holdings Co., Ltd.
Director, Audit and Supervisory Committee Member (Outside) (newly appointed)
Kaori Nishimura

Saibu Gas Holdings Co., Ltd.
Director, Audit and Supervisory Committee Member (Outside) (newly appointed)
Naoko Nakamura

Saibu Gas Holdings Co., Ltd.
Director, Audit and Supervisory Committee Member (Outside)
Hisashi Goto

Leveraging Individual Expertise in Fulfilling the Responsibility to Enhance Corporate Value

Takata: The fundamental role of an outside director who is a member of the Audit and Supervisory Committee is to closely supervise the executive team's operations. We scrutinize the executive team from a position free from internal constraints, provide necessary advice, and, as directors, take responsibility for management decision-making. By fulfilling this responsibility, we are expected to help improve corporate value.

I myself have served as an outside director at various companies, and I have noticed that each company has its own unique culture and atmosphere. An outside director's opinions are meaningless unless they are persuasive. Therefore, communication is crucial. In this respect, Saibu Gas Group provides opportunities for discussion from the management plan formulation stage, offering detailed explanations from each business unit and conducting site visits, creating an environment where outside directors can gain a deep understanding of the Company. I find this approach to be excellent.

Goto: I believe my primary role as an independent outside director is to oversee management. Both finance and energy serve as social infrastructure supporting local livelihoods and economic activity, carrying a high degree of public importance and social responsibility. At the same time, as a publicly listed company, we are also required to achieve sustainable growth and enhance corporate value. Having experienced the importance of balancing these aspects firsthand throughout my own career, I strive to engage in frank and constructive discussions with a focus on enhancing corporate value over the medium to long term. When I first assumed this position, I asked President Kato if he would be okay with my straight talking approach, to which he replied, "That is exactly what I want." I believe that this relationship of trust is also a reason why I can discuss things without hesitation.

Nishimura: For many years, I have worked in journalism, observing societal changes through domestic and international reporting and commentary. I have also been involved for a long time in crisis response, crisis management, and information scrutiny within news organizations. Based on this experience, I want to closely observe the management of Saibu Gas Group from an external perspective, including in terms of sustainability and risk management, to see how their efforts are perceived by society.

Nakamura: As a certified public accountant, I have worked for many years at an auditing firm, where I have been involved in accounting audits and internal control audits. I will leverage that experience to play a role not only in finance and accounting but also in internal control and compliance. Saibu Gas Group has many group companies, and it is necessary to look at its management from various perspectives, including financial indicators and capital efficiency. I want to thoroughly examine these from the perspective of an accountant.

As the youngest member of the Board of Directors and the Audit and Supervisory Committee, I am relatively close in age to the employees working on the front lines. In addition to my expertise in accounting and auditing, I want to incorporate diverse perspectives into my approach to management, which includes the perspective of being a woman and coming from a different

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Outside Director (Audit and Supervisory Committee Member) Roundtable Discussion | Outside Directors' Perspective on Enhancing Corporate Value

generation, and I will use those in playing my part in decision-making that leads to the enhancement of corporate value.

Pursuing Active Discussion to Enhance the Effectiveness of the Board of Directors

Takata: In many companies, even if lively discussions take place in management meetings, the board of directors often proceeds rather dispassionately as a decision-making body. In contrast, at Saibu Gas Group's Board of Directors meetings, Chairman Michinaga creates an atmosphere where it is easy to speak freely, and the executive team sincerely responds to our various questions and opinions.

For things like specialized terminology and business operations specific to the energy industry, we can utilize the Audit and Supervisory Committee as needed to receive thorough explanations before board meetings. This ensures that we fully understand the content before participating in discussions at board meetings.

Nishimura: Although Ms. Nakamura and I only assumed our positions this fiscal year, we received advance briefings on the background of ongoing matters; furthermore, I can also use the Audit and Supervisory Committee meetings to get explanations on points that are not clear from the documents alone, and I can clarify each and every question. And even though I joined midway through the year, I am very grateful that there is an environment in place that helps ensure I have an understanding of the past history to allow me to properly participate in Board of Directors' discussions.



Nakamura: I feel the same. Having reviewed the minutes of many companies' board meetings through my accounting audits, I had the impression that board meetings were relatively formal. Therefore, I was pleasantly surprised to see the frank and lively discussions taking place at Saibu Gas Group's board meetings.

Goto: While our current board meetings are very lively, I believe there is still room to improve their effectiveness. It is crucial to streamline, to the greatest extent possible, matters delegated to the executive team and procedural agenda items; this allows more time to be dedicated to themes that shape medium- to long-term corporate value, such as growth strategies, business portfolios, capital allocation, and major investment decisions. Furthermore, I believe that sharing issues and risks at an early stage and fostering an environment where the executive team and directors can engage in candid dialogue will lead to further improvements in the quality and speed of decision-making.

Investment Decisions and a Business Portfolio that Lead to Enhanced Corporate Value

Takata: What I particularly appreciate is the current direction of management. Saibu Gas Group has clearly defined its focus on growing as an integrated energy business and, in line with this, has decided to make a major investment, totaling approximately 50 billion yen, to expand Hibiki LNG Terminal No. 3 tank.

This investment will strengthen the foundation of the Group's energy business, with a view to carbon neutrality by 2050, and, by leveraging Hibiki's advantageous location, will also greatly expand global energy business possibilities. My sense is that Saibu has moved on to a higher stage, not only in terms of immediate profitability but also because it was a major decision that will build a business foundation for decades to come.

Goto: That is my sense as well. This major investment has been the subject of thorough discussion from a long-term perspective. As a company that supports local livelihoods and industries, Saibu has clearly defined its core business and the value it aims to create, while also carefully outlining the growth strategy to achieve these goals. The proposal was evaluated from multiple angles, including the expansion of business opportunities through collaboration with JERA, enabling me, as an outside director, to feel that I was on the same page as everyone else in the decision-making process.

Takata: Another thing I appreciate is the shift towards a management style that prioritizes capital efficiency. Previously, I had the impression that Saibu Gas Group's business areas were too broad. However, now they have clearly positioned energy as their core business and are expanding into related fields from there. At the same time, however, as business areas expand, it becomes necessary to continuously assess the risks associated with each business and the synergies with core operations.



During that process, the Company had to re-examine its past businesses and investments, and engage in difficult discussions about changing direction if necessary. The important thing is not to simply reject past decisions; rather, it is to learn from them and how to use that knowledge to inform future investment decisions and business monitoring. Based on these discussions, there is

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Outside Director (Audit and Supervisory Committee Member) Roundtable Discussion | Outside Directors' Perspective on Enhancing Corporate Value

surely great significance in incorporating ROIC into Saibu's management and shifting to a management style that prioritizes capital efficiency.

Goto: As a publicly listed company, it is essential to be mindful of the cost of capital and ROIC when managing business. However, corporate management cannot be defined solely by financial metrics. What matters most is clearly articulating a value-creation story: the kind of company management envisions for the future, where capital will be allocated to realize that vision, and how growth and profitability will be generated. I believe that sharing this direction with stakeholders, including employees, and steadily delivering results from growth investments through a strategy of selection and concentration, will lead to the sustainable enhancement of corporate value.



Nakamura: I also believe that in order to enhance corporate value, perspectives that cannot be measured solely by financial indicators are crucial. For example, trust relationships with the local community, a brand built up over many years, and the experience of employees do not appear on the balance sheet. However, it is precisely because of these intangible assets that it becomes possible to take on new business challenges. I think it is also important to consider how to balance these assets with financial discipline.

Nishimura: I believe a crucial aspect of Saibu Gas Group's business is its foundation of trust with the local community. When considering the Group's business portfolio, it is essential to maintain a perspective that goes beyond mere profitability, asking the question "What value can only Saibu Gas Group provide?" Saibu creates new value based on the trust it has built in the community over many years and, from this, provides better services to the local community. I believe that the cumulative sum of these efforts will lead to increased corporate value.

Fostering Corporate Value and Human Capital Through "Connection"

Nishimura: I believe that the concept of "connection," which Saibu Gas Group values highly, is a major strength of its management. As a community-based infrastructure company, the trust it has with its customers and the local community provides an unshakeable foundation that supports its business even in times of emergency. Furthermore, when employees take pride in their company and are highly engaged in their work, it surely leads to improved safety, quality, and technical capabilities.

At the same time, connections are also important for driving major transformations, such as the shift towards decarbonization and venturing into new businesses. When employees are aligned in the same direction and engage in sincere dialogue with shareholders and local communities to build trust, I am sure that a level of empathy and support for change is earned by the Company. I believe that "connection" is not only a force that supports business but also a force that drives change forward.

Nakamura: I also believe that connections are an important intangible asset. The fact that Saibu has consistently delivered energy safely and securely over many years, and that it has built trusting relationships with local communities and stakeholders, are crucial assets that support the corporate value of Saibu Gas Group. And this has been built by human capital—both the current employees and their predecessors. I believe that the accumulation of such intangible assets is the source of Saibu Gas Group's corporate value.

Takata: Connection is the very essence of the corporate culture that Saibu Gas Group has built over its long history. Based on the trust it has built by continuously delivering energy to the community, it can leverage the various functions of the Group to increase the Group's lifetime value (LTV)[*1]. I feel this direction is highly significant in terms of contributing to the local community.

However, gas and electricity are services that customers take for granted. How can Saibu leverage that trust to encourage the use of new products and services and to transform it into value for the entire Group? Surely this is a challenge that must be diligently addressed going forward?

Nakamura: Recent years have seen a variety of indicators related to human capital gaining prominence and initiatives related to them being made more visible. While this is very positive, I want to look beyond just the numbers and see whether the intended vision is being achieved.



For example, the goal of increasing the percentage of female managers[*2] is not simply to increase the number of women. The point is to see whether gender is a barrier and whether an environment has been created where each individual can perform to their full ability. Similarly, with strategic secondments, the goal is not just to move people around but, rather, to ensure that it contributes to the individual's growth and that their experience creates value for both the sending and receiving companies. It is

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Outside Director (Audit and Supervisory Committee Member) Roundtable Discussion | Outside Directors' Perspective on Enhancing Corporate Value

these sorts of perspectives from which I want to examine the effectiveness of initiatives.

Goto: The source of corporate value lies in the capabilities of each individual employee. While metrics such as engagement scores are useful for gauging the state of an organization, they alone cannot measure the true effectiveness of human capital. What matters is whether employees' drive to take on challenges and their personal growth translate into value for customers, the practice of compliance, and the sustainable growth of the organization as a whole. I believe it is crucial for Saibu to evaluate its human capital initiatives from the perspective of whether it is fostering an organization where individuals can continuously enhance their capabilities while balancing a secure working environment with a healthy sense of professional tension.

Takata: In terms of human capital, it is crucial for management to consistently convey the message that they truly value their employees. President Kato frankly communicates his own thoughts and the Company's vision in his own words. I think that when managers repeatedly communicate these sentiments, it leads to employee empathy and trust, and fosters a strong corporate culture.

Nishimura: As a foundation for this, the physical and mental health of employees is also crucial. Saibu's certification as an Outstanding Organization of KENKO Investment for Health 2026 ("White 500") in March 2026 can surely be said to be a testament to the fruits of its efforts to date. Health is not only essential for ensuring safety, preventing accidents, and supporting sound judgment, but it is also a prerequisite for employees to be motivated and perform at their best.

Furthermore, deepening DE&I is also important going forward. The aim is to create an organization where every individual can perform at their best, regardless of gender, age, or other attributes. Diverse talent connecting with one another and utilizing their respective strengths will no doubt drive corporate growth.

Further Evolution of Governance to Support Sustainable Growth

Nishimura: In my work in journalism, I have witnessed countless instances where the trust a company has built up over many years is lost in an instant. That is why it is crucial to continue sharing a high level of ethical awareness, which goes beyond mere compliance, throughout the entire Group. It is not just about following laws and rules but also about constantly being aware of how the Group is perceived by society. I am confident that this will protect the trust that underlies Saibu's connections and lead to the sustainable enhancement of corporate value.

Goto: To support future growth, it is crucial to strike a balance between highly effective internal controls and appropriate risk-taking. Beyond merely establishing systems and frameworks, it is essential to recruit and develop the talent capable of understanding and operating them; furthermore, management structures must be advanced through measures such as the utilization of AI and digital technologies. Moreover, for companies pursuing growth-oriented investments, the key lies in adopting a "risk appetite" mindset, in other words focusing not on how to minimize risk, but rather on which risks to accept and what returns to target. I believe that making decisions that align with corporate strategy, while properly grasping residual risks, is the path to sustainable growth and enhanced corporate value.

Takata: I believe Group governance will be a major theme going forward. It is crucial that each company maintains its autonomy while simultaneously ensuring robust compliance and internal controls within the Group. Too much control can diminish the autonomy of individual Group companies, while too much autonomy makes control difficult. Finding the right balance is key.

To achieve this, it is essential that the management teams of Saibu Gas Holdings and each Group company communicate effectively and share a common vision for the Group's direction. As an outside director, I intend to closely monitor whether both autonomy and control are functioning appropriately.

Nakamura: Group governance is an extremely important topic. Each Group company has a different history and corporate culture, and their circumstances of joining the Group vary. Therefore, regardless of differences in business or size, it is essential that compliance and internal controls are firmly established in all Group companies.

Establishing and operating Group governance require time and effort, but responding in the aftermath of a problem is far more costly for a company. It is crucial to build strong and effective governance so that each company fulfills its responsibilities as a member of Saibu Gas Group and contributes to improving the overall corporate value of the Group.

Goto: In his message, President Kato clearly outlines the vision and growth trajectory of Saibu Gas Group. I believe the Company is now entering a phase where each employee understands this value-creation story and embodies it through their daily work. As outside directors, we will offer candid opinions from an independent standpoint and fulfill our responsibilities regarding key decisions that drive the enhancement of corporate value. Rather than merely pointing out risks, we aim to support the Company's pursuit of growth while ensuring risks are managed appropriately, thereby contributing to a governance structure that fosters sustainable growth and increases corporate value.

*1: LTV (Lifetime Value): Total value provided by our Group over the course of a customer's lifetime

*2: Percentage of female managers: 5.2% in FY2025

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Part 1

Value Creation Story

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Saibu Gas Group At a Glance

Grounded in the desire to pursue "local contribution," as expressed in our management philosophy, we in Saibu Gas Group have expanded our business into a variety of areas related to daily life and society, all revolving around gas energy business.
This desire to pursue local contribution is universal, and, as an integrated energy and lifestyle service company group, we will work to lead the way in realizing a better future.

Consolidated Net Sales	Consolidated Ordinary Profit	Consolidated Total Assets	Number of Consolidated Employees	Number of Consolidated Subsidiaries	Equity Method-Affiliated Companies
261.8 billion yen	12.5 billion yen	465.8 billion yen	3,725	45	5

Gas Energy Business

Number of retail customers
City gas: **874,000**
LPG: **137,000**

Natural gas handling volume
Approx. 800,000 tons/year
(using 11 large LNG carriers)

Length of gas pipelines installed
Approx. 13,200 km
(equivalent to the diameter of the earth)
*Main branch supply pipeline distance

LP gas sales volume
112,000 tons/year

Electricity and Other Energy Businesses

Number of retail customers
179,000
Electricity sales volume
1.04 billion kWh

Renewable energy power source transaction volume
101,000 kW

Real Estate Business

Number of condominiums sold
9,239
Number of detached houses sold: 2,524 *cumulative total

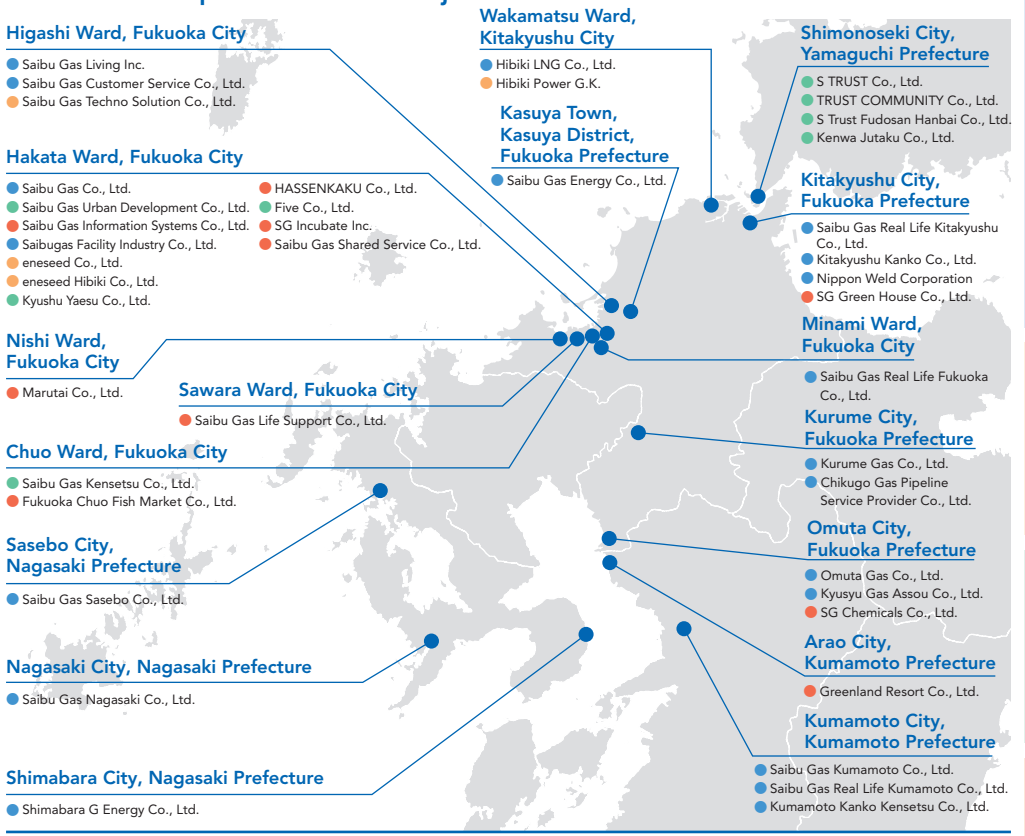
Number of for-rental condominium units
1,201
*Number held

Food-Related and Other Business

Number of customers (restaurant business)
Annually 1.1 million

CVC investment amount
Total fund amount
4.0 billion yen

Saibu Gas Group Locations and Major Areas



As of March 31, 2026

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Saibu Gas Group At a Glance Business Overview

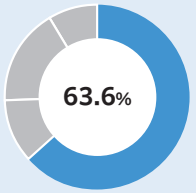
Net Sales Composition Ratio

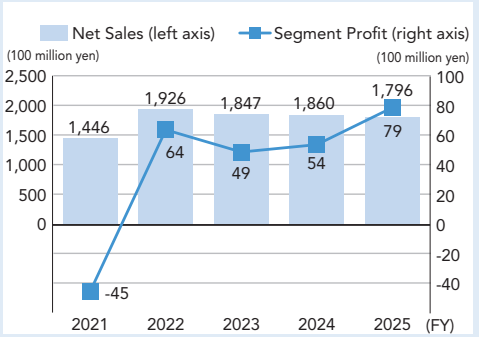
Net Sales/Segment Profit

Gas Energy Business



Our gas energy business primarily operates businesses related to city gas and LP gas.
Our city gas business includes gas retail business and general gas pipeline business. Our gas pipeline, which receives LNG in bulk at Hibiki LNG Terminal in Kitakyushu City, Fukuoka Prefecture, and delivers city gas to customers within Saibu Gas Group's supply area, has a total length of approximately 13,200 km. In addition, LNG is transported by tanker truck from the terminal to customers in areas without pipeline connections.
In our LPG business, we supply mainly to areas where city gas cannot be delivered. LPG cylinders are often installed on customers' premises, and, because they are easy to install and restore, they are also used as a disaster-resistant distributed energy source.

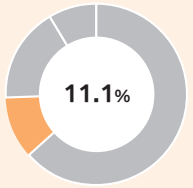


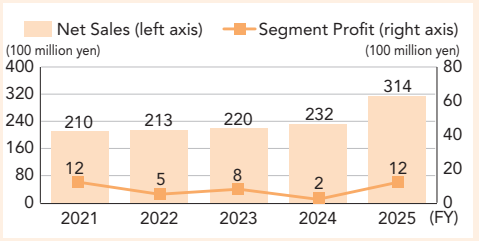


Electricity and Other Energy Businesses



Our electricity and other energy businesses include electricity retail business, renewable energy business, and global energy business. Our electricity retail business, 'Saibu Gas Electricity,' delivers power to households mainly in northern Kyushu. In our renewable energy business, we are developing solar power generation and wind power generation.
Additionally, in our global energy business, we leverage the location of Hibiki LNG Terminal to supply LNG to ships.

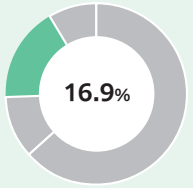


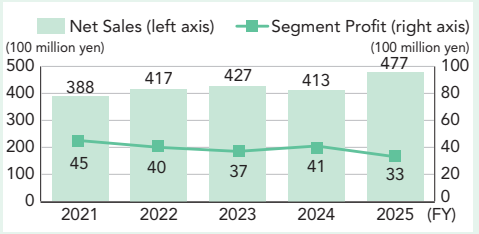


Real Estate Business



Our real estate business involves the sale, rental, and construction of real estate.
In our real estate sales business, S TRUST mainly sells condominiums, KYUSHU YAESU sells detached houses, and in our real estate rental business, Saibu Gas Urban Development rents offices, condominiums, distribution warehouses, etc., both within and outside the Group.
In addition, in our construction business, Saibu Gas Kensetsu constructs condominiums for condominium developers, and Saibu Gas Living and others provide home renovation services. As a result, we are expanding our business in a wide range of fields.

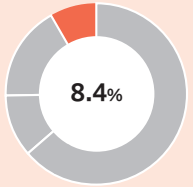


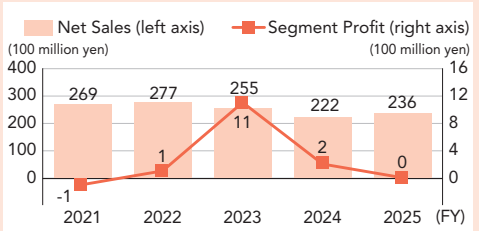


Food-Related and Other Business



Our food-related and other business includes food-related businesses (food sales and restaurant businesses), nursing care business, and information processing business. In our restaurant business, we operate "Chinese Cuisine Hassenkaku"; in our food sales business, SG Green House offers "Uruoi Yasai" (fresh vegetables); and in our nursing care business, Saibu Gas Life Support operates the paid senior living facilities "ANPERENA MOMOCHI" and "West Life Minamikatae."





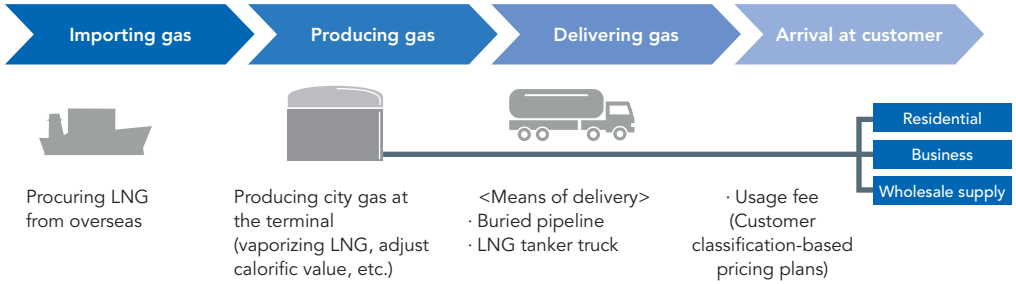
*The reportable segments "Gas" and "LPG" in our securities report have been integrated into "Gas Energy Business," making information disclosure easier to understand regarding management strategies and business operations.

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Revenue Structure

Regarding our integrated energy business, which is the main business of our Group,
the main profit structure is organized around our gas energy business and electricity and other energy businesses.

City Gas Business (Segment Classification: Gas Energy)

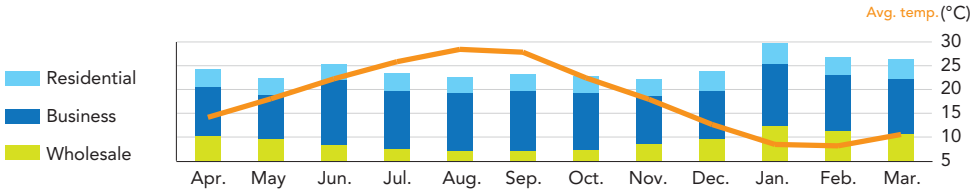


Customer	Customer Classification	Main Uses
Residential	General household	Kitchen, hot water/heating, power generation, etc.
Business	Factories, hospitals, commercial facilities, office buildings, restaurants, etc.	Kitchen, air conditioning (heating and cooling), hot water supply, power generation, etc.
Wholesale supply	City gas companies	Depends on the wholesaler, but same as above

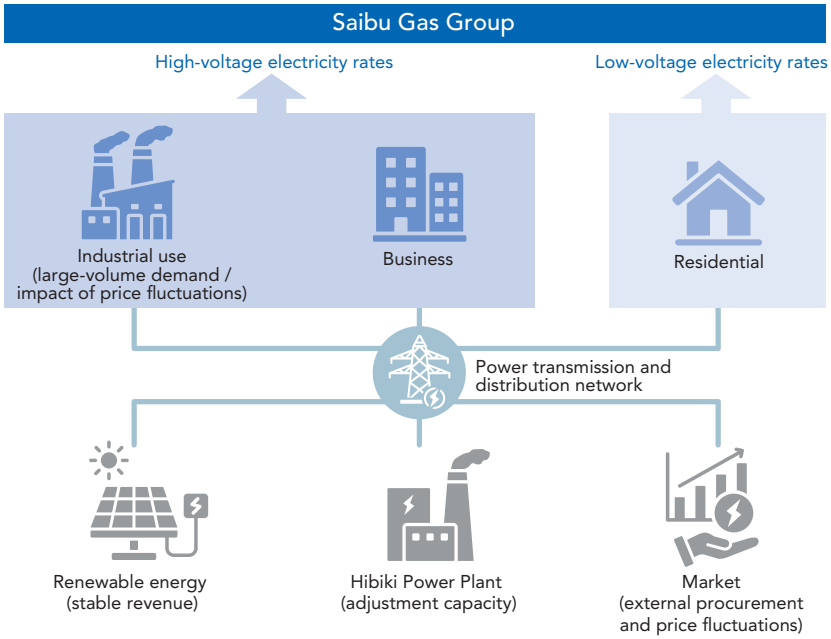
Our city gas business, which is part of our gas energy business, is the Group's core business as a stock business, and it is responsible for ensuring a stable revenue base. The raw material, i.e., natural gas, is mainly procured from Malaysia as liquefied natural gas (LNG), received at Hibiki LNG Terminal facing the Hibikinada Sea in Kitakyushu City, and it is processed via vaporization, calorific value adjustment, odorization, etc., into city gas. City gas is supplied to customers through a gas pipeline network with a total length of approximately 13,200 km. Additionally, depending on customer needs, we deliver LNG to customers using LNG tanker trucks.

Gas rates are affected by fluctuations in the raw material LNG price and foreign exchange rates, but, due to the raw material cost adjustment system, these factors are reflected in the rate with a certain time lag. As a result, although revenue fluctuates in the short term, we have an earnings structure in which fluctuations are smoothed out over the medium to long term. Gas sales volume fluctuates depending on factors such as the customer's business activities and gas usage in their daily lives, as well as domestic and international economic conditions, temperature, etc.

Annual Gas Sales Volume Trends (Illustrative)



Electricity Retail Business/Renewable Energy Business (Segment Classification: Electricity and Other Energy)



Our electricity retail business, which is part of our electricity and other energy businesses, sells customers electricity generated at Hibiki Power Plant, which is adjacent to Hibiki LNG Terminal, or electricity procured through negotiated transactions or wholesale markets. For customers, in addition to plans for general households that can be used in conjunction with our gas, we also sell plans for business use that have virtually zero CO_2 emissions. We are also expanding wholesale sales to new electric power companies and other customers.

With regard to electricity rates, although they are affected by the LNG price for power generation and trends in the wholesale electricity market, the fuel cost adjustment charge is reflected in the rates after a time lag of several months; thus, although profits fluctuate in the short term, the structure is such that they are leveled out over the medium term.

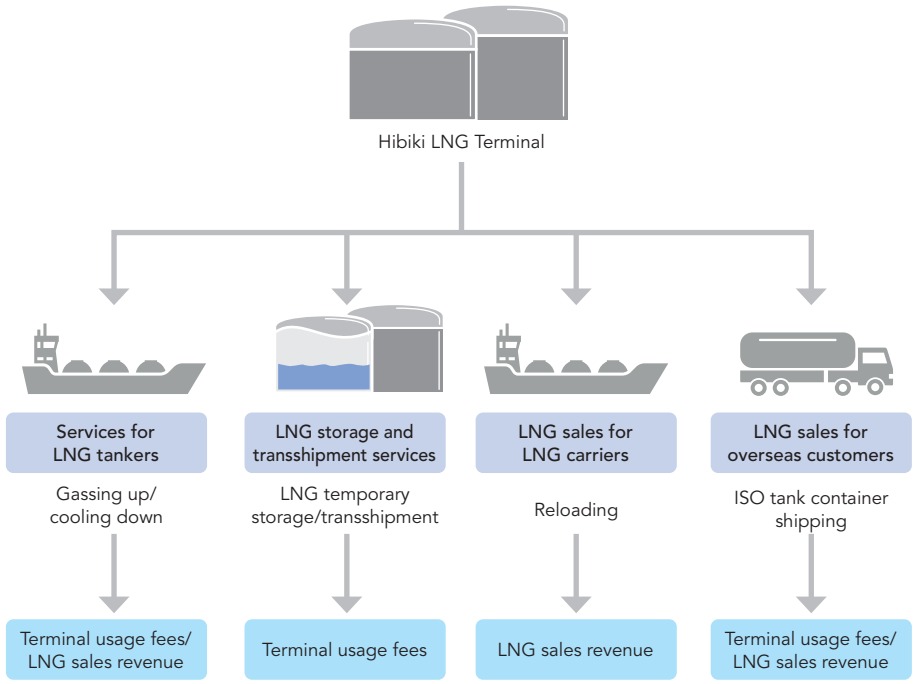
Our renewable energy business is centered on solar and wind power generation, and, although the amount of power generated is affected by the climate and supply and demand conditions, we expect to secure stable profits through the systems (FIT/FIP). We are also developing a storage battery business to adjust output and balance supply and demand.

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Revenue Structure

We are leveraging the strengths we have cultivated in our energy business to expand into global energy and real estate businesses.
By securing diverse sources of revenue, we are building a management foundation that is resilient to changes in the business environment.

Global Energy Business (Segment Classification: Electricity and Other Energy)



In our global energy business, which is part of our electricity and other energy businesses, we utilize Hibiki LNG Terminal located in Hibikinada, Kitakyushu City to provide services for ships, storage and transshipment of LNG, and sales of LNG to overseas customers.

By providing services that combine the facilities and functions of Hibiki LNG Terminal, we earn revenue from terminal usage fees and other sources, as well as secure revenue from LNG sales to overseas customers.

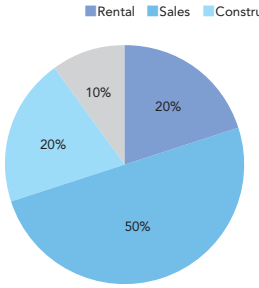
We are aiming to expand terminal usage fee and LNG sales revenue by capitalizing on the locational advantage and extensive facilities of Hibiki LNG Terminal and by providing services that meet diverse needs.

Please refer to page 40 🕮 .

Real Estate Business

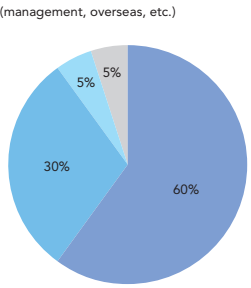
Breakdown of Segment-Constituent Businesses (Estimate for FY2027)

Breakdown for Net Sales



Secured significant sales of condominiums

Breakdown for Profit



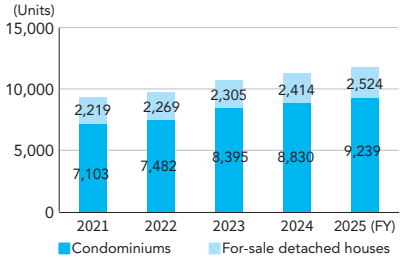
Stable income from rentals

Our real estate business includes condominium sales through S TRUST and others, rental business through Saibu Gas Urban Development and others, and construction business through Saibu Gas Kensetsu. We have also built up a track record of local development grounded in our connections with the local community and have been selected as a land use developer for the redevelopment project of the former Kyushu University Hakozaki Campus site.

In addition to utilizing idle land owned by our Group, this business is positioned as a business that is highly compatible with our energy business, as it allows us to secure customers for city gas and electricity retail businesses through our sales and rental businesses.

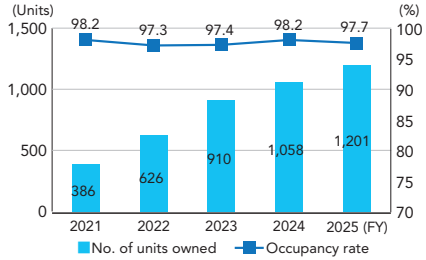
Number of Condominiums and Detached Houses Sold (Cumulative)

Continued expansion thanks to growing brand power and improved product value, such as for our O-VISION condominium series and JOYNUS detached house series



Number of For-Rental Condominium Units / Occupancy Rate

Expanding number of owned properties while maintaining a high occupancy rate



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Potential of Northern Kyushu

In northern Kyushu, which is the business base of Saibu Gas Group, new business opportunities are emerging,
such as the population growth of Fukuoka City and industrial clusters developing as a result of the expansion of semiconductor companies, mainly in Kumamoto Prefecture.

Economic Growth Rate Surpassing that of the Nation

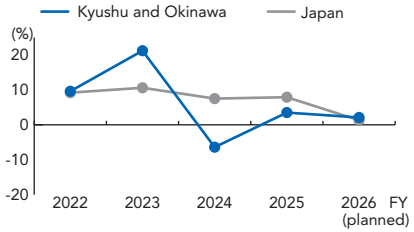
The economic growth rate for Kyushu is predicted to exceed that of the whole country, and, although the growth rate in capital investment will slow down, it is expected to remain at a high level. Kyushu is rich in economic vitality and enjoys a favorable market environment, with large-scale redevelopment in the city center and industrial agglomeration centered on semiconductors.

Kyushu Economic Outlook (GDP Year-on-Year)

(%)	FY2022 (Actual)	FY2023 (Estimate)	FY2024 (Estimate)	FY2025 (Prediction)	FY2026 (Prediction)
Kyushu	1.9	1.3	1.0	0.9	1.1
Japan	1.3	0.4	0.6	0.9	0.8

Source: Kyushu Economic Research Center
* As of December 2025

Capital Investment Trends (Year-on-Year)

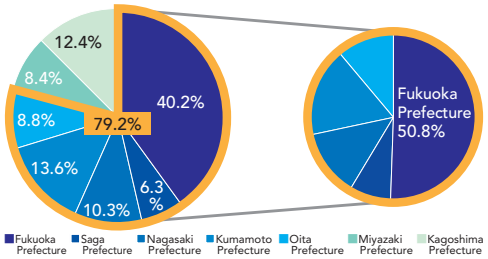


Source: Bank of Japan Tankan Survey

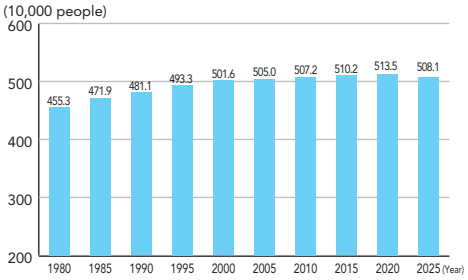
Sustained Growth Potential of Northern Kyushu

Northern Kyushu (Fukuoka, Saga, Nagasaki, Kumamoto, and Oita prefectures), which is the main business area of our Group, plays an important role as the center of population and economic activity in Kyushu. With an industrial cluster centered on the Fukuoka metropolitan area and with a growing number of people, interactions and interconnections, the area is expected to have high potential in the future.

Population Breakdown for Kyushu



Change in Population of Fukuoka Prefecture



Source: Statistics Bureau, Ministry of Internal Affairs and Communications, 'Population Census'

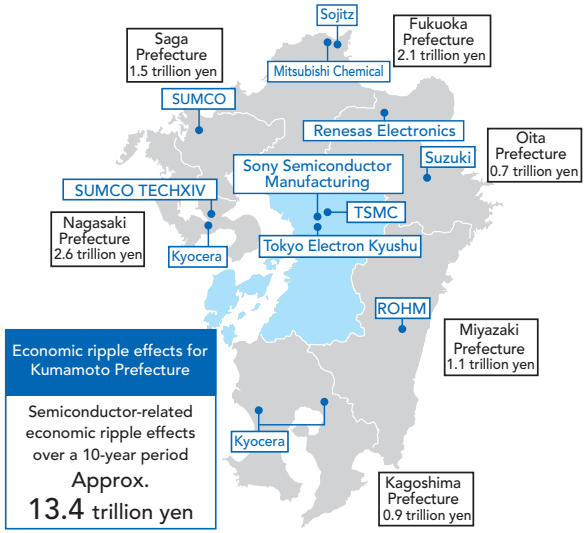
Semiconductor-Related Industries-Driven Revitalization of the Kyushu Region

Japan has established a basic strategy for the revival of the semiconductor industry, aiming to achieve total net sales of over 15 trillion yen for companies producing semiconductors domestically in 2030 (5 trillion yen in 2020) and ensure a stable supply of semiconductors.

The Kyushu region is an important base for semiconductor-related industries, and further development is expected to continue in the future. Among these, companies are particularly active in Kumamoto Prefecture, where Taiwan Semiconductor Manufacturing Co., Ltd. (hereinafter referred to as TSMC) opened a factory in 2024, and TSMC is also moving forward with plans for a second factory.

Economic Ripple Effects from Semiconductor-Related Capital Investment in the Kyushu Region

(10 years from 2021 to 2030)



Source: Kyushu Economic Research Center

Leveraging Locational Advantages (Hibiki Terminal)

By capitalizing on the superior location and expandability of Hibiki LNG Terminal, we are able to conduct LNG transactions in Asia, including LNG reloading business using ISO tank containers. In the future, demand for fuel conversion from coal to natural gas is expected in China and Southeast Asia, and demand for LNG to support the economy is expected to increase.



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Saibu Gas Group Strengths = Connection × Capital

Saibu Gas Group's strengths lie in its "capital," in the form of its customer base, human resources and organization, and infrastructure network, as well as its "connection," such as through the trust it has cultivated over the past 100 years with local communities, collaboration with local governments, and face-to-face contact with customers. By combining these elements, we both create unique value as well as sustain our ability to provide diverse value to our stakeholders.



Strength

A customer base rooted in the local community

Social / Relational Capital

Showing the depth of our connection with customers

Number of customer accounts: **1.19** million[*1]

Number of cooperation agreements concluded: **11** local governments

(Total population: **5.33** million people[*2])

Throughout our 100-year history, we have served approximately 1.19 million customers, mainly in northern Kyushu, providing them with gas and value in their daily life.

The deep connection we have with each and every customer through real-life (face-to-face) contact, which is something distinctive to gas, has led us to increase the added value of the services our Group provides, not only in gas, but also in electricity, real estate, and food-related fields. (For specific examples, refer to page 25 📖.)

Additionally, our relationships of trust with local communities enable local governments and our Group to work together to address social issues, such as decarbonization and economic revitalization, thereby supporting sustainable value creation.



Strength

People and an organization that continue to be trusted by the local community

Human Capital

Solving problems for residential customers

Number of Heartful Visits: **22,700**

Established technical human resource development curriculum

163 courses, attended by **1,166** people annually

Intellectual Capital

Robust risk management system and organizational safety culture

No serious gas accidents for 28 consecutive years

As an infrastructure company that provides energy, our Group's mission is to continue ensuring safety and security. The foundation for this is the power of people and organizations that value connections with the local community.

Based on a shared mindset of "standing together with the community," each employee continues to act responsibly, helping to foster a people-centered corporate culture and the strength that comes from organizational cooperation.

This strength supports a robust risk management system and safety culture, and it has enabled us to ensure zero serious gas accidents for 28 consecutive years, as well as contributed to the development of more sophisticated business operations and value creation.



Strength

A sustainable infrastructure network

Equipment Capital

One of Japan's leading LNG terminals

Hibiki LNG Terminal

Centered on renewable energy-suited Kyushu

Renewable energy power source transaction volume of 101,000 kW

Gas infrastructure that supports stable supply

Length of gas pipelines installed: approx. **13,200** km

Annual natural gas handling volume: Approx. **800,000** tons

Based in the northern Kyushu area, where economic growth is expected in the medium term, we support stable supply by utilizing energy infrastructure centered around Hibiki LNG Terminal, one of Japan's leading gas facilities, and continue to develop and procure renewable energy power sources by taking advantage of our geographical advantage.

By expanding the use of LNG, we will help realize a low-carbon society during the transition period. Furthermore, towards the goal of decarbonization, we will develop and procure renewable energy power sources, improve the infrastructure network of existing pipeline networks, and incorporate e-methane as a new energy resource, while contributing to the environment and reducing costs.

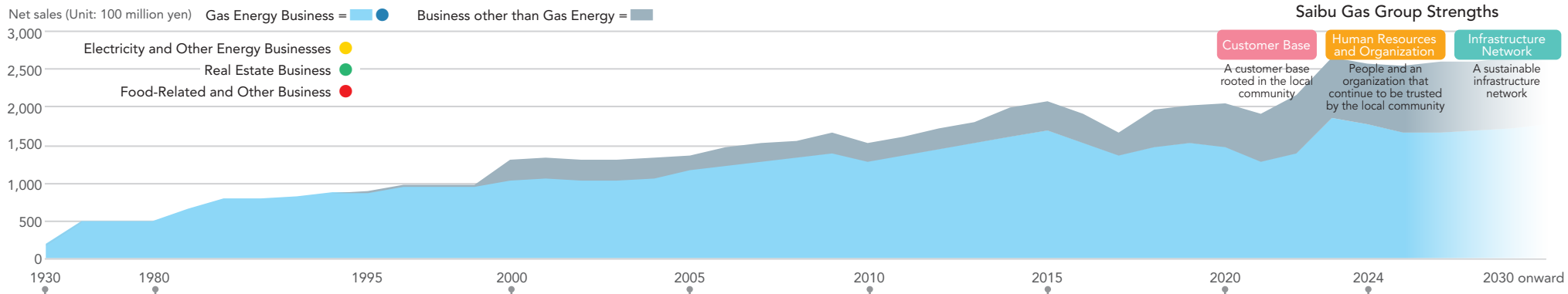
*Data is current as of FY2025.

*1 Number of customer accounts is the total for city gas retail, LPG retail, and electricity retail *2 Source: Statistics Bureau, Ministry of Internal Affairs and Communications, "2025 Population Census of Japan, Preliminary Counts of the Population and Households" (published in May 2026) The targets for FY2027 are given on the overview page of the Group Medium-Term Management Plan. (P.34 📖)

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Value Creation Trajectory

Saibu Gas Group's corporate philosophy centers on local contribution, and, while focusing on our energy business that has been in operation since 1930, we have also actively developed businesses outside of gas energy, while building up our strengths which come from having "a customer base rooted in the local community," "people and an organization that continue to be trusted by the local community" and "a sustainable infrastructure network."
With the aim of creating sustainable local communities, we will continue to contribute to enriching people's lives by providing diverse value to local communities and customers.



Saibu Gas Group Strengths

- **Customer Base** — A customer base rooted in the local community
- **Human Resources and Organization** — People and an organization that continue to be trusted by the local community
- **Infrastructure Network** — A sustainable infrastructure network

1930
Saibu Gas Co., Ltd. established

1971
- City Service Co., Ltd. established (later expands into the real estate business)

1973
- Number of customer households surpasses 500,000

Customer Base

1980
Management philosophy established on the 50th anniversary of the company's founding

1986
- LNG introduction begins at the Kitakyushu Plant (Kitakyushu City)

1993
- LNG Terminal completed at Fukuhoku Plant (Fukuoka City)

1994
- The Fukuhoku Main Line, a key pipeline connecting Fukuoka and Kitakyushu, is completed

Infrastructure Network

1994
- Number of customer households surpasses 1,000,000

Customer Base

2002
- Begins wholesale supply of natural gas to Tosu Gas Corporation, Kurume City (now Kurume Gas Co., Ltd.), and Chikushi Gas Co., Ltd.

2003
- Shares in Omuta Gas Co., Ltd. and Kyusyu Gas Assou Co., Ltd. acquired
- Shares in SG Chemicals Co., Ltd. acquired

2004
- HASSENKAKU Co., Ltd. acquired (entry into food-related business)

2006
- Heartful Visits begin

Human Resources and Organization

Customer Base

2009
- ENEFARM sales begin

2012
- eneseed Co., Ltd. established (entry into the renewable energy business)

2014
- Hibiki LNG Terminal begins operation

Infrastructure Network

2015
- Fukuhoku Plant and Kitakyushu Plant closed

2016
- Shares in S TRUST Co., Ltd. acquired

2016
Kumamoto earthquake occurs
A workforce of up to 4,600 people mobilized for recovery efforts

Human Resources and Organization

2018
- Singapore Office established

2020
- LNG shipping business begins
- Completion of the Northern Kitakyushu Main Line enables double-tracking of the existing Fukuhoku Main Line

2021
Transition to a pure holding company structure

2022
SOZO University begins operation

Human Resources and Organization

2024
- LNG bunkering business begins

2026
- Hibiki Power Plant begins operation

2029
- Hibiki Terminal No. 3 Tank scheduled to begin operation

Customer Base | Human Resources and Organization

(1) Transition to natural gas (from 1989)



This shows the process of switching from conventional petroleum-based gas to clean energy in the form of natural gas. Starting in 1989, over a period of approximately 20 years, we visited all customers in our supply area, beginning in the Kitakyushu region, and continuing through Fukuoka, Kumamoto, Nagasaki, and Sasebo, to adjust the calorific value of their gas appliances.

Customer Base

(2) Acceleration toward integrated energy service company (from 2016)



Following the full liberalization of electricity retail sales in 2016 and gas retail sales the following year, our Group pursued further business diversification. By adapting to changes in the gas energy market while actively developing businesses other than gas energy, our Group has been providing diverse value to the region.

Infrastructure Network

(3) Pursuit of new value with LNG (from 2020)





LNG bunkering using ISO tank containers

As the trend towards carbon neutrality accelerates, natural gas, as a low-carbon energy source, is supporting the transition period toward a decarbonized society. Furthermore, by combining the strengths of Hibiki LNG Terminal with the various technologies and know-how cultivated in the gas business, we are providing even greater environmental value both domestically and internationally.

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Value Creation Process

In line with our long-term vision, Saibu Gas Group Vision 2030, we aim to realize an advanced sustainable society through co-creation. Through our Group Medium-Term Management Plan, ACT 2027, we are promoting diverse business development that leverages synergies, primarily in the gas energy business.

Management Philosophy: "Local Contribution, Responsibility, Unity"

Saibu Gas Group Medium-Term Management Plan "ACT 2027" / Saibu Gas Group Vision 2030 / Saibu Gas Group Carbon Neutral 2050

Group business activities P.14 → ACT 2027 Group-wide strategic pillars P.34 → ACT 2027 achievement targets

Input capital

Approach espoused in our Vision

Powered by "Connection"

Strengths

- A customer base rooted in the local community
  - Social / relational capital
- People and an organization that continue to be trusted by the local community
  - Human capital
  - Intellectual capital
- A sustainable infrastructure network
  - Equipment capital

P.19

- Financial capital
- Natural capital

Group business activities

- Gas Energy Business
- Electricity and Other Energy Businesses
- Real Estate Business
- Food-Related and Other Business

Material Issues (Key Issues for Sustainability Management) P.27

- Carbon neutrality in the local community
- Safety and security and resilience in the local community
- Sustainable and vibrant local community
- Solutions to social issues of the local community and community development
- Sustainable value chain
- People and culture that continue to create value
- Organization that continues to be trusted

ACT 2027 Group-wide strategic pillars

- Strengthen human capital
  - Strengthen competitive advantage through challenge-driven talent and change drivers
- Sustainability management
- Group network management
- Capital cost management

ACT 2027 achievement targets

Non-Financial Targets

- Natural gas handling volume: 1 million tons
- CO_2 emission reduction contribution: 870,000 tons
- Renewable energy power source transaction volume: 130,000 kW
- Zero serious problems and accidents
- PoC of co-creation projects: 15
- Number of SAIBU LAND memberships: 200,000
- Number of SAIBU GAS My Page memberships: 800,000
- DX core talent: Cultivate 650 people
- Employee engagement score: 65% or more
- Percentage of female managers: 6.0%

Financial Targets

- Ordinary profit: 38.0 billion yen
  - *Total for FY2025-2027
- ROE: 8.0%
- ROIC: 2.3%
- Equity ratio: 23% or more
- Growth investment: 100 billion yen

Provided value

- Recycling, carbon neutral society
- Society with vibrant regions and communities
- Society with more diverse lifestyles

P.22

2050 Realization of an advanced sustainable society through co-creation

External environment

- Acceleration of sustainability trends
- Rapid development of digital technology
- Change in energy situation
- Changes in the work environment
- Demand for capital cost- and share value-conscious management
- Revitalization of the economy of northern Kyushu

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Saibu Gas Group Vision 2030

Saibu Gas Group Vision
西部ガスグループビジョン 2030

Saibu Gas Group Vision 2030 Progress and Growth Strategy



Saibu Gas Holdings Co., Ltd.
Representative Director and
Executive Vice President
Toshiyuki Ueno

The growth of Saibu Gas Group has been tied with that of local communities and has built upon a foundation of connection and trust. Currently, the business environment surrounding our Group is changing dramatically, due to factors such as population decline, an aging society with a low birthrate, advancements in digital technology, climate change, and rising geopolitical risks. We see these changes as opportunities for creating new value, and, under Saibu Gas Group Vision 2030, we aim to contribute to the realization of a sustainable and prosperous society by achieving carbon neutrality and addressing local challenges.

For **Strategy 1**, we are working to achieve both low-carbon and decarbonized energy supply, along with a stable supply. In FY2025, we steadily advanced projects such as the capacity expansion of Hibiki LNG Terminal, e-methane production demonstrations, and the start of commercial operation of Hibiki Power Plant. We believe that these will form an important foundation to support a stable energy supply and decarbonization in the region for the future.

For **Strategy 2**, we are strengthening our connections with customers and local communities through diverse businesses and services. In FY2025, we launched "Jitsumado," a consultation service focused on housing and management of people's parents' homes, and we were selected as the land use developer for the redevelopment project of the former Kyushu University Hakozaki Campus site. Through these initiatives, we are providing new value for daily life and urban development and are deepening our connections with customers and local communities.

For **Strategy 3**, we are working to strengthen the management foundation that supports sustainable growth by promoting investment in human capital and digital transformation (DX). In FY2025, among other initiatives, we published a human capital report and expanded collaborative proof-of-concept (PoC) projects using the open innovation platform "TOMOSHIBI," thereby enhancing our human resources and organizational foundation.

Through these and other initiatives, we are steadily pursuing the three strategies presented in Saibu Gas Group Vision 2030. Furthermore, these initiatives are also strengthening our business foundation, and some of the results are reflected in our management indicators, including financial performance. Moving forward, we will continue to leverage our connections and trust with the local community to create new value and enhance corporate value, aiming to be a corporate group that people will continue to choose.

General Overview of Vision 2030

Group Future Vision for 2030 "Create the future by connecting people, cities, and societies."

Strategy 1 Taking the Lead in Achieving Carbon Neutrality in the Local Community

See page 23 for details.

In addition to reducing carbon emissions through increased use of natural gas, we are promoting regional decarbonization by expanding the introduction of renewable energy and developing next-generation energy sources such as e-methane. Furthermore, in order to achieve carbon neutrality, we have formulated the Saibu Gas Group Carbon Neutral 2050 plan and are sequentially implementing specific transition measures in line with the medium- to long-term roadmap.

Strategy 2 Co-Creating Value that Underpins Sustainable Life and the Local Community

See page 25 for details.

Beyond simply supplying energy, we are creating new value together with local communities by providing services that leverage diverse points of contact with our customers and by engaging in local development.

Strategy 3 Strengthening the Foundation for Value Creation with a Future-Oriented Mindset

See page 26 for details.

We are enhancing our management foundation to support value creation through the utilization of digital technologies and the development and application of human resources.

Management Indicators	FY2025 Results	FY2030 Targets
Net sales	261.8 billion yen	250.0 billion yen
Ordinary profit	12.5 billion yen	15.0 billion yen
CO_2 emission reduction contribution	546,000 tons	1.5 million tons
Renewable energy power source transaction volume	101,000 kW	200,000 kW
Percentage of achieving carbon neutrality of gas	0.8%	5% or more

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Saibu Gas Group Vision 2030

Saibu Gas Group Vision
西部ガスグループビジョン 2030

Strategy 1 Taking the Lead in Achieving Carbon Neutrality in the Local Community

Our Group has made regional carbon neutrality a key theme in our Vision 2030. Large-scale projects, centered around Hibiki Terminal, are providing a reliable source of revenue in the short term while significantly advancing the region's energy infrastructure.

Promoting Low-Carbon and Decarbonized Energy

We will steadily advance the shift to natural gas as our fuel source (gas shift), achieving both decarbonization and increased profits. Hibiki LNG Terminal No. 3 Tank Expansion, scheduled to begin operation in the first half of FY2029, will not only meet the growing demand but also serve as future infrastructure for receiving e-methane. Furthermore, by deepening our collaboration with JERA Co., Inc., we will strengthen our stable supply system through reciprocal LNG supply arrangements and enhanced supply and demand adjustment functions.

Collaborating with Local Stakeholders to Contribute to Carbon Neutrality

Leveraging our network with government agencies, businesses, and academic institutions, we are promoting the creation of a community-wide decarbonization model. In our e-methane demonstration project, we are collaborating with Kyushu University and JCCL to bring together local expertise, and we are working in cooperation with local governments to promote the development of carbon-neutral cities.



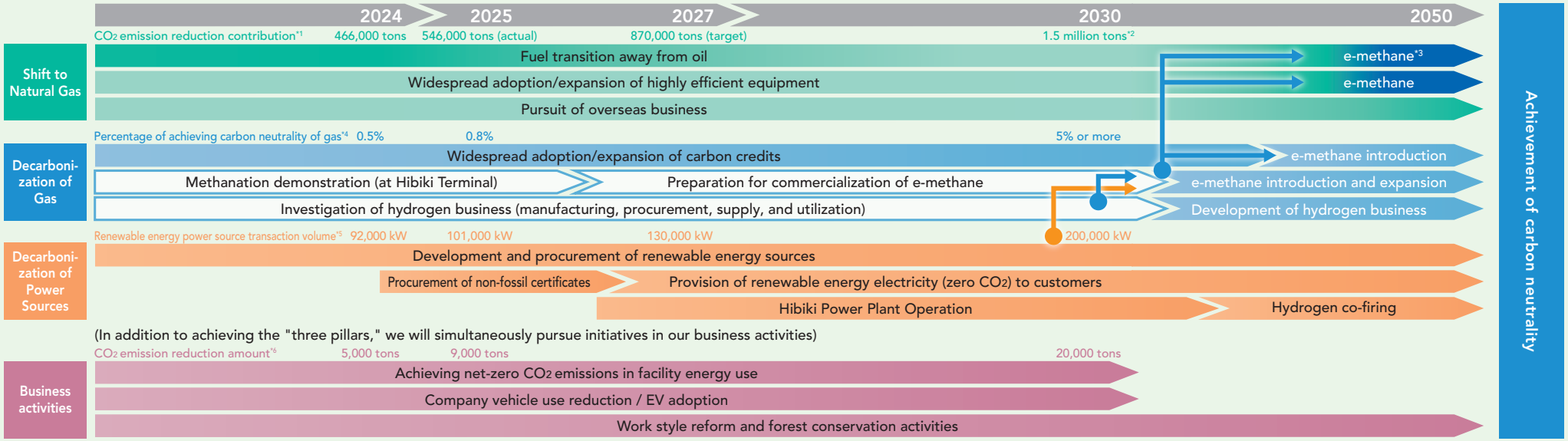
Ensuring Greater Safety and Security Through Strengthened Resilience

We will strengthen our stable supply system and disaster response capabilities across the entire supply chain to support the safety and security of our customers. Utilizing the state-of-the-art Hibiki Power Plant, we will achieve both low-carbonization through highly efficient power generation and increased profitability, while contributing to the stabilization of electricity supply and demand as a balancing power source supporting the expansion of renewable energy. We will also advance infrastructure upgrades with a view to future hydrogen co-firing.



Saibu Gas Group Carbon Neutral 2050

Our group is not only pursuing "Strategy 1: Taking the Lead in Achieving Carbon Neutrality in the Local Community" in Saibu Gas Group Vision 2030, but also sequentially implementing specific transition measures in line with a medium- to long-term roadmap, in line with the Saibu Gas Group Carbon Neutral 2050 plan, which looks ahead to a decarbonized society in 2050.



*1 Our Group's and customers' CO_2 emission reduction contribution as of 2030 (since 2020) *2 This accounts for approximately half of the CO_2 emissions of our Group and customers (approximately 3 million tons/year) *3 e-methane manufactured using carbon dioxide and hydrogen as raw materials
*4 The proportion of carbon-neutralized gas (gas produced or procured through means such as methanation, hydrogen, biogas, and carbon credits) in the total gas supply *5 Including power development, FIT power sources, and procurement both domestically and internationally *6 Compared to FY2021
For more details, please see the "Saibu Gas Group Carbon Neutral Action Plan" on our website. https://hd.saibugas.co.jp/sustainability/assets/pdf/cnl_action.pdf

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Saibu Gas Group Vision 2030

Saibu Gas Group Vision
西部ガスグループビジョン 2030

Strategy 1 Taking the Lead in Achieving Carbon Neutrality in the Local Community

Key Projects Under the Three Pillars for Achieving Carbon Neutrality

We aim to achieve carbon neutrality through a combination of three key approaches (pillars): "shift to natural gas" via fuel conversion from other fuels and expanded sales of energy-saving equipment; "decarbonization of gas" via the introduction of carbon credits and e-methane; and "decarbonization of power sources" via the development of renewable energy.

Shift to Natural Gas — LNG Tank No. 3 Expansion

We are adding a third tank at Hibiki LNG Terminal, with operations scheduled to begin in the first half of FY2029. This investment aims to meet expanding demand, strengthen energy security, reduce supply costs, and create future environmental value.

In addition, we will enhance our ability to respond to supply and demand fluctuations by increasing tanker truck loading capacity, diversifying procurement sources, and implementing flexible supply and demand adjustments.

Furthermore, through reciprocal LNG supply arrangements via our partnership with JERA, we are improving inventory management and the agility of our supply and demand adjustments, thereby strengthening our supply system to meet S+3E (Safety, Energy Security, Economic Efficiency and Environment) standards.

We are positioning natural gas as a crucial energy source for the future, and we are looking ahead to a transition from low-carbonization to e-methane. The third tank will function as a receiving terminal for this transition, and, by leveraging the increased tank capacity, we will enhance our ability to respond to supply and demand and improve profitability, while also contributing to increased corporate value by positioning Hibiki LNG Terminal as a core infrastructure during this transition period.



Decarbonization of Gas — e-methane Introduction and Expansion

In collaboration with Kyushu University and its spin-off startup JCCL, we have been conducting research and development since 2022 to recover and effectively utilize CO_2 contained in boiler exhaust gas from the city gas manufacturing process. Now, we have successfully synthesized e-methane by introducing the mutually developed CO_2 recovery device (VPSA2) to our plant and stably supplying the recovered CO_2 to our own methanation equipment.

This e-methane has received clean gas certification and is publicly recognized as city gas that does not substantially increase atmospheric CO_2 emissions. The issued clean gas certificate was provided to Osaka Gas, which supplied city gas for Expo 2025 Osaka, Kansai, contributing to the decarbonization of the Expo.

The key feature of this initiative is that it integrates CO_2 recovery and e-methane supply at the city gas manufacturing site. By utilizing existing city gas infrastructure, it provides society with a new option that contributes to decarbonization without requiring equipment modifications on the consumer side. We are positioning this technology as the foundation for our future e-methane business, aiming to strengthen the competitiveness of our city gas business, create new revenue opportunities, and achieve both a contribution to a decarbonized society and sustainable growth.



Decarbonization of Power Sources — Hibiki Power Plant Operation

Through a joint venture with Kyushu Electric Power Co., Inc., we have developed Hibiki Power Plant, a large-scale LNG-fired power plant, which commenced commercial operation in March 2026. This power plant employs a state-of-the-art combined cycle* power generation method, which reduces CO_2 emissions.

*A highly efficient power generation method combining a gas turbine and a steam turbine.

Furthermore, it will play a role in supplying electricity to meet the expected increase in future demand, and in adjusting the output fluctuations of renewable energy sources, which are being increasingly adopted. It will be a highly efficient and clean power source that contributes to a stable electricity supply and the widespread adoption and expansion of renewable energy.

In addition, this power plant incorporates equipment designed with the use of carbon-free fuels (such as hydrogen) in mind, and we will steadily pursue ongoing investigation with a view to future conversion to carbon-free fuels.

Hibiki Power Plant contributes to the low-carbonization of power sources during the current transition period, and is also expected to contribute to the decarbonization of power sources in the future carbon-neutral society. As such, it is a core pillar of our efforts to achieve carbon neutrality in the region.



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Saibu Gas Group Vision 2030

Saibu Gas Group Vision
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Strategy 2 Co-Creating Value that Underpins Sustainable Life and the Local Community

Saibu Gas Group aims to realize a "society with vibrant regions and communities" and, based on its connections with local communities and customers, is promoting the co-creation of value that underpins sustainable life and the local community. As a partner in our customers' lives, we are working to solve issues related to housing and daily life in addition to energy, deepening our ongoing connections with customers, and creating sustainable value together with local communities through the creation of diverse services utilizing the concepts of digital transformation (DX) and Group LTV (Life Time Value*), while helping to address local issues.

*Group LTV (Life Time Value): The total value that our Group provides to our customers over their lifetime

Local Development of Secure and Lasting Communities

By collaborating with local residents, municipalities, and partner companies, we foster connections between people and create value in the form of safe and secure local communities.

Large-Scale Redevelopment of the Former Kyushu University Hakozaki Campus Site —Towards the Realization of Japan's Largest Smart City—

In March 2026, we were officially selected as the land use developer for the redevelopment project of the former Kyushu University Hakozaki Campus site. Aiming for a town opening in FY2028, we are working on developing one of Japan's largest smart cities, featuring residential, commercial, and office spaces.



Creation of a Community with Community Nurses which Fosters Safe and Secure Daily Living for Everyone

We launched our community nursing program in April 2022. We support the realization of diverse well-being for each individual, and contribute to solving local issues by fostering connections with the community and creating a safe and secure living environment. Furthermore, we cultivate community leaders through daily interactions with residents, promoting the creation of sustainable communities.



Co-Creation of Services for Diverse Lifestyles

To meet the diverse needs of society and daily life, we will create new services and value not only by evolving our existing businesses but also through co-creation with startups and other partners.

"Jitsumado" Consultation Service for Housing and Management of Parents' Homes

In August 2025, we launched a new service that addresses not only housing-related concerns, such as helping people manage the homes of their elderly parents and performing renovations but also a variety of other issues, including daily life, caregiving, inheritance, and monitoring.

西部ガスの 実家の相談窓口 じつまど

Saibu Gas Share Shako

We operate a parking sharing service that connects vacant parking spaces and underutilized land with users. Through the effective use of local resources and the improvement of convenience in daily life, we provide services that meet diverse needs.

西部ガスの シェア車庫 SHARE SHAKO

Initiatives to Support a Vibrant Local Economy

As a locally focused company, we collaborate with diverse partners, such as local businesses, economic organizations, and local governments, to create value in the form of a sustainable regional economy through job creation and industrial promotion.

Promotion of Local Economic Circulation with "Fukuoka Yokatoko Coin"

"Fukuoka Yokatoko Coin" was launched in November 2024. In collaboration with local businesses and municipalities, it contributes to the revitalization of the local economy by expanding consumption within the region and creating an economic circulation.

FUKUOKA YOKATOKO COIN 福岡よかとこコイン

Establishment of "Kumamoto Chiiki Mirai Energy"

In January 2025, we established a regional energy company in collaboration with Kumamoto Prefecture, Mashiki Town, and others. We are promoting local production and consumption of renewable energy in the region, thereby contributing to the realization of a decarbonized society and the creation of regional value.

くまもと地域みらいエネルギー
Kumamoto Chiiki Mirai Energy

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Saibu Gas Group Vision 2030

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Strategy 3 Strengthening the Foundation for Value Creation with a Future-Oriented Mindset

Saibu Gas Group positions human resources, digital transformation (DX), and sustainability management as the foundations of value creation in order to achieve sustainable growth and enhance corporate value. By strengthening these management foundations, we will respond to the rapidly changing business environment and support future-oriented value creation.

Management Foundation that Supports Sustainable Value Creation

Promotion of a Human Resources Strategy that Fosters a Transformative Mindset and Diversity

To cultivate human resources that support sustainable value creation, we foster a corporate culture that encourages challenges and create an environment where each individual can make the most of their abilities. Through initiatives such as reskilling, flexible work arrangements, DE&I, and health management, we are working to improve the success and engagement of diverse human resources. In November 2025, we published the "Saibu Gas Group Human Capital Report 2025" to further visualize and enhance our human resource strategy and initiatives.

- Human Capital Report



See P.44 for details

- Reskilling support system

New framework established in FY2026 which lets employees propose learning opportunities, and the company provides financial support for those approved

- New business proposal system "YOAKE"

Aimed at providing practical opportunities to tackle the new business creation process, from idea proposal to commercialization, and thereby foster new business creation and a corporate culture that embraces challenges

Creation of New Connections to Maximize Customer Value

Using our connections with local communities and customers as a foundation, we are promoting co-creation of value that meets the diversifying needs of daily life. Leveraging the trust we have cultivated through our close ties with local communities, we are enhancing customer touchpoints through our "SAIBU LAND" free membership service and promoting co-creation with external partners through our "TOMOSHIBI" open innovation platform, thereby creating new products and services and improving the Group's LTV (customer lifetime value).



- SAIBU LAND

Customer contact and membership platform utilizing LINE

- TOMOSHIBI

An open innovation platform aimed at addressing local issues



Promotion of Sustainability Management

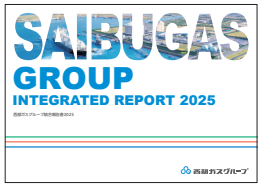
We are promoting sustainability management as a management foundation that supports sustainable value creation. Through dialogue with diverse stakeholders, we appropriately manage risks and opportunities from an ESG perspective, and we aim to address social issues and achieve sustainable growth through initiatives such as "Nature Harmony Site" certification, decarbonization efforts, and regional cooperation with local governments.

FTSE JPX Blossom Japan Index

Selected for four consecutive years since 2023

- Nature Harmony Site

"Saibu Gas Group Aburayama Training Center Forest" certified in September 2025



- Saibu Gas Group Integrated Report 2025

The first integrated report was published in August 2025.

For sustainability, see P.50 .

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Material Issue Identification

Saibu Gas Group, aiming to realize its "Saibu Gas Group Vision 2030," has identified key issues (material issues) for its efforts to create a sustainable society and produce long-term value. With these as starting points, the Group is promoting initiatives that are connected with its strategies and which will help in both addressing social issues and achieving growth.

Approach to Material Issues

To realize Saibu Gas Group Vision 2030, Saibu Gas Group has identified key issues that it will prioritize as material issues, aiming to achieve both social sustainability and long-term corporate value creation. In identifying material issues, their importance is evaluated from both the perspective of their impact on the environment and society, and their impact on our Group's long-term value creation. Furthermore, the validity of these issues is assessed on an ongoing basis and updated as needed, based on dialogue with stakeholders, expert opinions, and changes in the social and business environment. The identified material issues are linked to Saibu Gas Group Vision 2030 and the Medium-Term Management Plan, and efforts are being made to realize value creation through business activities.

Material Issue Identification and Evaluation Process

STEP1 Opinion Exchange → STEP2 Issue Classification → STEP3 Scoring → STEP4 Committee Discussion

In identifying these, we incorporated the opinions of stakeholders and experts, comprehensively organized ESG issues, and conducted an evaluation from the perspectives of risks and opportunities. Based on this, we repositioned the ESG issues into a material issues matrix through scoring and integrated them through grouping, thereby clarifying what are material issues.

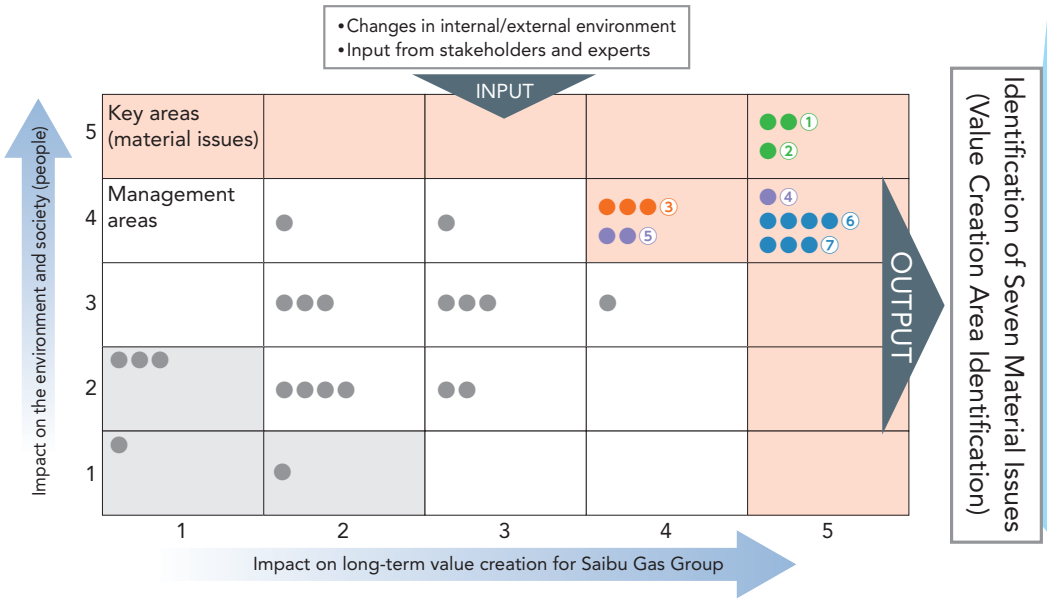
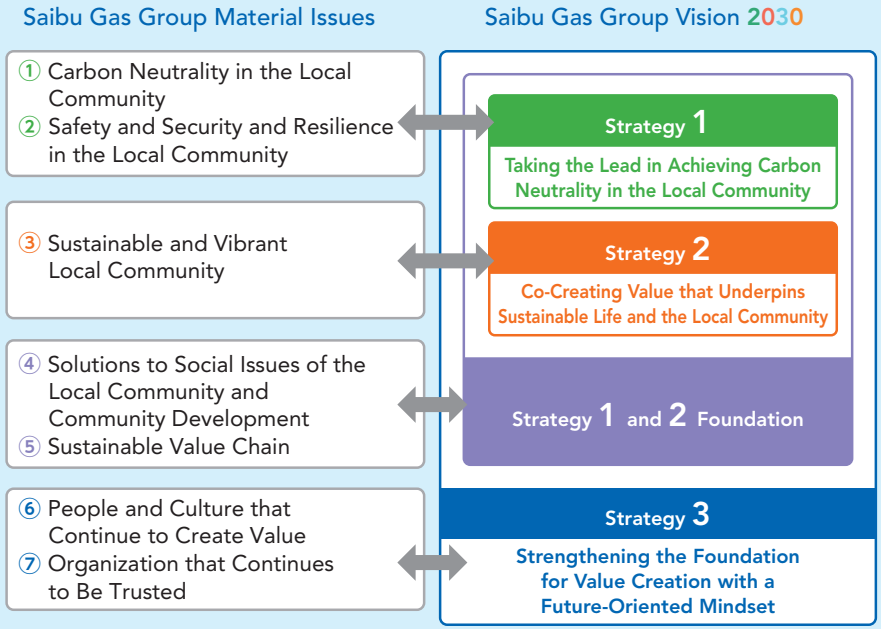


Diagram of Interrelationship Between the Seven Material Issues and Saibu Gas Group Vision Strategies

Saibu Gas Group's material issues are structured as seven (① - ⑦) **value creation areas** representing crucial elements for realizing Saibu Gas Group Vision 2030 and are closely linked to its strategies.

Of note are ④ **Solutions to Social Issues of the Local Community and Community Development**, and ⑤ **Sustainable Value Chain**, which are positioned as the foundation for strategies 1 and 2. The aim is to continuously provide sustainable value through co-creation with local communities.



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Risk and Opportunity Classification and Main Action Planning

Our material issues-based initiatives and goals are aligned with Saibu Gas Group Vision 2030 and the Medium-Term Management Plan ACT 2027, and they are being pursued in a way that balances risk management with the acquisition of growth opportunities. Each initiative is quantified as a KPI, and steady implementation and improvement are being pursued through the PDCA cycle.

Strategy	Value Creation Area and Material Issue	Risk	Opportunity	Initiative Theme	Indicator (KPI)	Goal (FY)	Result (2025)
Strategy 1	① Carbon Neutrality in the Local Community	Increased costs and lost business opportunities due to delays or insufficient responses to energy-related policies, changes in domestic and international laws and regulations, the impact of international affairs, and market changes	Expanded use and advanced utilization of natural gas, a low-carbon energy source, during the energy transition period	• Low-carbonization of energy • Decarbonization of power sources	• Fuel transition away from oil and coal, sales of energy-saving and high-efficiency equipment, promotion of overseas business, etc. • Development and procurement of renewable energy sources	• CO_2 emission reduction contribution 1.5 million tons/year (2030) • Renewable energy power source transaction volume 200,000 kW (2030)	• 546,000 tons/year • 101,000 kW
			Promotion of global business by reducing environmental impact through the geographical advantages of Hibiki LNG Terminal	• Strengthen the collaborative foundation for achieving carbon neutrality in the local community	• Natural gas handling volume	• 1 million tons (2027)	• 811,000 tons
		Increased procurement costs due to volatility in exchange rates and crude oil prices, energy resource constraints, and tight energy supply and demand	Ensuring a stable energy supply (including during the energy transition period) and improving reliability through infrastructure development	• Further strengthening of the stable procurement system • Further strengthening of the stable supply system	• Serious problems due to the fault of our Group • VPP contract capacity	• Maintaining zero incidents (2030) • 185 kW (2027)	• Zero incidents • 186 kW
	② Safety and Security and Resilience in the Local Community	Increased costs to address damage to gas production facilities, such as LNG terminals, and supply facilities, such as pipelines, due to natural disasters, terrorist attacks, aging, etc.	Expansion of business opportunities related to disaster prevention and strengthening resilience	• Strengthening of resilience for safety and security • Strengthening local disaster prevention capabilities	• Serious accidents (manufacturing/supply) • Progress rate of measures to address aging supply infrastructure	• Maintaining zero incidents (2030) • Seismic resistance rate of the pipeline network 95% (2030)	• Zero incidents • 92.8%
Strategy 2	③ Sustainable and Vibrant Local Community	Loss of business opportunities due to delays in adapting to innovative technologies, particularly deep tech	Creation of new business opportunities related to local life	• Realization of a foundation for daily life that meets diverse needs	• Number of members on the digital platform to expand customer touchpoints	• Number of SAIBU GAS My Page memberships 800,000 (2027)	• 230,000
Strategy 1 & 2 Foundation	④ Solutions to Social Issues of the Local Community and Community Development	Progress hindered by lack of communication with various stakeholders, including local residents	Active engagement with local communities at business locations to understand local social issues and needs, and to create collaborative solutions	• Resolution of social issues in each business location's region	• Number of cooperation agreements concluded	• Increase in the number of cooperation agreements with local governments (2027)	• 2 agreements (11 in total)
	⑤ Sustainable Value Chain	Delays in responding to legal regulations and other matters, or failure to address them, leading to customer loss	Creation of new value by working with suppliers to create products and services that respect the environment and human rights	• Promotion of waste reduction, recycling, and circular use • Strengthening of sustainable supply chain management	• Limiting of industrial waste at gas manufacturing plants • Transaction-related customer satisfaction	• Recycling rate 95% or more (2025) • Satisfaction rate of 90% (2027)	• 97.3% • 94.6%
Strategy 3	⑥ People and Culture that Continue to Create Value	Shortage of personnel with specialized knowledge and management skills, and delays in reskilling employees to adapt to environmental changes	Secure and retain top talent and create an environment that fosters job satisfaction, thereby improving the overall labor productivity of the Group	• Improvement of employee job satisfaction and maximizing the results they achieve • Promotion of DE&I	• Employee engagement score • Percentage of female managers	• 65% or more (2027) • 15% (2030)	• 63.6% • 5.2%
	⑦ Organization that Continues to Be Trusted	Cost of response and other damages arising from non-compliance with laws and regulations or articles of incorporation, or violations of corporate ethics and social norms by employees	Information disclosure to stakeholders, including shareholders, and building trust through dialogue	• Compliance promotion as a Group • Management of sustainability-related risks, including climate change	• Number of serious compliance violations • Improvement in risk management system evaluation scores by risk specialist consulting firms	• Zero cases (annually) • Up 7% from FY2024 (2027)	• 0 cases • Up 3.2%

For more details, please see the "Material Issues Action Plan" on our website. https://hd.saibugas.co.jp/sustainability/materiality/

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Part 2

Value Creation Strategy

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Capital Policy and Financial Strategy (Q&A with Officer in Charge)



Q&A with the Officer in Charge

Saibu Gas Holdings Co., Ltd.
Director and Senior Managing Executive Officer
Shogo Morita

Q1 Based on the financial results for FY2025, how do you evaluate the current state of performance and capital efficiency?

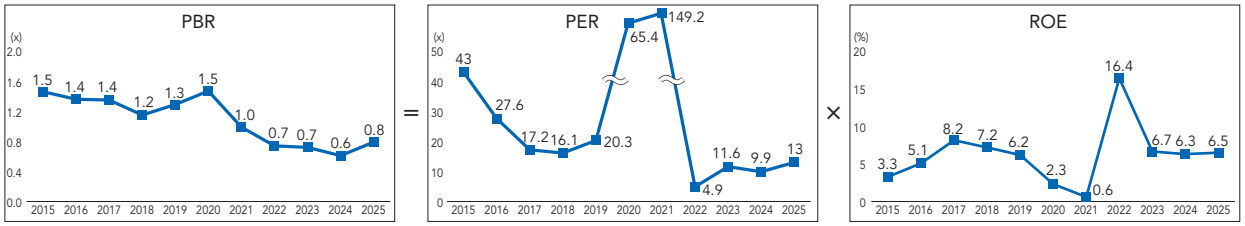
A In FY2025, ordinary profit reached a record high of 12.5 billion yen, a strong start towards the 38 billion yen cumulative ordinary profit target set forth in Saibu Gas Group's Medium-Term Management Plan ACT 2027 ("ACT 2027"). This was due to a reduction in gas business costs resulting from a decrease in depreciation expenses at Hibiki LNG Terminal, as well as a significant increase in electricity sales volume and growth in the global energy business. All key financial indicators exceeded those of the previous year. Although there is uncertainty in the global energy situation, the revenue base is steadily improving, and we expect to fully achieve the profit targets of ACT 2027.

At the same time, however, ROE was 6.5%, indicating that there is still room for improvement in terms of capital efficiency, which we recognize as an important management issue for our Group. Going forward, in addition to profit growth, we will enhance management from the perspective of how to efficiently utilize capital to contribute to the sustainable improvement of corporate value.

Q2 How do you analyze the factors behind Saibu's PBR being below 1? And what steps are being taken to improve it?

A First and foremost, we believe that the most important thing for enhancing corporate value is to steadily grow profits through our business and increase our earning power. We will steadily expand the profitability of our energy business, which we have positioned as a growth driver in our ACT 2027. On the other hand, our shareholders and investors are not only interested in profit growth but also in how efficiently those profits are generated and whether we can continue to grow in the future.

The reason our PBR is below 1 is that there are issues with both ROE and PER, which are components of PBR. We believe that this is due to our inability to adequately demonstrate not only the level of capital efficiency but also our medium- to long-term growth potential and the path to achieving it. Therefore, in order to achieve both profit growth and improved capital efficiency, we have begun to use ROIC, which indicates the profitability and efficiency of our business, as a key indicator for management control, in addition to ROE. By breaking down ROIC into profit margin and asset turnover, and by clarifying our improvement actions, we are working to improve capital efficiency. This is not merely a numerical improvement, but an important initiative to enhance corporate value itself. We are also continuing to work on balance sheet reform, such as selling strategic shareholdings and replacing / securitizing real estate assets, and are working to build a management foundation that can utilize capital more efficiently. In the future, we will strive to make the value creation process, in which growth investments lead to future profit expansion and improved capital efficiency, easier to understand, and we will further enhance dialogue and information disclosure with investors so that our efforts can be appropriately evaluated.



Financial Targets (ACT 2027)

Indicators	Targets (FY2027)	FY2025 Results	Achievement Period
Ordinary profit (Three-year cumulative)	38.0 billion yen	12.5 billion yen	FY2025-2027
ROE	Approx. 8.0%	6.5%	FY2027
ROIC	Approx. 2.3%	2.3%	FY2027
Equity ratio	23% or more	24.7%	FY2027

FY2025 Results

Segment	Operating Profit	ROIC
Gas energy	7.9 billion yen	3.3%
Electricity and other energy	1.2 billion yen	1.5%
Real estate	3.3 billion yen	1.9%
Food-related and other	0 billion yen	1.8%

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Capital Policy and Financial Strategy (Q&A with Officer in Charge)

Q3 How do you view Saibu's cost of capital (cost of equity/WACC), and how do you evaluate the return on capital for that?

A We see our cost of equity as being around 6-7%, and we aim to consistently exceed this level, setting our ROE target for FY2027 at 8.0%.

Furthermore, regarding ROIC, we have set our ROIC target for FY2027 at 2.3%, assuming that we will secure a level exceeding our assumed WACC. While our current ROIC is above WACC, given the rising interest rate environment and the higher expectations of our investors, further improvement is necessary.

We will continue to thoroughly consider the cost of capital in our investment decisions and to monitor our investment performance afterward.

Q4 How will Saibu balance growth and improved capital efficiency in response to these challenges?

A We aim to achieve both growth and improved capital efficiency by simultaneously investing management resources in growth areas and reviewing low-profit and low-efficiency businesses. Specifically, we will prioritize securing transition demand to natural gas, growing our electricity business, securitizing real estate assets, and promoting global energy businesses utilizing LNG terminals, and we will pursue focused capital investment in these areas.

At the same time, however, for businesses where capital efficiency remains below a certain level even after improvement measures are taken, or where medium- to long-term profitability is insufficient, we will pursue selective investment, including downsizing or divestment.

Furthermore, to thoroughly implement ROIC-based business portfolio management, we introduced SBUs (Strategic Business Units) in FY2025, establishing a foundation for quantitatively evaluating profitability, growth potential, and capital efficiency for each business segment. Through these efforts, we will strengthen the mechanism for flexibly reviewing resource allocation, thereby achieving sustainable growth not merely through scaling up but also by increasing capital productivity.

Q5 How do you think Saibu's growth strategies, such as those for its electricity business and global energy business, will lead to increased profits and improved capital efficiency?

A The electricity business is positioned as one of the key growth drivers, leveraging the low-cost and stable power source of Hibiki Power Plant, which began commercial operation in March 2026, to achieve both improved and stable profitability. By FY2027, we anticipate that operating profit in the electricity and other energy segments will expand to approximately 3.0 billion yen, making it one of the businesses driving overall Group profits.

Furthermore, the global energy business also possesses high potential, driven by expanding demand, particularly in Asia. Our strategy is to expand operations utilizing LNG terminals, such as gassing-up/cool-down services, transshipment, and reloading, while also capturing revenue opportunities through investment in and participation in overseas gas mid- and downstream business and LNG sales. In the medium to long term, we aim to establish those as our third revenue pillar, after the integrated energy business and the real estate business.



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Capital Policy and Financial Strategy (Q&A with Officer in Charge)

Q6 How do you view the balance between growth investments and shareholder returns?

A Under ACT 2027, we are focusing capital investment on areas essential for strengthening our medium- to long-term revenue base, such as capacity expansion of Hibiki LNG Terminal, local development, carbon neutrality, and digital transformation (DX). We plan to invest approximately 100 billion yen in growth investments over three years, and in FY2025, we invested 27.3 billion yen.

Regarding shareholder returns, our basic policy is sustainable and stable shareholder returns with a minimum annual dividend of 70 yen. We will also flexibly implement additional return measures, such as share buybacks, based on our performance and cash generation capabilities. In FY2025, as additional return measures, we repurchased approximately 2.0-billion-yen worth of treasury stock and established a new shareholder benefit program.

Going forward, we will continue to allocate capital while pursuing the optimal balance between growth investments, shareholder returns, and financial soundness, based on the idea of building a virtuous cycle of steadily accumulating profits through growth investments and stably maintaining and expanding shareholder returns.

Q7 How do you view the recoupment potential and revenue contribution of growth investments, such as the LNG tank expansion?

A While investments in expanding LNG terminal capacity will have a short-term impact on earnings due to increased depreciation expenses, we are positioning them as growth investments that will be our most important source of cash generation in the medium to long term.

We aim to capture approximately 280,000 tons of demand over the next 10 years, in response to the potential LNG demand of around 300,000 to 400,000 tons in northern Kyushu, and further demand expansion is expected through the attraction of data centers and other means. In addition, we will expand revenue opportunities through multifaceted initiatives, such as developing terminal utilization businesses for overseas markets and securing stable revenues and creating trading opportunities through partnerships.

Through these efforts, we aim to achieve a steady increase in revenue scale and cash flow by the early 2030s, establishing a sustainable growth cycle that balances investment recovery with the next growth investment.

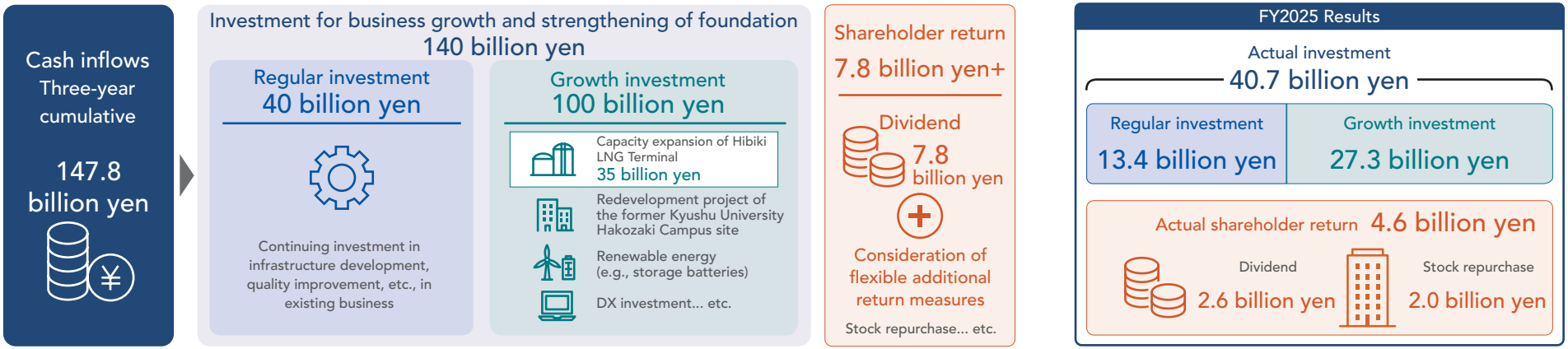
Q8 Regarding financial strategy, how has Saibu organized its approach to equity ratio and leverage?

A While actively pursuing growth investments, we consider maintaining financial soundness a crucial prerequisite for management. Our equity ratio at the end of FY2025 is 24.7%, exceeding our target of 23% by the end of FY2027. In the long term, we aim to raise it to around 30% to build an even stronger financial foundation.

Furthermore, recognizing our current high leverage level compared to our competitors, we will manage our finances cautiously and systematically, avoiding excessive reliance on debt.

Going forward, we will steadily build equity through profit generation from growth investments, while also working to diversify our funding sources and control funding costs, thereby realizing a sustainable financial strategy that balances growth and stability.

ACT 2027 (FY2025-2027) Investment and Shareholder Return Plan



*Investment includes equity investments and the like

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Capital Policy and Financial Strategy (Q&A with Officer in Charge)

Q9 What concerns do you see investors having with regard to Saibu's disclosed information? How will Saibu improve this going forward?

A Since last year, in our ongoing dialogue with investors to enhance our IR activities, we have received positive feedback, such as the disclosure information having been improved and the direction of Saibu's business being understandable, but also criticism that there is a lack of information necessary for investment decisions, making it difficult to incorporate it into models for evaluating corporate value. Specifically, we recognize as challenges the lack of transparency regarding the factors contributing to the stagnation of capital efficiency, such as ROIC, and the improvement process, as well as insufficient disclosure for evaluating the contribution (scale and certainty) to profits of large-scale growth investments, such as the capacity expansion of Hibiki LNG Terminal.

One of the factors leading to these criticisms is the absence of a dedicated IR department within our company, resulting in a disconnect in our awareness and understanding of the stock market. To address this, in April 2026, we established a new, specialized organization, the "IR Office," and appointed an executive officer in charge of "IR and Shareholder Value Creation," promoting the construction of a system that includes a transformation of our corporate culture. As a result, a cycle has begun in which requests from investors and the stock market are discussed internally and reflected in disclosures and initiatives.

Q10 What disclosures and dialogues will Saibu strengthen to help investors properly evaluate Saibu's value creation story?

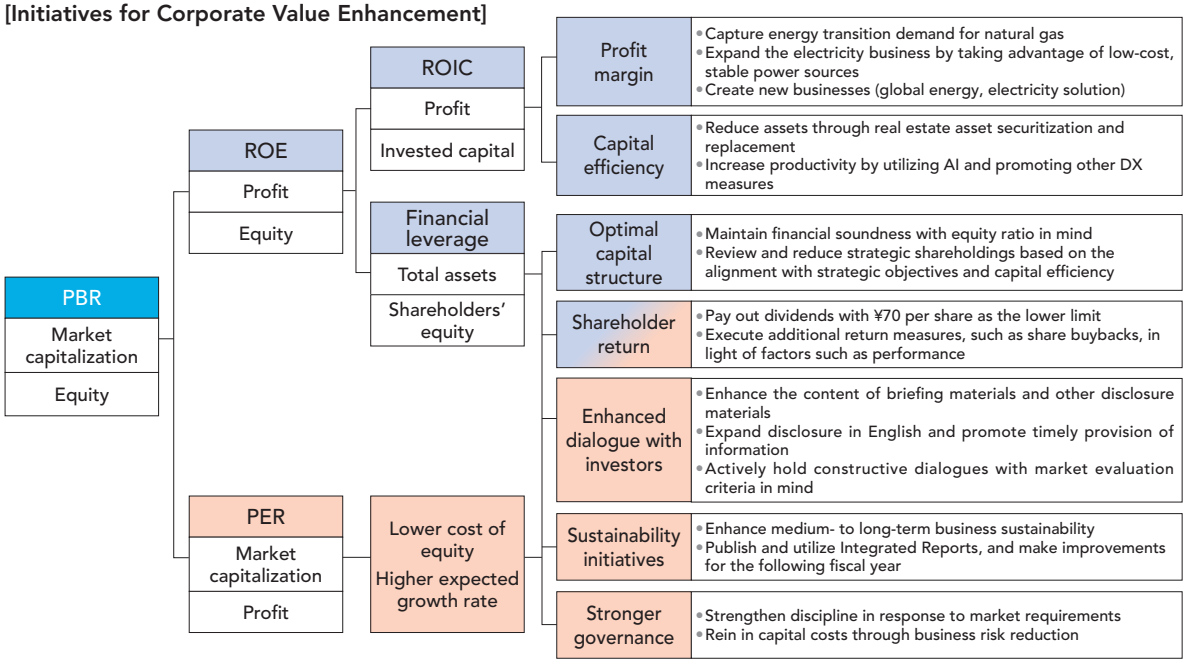
A We recognize the importance of objectively evaluating and modeling the scale and certainty of our growth in order for investors to appreciate our value creation story. Through the aforementioned strengthening of our IR system, we will fundamentally expand the quality and quantity of disclosed information and further enhance dialogue (engagement) with institutional investors and analysts both domestically and internationally.

The opinions obtained through these dialogues will be shared with management and reliably reflected in the refinement of our business strategy and the optimization of capital allocation. Furthermore, in order to improve our PBR, we will work to enhance corporate value from two angles: improving capital efficiency through ROIC improvement and improving market valuation through investor dialogue and strengthened governance.

By continuously engaging this cycle of dialogue with the market, we will realize a virtuous cycle of shareholder value and corporate value enhancement. We will also enhance opportunities for dialogue with individual investors, as well as develop measures that emphasize connection to help them feel closer to our business, aiming to expand the number of loyal shareholders who will support us over the medium to long term.

Objective perspectives from our stakeholders are essential for our growth as we strive to achieve our medium-term management plan and long-term vision. We kindly ask that you continue to provide us with your frank opinions regarding the transformation of and challenges for our Group.

[Initiatives for Corporate Value Enhancement]



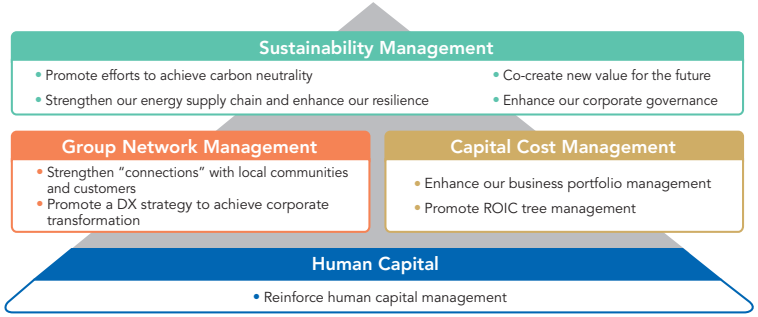
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Progress on the Group Medium-Term Management Plan ACT 2027

We are making steady progress toward achieving our goals in both financial and non-financial aspects, and we are steadily strengthening the foundation for enhancing corporate value.
Going forward, we will strive to further improve profitability and capital efficiency through the steady realization of growth investments and the deepening of our capital cost management.

Financial Targets

Indicators	Targets	Results (FY2025)	Achievement Period
Ordinary profit	38.0 billion yen	12.5 billion yen	Total for FY2025 - FY2027
ROE	Approx. 8.0%	6.5%	FY2027
ROIC	Approx. 2.3%	2.3%	FY2027
Equity ratio	23.0% or more	24.7%	FY2027



Priority Initiatives and Main Progress

	Priority Initiatives	Overview of Priority Initiatives	KPI (FY2027)	Results (FY2025)	Main Progress
Sustainability Management	Promote efforts to achieve carbon neutrality	• Capture transition demand and drive low-carbonization by promoting the shift to natural gas and utilizing energy infrastructure • Accelerate decarbonization in both the gas and electricity sectors through the implementation of e-methane, hydrogen, and other renewable energy sources	CO_2 emission reduction contribution: 870,000 tons Renewable energy power source transaction volume: 130,000 kW	546,000 tons 101,000 kW	• Securing of numerous contracts by promoting and expanding sales of natural gas fuel conversion • Proposal for the use of carbon credits • Expansion of high-voltage demand through the commencement of commercial operation of Hibiki Power Plant and strengthening PR for "Smart Green Denki" • Promotion of global energy projects such as gassing up/cooling down and LNG bunkering • Demonstration project for injection of e-methane into pipelines; provision of environmental value (utilization of the clean gas certification system) • Establishment of on-site solar power PPA business and procurement of renewable energy sources, such as from small-scale hydropower
	Strengthen our energy supply chain and enhance our resilience	• Strengthen LNG procurement, terminals, and supply networks to establish a flexible and stable energy supply system • Utilize infrastructure facilities and DX to enhance security, supply and demand management, and improve resilience	Serious problems due to the fault of our Group (procurement): 0 Serious accidents due to the fault of our Group (manufacturing and supply): 0	0 0	• Implementation of reciprocal LNG supply arrangements with JERA Co., Inc. • Commencement of construction work for capacity expansion of Hibiki LNG Terminal and completion of tank foundation pile construction • Implementation of container transport trials to improve transport efficiency • Steady implementation of pipeline network development plans and early introduction of smart meters
	Co-create new value for the future	• Promote the maximization of customer value by creating new business opportunities, primarily in the energy sector • Complement, expand and create businesses through open innovation, CVC, and strategic M&A	PoC of co-creation projects: 15	8	• Participation in a local consortium to strengthen external collaboration for open innovation • Sourcing of CVC and strategic M&A opportunities, primarily in the energy sector
	Enhance our corporate governance	• Strengthen Group governance and risk management to improve transparency and fairness in management • Enhance credibility and corporate value through proactive information disclosure and enhanced stakeholder dialogue	—	—	• Expansion of information disclosure through the issuance of integrated reports and the release of IR materials • Enhancement of dialogue through the holding of interim financial results briefings and briefings for individual investors • Implementation of hierarchical risk management training and compliance education
Group Network Management	Strengthen "connections" with local communities and customers	• Promote real estate and local development projects to revitalize local communities and strengthen ties with local communities and customers • Expand customer touchpoints and maximize Group customer lifetime value (LTV) through the integration of frontline and digital infrastructure	Saibu Land members: 200,000	120,000	• Officially selected as the developer for the redevelopment project of the former Kyushu University Hakozaki Campus site • Investment in a joint venture for condominiums and a private real estate fund • Implementation of marketing measures utilizing customer data in renovations and other projects • Expansion, utilization, and awareness-raising for SAIBU LAND content in conjunction with on-site initiatives
	Promote a DX strategy to achieve corporate transformation	• Transform services and business processes through the use of data and digital technologies to maximize customer value • Achieve Group transformation and strengthen competitiveness through DX talent development and organizational culture reform	DX core talent: 650 in total	483 in total	• Collaboration with business units on streamlining business processes, implementing improvement measures, and building IT infrastructure • Establishment of a DX consultation desk for each Group company, and start of support and assistance provision through interviews regarding their challenges • Implementation of hierarchical DX training and IT literacy/mindset education
Capital Cost Management	Enhance our business portfolio management Promote ROIC tree management	• Promote the optimization of our business portfolio and strategic resource allocation to generate returns that exceed the cost of capital • Introduce a ROIC tree to visualize capital efficiency across the entire company and, thereby, lead to improved profitability and more advanced management control	ROIC:2.3%	2.3%	• Company-specific ROIC tree analysis and implementation of improvement measures • Accounting reorganization and refinement of balance sheet planning at the SBU level • Restructuring of business plan formulation, monitoring processes, etc.
Human Capital	Reinforce human capital management	• Enhance investment in human resources to improve employee engagement and maximize corporate value • Strengthen the organizational foundation that supports sustainable growth through the development and placement of strategic talent, support for challenges, the promotion of DE&I and well-being, etc.	Employee engagement score: 65% or more Percentage of female managers: 6.0%	63.6% 5.2%	• Issuance of a Human Capital Report outlining the basic principles of the Group's human resource strategy • Implementation of human resource allocation through a self-reporting system, the Group's open job posting system, and the Group's personnel bank • Support for tackling challenges through a new business proposal system and reskilling support system • Implementation of training programs for developing next-generation managers and a mentoring system for newly appointed managers

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Business-Specific Strategy

Gas Energy Business (City Gas, LNG, LPG)

Leveraging our "powered by connection" strengths to achieve innovation and tackle challenges that create corporate value

Saibu Gas Co., Ltd.
Director and Managing Executive Officer Hideto Isa

In the environment surrounding the gas energy business, the movement towards a decarbonized society is accelerating; thus, the role required of gas energy businesses is expanding beyond just ensuring a stable supply to include such objectives as contributing to environmental impact reduction.

In the residential and business use sectors, energy use is becoming more sophisticated due to advances in energy conservation regulations for buildings. For residential use, the shift to high-performance housing, including ZEH, is progressing, and, for business use as well, the spread of ZEB is steadily incorporating energy conservation building-wide.

In the industrial sector, the steady advancement of efforts toward decarbonization while ensuring a stable energy supply are important issues for increasing corporate value.

In the midst of all of this, natural gas is playing an important role in the transition period as an energy source that supports low-carbonization moving toward decarbonization.

Going forward, we will further strengthen our city gas, LNG, and LPG supply systems, and we will promote optimal energy proposals tailored to the characteristics of each field, including residential, business use, and industrial use. At the same time, by leveraging across-the-board the digital technology and deploying the knowledge and know-how we have cultivated in the field, we will improve our proposal capabilities and operational quality, leading to sustainable value creation.

ROIC Improvement Measures

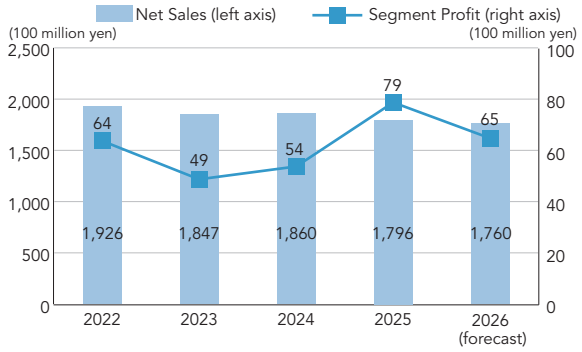
Profit expansion

- Strengthening of proposal-based sales in light of decarbonization trends

Efficiency improvement of invested capital

- Advancement in pipeline network operational efficiency

Change in Net Sales/Segment Profit (Five-Year Data)



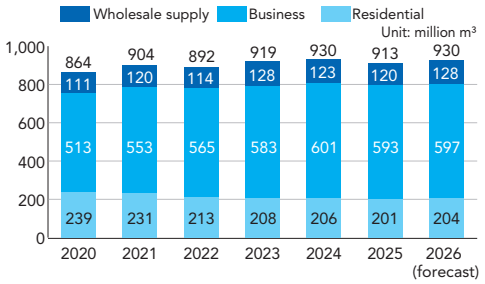
FY2025 Results (Review)

City gas sales volume for residential use decreased by 2.7% due to higher average temperatures than in the previous period. For business use, there was a 1.4% decrease due to factors such as a decrease in utilization by existing customers.

Wholesale supply decreased by 2.6% due to a decrease in demand from wholesale supply customers.

Although net sales decreased 3.4% from the previous fiscal year to 179.6 billion yen due to such factors as the impact of the downward revision of gas rate prices caused by raw material cost adjustments, as well as due to a decrease in gas sales volume, segment profit increased 44.8% to 7.9 billion yen due to a decrease in depreciation costs for Hibiki LNG Terminal.

Change in City Gas Sales Volume



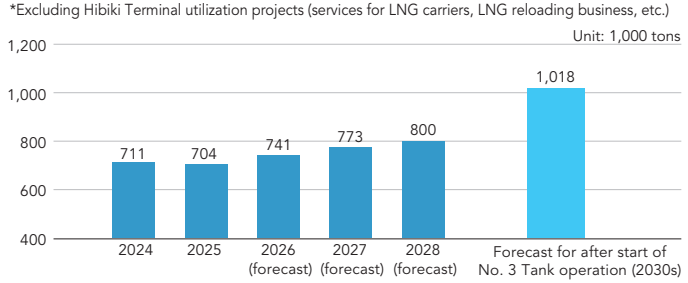
Future Outlook

In light of the start of operation of the LNG Tank No. 3 at Hibiki LNG Terminal, we established a specialized organization in FY2025 dedicated to capturing demand for fuel conversion, and we will use it to steadily build up demand.

Going forward, we will aim to steadily expand sales volume by leveraging our technological and solution capabilities for decarbonization and for providing optimized energy proposals to our customers. In addition, by providing carbon offset menus, we will contribute to the progress of decarbonization in local communities. Furthermore, by incorporating digital technology into our proposal-making activities and business processes, we will strive to improve the sophistication of our operations and further improve our proposal-making capabilities.

City Gas and LNG Sales Volume*

*Excluding Hibiki Terminal utilization projects (services for LNG carriers, LNG reloading business, etc.)



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Business-Specific Strategy

Gas Energy Business (City Gas, LNG, LPG)

Strengths

- Technical expertise and proposal know-how to support fuel transition moving toward decarbonization
- Energy supply infrastructure for city gas, LNG, and LPG
- Operational system that supports safe and stable supply, and a customer base cultivated over many years

Opportunities

- Expansion of social roles against the backdrop of progress in decarbonization policies
- Increased need for energy efficiency and sophistication due to stricter energy conservation regulations for buildings
- Opportunities to create demand based on regional characteristics and customers' lifestyles

Weaknesses

- Further acceleration of demand development in response to expanding fuel conversion demand
- Expansion of value-added proposals in the energy conservation field, including ZEH and ZEB
- Deepening of knowledge-sharing and business-sophistication through the use of digital technology

Threats

- Increased competitive environment due to changes in the energy mix
- Responding to fluctuations in the procurement environment in light of international affairs and other factors
- Continuous strengthening of a stable supply system in anticipation of disasters and other situations

Gas Energy Business Strategy

Capture the strong demand for industrial fuel conversion

In the industrial sector, we will provide optimized proposals that take into account decarbonization needs, while ensuring a stable supply. Focusing on fuel conversion to natural gas, a low-carbon energy source during the transition period, we will steadily secure fuel conversion demand by ensuring both stable operations for our customers and decarbonization measures.

Maintain and expand the customer base through the development of new services

As the role of energy becomes more diverse, we will develop services related to energy and daily life, centered on sales capability that stays close to individual customers and combined with new digital touchpoints, in order to maintain and expand into the future the customer base we have built through our gas energy business. We will provide services that benefit our customers' lives through value creation based on safety, security, and trust.

Enhance the human resource portfolio supporting gas energy business

In our gas energy business, we are working to enhance our human resource portfolio to meet the specific characteristics of the business and respond to decarbonization efforts and increasingly sophisticated customer needs. Building on the technological capabilities we have cultivated to date, we will promote the development and deployment of personnel with expertise in fuel conversion and low-carbon proposals, thereby contributing to the sustainable growth of our gas energy business.

TOPICS

Value Creation Through Business

Environmentally friendly, next-generation local development that prioritizes safety and security

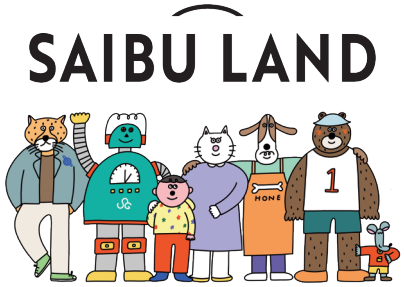
We are participating as a land-use developer in the redevelopment project of the former Kyushu University Hakozaki Campus site in Higashi Ward, Fukuoka City. This project aims to achieve carbon neutrality by promoting energy conservation, renewable energy, and hydrogen utilization.

Furthermore, by developing temporary shelters for those unable to return home during emergencies and disasters, as well as by securing energy for emergency use, we will contribute to improving the safety and security of the community, thereby increasing the added value of our gas energy business.



Creating customer touchpoints and delivering value

We operate "SAIBU LAND," a free membership service utilizing LINE. Through this service, we connect with a wide range of customers, regardless of whether they use energy or not, and provide useful information for daily life, award points based on usage, and offer content related to the local community and society. Through these initiatives, we will continue to provide value that is tailored to our customers' needs.



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Business-Specific Strategy

Gas Energy Business
(Strengthen Our Energy Supply Chain and Enhance Our Resilience)

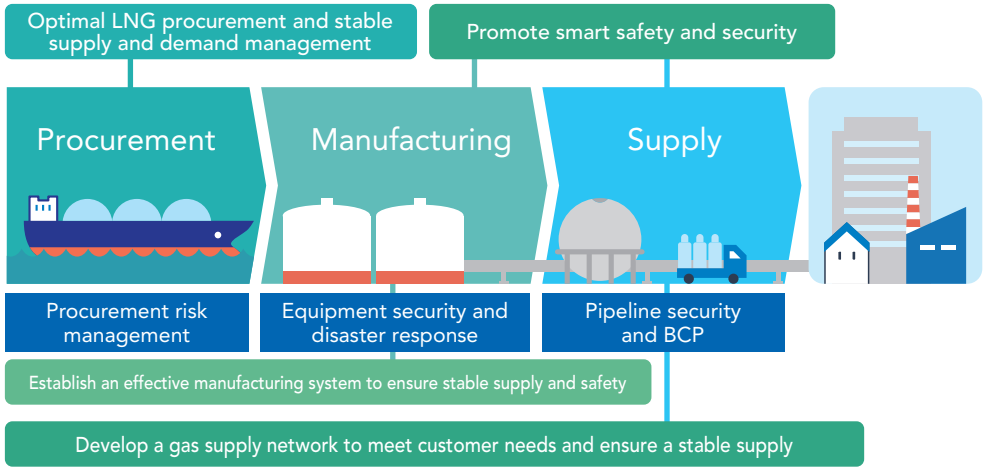
Strengthening business continuity and our revenue base by ensuring a safe and stable energy supply

Saibu Gas Co., Ltd.
Representative Director and Executive Vice President
Takao Kinoshita

As the person in charge of safety in our Group's gas energy business, I am working to strengthen resilience by integrating procurement, manufacturing, and supply functions. Amidst the increasing severity of natural disasters and rapid changes in the energy supply and demand environment, it is essential to improve risk management and response capabilities that encompass the entire supply chain, rather than just focusing on individual equipment measures, in order to ensure stable supply and safety. Therefore, in addition to strengthening equipment and improving disaster response capabilities, we are working in cooperation with each Group company to promote the optimal operation of the entire supply network, striving to prevent serious accidents and supply disruptions.

Through these efforts, we will fulfill our social mission of ensuring a stable energy supply, maintaining and improving customer trust, and enhancing corporate value through business continuity and stable profits.

In my role overseeing safety, I will continue working to maintain our record of zero serious problems (procurement) and zero serious accidents (manufacturing and supply) due to the fault of our Group and will see that we contribute to the sustainable enhancement of corporate value by ensuring stable supply and safety.



Resilience Supporting the Supply Chain

	Main Initiatives	Indicators and Results	Targets (KPI)	Provided Value
Procurement	•Consideration of new LNG sales contracts that are flexible and price-competitive •Development of emergency response cooperation systems and diversification of supply and demand adjustment methods	•Concluding flexible and price-competitive sales contracts •Implementation of reciprocal LNG supply arrangements with JERA Co., Inc. and other companies •Implementation of flexible vessel scheduling adjustments for each seller	Zero serious problems (procurement) and serious accidents (manufacturing and supply) due to the fault of our Group	Reduced risk of supply disruption
Manufacturing	•Measures to address the aging of manufacturing equipment •Verification of, and response to, infrastructure (manufacturing equipment, tanker truck transport) expansion measures •Promotion of digitalization	•Planned maintenance based on standards for countermeasures against aging equipment •Commencement of construction work for capacity expansion of Hibiki LNG Terminal •Introduction and promotion of smart safety and security		
Supply	•Measures to prevent accidents by the Group •Promotion of measures against carbon steel pipes for ordinary piping •Implementation of comprehensive disaster prevention drills (for earthquakes)	•Maintenance of a stable supply •Improvement of the earthquake resistance of supply facilities •Strengthening of disaster response capabilities		

Human Resource Base Supporting Security

Safety-related education

In our production units, we promote human resource development through a technical personnel development system that combines hierarchical training and a skills certification system.

In our supply units, we aim to cultivate safety-related personnel and to maintain and improve safety levels through a systematic education system that includes group training, qualification training, e-learning, and on-the-job training, as well as a skills evaluation system.



Through this training, participants acquire a wide range of knowledge regarding security

Technology transfer

The production and supply units are strengthening the technological foundation that supports safety by passing on technology and skills to the next generation through on-the-job training (OJT) and practical training. They are also promoting the sharing of technology and knowledge and reducing reliance on veteran employees by utilizing generative AI tools.



Through practical training, participants acquire the skills necessary for pipework

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Business-Specific Strategy

Electricity and Other Energy Businesses



Promoting diversification of our growth base through the sustainable growth of our electricity business and the expansion of our global energy business

Saibu Gas Co., Ltd.
Director and Senior Managing Executive Officer Takayoshi Mizoguchi

In our electricity business, we have steadily expanded our number of contracts, primarily through bundled sales with gas. Going forward, we will strengthen cross-selling by combining gas and electricity with the diverse products and services offered by Saibu Gas Group, and we will expand demand through the provision of new pricing menus and services. Furthermore, in addition to utilizing Hibiki Power Plant, which began operation in FY2025, we will expand renewable energy sources, transition from FIT to FIP, and introduce battery storage to build a competitive power procurement system.

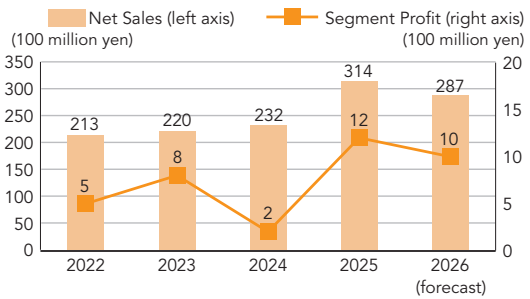
Moreover, we expect the global energy business to be a new area supporting the growth of our Group. Hibiki LNG Terminal leverages its geographical advantage of being close to China and Southeast Asia to provide services such as LNG transshipment, reloading, and bunkering, increasing its presence as an international LNG logistics hub. We plan to begin operation of the LNG Tank No. 3 in FY2029 and will grow the global energy business into a third revenue pillar, just behind our domestic energy business.

ROIC Improvement Measures

Profit expansion
- Increased electricity sales profits through the operation of co-located storage battery systems
- Expansion of wholesale sales by strengthening the customer network
- Expansion of retail demand through new pricing plans and services
- Promotion of GUCD and LNG bunkering
- Development of new service businesses, such as through collaboration with JERA Co., Inc. and overseas LNG sales

Efficiency improvement of invested capital
- Consideration of utilizing idle land owned by the Group in storage battery business

Change in Net Sales/Segment Profit (Five-Year Data)



Electricity Business

FY2025 Results (Review)

Electricity sales volume increased by 56.2% year-on-year to 1.042 billion kWh, driven by a 7.6% increase in low-voltage customers, expanded wholesale sales, and increased high-voltage sales due to increased awareness of "Smart Green Denki*". Power procurement was achieved through strengthened relationships with power generators, resulting in lower costs and more stable power supply.

In renewable energy, in addition to developing 4,000 kW of power through the establishment of an on-site PPA business for solar power and procuring 6,000 kW of power from small-scale hydropower, solar, and biomass, commercial operation commenced at investment locations including an offshore wind power plant (Kitakyushu City, Fukuoka Prefecture), a geothermal power plant (Oguni Town, Kumamoto Prefecture), and a biomass power plant (Aso City, Kumamoto Prefecture). Furthermore, the renewable energy-integrated storage battery system at the eneseed Nagasaki No. 2 Solar Power Plant, owned by our Group, has also commenced operation.

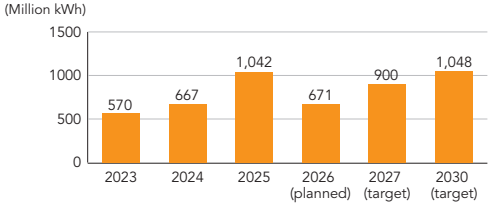
*Smart Green Denki: Environmentally friendly electricity that utilizes non-fossil certification, resulting in virtually zero CO_2 emissions

Future Outlook

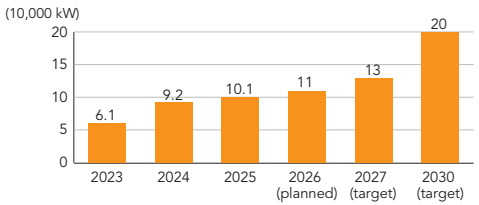
In FY2026, while closely monitoring developments in the Middle East, we will promote the acquisition of new residential demand and strengthen the PR for "Smart Green Denki" to secure high-voltage demand. Furthermore, we will strengthen wholesale sales utilizing Hibiki Power Plant, and both sales and operating profit are expected to increase.

In the final year of the Group Medium-Term Management Plan ACT 2027, we will drive the growth of our energy business beyond FY2027 through the growth of our electricity business via the operation of Hibiki Power Plant and the promotion of decarbonization of power sources aimed at achieving carbon neutrality.

Electricity sales volume



Renewable energy power source transaction volume



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Business-Specific Strategy

Electricity and Other Energy Businesses (Electricity Business)

Strengths

- Diverse energy trading partners built through gas business (shared)
- Customer base of approximately 1.19 million customer accounts and our Group's sales network (retail)
- Stabilization of power procurement through the operation of Hibiki Power Plant (retail)

Opportunities

- Contributing to regional decarbonization by providing "Smart Green Denki" environmentally friendly electricity (retail)
- Development and procurement of renewable energy sources and storage batteries in line with each Group company's carbon neutrality initiatives (renewable energy)

Weaknesses

- Strengthening contact with customers outside the city gas/LPG supply area (retail)
- Reducing the proportion of procurement from the wholesale electricity market (retail)
- Developing diverse rate menus and services tailored to customer needs (retail)
- Actively promoting and securing customers for electricity with environmental value (renewable energy)
- Securing inexpensive renewable energy sources through diversification of procurement sources (renewable energy)

Threats

- Decreased electricity demand due to increased awareness of energy conservation and customers switching to new electricity providers offering cheaper rates (retail)
- Impact of changes in policy targets and subsidy trends (renewable energy)

Electricity and Other Energy Businesses Strategy

Maximize profits through maximum utilization of Hibiki Power Plant

We will build a power source portfolio centered on Hibiki Power Plant, which began operation in March 2026, and achieve increased profitability in our electricity retail business by reducing procurement costs.

Offer new pricing plans tailored to customer needs and expand sales of "Smart Green Denki" environmentally friendly electricity

By securing price competitiveness through the operation of Hibiki Power Plant, we aim to expand wholesale sales and high-voltage demand, and we will acquire new demand by offering new pricing plans and services that meet diverse lifestyles and needs. In addition, in response to the needs of customers in northern Kyushu regarding environmental value, we will provide renewable energy power sources owned by our Group and renewable electricity procured from other power generators (including those with non-fossil certification), thereby contributing to the decarbonization of local communities and promoting increased profitability in the electricity business.

Develop new businesses utilizing storage batteries

In our efforts to promote and expand the use of variable power sources such as renewable energy, we will contribute to the effective utilization of renewable energy and the stabilization of the power system by expanding the combination with battery storage.

Furthermore, by securing specialized personnel and acquiring know-how through in-house operations, we aim to develop a power aggregation business centered on storage batteries.

Value Creation Through Business

TOPICS

Contribution to the development of diverse renewable energy sources and the decarbonization of local communities

Our Group began purchasing "electricity and environmental value" generated at small-scale hydroelectric power plants in Saga Prefecture on a long-term basis in November 2025, and we are currently supplying it to 53 facilities in Saga Prefecture, including the Saga Prefectural Government.

Power Plant Overview
Power plant output: 990 kW
Location: 1311-1 Takigawa, Nanayama, Karatsu City, Saga Prefecture
Power generation company: Kyushu Hatsuden Co., Ltd.
Annual power generation: Approx. 3.5 million kWh



Source: Kyushu Hatsuden Co., Ltd.

Maximizing the use of renewable energy in existing power plants

Our Group has installed a co-located storage battery system at its eneseed Nagasaki No. 2 Solar Power Plant and began operating the battery system in October 2025.

In the Kyushu area, where output control is strict, this system aims to maximize the use of renewable energy generation by charging during low-demand periods and discharging during high-demand periods.





eneseed Nagasaki No. 2 Solar Power Plant

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Business-Specific Strategy

Electricity and Other Energy Businesses (Global Energy Business)

Expanding our global energy business into a third revenue pillar supporting future growth

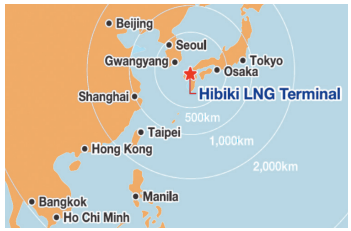
Saibu Gas Co., Ltd.
Director and Managing Executive Officer Kenji Mori

Saibu Gas Group leverages the geographical advantage of its Hibiki LNG Terminal, located near China and Southeast Asia where LNG demand is expanding, to develop businesses such as GUCD (gassing up/cooling down) for LNG tankers, LNG transshipment and reloading, and bunkering for LNG-fueled vessels. Through these efforts, Hibiki LNG Terminal is gaining recognition among LNG players worldwide as an international LNG logistics hub and is steadily strengthening its presence. Furthermore, business expansion is expected with the start of operation of LNG Tank No. 3 in FY2029, and the global energy business is positioned as the third revenue pillar supporting future growth, just behind the domestic energy supply business. This business is less affected by domestic gas demand and allows us to utilize the know-how we have cultivated thus far to take on diverse challenges, and it is expected to be a new source of revenue for Saibu Gas Group.

Leveraging the Geographical Advantages of Hibiki LNG Terminal for Business Expansion

By leveraging its geographical advantage of being close to China and Southeast Asia, where LNG demand is increasing, Hibiki LNG Terminal is gaining recognition among LNG players worldwide and is steadily increasing its presence as an international LNG logistics hub.

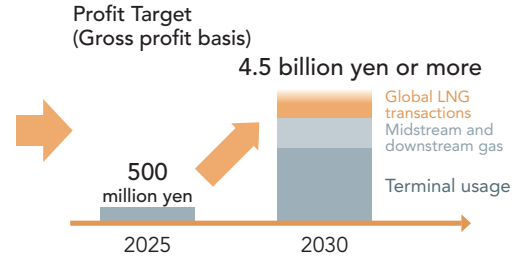
Furthermore, with the expected expansion of operations after the LNG Tank No. 3 begins operation, which is scheduled for FY2029, the global energy business is expected to become a new pillar of revenue for our Group. It is a business that is less susceptible to fluctuations in domestic gas demand and allows us to take on a variety of challenges by utilizing the expertise we have cultivated to date.



Marketability and Future Targets

Increase in the number of LNG tankers sailing in the vicinity of the Hibiki Terminal			
Global LNG tanker number	700 (2024)	→	1,100 (2030)

Expansion of Southeast Asian LNG market			
Asian demand for LNG	270 million tons (2024)	→	390 million tons (2030)



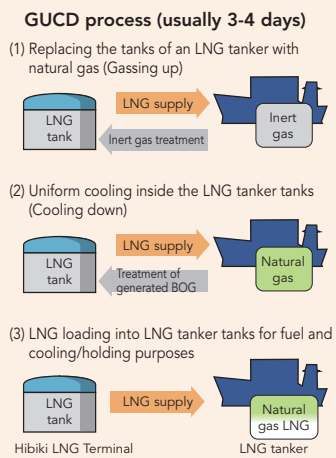
Initiatives Thus Far

GUCD (Gassing up/Cooling down)

We provide GUCD (gassing up/cooling down) services, which involve gradually injecting and cooling LNG to prepare newly built vessels and LNG tankers after regular maintenance for loading cryogenic LNG.

Since the launch of these services in 2017, we have served over 50 vessels of various types, and this extensive experience and advanced technical capability have earned us high praise.

Cumulative Results as of Dec. 31, 2025	
No. of supplied ships	50 or more
No. of supplied companies	22
Shipment volume	200,000 tons or more
Net sales	18 billion yen or more



LNG Bunkering

We provide LNG bunkering services to supply LNG-fueled vessels. In particular, we utilize a Truck-to-Ship method for bunkering, employing tanker trucks and ISO tank containers. In addition to serving shipbuilding companies, we expanded this service to cruise ships in FY2025. We have built a strong track record at major ports in Kyushu and the Chugoku region, earning trust through our efficient supply system.

Furthermore, through "KEYS," our joint venture company with Kyushu Electric Power and others, we are also participating in a Ship-to-Ship project in the Seto Inland Sea.



New Challenges

- We have agreed to a partnership with JERA Co., Inc., Japan's largest power generation company, for the strategic utilization of Hibiki LNG Terminal. We view this partnership as recognition of the high competitiveness and growth potential of Hibiki LNG Terminal. By utilizing the LNG Tank No. 3 with JERA, reciprocal LNG supply will become possible, which is expected to ensure stable operation and secure revenue for the terminal.
- With the completion of the LNG Tank No. 3, large-scale transshipment and reloading will become possible, which is expected to further expand terminal utilization businesses, and we will also venture into overseas LNG sales using ISO tank containers and other technologies.



Joint press conference on April 22, 2025

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Business-Specific Strategy

Real Estate Business

Promoting improved asset efficiency and diversification of revenue sources to achieve sustainable growth grounded in community-based local development

Saibu Gas Holdings Co., Ltd.
Representative Director and Executive Vice President Toshiyuki Ueno

Our Group's real estate business has secured a stable revenue base, primarily through rental and housing sales business, and delivers value rooted in local communities. However, we recognize the need for further evolution in terms of revenue stream composition and growth potential.

Going forward, we will strengthen our profitability through real estate securitization and asset replacement, thereby achieving sustainable growth and diversifying our revenue structure through improved investment efficiency.

To achieve this, securing and developing specialized personnel, strengthening our ability to generate new projects, and establishing a rapid decision-making system are crucial challenges. Meanwhile, the expansion of urban redevelopment demand and the buoyant real estate investment market, along with the strong customer base, assets, and local connections we have cultivated over many years through our energy business, are significant tailwinds. We will leverage these to strengthen the competitiveness of our own brand.

Furthermore, under our Group's capital efficiency management philosophy centered on improving ROIC, we will not prioritize sales volume expansion but, rather, thoroughly manage projects by assessing profit efficiency and risk for each project, establishing a virtuous cycle of stable cash flow generation and reinvestment through turnover investment.

Also, by addressing regional challenges and promoting environmentally conscious real estate development, we aim to achieve both social and economic value, further strengthening our contribution to sustainable local development.

In addition, we will promote the creation of new value through strengthened collaboration with external partners, expanding business opportunities and further strengthening our revenue base as a comprehensive real estate company.

ROIC Improvement Measures

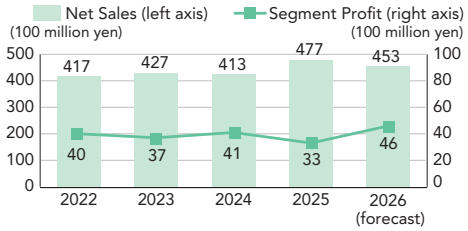
Profit expansion

- Strengthen profitability through real estate securitization and asset replacement
- Ensure smooth delivery of the planned number of units through timely analysis of sales status and implementation of countermeasures

Efficiency improvement of invested capital

- Revise pricing and sales strategies for long-term vacant properties to facilitate early sale
- Identify and sell underperforming and low-profit assets

Change in Net Sales/Segment Profit
(Five-Year Data)



FY2025 Results (Review)

Sales increased by 15.5% year-on-year to 47.7 billion yen, mainly due to an increase in the number of condominiums sold. Segment profit, however, decreased by 19.5% to 3.3 billion yen, mainly due to the increased cost of sales in overseas real estate businesses.

In the housing sales business in FY2025, the number of condominiums sold increased, primarily in Fukuoka, through joint ventures (JVs) with other companies, and the number of detached houses sold remained at the same level as the previous year; as a result, total units sold rose by 8 year-on-year to 552 units.

Furthermore, in March 2026, we were officially selected as the land use developer for the redevelopment project of the former Kyushu University Hakozaki Campus site. Going forward, we will work with the joint venture operator to realize sustainable local development. Our Group also plans to participate in various areas, including housing development and energy services.


Nudgeone Teruha
(Saibu Gas Urban Development)


O-VISION Shirakibaru
(S TRUST and KYUSHU YAESU JV)

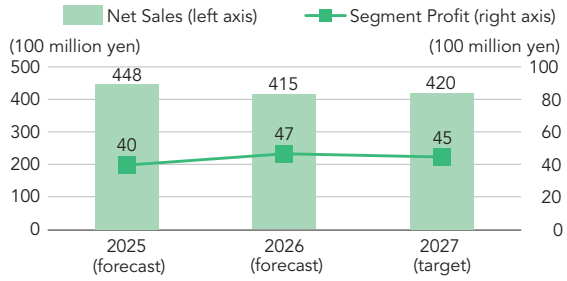
Future Outlook

While the business environment is becoming increasingly challenging due to soaring land and construction costs and rising interest rates, we have shifted to a rotational investment model, recovering funds by selling some of our real estate holdings and reinvesting them, while also continuing to make a certain level of investment in attractive local development. As a result, we achieved steady growth in sales volume in FY2025, and we expect to exceed the targets for FY2026 set forth in ACT 2027.

Going forward, instead of simply focusing on sales volume growth, we will aim to achieve profitability that exceeds the segment profit target for FY2027 by considering the profit efficiency and risks of each project, while simultaneously achieving off-balance-sheet financing for our Group's assets and securing and expanding stable cash flow.

Furthermore, we will work on real estate development that has obtained environmental certifications, such as CASBEE and ZEB, to meet our customers' needs for low-carbon and decarbonized properties, and we will cultivate and deploy human resources to lead our Group's real estate business and build a system that creates diverse value.

Business Plan for ACT 2027 Period



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Business-Specific Strategy

Real Estate Business

Strengths

- High level of trust as an infrastructure company rooted in northern Kyushu (a brand image associated with the supply of safe and secure housing)
- Information gathering capabilities through the city gas sales network
- Ability to provide total services, including design, construction, sales, and management
- No. 3 in the number of condominiums sold in Kyushu and Yamaguchi (January-December 2025)
  *Source: "Jutaku Ryutsu Shinpo-sha survey"
- Connections and know-how built with local communities and customers over many years, such as through town management

Opportunities

- Increased real estate demand due to the special demand stemming from the expansion of the semiconductor industry into Kyushu and the redevelopment projects of Tenjin and Hakata Station
- Increased demand for smart city development and value enhancement, including the refurbishment and renovation of aging housing complexes and underutilized real estate

Weaknesses

- Securing profits with an emphasis on asset efficiency
- Developing housing supply businesses that take into account the progress of population decline and the aging of society
- Securing and developing specialized personnel

Threats

- Due to the declining population and aging society, demand for real estate, including housing, is gradually decreasing, and competition with other companies is intensifying
- Changes in real estate prices during periods of rising interest rates
- Increasing construction costs
- Declining profitability due to soaring land and construction costs

Real Estate Business Strategy

Improve asset efficiency and diversify revenue streams

With the aim of improving asset efficiency, we will diversify our revenue streams by implementing off-balance-sheet financing for our real estate holdings, and by promoting joint ventures with other companies in local development and real estate development, including the redevelopment of the former Kyushu University Hakozaki Campus site, for which our Group was selected as a land-use developer in March 2026.

Promote community-based, collaborative local development

We participate in local development and real estate development that helps to address social issues, such as the declining birthrate, aging population, and weakening of communities. We also contribute to the realization of vibrant local communities by maintaining and managing towns, supporting community building among local residents, creating lively areas, and helping to resolve local problems.

Cultivate real estate professionals

We will promote the development and acquisition of human resources capable of handling the diverse business characteristics of various sectors, including real estate development and construction, with the aim of ensuring a sufficient supply of specialized personnel.

Also, we will further revitalize personnel exchanges within the real estate segment, both within and outside our Group, and strengthen business collaboration between Group companies.

Value Creation Through Business

TOPICS

"ZEB Ready" certification for Hakata Gion NK Building (December 2025)

With a view to ensuring environmental-friendliness, Saibu Gas Urban Development obtained the "ZEB Ready" certification* based on the Building-Housing Energy-efficiency Labeling System (this is the company's second such certification).

* "ZEB Ready" certification is a certification given to buildings that are highly insulated and equipped with highly efficient energy saving facilities with an eye to achieving ZEB.



Rendering

Officially selected as the land use developer for the redevelopment project of the former Kyushu University Hakozaki Campus site (March 2026)

A group of eight companies will develop one of the largest smart cities in Japan, aiming for the opening in FY2028.

In addition to developing condominiums and rental housing, we plan to be involved in energy supply, carbon neutrality, and greening initiatives.



Rendering

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Business-Specific Strategy

Food-Related and Other Business

Businesses that expand connections with local communities and deepen Group network management

Saibu Gas Holdings Co., Ltd.
Director and Senior Managing Executive Officer Shogo Morita

Our group's food-related and other businesses aim to support vibrant regional economies and enrich the lives of local customers through a wide range of business activities related to local life, thereby deepening our ties with the community. Furthermore, as one of the foundations supporting our group network management philosophy, we create diverse lifestyle and regional values that complement the pillars of our Group businesses, such as our Integrated Energy Business.

Going forward, as a corporate group beloved by the local people, we will continue to play a role in promoting the charm of the region while actively engaging in cross-business collaboration to enhance brand value and achieve long-term growth.

Business Overview

Our food-related and other businesses are wide-ranging, from restaurants and seafood wholesale to farming, nursing care, chemical manufacturing and sales, and information processing. Through these businesses, we support the safety and prosperity of local communities and play an important role as a foundation for enhancing the overall strength of the Group.

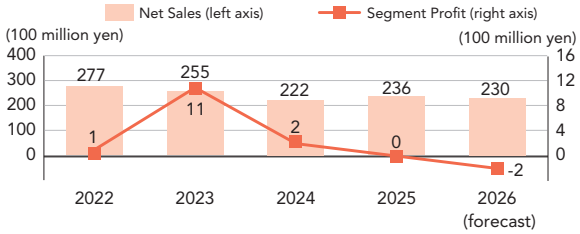
Main Companies	Business Overview
HASSENKAKU	Among other things, operation of the longstanding Chinese restaurant "Hassenkaku" in Hakata
Fukuoka Chuo Fish Market	Consignment sales of fresh seafood, sales of frozen seafood, etc.
SG Green House	Among other things, production of hydroponically grown lettuce without pesticides
Saibu Gas Life Support	Operation of paid senior living facilities and provision of nursing care and other services
SG Chemicals	Manufacture, supply, etc., of carbon materials used in a wide range of fields, as well as chemicals, such as paints that protect the global environment
Saibu Gas Information Systems	Information processing business

FY2025 Results (Review) and FY2026 Forecast

In FY2025, while revenue increased due to higher net sales from system development in the information processing business, as well as steady performance in the food and beverage and nursing care sectors supported by local demand, profits decreased due to various cost increases caused by soaring prices, rising labor costs, and the impact of production stoppages due to equipment failures in chemical production facilities.

While we anticipate net sales for FY2026 to be roughly the same as the previous year, we expect a decrease in profits due to factors such as increased system development costs in our information processing business.

Change in Net Sales/Segment Profit (Five-Year Data)



(Note) The profit level has decreased due to a revision of the allocation method for general and administrative expenses starting in FY2024.

Future Business Development and Goals

While accurately responding to changes in the business environment, such as rising raw material prices, labor costs, labor shortages, and diversifying consumer needs, we will work to improve profitability while being mindful of the cost of capital by, among other things, enhancing the added value of products and services, improving operational efficiency through DX, and optimizing inventory.

Furthermore, in addition to the individual growth of each Group company, we will strengthen the provision of lifestyle-related services and solutions by linking Group businesses, such as the Integrated Energy Business and real estate business, and leveraging their customer bases and customer touchpoints. At the same time, in combination with strategic, financially disciplined M&A, we intend to carefully select businesses that contribute to creating value in daily life and local communities and to challenge ourselves to create businesses that can become pillars of future growth.


Fukuoka Chuo Fish Market


SG Green House

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Human Resources Strategy



Message from the Officer in Charge

Saibu Gas Holdings Co., Ltd.
Director and Managing Executive Officer
Atsushi Mitarai

Human Capital Management—A Human Resources Strategy to Support Sustainable Growth—

Saibu Gas Group believes that, amidst significant changes in the energy business environment, human resources are the most important management foundation for achieving sustainable growth and enhancing corporate value. To promote transformation of the business structure and creation of new value, it is essential to cultivate an organizational culture that supports the challenges and growth of each and every employee. In our Medium-Term Management Plan ACT 2027, we position human capital management as the foundation supporting all strategies, and, with improving employee engagement as our most important indicator, we are developing our human resources strategy around three pillars: (1) Take management strategy-linked human resource measures, (2) Support growth through challenges, and (3) Strengthen organizational foundation that accelerates value creation. Moving forward, we will continue to create an environment where employees can proactively take on challenges, and promote the creation of an organization where diverse human resources can maximize their abilities, thereby contributing to the creation of new value and the sustainable development of local communities.

Human Capital Impact Path

An illustration of the value creation process wherein investment in human capital fosters employee growth, leading to increased corporate value and the creation of regional value.

Strategic investment in human capital → **Human capital outcome (employee growth)** → **Corporate value creation (corporate growth)** → **Medium- to long-term results creation (local community growth)**

[Three Pillars of the Group's Human Resources Strategy]

1. Take Management Strategy-Linked Human Resource Measures
   - Strategic Acquisition and Cross-Group Deployment of Human Resources
   - Strategic Development of Human Resources
2. Support Growth Through Challenges
   - Support for Challenges
   - Support for Self-Directed Career Development
3. Strengthen Organizational Foundation that Accelerates Value Creation
   - Promotion of Group DE&I
   - Promotion of Group Health Management

*Figures represent the current situation ⇒ the target for FY2027.
The current situation is as of the publication of ACT 2027 in March 2025.

2025 → 2027

- Cross-Group deployment 5⇒20 cases
- Management talent / Strategic talent development
- Change drivers percentage 15%⇒20%
- SOZO University participants 43⇒80 people
- Reskilling support 600⇒2,000 people
- Percentage of female managers 3.8%⇒6.0%
- Employment rate for persons with disabilities 2.5%⇒2.7%
- Rate of male employees taking childcare leave 90.6%⇒100%
- Seven indicators of health management

- Human resources portfolio expansion
  - Skills
  - Human resources requirements...
  - etc.
- Challenge index 3.46⇒3.75
- Presenteeism 80%⇒85%
- Absenteeism 3.05⇒1.7 days

Employee engagement of 65% or more
Connections with local communities and families

SBU Business Strategy Execution
- Gas Energy
- Electricity and Other Energy
- Real Estate
- Food-related and Other

Productivity indicators
e.g., Human capital ROI

Strengthening of corporate competitive advantage
- Recruitment capability
- Retention capability
- Regional co-creation capability

Regional Value
- Local Development of Secure and Lasting Communities
- Co-Creation of Services for Diverse Lifestyles
- Initiatives to Support a Vibrant Local Economy

Social Value and Economic Value

→ See page 34 for details on ACT 2027 progress.

Company-employee dialogue / Integrated management of employee data

Read Saibu Gas Group Human Capital Report 2025 here: https://hd.saibugas.co.jp/sustainability/social/human_capital/

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Human Resources Strategy

Improving Employee Engagement

The "Employee Engagement Survey," which was first conducted in FY2025, provide a more detailed and comprehensive understanding of issues from the perspectives of "work, workplace, and company." Based on the survey results, we will plan and implement improvement measures in conjunction with various human capital management initiatives.

Group Human Capital Committee

To further strengthen human capital management, Saibu Gas Group has established Saibu Gas Group Human Capital Committee. The presidents of the Group companies participate as members of this Committee, which formulates basic policies and strategies for the entire Group and monitors the progress of existing strategies.

Employee Engagement Score*

FY2025 Results	FY2027 Target
63.6%	65.0% or more

*For the "Employee Engagement Survey" conducted by Recruit Management Solutions Co., Ltd. The average score, compiled from data collected over a certain period from companies using this survey, is **59.8%** (reference value).

[FY2025 Initiatives]

- **June**: Shared human resources strategies and conducted employee engagement survey-related workshops.
- **Oct.**: Conducted the employee engagement survey.
- **Dec.**: Provided employee engagement survey results as feedback.
- **Mar.**: Each company in the Group prepared its plan for the next fiscal year.

1 Take Management Strategy-Linked Human Resource Measures

Human Resource Portfolio Refinement

We have begun developing a "human resource portfolio" which is linked to our business portfolio. Based on the business strategies of each business segment and SBU, we will systematically secure the human resources necessary to achieve those strategies. We will adopt a holistic perspective from which we will identify the necessary skills and personnel, and we will refine our human resources portfolio in a step-by-step manner.

Business Segment and SBU		Business Policy	Personnel Strategy Policy	
			Business-Specific	Group-Wide
Gas Energy	City gas / LPG / Front lines	Thoroughly capture transition demand by strengthening our sales system and deepening our solution sales, and promote the development of infrastructure for further expansion.	To address the expanding gas energy demand during the transition period, cultivate personnel who can leverage their technical expertise to propose solutions to customer challenges and promote the enhancement of our sales capabilities. At the same time, systematically secure personnel with the on-site capabilities to support infrastructure development and stable supply. Main Initiatives: ・Establishment of a new LNG Fuel Conversion Promotion Department ・Shifting personnel to industrial sales ・Safety education and skills transfer	Develop management talent to lead the Group. Cultivate organizational culture and mindset change drivers, as well as digital talent, across the Group. Main Initiatives ・Group management talent development and training system review and implementation ・Digital talent development (1) DX core talent (2) Strategic talent: DX architect development
Electricity and Other Energy	Electricity sales / Renewable energy / Global energy / Energy services and heat supply	Grow the electricity business through operation of Hibiki Power Plant and expansion of the carbon neutrality-focused renewable energy power source transaction volume. Promote terminal utilization projects with a view towards capacity expansion of Hibiki LNG Terminal.	In response to the expansion of electricity demand and the increase in the renewable energy power source transaction volume, acquire and cultivate human resources with specialized knowledge who can lead the development of electricity retail and the promotion of renewable energy source development. Furthermore, in anticipation of an increase in LNG handling volume, strengthen our human resources to develop new markets and customers. Main Initiatives: ・Strategic talent: Training of project leaders for renewable energy planning ・Shifting personnel to electricity business ・Establishment of a new LNG Business Department Optimization Promotion Office ・Shifting personnel to global energy business ・Secondment for training purposes	
Real Estate	Condominium sales / Detached houses sales / Rental / General construction, management, overseas	Improve asset efficiency and secure stable returns through securitization and continuous investment.	Promote the acquisition and development of human resources capable of handling diverse business characteristics, such as real estate development and construction, and ensure a sufficient supply of specialized personnel. Also, further revitalize the exchange of personnel within the real estate segment and strengthen business collaboration between Group companies. Main Initiatives: ・Strategic talent: Developing asset leaders ・Shifting personnel to real estate business ・Secondment for training purposes	
Food-Related and Other	Managed by company	Improve the profitability of existing businesses. Identify businesses that could be pillars of future growth and take on the challenge of expanding businesses, including via M&As.	Allocate the necessary human resources across the Group to each Group company according to its diverse business characteristics. Strengthen staffing to accommodate new business expansion. Main Initiatives: ・Shifting personnel to new business ・Allocating personnel through a new business proposal system	

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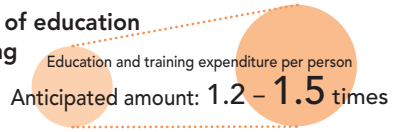
Human Resources Strategy

1 Take Management Strategy-Linked Human Resource Measures

Strengthening of Investment in Training and Education

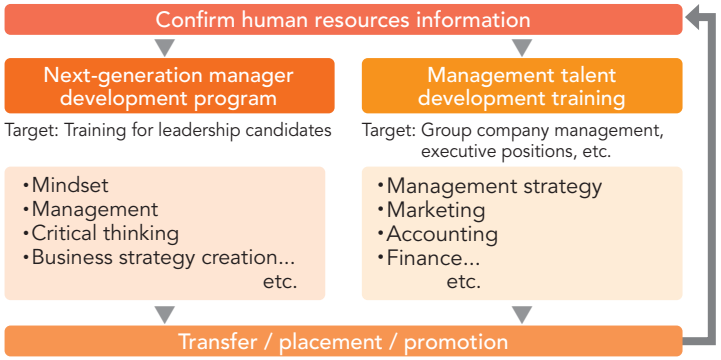
In order to achieve sustainable growth based on our business portfolio, we are promoting human resource development in conjunction with our management strategy. We are increasing investment in training and education to strengthen the development of human resources who will lead the way in the future.

Expansion of education and training



Group Management Talent

In order to develop management talent who will lead the Group, we provide systematic training opportunities and implement practical job assignment and rotation by strategically utilizing personnel information.



Strategic Talent

We have defined our human resource requirements for those human resources who will lead the way in strengthening energy and real estate-related areas, which are linked to our management strategy, and we are systematically training, hiring, and deploying these resources across the Group.

Business Area	Strategic Talent	Human Resources Requirements	Results for 2025		Targets for 2027	
			Current position	Pool	Current position	Pool
Electricity Business	Renewable energy planning project leader	Human resources who utilize technical knowledge to plan and promote renewable energy power source development and procurement projects	2 people	6 people	4 people	6 people
Real Estate Business	Asset leader	Human resources who can achieve both the acquisition of energy supply rights and real estate profits, as well as contribute to improving the value of the entire supply area	1 person	9 people	2 people	4 people
Digital Area	DX architect	Human resources who will utilize digital technology as a companion tool to lead transformation in each business unit	3 people	12 people	5 people	8 people

*The three areas in this table are highly important in the Group's medium-term management plan and require a high degree of specialization, so they are areas that require human resource development from a medium- to long-term perspective. In preparation for FY2027, we plan to double or triple the number of strategic human resources compared to FY2024.

2 Support Growth Through Challenges

Systems to Support Taking on Challenges

・Reskilling support system

Employees apply for what they want to learn and, if approved, receive support from the Company for their self-development.
Introduced in FY2026: 22 applications
(as of three months implementation)

・Group's open job posting system

We launched an open job posting system where employees can raise their hands to apply for job openings at Group companies and take on the challenge of transfer or secondment, promoting human resource development across the Group and career autonomy.
FY2025 results: 6 cases

・Corporate university program (SOZO University)

SOZO University provides a place for practical learning through solving real problems in the community and society.
FY2022 - FY2025: 58 people (cumulative)

・New business proposal system (YOAKE)

We provide a practical stage where employees can take on challenges ranging from idea proposal to commercialization.
FY2025 results: 3 proposals made it through the final examination stage

3 Strengthen Organizational Foundation that Accelerates Value Creation

DE&I / Health Management

Promotion of Group DE&I

・Introduction of work location selection system

This system allows employees who are raising children or caring for family members to select and register their desired work location and work at that location for a certain period of time.
FY2025 results: 65 people

・Introduction of childcare leave supporters' bonus

We have introduced bonuses which evaluate the burden placed on employees who support employees taking childcare leave in order to create an environment where employees can take time off with peace of mind amidst a culture of team support.
FY2025 results: 34 people on childcare leave, 130 people filling in

Promotion of Group Health Management

・Certification as an Outstanding Organization of KENKO Investment for Health ("White 500")

In recognition of our health management initiatives, we were certified as an Outstanding Organization of KENKO Investment for Health ("White 500") in 2026. Going forward, we will continue to promote measures to improve the health of our employees.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

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Digital Transformation Strategy



Message from the Officer in Charge

Saibu Gas Holdings Co., Ltd.
Representative Director and
Executive Vice President

Toshiyuki Ueno

Starting this fiscal year, Saibu Gas Group has established a DX/Productivity Improvement Working Group, positioning digital transformation (DX) not simply as the introduction of digital technology but, rather, as a core strategy for strengthening competitiveness by transforming business models and business processes. We will work together to strengthen our revenue base (CX) by increasing the sophistication of customer contact points, improve efficiency by optimizing overall operations (BX), and improve the productivity and decision-making power of our human resources (EX), thereby increasing our corporate value. The current business environment is highly uncertain, and the source of our competitive advantage is our ability to adapt to change through data-based decision-making and organizational learning, without relying on experience or personal know-how. We will advance the transition to data-driven management and accelerate the evolution of our business portfolio and the creation of new value. Also, the key to realizing DX is "people." We will maximize organizational strength based on the understanding of management and build a foundation for continuous improvement and innovation that starts in the workplace. AI is a tool and aims to improve productivity and added value by changing the way work is done. We have positioned FY2026 as an important phase in building our foundation, and we will work together with those on the front lines and with management to connect DX to business results, achieving sustainable growth and increasing corporate value.

General Overview of DX Targets and DIGILT 2027

Our Group utilizes digital technology and data to maximize customer value and promote business transformation. Under the Group Medium-Term Management Plan ACT 2027, we have formulated the "DIGILT 2027" basic DX strategy and will continue to grow in the three areas of **"customer value," "business value,"** and **"human resource value"** through changes in customer experience, business processes, and organizational culture.

Saibu Gas Group Vision

西部ガスグループビジョン 2030

——Achieving Saibu Gas Group's Future Vision——

"Create the future by connecting people, cities, and societies."

DX promotion in line with ACT 2027

A new culture of transformation

Service and business process transformation

DIGILT 2027

Organizational culture and mindset transformation

Support for transformation promotion

Customer Value	Business Value	Human Resource Value
CX (Customer Experience Transformation)	**BX** (Business Transformation)	**EX** (Employee Experience Transformation)

Read Saibu Gas Group's DIGILT 2027 basic DX strategy here: https://hd.saibugas.co.jp/ir/management_info/pdf/202506_dx.pdf

DX Governance Structure

Under the leadership of the DX and productivity improvement officer, the DX and Productivity Improvement Working Group (WG) deliberates on, and manages the progress of, key initiatives, promoting DX from the perspective of optimizing the entire Group. By adopting a WG format, we support the autonomous DX efforts of each business unit, while management prioritizes key initiatives and allocates resources, driving transformation from the perspective of optimizing the entire Group. In addition, we have assigned DX promoters to each operating company and are supporting the introduction and utilization of digital technologies through collaboration with partner companies within and outside the Group, including Saibu Gas Information Systems. Through these efforts, we have established a system to consistently promote digitalization and DX throughout the entire Group, leading to sustainable improvement of corporate value.

DX and Productivity Improvement WG

DX and Productivity Improvement Officer (Supervising Officer)
Saibu Gas Holdings Vice President
Saibu Gas Vice President

- Business Units
  - Area-specific managers
    - Area-specific teams
- Digital Marketing Department
  - Saibu Gas Information Systems
  - Outside partners

WG Secretariat

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Digital Transformation Strategy

DIGILT 2027

Targeted Value Proposition and Initiative Examples

Our Group is committed to achieving sustainable growth through a three-pronged approach: **Customer Experience Transformation (CX)**, **Business Transformation (BX)** and **Employee Experience Transformation (EX)**.

In terms of **CX Customer Experience Transformation**, we will leverage customer data and digital technologies to evolve and provide services optimized for each individual. Furthermore, we will enhance customer touchpoints through new service offerings and redesigned pricing, building a foundation for continued customer loyalty.

BX Business Transformation involves integrating business transformation and IT implementation to optimize and streamline operations overall. This shift towards data-driven business management will lead to improved productivity and profitability.

As for **EX Employee Experience Transformation**, we promote the development of DX talent and the provision of IT environments based on remote work, thereby realizing a resilient organization and increased productivity through on-site business improvement and digital utilization.

By visualizing and improving these initiatives through KPIs, and by achieving both an enhanced customer experience and cost optimization, we will realize increased corporate value.

	CX Customer Experience Transformation	BX Business Transformation	EX Employee Experience Transformation
Targeted Value Proposition	**Strengthen our revenue base by enhancing customer touchpoints and expanding contracts.** • Providing personalized service tailored to each customer (One to One) • A seamless customer experience integrating digital and real-world elements • Creating new services through new customer touchpoints	**Improve profitability and capital efficiency by streamlining operations and optimizing costs.** • Business process reengineering (BPR) • Advanced data-driven decision-making • Productivity improvement through automation and AI utilization	**Create sustainable competitiveness by improving employee productivity and strengthening their ability to drive change.** • Realizing a flexible and comfortable work experience • Providing a digital workplace • Developing DX talent through reskilling
Progress Indicators	• Number of SAIBU LAND memberships: Target of 200,000 • Number of new 'My Page' registrations • Number of new services	• Number of in-house PoC/co-creation projects: Target total of 15 projects • Number of projects transitioning from PoC to production	• DX talent development: Target of 645 people • Generative AI utilization rate • Time spent on on-site-driven business automation
Initiative Examples	• Expansion of the SAIBU LAND customer membership base • Service development utilizing customer data • Digitalization of contract and application processes • Development of new customer value creation services	• Driving transformation through the DX/Productivity Improvement Working Group • Optimizing power receiving, sales, and supply operations • Improving the efficiency of supply chain operations • Demonstration and implementation of SaaS/AI services	• Development of a remote work environment • DX talent development and skill improvement • Deployment of digital tools to support on-site improvement • Promotion of generative AI usage

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Part 3

Sustainability

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Sustainability Management



Message from the Officer in Charge

Saibu Gas Holdings
Director and Managing Executive Officer
Harushige Ogoshi

In Saibu Gas Group, we have positioned sustainability management as one of our management strategy pillars in our medium-term management plan, and we are promoting sustainability management that balances addressing social issues with the enhancement of corporate value in order to realize Saibu Gas Group Vision 2030.

Based on the fundamentals of our management philosophy—local contribution, responsibility and unity—and, after dialogue with diverse stakeholders, including local customers, and taking into account changes in the business environment and expectations and demands from society, we have identified seven material issues.

Amidst the increasing complexity of environmental and social issues, including climate change, our Group aims to improve environmental, social, and economic value through the realization of regional carbon neutrality, thereby ensuring safety and security and greater resilience, sustainable local development, and value creation throughout the entire supply chain. Furthermore, by strengthening the human resources, organization, and governance that support these initiatives, we will contribute to the realization of a sustainable society and the sustainable growth of our Group.

Saibu Gas Group Sustainability Basic Policy

Our Group recognizes that sustainability issues are key issues for management that lead not only to a reduction in business risks but also create opportunities. Based on a management philosophy of "local contribution, responsibility, unity," as well as on Saibu Gas Group Corporate Code of Conduct, our Group earnestly works to address these issues.



Promotion System

Our Group has established a Sustainability Committee chaired by the president and CEO, with relevant business unit heads from our company and Group companies as members, to discuss and promote solutions to challenges. The contents of the Committee's discussions are reported at the Management Conference regularly (generally twice a year), while the Board of Directors oversees important matters, taking into account the independent and objective opinions of outside directors. In FY2025, the discussions focused on the integrated report, human rights issues, and a review of the year's activities.



February 2026
Sustainability Committee

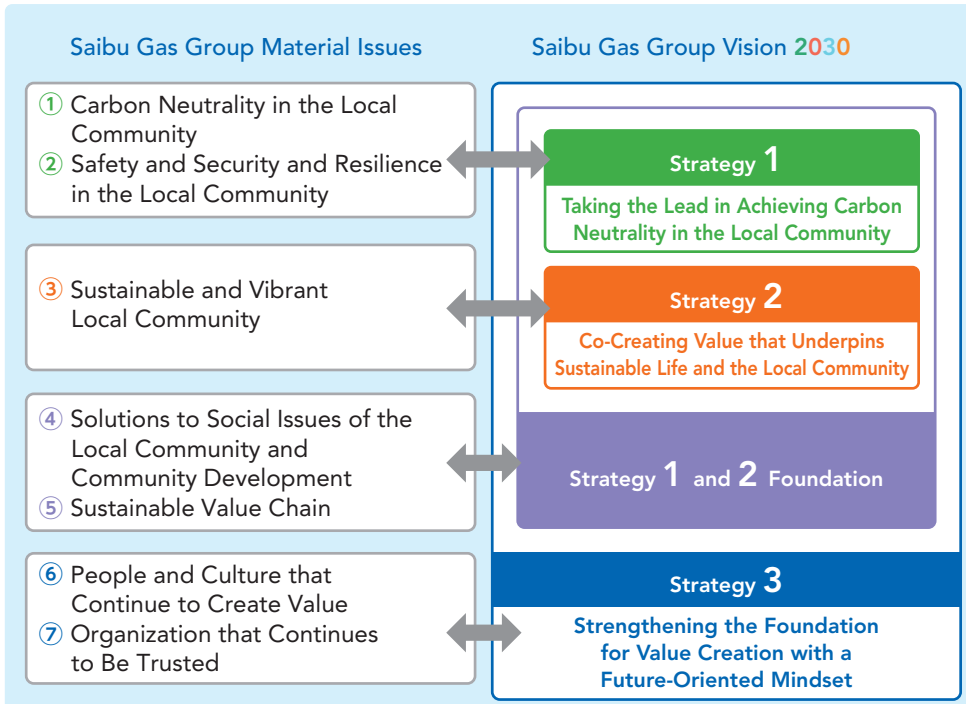
Initiatives

Our Group, in line with ISO 26000, works to enhance its initiatives and improve corporate value by sharing and utilizing insights gained through dialogue with stakeholders and information disclosure with each business unit through the Sustainability Committee, creating a "figure-eight loop."



Source: E-Square Inc.

Seven Material Issues Addressed by Saibu Gas Group and a Diagram of Their Interrelationship



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Material Issue 1 Carbon Neutrality in the Local Community

Climate Change (Disclosure Based on TCFD Recommendations)

Climate change is a critical management issue for Saibu Gas Group, encompassing both risks and new opportunities. Our group believes that the TCFD recommendations are an important framework for disclosing information on climate change and taking appropriate action against risks, and we therefore endorsed the TCFD recommendations on October 26, 2021. We will continue to disclose information regarding our climate change response in accordance with the TCFD recommendations.

Governance

The governance structure regarding climate-related matters is as follows.

- Board of Directors' Oversight System

The Board of Directors receives regular reports (generally twice a year) from the Management Conference on important climate-related matters and performs oversight of them. Progress toward indicators and targets for addressing climate-related issues is discussed by the Sustainability Committee and then reported to the Board of Directors via the Management Conference. This process ensures that the Board of Directors has an appropriate oversight system in place.

- Role of the Management Conference

The Management Conference also reports important climate-related matters to the Board of Directors regularly (generally twice a year).

Based on the report from the Sustainability Committee, the Management Conference deliberates on climate-related matters, and, based on the outcome of these deliberations, the president and CEO, who chairs the meeting, revises and directs the Company's climate-related strategy and risk management policies.

- Sustainability Committee

The Sustainability Committee is a group that regularly (generally twice a year) deliberates on climate-related matters. The President and CEO chairs the Committee, which is comprised of relevant officers and business unit heads. It assesses the impact of climate change on business at least once a year and reports important matters to the Management Conference.

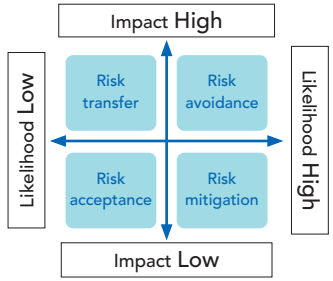
The Committee also identifies climate-related risks and opportunities and deliberates on their impact. Climate-related risks are reported from the Sustainability Committee to the Group Governance Committee for identification.

Climate-related opportunities, on the other hand, are reported to the Management Conference, deliberated there, and then identified by the president and CEO, who chairs the meeting. The identified risks and opportunities are under the purview of the Sustainability Committee, which deliberates on countermeasures and targets. Finally, the Sustainability Committee reviews performance and evaluates progress regarding the identified risks and opportunities to confirm and improve the overall organizational strategy for climate-related matters.

Ref. URL: https://hd.saibugas.co.jp/sustainability/management/

Risk Management

Climate-related risks are discussed by the Sustainability Committee and identified by the Group Governance Committee, which discusses important risks within the Group. Identified climate-related risks are evaluated in accordance with our risk management regulations, and appropriate responses such as acceptance, mitigation, transfer, and avoidance are considered. The response policies for the identified risks are discussed by the Sustainability Committee, and the results are reported to the Management Conference. Following deliberation by the Management Conference, a decision is ultimately made by the president and CEO, who chairs the meeting.



Strategy

In accordance with the TCFD framework, our Group has examined and identified transition risks, physical risks, and opportunities for climate-related matters, focusing primarily on our core energy business.

(See the next page for details.)

Furthermore, after identifying risks and opportunities, we have considered multiple scenarios based on two axes: the progress of government decarbonization policies and changes in the industrial structure of the energy industry. These scenarios have been reflected in the formulation of our Group's management strategies, financial plans, and other related matters.

Set Scenarios

	Global Perspective	Reference Scenario
1.5°C	A scenario that assumes the achievement of the NDC (which is consistent with carbon neutrality by 2050 and aims to reduce greenhouse gas emissions by 46% from FY2013 levels by FY2030).	IEA WEO NZE 2050
4.0°C	In contrast to the above, this scenario assumes Japan's NDC is not achieved, and the policies set forth by the Japanese government (such as the 7th Strategic Energy Plan and the Green Growth Strategy) are not implemented as planned.	・IEA WEO STEPS ・IPCC RCP 8.5

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Material Issue 1 Carbon Neutrality in the Local Community

Climate Change (Disclosure Based on TCFD Recommendations)

Our Group has identified the risks and opportunities surrounding our energy business and is considering evaluations and responses in two phases: the short- and medium-term up to 2030, and the medium- to long-term up to 2050. While treating the transition to non-fossil fuels as a risk, we will promote climate change countermeasures by leveraging opportunities such as fuel conversion to environmentally friendly natural gas and the development of decarbonization technologies for e-methane.

Risk and Opportunity Assessment and Countermeasures

Risk and Opportunity Assessment

Financial impact: Large

	Category		Scenario	Driver	Impact on business: Short- to medium-term	Impact on business: Medium- to long-term
Risk	Transition	Market	1.5°C	Progress of electrification	Decreased gas sales due to electrification of residential and business-use equipment	Further decrease in gas sales due to electrification of residential and business-use equipment
		Market	1.5°C	Increased demand for natural gas	Increased procurement costs due to increased domestic and international demand	
		Market	4.0°C	Increased demand for natural gas	Increased procurement costs due to increased domestic and international demand	Further increase in procurement costs due to increased international demand
		Technology	1.5°C	Delays in gas decarbonization technology		Decline in gas sales due to lagging behind in decarbonization competitiveness
		Reputation	1.5°C	Increasing investor preference for low-carbon and decarbonized options	Decreased financing capacity of fossil fuel-related businesses	Investment withdrawal from fossil fuel-related businesses
		Policy/ regulation	1.5°C	Introduction of carbon tax	Increased gas supply and own-facility costs	Further increase in gas supply and own-facility costs
	Physical	Acute	4.0°C	Increased severity of extreme weather events	Increased gas supply disruptions and restoration costs	Further increase in gas supply disruptions and restoration costs
	Physical	Chronic	4.0°C	Rising average temperatures		Decline in sales due to decreased residential gas consumption
Opportunities		Market	1.5°C	Value of renewable energy	Increased environmental awareness-driven expansion in opportunities for value provision and sales	Expansion of electricity sales derived from renewable energy
		Market	1.5°C	Increased demand for natural gas	Sales volume increase and expanded terminal utilization driven by fuel conversion both in Japan and overseas	
		Market	4.0°C	Increased demand for natural gas	Sales volume increase and expanded terminal utilization driven by fuel conversion both in Japan and overseas	Overseas fuel conversion-driven sales volume increase and expanded terminal utilization
		Technology	1.5°C	Advancement in gas decarbonization technology		Increased sales due to decarbonization technologies such as e-methane

Countermeasures

		Countermeasures
Risk	Transition	• Strengthening proposal methods in response to energy conservation policies • Emphasizing non-energy benefits in equipment selection • Utilizing carbon credits • Flexible and price-competitive LNG procurement and diversification of demand adjustment • Establishing and utilizing decarbonization technologies such as methanation • Strengthening communication with investors For details on our main countermeasures, please see the "Saibu Gas Group Carbon Neutral Action Plan."
	Physical	• Replacing equipment with more robust materials and strengthening resilience
Opportunities		• Expanding sales of electricity with environmental value using non-fossil certificates • Diversifying renewable energy sources • Promoting the shift from oil and coal to natural gas • Strengthening terminal capacity through tank expansion and long-term contracts for terminal utilization • Establishing and utilizing decarbonization technologies such as methanation

Our group is taking concrete steps toward achieving carbon neutrality and is compiling a climate change transition plan to address climate change and move towards a decarbonized society. Currently, in line with the 7th Strategic Energy Plan, Global Warming Countermeasures Plan, GX2040 Vision announced by the Japanese government, etc., we plan to disclose this information on our website.

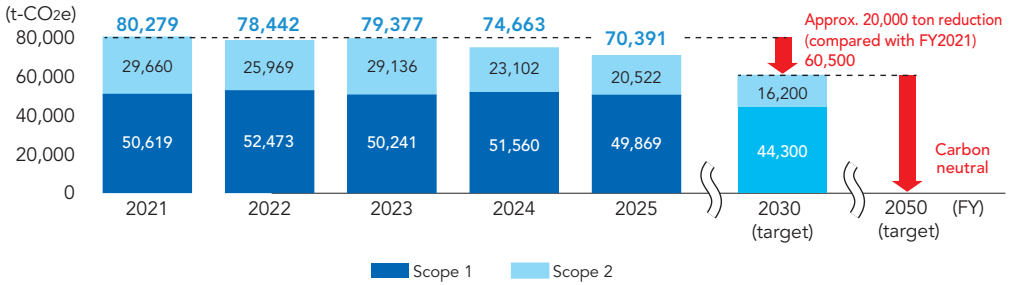
Ref. URL: https://hd.saibugas.co.jp/sustainability/environment/tcfd/transitionplans/

TCFD-related Indicators and Targets

With the aim of achieving carbon neutrality by 2050, we have set interim targets for 2030 in terms of CO_2 emission reduction contribution, renewable energy power source transaction volume, and percentage of achieving carbon neutrality of gas, and we are pursuing initiatives towards those targets.

Regarding CO_2 emissions from Group facilities, we aim to reduce emissions by 20,000 tons by FY2030 compared to FY2021. In FY2025, we achieved a reduction of approximately 5% compared to the previous year. Furthermore, we have obtained third-party assurance for our CO_2 emission performance since FY2024, and we are striving to publish more accurate figures.

CO_2 Emissions Reduction Amount



Initiatives

Please see below for information on our initiatives aimed at realizing a low-carbon and decarbonized society.

Pages 23-24 Saibu Gas Group Vision 2030 Strategy (1) Taking the Lead in Achieving Carbon Neutrality in the Local Community

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Material Issue 2 Safety and Security and Resilience in the Local Community

Ensuring Stable Supply and Safety

Saibu Gas Group aims to reduce the risk of natural disasters and serious accidents by promoting smart safety and security, thereby ensuring a stable supply and the safety and security of the region. Furthermore, by further enhancing the resilience of energy supply, we aim to strengthen our response capabilities in times of emergency and contribute to the realization of a sustainable society.

Quality and Safety Improvements and Disaster Prevention Policies

During the transition period towards a low-carbon economy and leading, ultimately, to decarbonization, we will ensure a stable energy supply and provide energy options suited to the lifestyles and industries of each region. We will strengthen the stable supply system and disaster response capabilities throughout the entire energy supply chain, supporting even greater safety and security for our customers.

Business Value (Risk Reduction and Opportunity Expansion)

Environmental awareness: With the transition to carbon neutrality currently underway, the energy supply and demand environment is experiencing a major transformation. In addition, rising geopolitical risks are increasing uncertainty in energy supply and demand. Risks to the supply base that supports stable supply are also increasing due to the increasing severity of natural disasters, aging infrastructure, and a shortage of security personnel. In the midst of all this, expectations for stable procurement of LNG and stable supply of energy that support daily life and industry are rising ever higher, making stronger resilience key management issue for our Group.

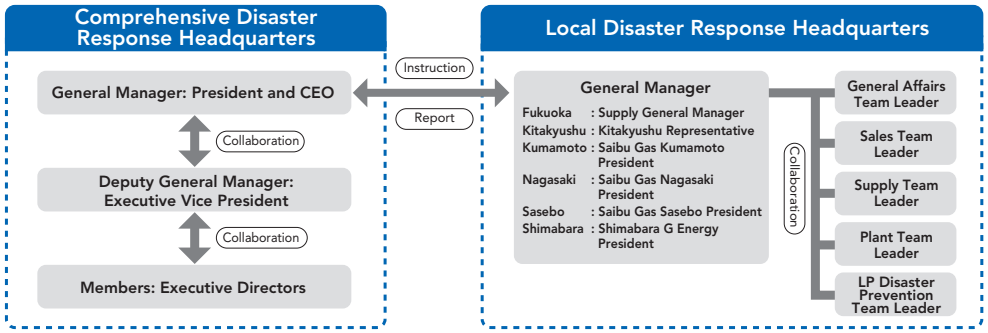
Risks: Natural disasters (tsunamis, floods, lightning strikes, cold waves, heavy snow, heavy rain), terrorist attacks, and aging equipment can damage gas production facilities, such as LNG terminals, and supply facilities, such as pipelines, posing a risk of disruption to stable supply and increased repair costs.

Opportunities: Through ongoing efforts, such as disaster prevention and mitigation measures and strengthening resilience, we will deepen our relationship of trust with our customers and local communities and continue to be a partner that supports safe and secure living.

Emergency Response System

Our Group has formulated a 'Disaster Management Operation Plan' based on the Basic Act on Disaster Management. In the event of a large-scale disaster, the president and CEO, who serves as the head of the 'Comprehensive Emergency System,' will order its implementation, under which the Comprehensive Disaster Response Headquarters and local disaster response headquarters will coordinate with each other, and appropriate disaster prevention measures will be swiftly carried out under the direction of the person in charge at each site. In addition, to strengthen the LP gas response system, a new "LP Disaster Prevention Team Leader" has been incorporated into the system. Furthermore, a system has been established through the Japan Gas Association in which city gas companies nationwide will support each other.

Diagram of the Comprehensive Emergency System



Indicators and Targets

Vision 2030	ACT 2027 Medium-Term Management Plan	Material Issue Initiative Themes	Indicator (KPI)	Goal (FY)	Result (2025)
Strategy (1) Achieve Carbon Neutrality in the Local Community	Priority Initiatives (2) Strengthen our energy supply chain and enhance our resilience	Strengthening of resilience for safety and security	Serious accidents due to the fault of our Group★	Maintaining zero incidents (2030)	Zero incidents
		Strengthen local disaster prevention capabilities	Progress rate of measures to address aging supply infrastructure	Seismic resistance rate of the pipeline network: 95% (2030)	92.8%
			Implementation of comprehensive disaster prevention drills	Participation by all employees: Once per year (every year)	Once
		Enhance local security through smart technologies	Introduction and promotion of smart safety and security	Introduction: 1 instance per year (2027)	11 instances

★ indicates ACT 2027 non-financial targets

Sustainability website: Ensuring Stable Supply and Safety https://hd.saibugas.co.jp/sustainability/environment/safety/

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Material Issue 3 Sustainable and Vibrant Local Community

Co-creation with Local Communities

In line with our management philosophy, we in Saibu Gas Group place great importance on contributing to the development of local communities. We promote various social contribution activities tailored to local needs, and we are also committed to nurturing the next generation and preserving the local environment. Through these efforts, our Group aims to deepen its ties with local communities and realize a sustainable and vibrant society.

Saibu Gas Group Local and Social Contribution Activities Basic Policy

Based on the fundamentals of our management philosophy—local contribution, responsibility and unity—our Group will leverage the strengths of our Group, the capabilities of each employee, and our connections with customers to promote initiatives related to contributing to the community and society.

Business Value (Risk Reduction and Opportunity Expansion)

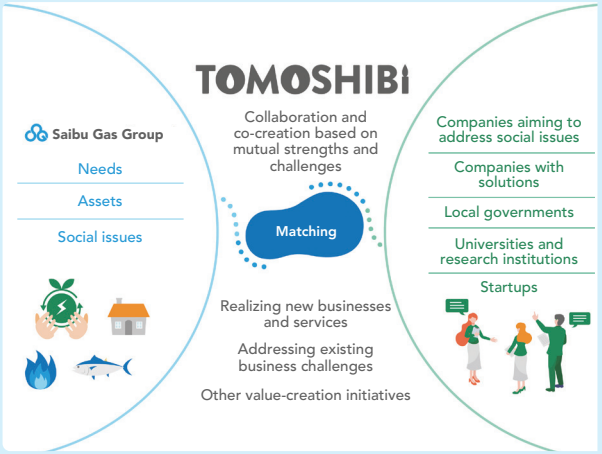
Environmental awareness: Digital technology is rapidly developing, and this is being accompanied by an increasing sophistication and complexity of business models and customer needs, thus making it crucial to adapt to change to maintain competitiveness.

Risks: If a company is slow to adapt to innovations centered on technology, it may lead to a decline in the competitiveness of its existing businesses and the loss of growth opportunities.

Opportunities: By creating new value propositions and business models based on local needs and social challenges, we expect to expand opportunities for sustainable growth, such as enhancing existing businesses and creating new ones.

Topic

We have launched "TOMOSHIBI," an open innovation platform aimed at creating new businesses and services by leveraging external technologies and ideas. This platform has two main themes: "co-creation of new businesses" with external partners such as startups, and "expansion of existing businesses" by visualizing the challenges and needs of business units and finding optimal solutions. Based on the partnership agreement we signed with taliki, Inc. in December 2023, we will also actively match social entrepreneurs with new ventures. Through this, we aim to create new businesses that address social issues.



Indicators and Targets

Vision 2030	ACT 2027 Medium-Term Management Plan	Material Issue Initiative Themes	Indicator (KPI)	Goal (FY)	Result (2025)
Strategy (2) Co-Create Value that Underpins Sustainable Life and the Local Community	Priority Initiatives (3) Co-create new value for the future (5) Strengthen "connections" with local communities and customers (6) Promote a DX strategy to achieve corporate transformation	Improving the quality of products and services	High-risk statutory inspection ratio	90% or more (2027) ・Reliably implement and manage statutory inspections ・Efficiently perform inspection rounds and ensure reliable implementation and management	95%
		Local Development of Secure and Lasting Communities	Proposing and participating in the creation of mechanisms that contribute to addressing problems in local communities	・New local development project proposal: 2 proposals (2027) ・Participation in local development projects, designated management projects, etc.: 1 project (2027)	Project proposals: 4 Project participation: 1
		Realization of a foundation for daily life that meets diverse needs	Number of members on the digital platform to expand customer touchpoints	Number of SAIBU GAS My Page memberships: 800,000 (2027)	230,000
				SAIBU LAND: 200,000 (2027)	120,000
		Strengthening the foundation for business creation that supports the development of the regional economy	Creating new businesses in focus areas, such as addressing social issues, and evolving existing businesses	Co-creation type PoC (proof of concept for implementation) through collaboration with startups and local companies: 15 cases (2027)	PoC: 8 cases

Sustainability Website: Co-creation with Local Communities https://hd.saibugas.co.jp/sustainability/social/community/

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Material Issue 4 Solutions to Social Issues of the Local Community and Community Development

Participation in Local Communities

We work to build strong relationships with stakeholders in the regions where our Group operates and work to address social issues in each of those regions.

Key Priorities for Initiatives

Key Priority	Relevance to Business	Impact/Effect on Society	Impact/Effect on Business
Build good relationships with the local community and contribute to its development.			
	● Local development of secure and lasting communities (Hinosato Housing Complex revitalization project, community nursing activities for extending healthy life expectancy) ● Regional business and economic development (Bridge inspection project utilizing drones) ● Participation in local communities (Creating local jobs and collaborating with the community)	By leveraging our strengths of "connection" and "trust" through our daily life-related services, we will help build an envisioned society of vibrant regions and communities.	We will contribute to economic development in collaboration with local communities by creating jobs, promoting local industries, etc.
Support the development of the next generation who will shape the future.			
	● Mobile classrooms aimed at next-generation education (Visits to elementary schools, future scientists workshops, eco-cooking classes) ● Participation in local communities (Hosting elementary school student poetry contest and sports competition)	Through regular and ongoing interaction, we will support and contribute to increasing children's interest in the environment and safety.	With the support of the current generation, we will contribute to the revitalization of local communities and strengthen our connections with future customers.
Contribute to environmental conservation in the local community.			
	● Signing of cooperative agreements to achieve local carbon neutrality (Fukuoka City, Munakata City, Kitakyushu City, Nagasaki City, Sasebo City, Hisayama Town, Kurume City, Kumamoto Prefecture, Nagayo Town, Sasaguri Town) ● Consideration for a circular economy (Compost recycling and waste reduction)	We will contribute to the formation of a circular economy that meets local needs and to the reduction of CO_2.	Through our efforts to achieve regional carbon neutrality, we will fulfill our responsibilities as an energy provider and create technological advancements and new services.

Business Value (Risk Reduction and Opportunity Expansion)

Environmental awareness: In northern Kyushu, which forms the business base of our Group, new business opportunities are emerging due to the diversification of social issues and the unique characteristics of the region.

Risks: Insufficient communication with diverse stakeholders, including local residents and municipalities, can lead to a failure to accurately ascertain local needs, posing a risk of hindering the smooth progress of projects and the realization of new initiatives.

Opportunities: By actively engaging with the communities in the areas where our business is based and deepening dialogue and collaboration, we can accurately ascertain local social issues and needs, leading to the creation of new businesses and initiatives through co-creation.

Topic

As part of its efforts to create mechanisms that contribute to solving problems in local communities, we are undertaking the "Satozukuri 48" project, a revitalization project for the Hinosato Housing Complex in Munakata City, Fukuoka Prefecture. "Satozukuri 48" is a housing complex revitalization project in which Saibu Gas, local development companies, local residents, the government, and local elementary and junior high schools work together.



Munakata City Hinosato Housing Complex

Awards received

- City Planning Institute of Japan / 8th Kyushu Urban Development Award (FY2021), April 2021
- Ministry of Land, Infrastructure, Transport and Tourism / 1st "Urban Development Award" Special Prize, June 2022
- JR Kyushu / "Kyushu Tourism and Urban Development AWARD 2024" Gold Award: Community Revitalization Category, August 2024

Indicators and Targets

Vision 2030	ACT 2027 Medium-Term Management Plan	Material Issue Initiative Themes	Indicator (KPI)	Goal (FY)	Result (2025)
Develop value chains and local communities that form the foundation of strategies (1) and (2)	Priority Initiatives (3) Co-create new value for the future	Resolution of social issues in each business location's region	Number of cooperation agreements concluded	Increase in the number of cooperation agreements with local governments (target: FY2027)	Sasebo City, Nagasaki Prefecture (February 2026) Nagayo Town, Nagasaki Prefecture (February 2026)
			Number of sustainability-related connection-building activities	5 times or more annually (2027)	5 times or more

Sustainability Website: Co-creation with Local Communities https://hd.saibugas.co.jp/sustainability/social/community/

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Material Issue 5 Sustainable Value Chain

Promotion of Resource Recycling
Promotion of Sustainable Procurement

As expectations for sustainability rise in society and the stock market, the efficient use of resources and responsible procurement have become essential themes for companies. Our Group is committed to achieving both environmental consideration and value creation through advanced resource recycling and strengthening of sustainable procurement systems.

Policy (Promotion of Resource Recycling)

Based on Saibu Gas Group Environmental Basic Policy, we will strive to improve the efficiency of resource utilization and conserve resources.
Environmental Policy Guideline 2: Reducing the Environmental Impact of Business Activities
We will continuously work to reduce the energy consumption per unit of our business activities, reduce water usage, improve the efficiency of resource utilization, prevent pollution, and promote waste reduction, reuse, and recycling, thereby reducing the environmental impact of our Group's business activities.

Policy (Promotion of Sustainable Procurement)

We aim for sustainable supply chain management for the future, while giving full consideration to our social responsibilities related to human rights, occupational safety and health, and the environment, as well as complying with laws and social norms related to procurement activities.

Business Value (Risk Reduction and Opportunity Expansion)

Environmental awareness: Amidst the increasing expectation for sustainability from society and the stock market, as we move towards carbon neutrality, the importance of efficient resource utilization and waste reduction is growing. Against a backdrop of increasing plastic waste and stricter regulations, it is incumbent upon our Group to promote recycling and build a resource-recycling value chain.

Risks: Procurement failures due to resource constraints; delays in responding to legal regulations; and customer attrition due to insufficient efforts.

Opportunities: Reducing environmental impact through efficient use of resources and improving competitiveness through environmentally conscious product and service design.

Business Value (Risk Reduction and Opportunity Expansion)

Environmental awareness: In society and the stock market, expectations for responsible procurement, including respect for human rights and environmental considerations, are on the rise. In response to the international movement towards mandatory human rights due diligence and stricter environmental regulations, it is incumbent upon our Group to strengthen risk management and sustainable procurement systems across our entire supply chain.

Risks: Damage to corporate value due to delays in responding to legal regulations and environmental and human rights risks in the supply chain.

Opportunities: Creating new value by working with our business partners on environmentally and human rights-conscious initiatives.

Indicators and Targets

Vision 2030	ACT 2027 Medium-Term Management Plan	Material Issue Initiative Themes	Indicator (KPI)	Goal (FY)	Result (2025)
Develop value chains and local communities that form the foundation of strategies (1) and (2)	Overall strategy: Support of sustainability management	Promotion of waste reduction, recycling, and circular use	Industrial waste recycling rate at gas manufacturing plant	Recycling rate: 95% or more (2025)	97.3%
			Recycling of metal pipes and PE pipe waste	100% achievement (2025)	100%
			Green purchasing rate	50% or more (2025)	61.8%
		Waste reduction through collaboration with external parties	PR activities to expand the number of users of the "ecoto" food waste reduction shopping site	2 activities or more annually (2027)	5 activities
		Strengthening of sustainable supply chain management	Business partner survey	Response rate of 100% (2027)	100.0%
				Satisfaction rate of 90% (2027)	94.6%

Sustainability Website: Resource Conservation https://hd.saibugas.co.jp/sustainability/environment/conservation/
Sustainability Website: Sustainable Procurement Promotion https://hd.saibugas.co.jp/sustainability/social/procurement/

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Material Issue 5 Sustainable Value Chain

Respect for Human Rights

We in Saibu Gas Group value our connections with customers and local communities and are committed to promoting human rights initiatives with the aim of realizing a society where all people are respected and can live and work safely.

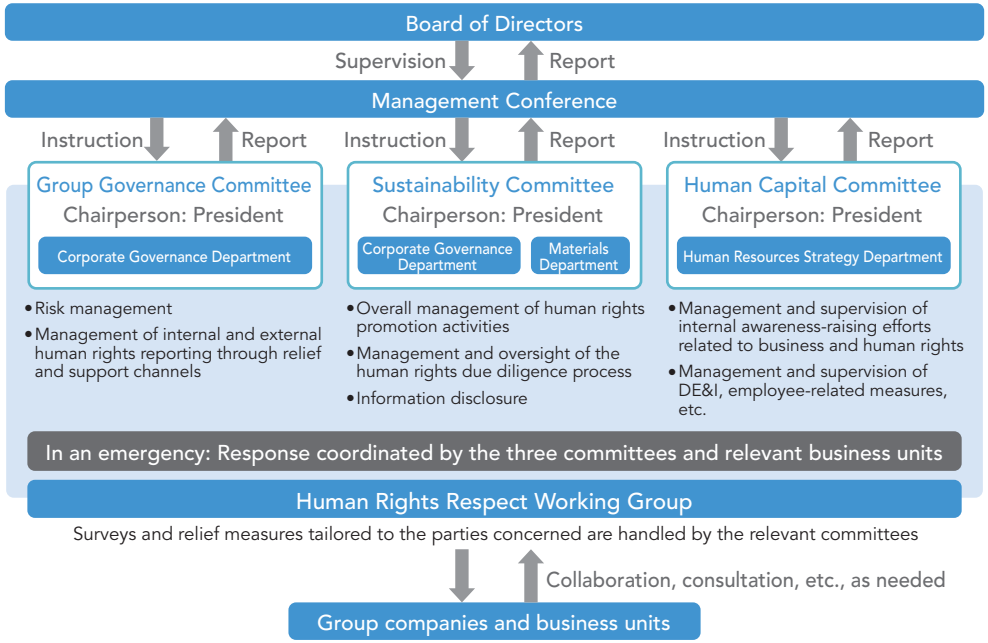
Our Approach

As an integrated energy and lifestyle service group, our Group contributes to the sustainable development of local communities. We recognize that these business activities should be based on respect for human rights. And, based on this recognition, and in accordance with our Group's management philosophy of "local contribution, responsibility, unity," as well as on Saibu Gas Group Corporate Code of Conduct, we have established a human rights policy to fulfill our responsibility to respect human rights throughout the entire Group, as we respect the human rights of all people involved in our business activities.

Read Saibu Gas Group's Human Rights Policy here:
https://hd.saibugas.co.jp/sustainability/social/humanrights/

Governance Structure

Through our Human Rights Respect Working Group, which is comprised of three committees, we are advancing the identification, response, and progress management of human rights issues. The Working Group's discussions are reported by the Sustainability Committee to the Management Conference and the Board of Directors, and, under the supervision of the Board of Directors, we are continuously working to strengthen our efforts to respect human rights.



Implementation of Human Rights Training

Based on our management philosophy and code of conduct, we have created a written "Saibu Gas Group Corporate Conduct Manual" and distributed it to all employees. In addition, we conduct human rights training every year for all executives and employees to promote respect for human rights and an understanding of diversity.

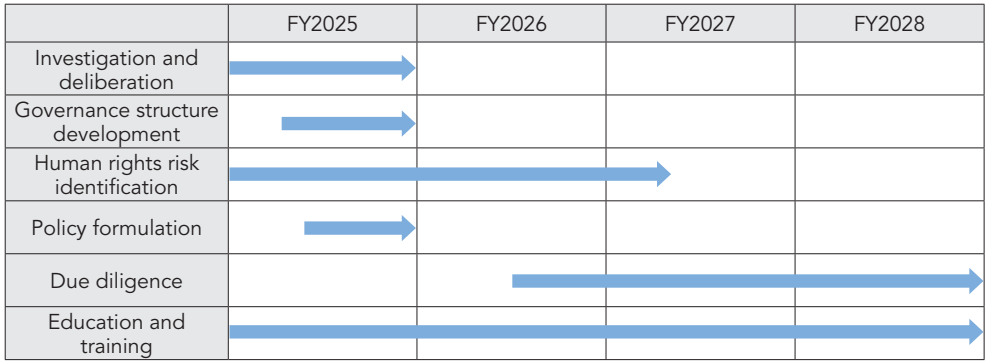
Training Participation

	Unit	FY2023	FY2024	FY2025
Human rights training	People	1,522	1,449	1,258

*Target company: Saibu Gas

Human Rights Due Diligence Roadmap

In light of the changing business environment, we have been working to improve our human rights policy and systems since FY2025 to enhance our human rights due diligence. In FY2026, we will enhance our supply chain investigations in accordance with the UN Guiding Principles on Business and Human Rights (UNGP) and build a system encompassing everything from risk identification to remediation and monitoring. In the first year, we will start with our city gas business and gradually expand to the entire value chain.



FY2025: Identification of human rights risks, policy formulation, and governance establishment (working group in operation)
FY2026: Implementation of human rights due diligence (evaluation of priority areas), commencement of education and training, and stakeholder dialogue
FY2027: Full-scale implementation of corrective and improvement actions and strengthened monitoring
FY2028: Continuous improvement, enhanced disclosure

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Material Issue 6 People and Culture that Continue to Create Value

Value creation is supported by both people and the corporate culture. This page shows our initiatives related to human resource policies, growth support, and strengthening the organizational foundation, which were introduced on page 44 📖, "Human Resources Strategy." They have been organized from the perspective of policies, indicators, and KPIs aimed at realizing this material issue.

Human Resources Strategy		Measure	Specific Content	Indicators	At time of planning	FY2025 Results	FY2027 KPI
Overall indicator		Improvement in employee engagement	Implementation of a survey to measure employees' motivation for work and their sense of empathy with and willingness to contribute to the organization from the perspective of "work, workplace, and company"	Engagement score	—	63.6%	65% or more
1 Take Management Strategy-Linked Human Resource Measures	Strategic acquisition and cross-Group deployment of human resources	Cross-Group deployment	Promote optimal allocation based on the Group's overall business strategy and human resource needs, thereby strengthening inter-organizational collaboration and maximizing business value	Cross-Group deployment	5 cases	10 cases	20 cases (Medium-term plan total)
	Strategic Development of Human Resources	Group management talent development	To cultivate talent that will lead the Group, provide systematic training opportunities and implement strategic personnel transfers	Change drivers percentage	15%	10.8%	20%
		Cultivation of strategic talent	Define the human resource requirements for individuals who will lead the way in our focus areas, and systematically implement training, recruitment, and placement (electricity, real estate, digital)	Strategic Talent	—	6 people	11 people
2 Support Growth Through Challenges	Support for Challenges	Corporate university: SOZO University	Connect practical learning gained through addressing real-world problems in local communities and society to addressing on-site problems and creating value for our customers	SOZO University participants (cumulative)	43 people	58 people	80 people
		Group's open job posting	A system has been established that allows employees to proactively apply for, and transfer to, internal job openings within the Group, thereby encouraging employees to take on challenges independently	Challenge index	3.46	3.64	3.75
	Support for Self-Directed Career Development	Reskilling support system	A new framework has been established whereby the company provides support to approved self-development efforts that employees apply for, and the range of open-enrollment training programs is also being expanded	Number of reskilling participants	600 people	611 people	2,000 people (Medium-term plan total)
3 Strengthen Organizational Foundation that Accelerates Value Creation	Promotion of Group DE&I	Cultivation of female managers	Cultivate the next generation of managers through mentoring programs, internal mentoring systems, and training opportunities for female leaders	Percentage of female managers	3.8%	5.2%	6.0%
		Support for taking childcare leave	To encourage employees to take parental leave, a childcare leave supporters' bonus is being introduced to reward workplaces that handle the handover of duties, creating an environment that makes it easier to take leave	Percentage of paternity leave taken	90.6% (1 day or more)	69.3% (14 days or more)	100% (14 days or more)
		Promotion of employment of persons with disabilities	Expand opportunities for employees with disabilities to thrive, and promote reasonable accommodations and a more comfortable working environment in the workplace	Employment rate for persons with disabilities	2.5%	2.6%	2.7%
	Promotion of Group Health Management	Maintaining and promoting employee health	Aim to improve productivity by strengthening health promotion measures and mental health support, as well as by creating an environment where each employee can work in a healthy and vibrant state of mind and body	Presenteeism	80%	78.7%	85%

For information on how we go about evaluating and recognizing human capital, please refer to page 76 📖.

For more information relating to human capital, please refer to Saibu Gas Group Human Capital Report 2025 (published November 2025).
URL: https://hd.saibugas.co.jp/ir/management_info/pdf/human_capital_report2025.pdf

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Part 4

Governance

Material Issue 7 Organization that Continues to Be Trusted

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Material Issue 7 Organization that Continues to Be Trusted

Corporate Governance

Policy and Structure

Saibu Gas Group is committed to fulfilling its corporate social responsibility through fair and honest business activities and strives to strengthen its governance structure to adequately respond to the rapidly changing business environment and fully meet the trust of its stakeholders, including shareholders, customers, and local communities.

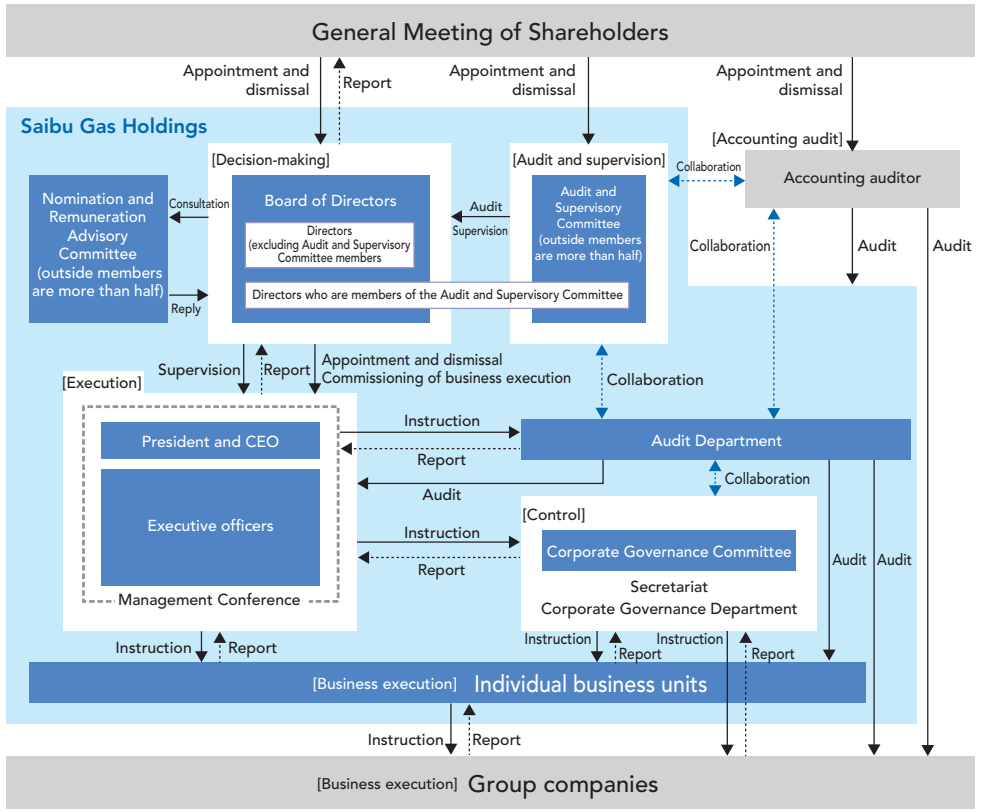
Furthermore, we are a company with an Audit and Supervisory Committee in order to improve the agility of our business operations by delegating some of the decision-making authority for important business execution to our directors, as well as to enhance the supervisory function of the Board of Directors and the effectiveness of audits by granting voting rights to directors who serve as Audit and Supervisory Committee members.

Changes in Governance

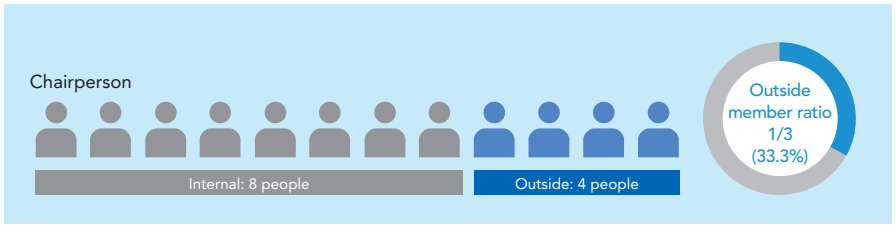
		2019	2020	2021	2022	2023	2024	2025	2026 (FY)
Governance Structure	Organizational design	Transition to company with an Audit and Supervisory Committee							
	Committees		Nomination and Remuneration Advisory Committee						
	Efforts to strengthen governance				Creation of successor development plan and skills matrix				
Board of Directors	Directors	14 directors			12 directors				
	Independent outside directors (percentage/number)	28.6% / 4 directors			33.3% / 4 directors				
	Female directors (percentage/number)	7.1% / 1 director			8.3% / 1 director				16.7% / 2 directors
Officer remuneration			Introduction of performance-linked stock-based remuneration (performance-linked remuneration, non-monetary remuneration, etc.)						
Evaluation of the effectiveness of the Board of Directors		Implementation of survey aimed at all directors							

In light of the revision of the Corporate Governance Code in July 2026, we will work to further strengthen the functions of the Board of Directors, enhance information disclosure, and promote growth investments with the aim of achieving sustainable corporate growth and improving corporate value in the medium to long term. We will also deepen discussions on issues that we recognize as challenges, such as reducing our strategic shareholdings and ensuring the diversity and independence of our directors.

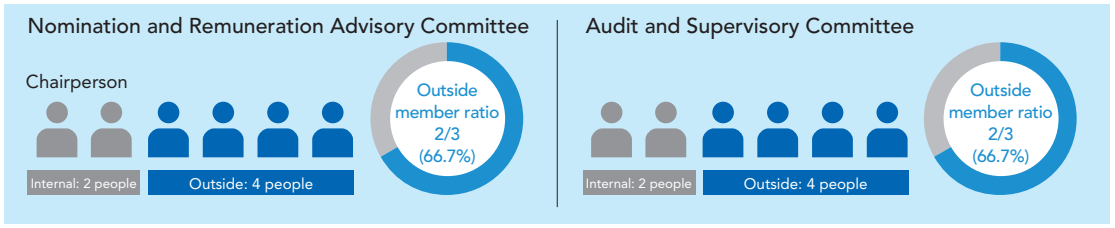
Corporate Governance Structure Diagram



Board of Directors' Composition



Committee Composition



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Material Issue 7 Organization that Continues to Be Trusted

Activities of the Board of Directors / Evaluation of the Effectiveness of the Board of Directors

Activities of the Board of Directors for the Current Fiscal Year

The Board of Directors strives for proper operation in order to make decisions regarding business execution and to supervise the performance of duties by directors. Important matters related to management are deliberated in advance at Management Conference meetings chaired by the president and then decided and implemented by the Board of Directors. Directors report the status of business execution to the Board of Directors in accordance with the Board of Directors regulations. In addition, four outside directors have been appointed to strengthen the management decision-making and supervisory functions of the Board of Directors.

Specific Matters Discussed at Board Meetings

- Important operational plans and organizational restructuring
- Shareholder return measures, such as stock repurchasing and the establishment of new shareholder benefit programs
- Acquisition, disposal, etc., of large assets
- Matters concerning internal controls over financial reporting
- Various measures in the medium-term management plan, including Group network management, cost of capital management, and human capital management
- Sustainability challenges, including efforts toward carbon neutrality

Activities of the Audit and Supervisory Committee

The Audit and Supervisory Committee audits the performance of duties by directors (excluding directors who are Audit and Supervisory Committee members), the business operations, and the financial and accounting status of the Group through investigations conducted based on the formulated audit plan and attendance at important meetings such as the Board of Directors meetings. The main duties of the Audit and Supervisory Committee include preparing audit reports, appointing and dismissing accounting auditors and agreeing on their remuneration, determining opinions on the appointment and dismissal of directors (excluding directors who are Audit and Supervisory Committee members) and their remuneration, and auditing the contents of the shareholders' meeting agenda. In addition, to secure the personnel and system to support the Audit and Supervisory Committee, an Audit and Supervisory Committee Secretariat has been established, and dedicated staff members assist with duties under the direction and supervision of the Audit and Supervisory Committee members.

(Efforts to Ensure the Vitality of Board of Directors Deliberations [Corporate Governance Code Principle 4-14*])

The Board of Directors handles meeting operations as follows in order to ensure the vitality of its deliberations.

(i) Board meeting materials are distributed to directors as appropriate, prior to the meeting date, upon request.
(ii) Information other than board meeting materials is also provided to directors as appropriate, upon request.
(iii) The Board meeting schedule is decided and notified before the start of the fiscal year, and anticipated agenda items are communicated upon the request of directors.
(iv) The number of agenda items and meeting frequency are set appropriately.
(v) Sufficient time is allocated for deliberation.

*Number following the revision in July 2026 (pre-revision: 4-12)

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors analyzes and evaluates the overall effectiveness of the Board based on self-assessments conducted by each director through questionnaires. Furthermore, it confirms the direction of future initiatives based on the issues identified from the analysis and evaluation results. We will enhance these efforts in order to strive for further improvement in the effectiveness of the Board of Directors.

Evaluation target: All directors
Evaluation method: Questionnaire survey method
Evaluation period: May 2026

Questionnaire Items

(1) Composition of the Board of Directors
Number of directors, diversity, number of outside directors, concurrent positions, etc.
(2) Operation of the Board of Directors
Frequency of meetings, content, prior explanations, level of in-depth deliberation, etc.
(3) Agenda of the Board of Directors
Scope and volume of proposals, deliberation time, deliberation on corporate strategy, compliance, risk management system, etc.
(4) Support System for the Board of Directors
Opportunities for information provision, acquisition of necessary knowledge, etc.

Efforts to Improve the Effectiveness of the Board of Directors

(1) FY2025 Evaluation Results

While we have confirmed that the overall effectiveness of the Board of Directors is at a sufficient level, we will continue to promote diversity among directors and strive to further improve the effectiveness of the Board by balancing efforts to enrich and improve the efficiency of deliberations.

(2) Key Issues of FY2025 and Future Direction of Efforts

Key Issues of FY2025	Future Direction of Efforts
Diversity of the Board of Directors	Actively promote the recruitment of diverse talent
Scope and volume of the Board of Directors' meeting agenda	In addition to organizing the agenda items reported to the Board of Directors in FY2025, we will consider further operational changes to enhance the amount of time allocated for deliberation

(3) Feedback Sample

- Expertise in DX, IT, and security is needed.
- The ratio of female directors is a challenge; appointments from both inside and outside the company are needed.
- The exchange of opinions between outside directors and the representative director and others is functioning effectively. It also provides a valuable opportunity for internal executives to gain insights.
- Perhaps we should discuss strengthening the "three lines of control" to enhance the risk management system.

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Material Issue 7 Organization that Continues to Be Trusted

Nomination and Appointment of Officers / Officer Remuneration

Nomination and Remuneration Advisory Committee

We have established a Nomination and Remuneration Advisory Committee, consisting of six members: the Representative Director and Chairperson (who serves as the committee's chairperson), the representative director and president, and four independent outside directors. This Advisory Committee serves as an advisory body to the Board of Directors, seeking advice from outside directors on particularly important matters such as the nomination and remuneration of officers. The Committee also deliberates on matters concerning the appointment and dismissal of directors, the selection and dismissal of representative directors and executive directors, director compensation, and the development of officers, including successors.

Furthermore, four of the six members of this Advisory Committee (a majority) are independent outside directors, enhancing the Committee's independence and objectivity.

Nomination and Appointment Policy for Officers

Nomination and Appointment Policy

When nominating candidates for directors, the Board of Directors comprehensively considers the necessary skills in light of the Company's management philosophy, vision, strategy, etc.; the balance of business areas related to the Company; years of experience as a business unit head; achievements; and the Company's future business development. Candidates are selected based on their skills necessary for the medium to long term. To ensure objectivity and transparency, the Board of Directors deliberates and makes final decisions based on the deliberations of the Nomination and Remuneration Advisory Committee, which is comprised of a majority of independent outside directors, and the opinions of the Audit and Supervisory Committee.

Furthermore, when nominating candidates for outside directors, candidates are selected and decided upon in a similar manner, based on the extensiveness of their experience in corporate management and breadth of knowledge.

Diversity of Officers

We value diversity, including of gender, and we promote diversity by appointing suitable male and female talent, both from inside and outside the Company, to executive positions. Currently, two of our twelve directors are women. We are considering how to meet the government's policy of increasing the proportion of women on the Board of Directors to 30% or more by 2030.

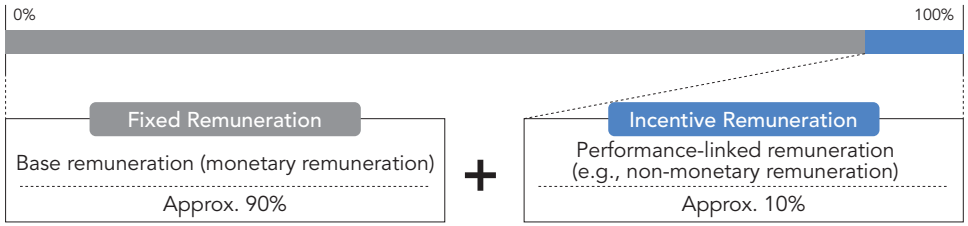
Successor Development Plan for the CEO and Other Executive Officers

Based on our Company's goals (management philosophy) and specific management strategies, the Board of Directors oversees the implementation of the successor development plan for the Chief Executive Officer (CEO) and other executive officers, after deliberation by the Nomination and Remuneration Advisory Committee, which is comprised of a majority of independent outside directors.

Remuneration System Approach and Overview

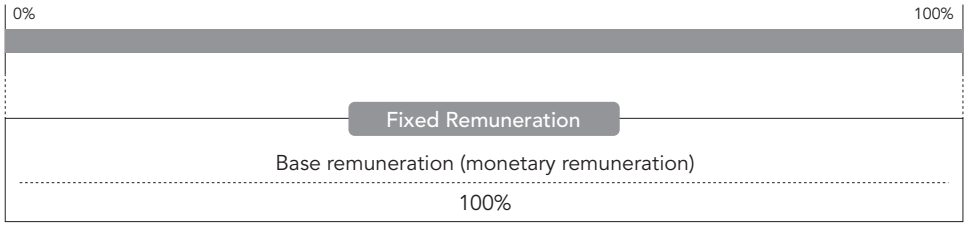
The remuneration for directors (excluding directors who are Audit and Supervisory Committee members; the same applies hereinafter) is structured in a manner that is linked to shareholder interests so as to function as an incentive for the sustainable improvement of corporate value. The basic policy is to set an appropriate level in consideration of each director's responsibilities when determining the remuneration for individual directors. The remuneration structure consists of a base remuneration which serves as a fixed (monetary) remuneration and performance-linked stock-based remuneration (performance-linked remuneration, non-monetary remuneration, etc.). The proportion of performance-linked stock-based remuneration is set so that it is approximately equivalent to 10% of the points awarded when performance targets are achieved, when converted into monetary terms.

Composition of Remuneration



Directors' remuneration is determined within the limits approved at the General Meeting of Shareholders, based on deliberations by the Nomination and Remuneration Advisory Committee, which is comprised of a majority of outside directors, in order to ensure objectivity and transparency.

Directors who are members of the Audit and Supervisory Committee



The remuneration for directors who are Audit and Supervisory Committee members consists solely of fixed remuneration, within the limits approved at the General Meeting of Shareholders, and is determined through discussions among the Audit and Supervisory Committee members, taking into account the nature of their duties.

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Material Issue 7 Organization that Continues to Be Trusted

Group Governance

Basic Approach to Group Governance

Saibu Gas Group aims to enhance trust from diverse stakeholders by fulfilling its corporate social responsibility through Group management based on a governance system that ensures transparency and fairness in management, guaranteeing the safety of customers and society, and ensuring fair business activities, thereby striving for sustainable growth and increased corporate value.

Internal Control Systems

To ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and to ensure the proper conduct of business for our Company and its subsidiaries, we have established a "Basic Policy for the Development of Internal Control Systems."

Based on this policy, we work to strengthen risk management and ensure thorough compliance. Furthermore, we have established regulations for prior approval for related companies, and we regularly monitor the management status of our subsidiaries, conduct prior consultations on important management matters, and provide advice according to the importance of each matter.

The status of internal control system operation is reported to the Board of Directors quarterly, and an overview of the operation status for each fiscal year is disclosed in the Business Report, which can be viewed on our website.

Internal Control System Roles of Key Business Units

Corporate Governance Department
- Responsible for the overall management of the development and operation of internal control systems.
- As the risk management department, properly manages the risks associated with the Group's business operations in cooperation with the serious risk-related business units and subsidiaries.
- Responsible for the overall management of the Group's compliance system and reporting/consultation channels, and provides advice and support to subsidiaries to ensure that the compliance system is properly developed and operated.

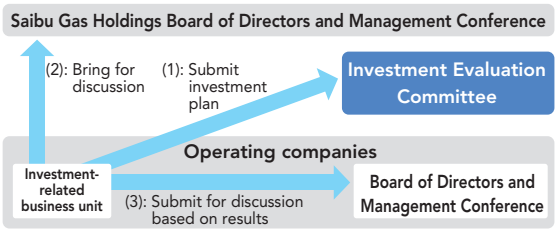
Audit Department
- Conducts audits to ensure that business activities are carried out appropriately and efficiently and that internal controls are being achieved.

Corporate Strategy Department
- As the overseeing management department for subsidiaries, monitors their financial status and provides advice and other guidance tailored to their importance.
- Conducts direct management discussions between subsidiary managers and our Company's management team to share information about the business environment and challenges faced by subsidiaries, as well as their financial performance and action plans.

Audit and Supervisory Committee
- Through attending Board meetings, Management Conference meetings, and other important committee meetings, conducts audits of the execution of duties by directors (excluding directors who are Audit and Supervisory Committee members), as well as the business operations and financial and accounting status of the Group.

Efforts to Strengthen Group Governance

Our Group has established unified investment evaluation criteria, and, for particularly important projects, the Investment Evaluation Committee evaluates profitability and risk to decide whether or not to invest. Furthermore, we have established a system to conduct regular monitoring after investment and to promptly make improvements if there are deviations from the initial plan. In addition, when important management decisions are made by Group companies, we have a system in place to review and approve the content in advance, thereby ensuring control over the entire Group.



Approach to Listed Subsidiaries and Listed Affiliates

In Saibu Gas Group Medium-Term Management Plan ACT 2027, we have set forth a company-wide initiative to continuously generate returns exceeding the cost of capital and enhance corporate value. This will involve restructuring business management units and responsibility systems, and implementing strategic allocation of management resources with a focus on the cost of capital through portfolio management utilizing ROIC, thereby strengthening Group management.

We have a listed subsidiary, S TRUST. Saibu Gas Group Medium-Term Management Plan ACT 2027 sets forth as its basic policy the acceleration of growth in the energy business, centered on gas and electricity, and efforts to secure stable profits in the real estate business. Within this framework, S TRUST is a crucial subsidiary playing a central role in the real estate business. We aim to further promote the growth strategies of both companies and enhance corporate value by deepening our collaboration with S TRUST. From the perspective of ensuring and respecting the unique management style that S TRUST has cultivated, we believe it is desirable to maintain its listing.

Furthermore, we have listed affiliated companies Marutai and Greenland Resort. Both companies are generating business profits, and a certain degree of synergy with food-related and other businesses can be expected; thus, we believe this will enhance the corporate value of our Group. We respect the independence of both companies and only collaborate when necessary, such as for financial statements and timely disclosures. In addition, although we have dispatched executives to both companies, we, as a rule, respect the management decisions of each company and strive to ensure that the interests of minority shareholders are not harmed.

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Material Issue 7 Organization that Continues to Be Trusted

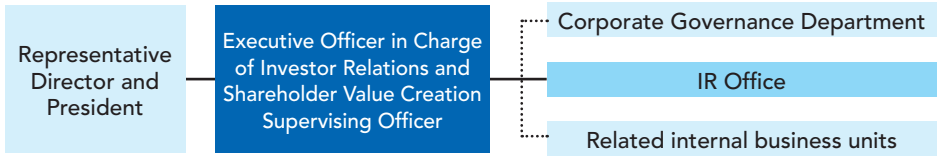
Enhancing Dialogue with Stakeholders

Approach and Structure for Dialogue with Shareholders and Investors

It is through constructive dialogue with our shareholders and investors that we have come to a strong awareness of the importance of dialogue and have strengthened our organization with it in mind. The newly appointed position of Executive Officer in Charge of Investor Relations and Shareholder Value Creation, along with the IR Office and related business units, are working together to enhance information disclosure and deepen dialogue from both financial and non-financial perspectives. Furthermore, we are working to understand the concerns, expectations, and questions raised through these dialogues and to reflect them in our management decisions.

Executive Officer in Charge of Investor Relations and Shareholder Value Creation and IR Office Establishment

Structural Diagram Since April 2026



Purpose	•Formulation and implementation of a medium-term strategy for shareholder value creation aimed at achieving a PBR of over 1x •Strengthening of investor dialogue and information disclosure functions through a dedicated IR organization
Expected Results	•Better understanding and evaluation of our Company through enhanced dialogue with shareholders and investors •Creation of a positive cycle of increased corporate value by reflecting investor feedback in management

Recent Major Initiatives (Strengthening and Enhancement Initiatives)

Enhancement of information disclosure	•Financial results briefings for institutional investors and analysts ・Disclosure of presentation materials (English translation added) ・Disclosure of presentation materials with commentary (English translation added) ・Disclosure of Q&A summary (English translation added) ・Disclosure of reference materials (summary of financial figures) (English translation added)
Enhancement of dialogue opportunities	•Proactive IR discussions (financial results briefings twice a year, one-on-one discussions) •Issuance of integrated reports (first issued in FY2025) •Holding of shareholder meetings

Dialogue with Institutional Investors

We believe that dialogue with institutional investors and analysts both domestically and internationally is a crucial activity for understanding objective evaluations by, and expectations from, the capital markets, promoting understanding of our growth strategy and corporate value enhancement measures, and, ultimately, leading to a fair market valuation. In FY2025, we were able to hold more than double the number of meetings compared to the previous year. Moving forward, we will continue to expand opportunities for dialogue and further enhance information disclosure and explanations to create a positive cycle of increased corporate value and improved market valuation.

Dialogue with Individual Investors

We believe that dialogue with individual investors is a crucial activity for fostering a deep understanding and empathy for our business, our contributions to the community, and our growth strategies, as well as for securing these investors' long-term support. We also recognize that long-term support from shareholders is a vital foundation for a virtuous cycle of increasing shareholder value and corporate value. Following on from last year, we will continue to hold multiple briefings for individual investors and work to deepen our connection with shareholders through enhanced information dissemination and communication utilizing DX (digital transformation).

Reflecting Dialogue Feedback in Management

Main Feedback and Expectations from Investors	Reflection in Management and IR Activities
Want a more understandable explanation of the growth strategy and business portfolio	We are expanding our explanations of our medium- to long-term growth strategies, and the strengths and growth opportunities of our businesses, in our financial results briefings and integrated reports.
Want to see specific initiatives to improve PBR and capital efficiency	We are promoting management that focuses on ROE and ROIC, enhancing shareholder return measures, and strengthening dialogue with the capital market.
Want to see improvements in both the quantity and quality of disclosed information	We are expanding the content of financial results briefing materials and increasing information disclosure through the issuance of integrated reports and human capital reports.
Want to see more detailed explanations regarding governance and capital policy	We are pursuing discussions on strategic shareholdings and governance and are promoting the enhancement of disclosure content.

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Material Issue 7 Organization that Continues to Be Trusted

Risk Management

Basic Approach

Based on our Basic Policy for the Development of Internal Control Systems, our Group has formulated Risk Management Regulations that define fundamental matters concerning risk management. Through appropriate risk management, which forms the foundation of Group management, we aim to enhance corporate value.

Risk management is implemented primarily by consolidated subsidiaries, based on Group-wide evaluation criteria. Among the risks identified by each Group company, those that have a significant impact on Group management are classified as "serious risks," considering their financial and social impacts, while risks that should be managed by each company are classified as "general risks."

For serious risks, a Group-wide response policy is established, and unified management is carried out through implementation across Group companies and verification of the effectiveness and status of countermeasures.

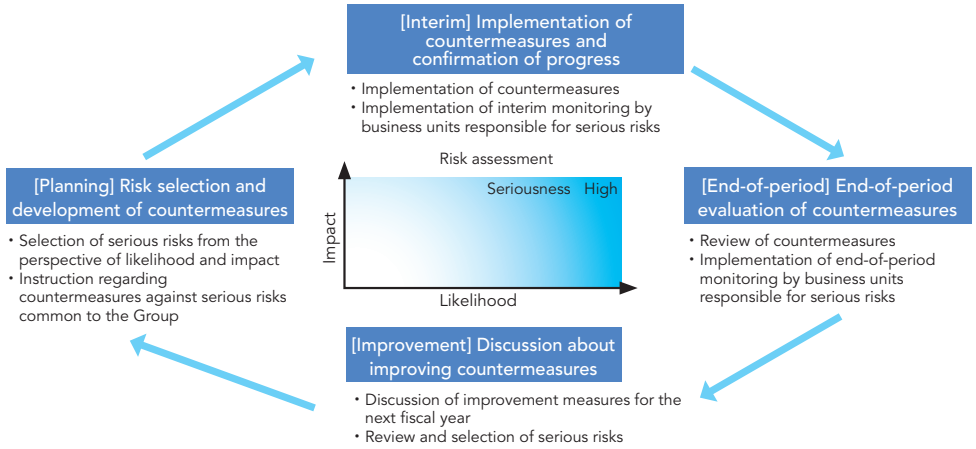
On the other hand, general risks are managed proactively by each Group company based on common management standards.

Risk Management Process

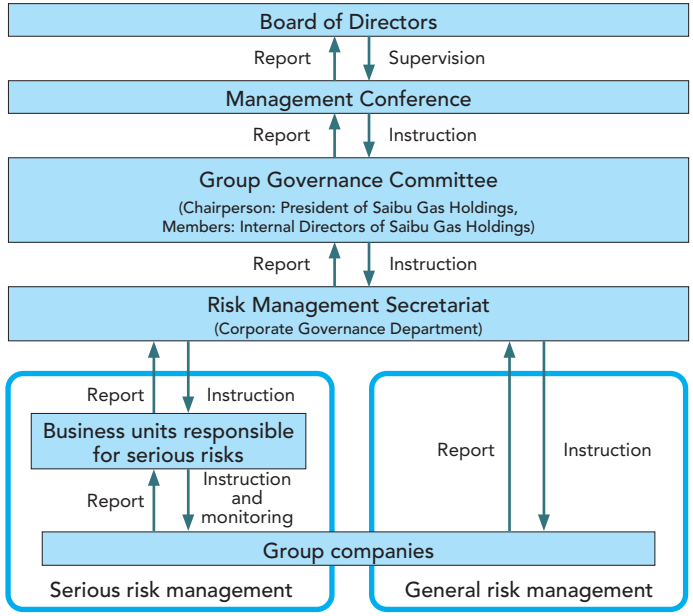
For serious risks, we manage them based on the PDCA (Plan-Do-Check-Act) cycle, aiming to reduce risks by implementing a consistent level of response across the entire Group.

For general risks, each Group company monitors the situation on a daily basis and takes necessary actions accordingly.

<PDCA Cycle for Serious Risks>



Risk Management Structure



Important matters concerning risk management are deliberated and decided upon by the Group Governance Committee and reported to the Management Conference and the Board of Directors.

Under the direction of the Group Governance Committee, the Risk Management Secretariat is responsible for the administrative functions of risk management for the entire Group. Working in cooperation with relevant business units and Group companies, it monitors the operational status of risk management, confirms the status of responses, reports to the Group Governance Committee, and oversees the Group's risk management.

For serious risks, the business units responsible for serious risks formulate response policies and provide instructions to Group companies, as well as monitor progress. Group companies implement necessary actions based on these policies and instructions and report the status.

For general risks, each Group company handles its own responses, and the Risk Management Secretariat monitors these situations and reflects them in the Group's overall risk management.

For more details, please refer to the "Risk Management" section on our Sustainability website.
https://hd.saibugas.co.jp/sustainability/governance/risk_management/

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Material Issue 7 Organization that Continues to Be Trusted

Business Risks

The main risks that may affect our Group's operating results, financial condition, etc., are given below.
These risks are also related to our material issues and are being appropriately managed to ensure sustainable enhancement of corporate value.

List of Serious Risks

(1) Risks for our Group's business as a whole
1. Changes in the social environment, such as fluctuations in social conditions and the economy
2. Delays in achieving business strategies
3. Risks related to changes in corporate social responsibility and changes in laws and regulations
4. Occurrence of large-scale disasters, terrorism, infectious diseases, etc.
5. Risk of rising interest rates
6. Unrecovered investments or recording of losses
7. Failure, malfunction, or leakage of information of core IT systems
8. Compliance risks
(2) Risks for major businesses
(a) Energy business
9. Impact on energy demand due to changes in climate and the economic environment
10. Increased competition
11. Risk of soaring raw material prices
12. Troubles related to raw material procurement
13. Troubles related to gas manufacturing and supply
14. Overseas business development
15. Risk of fluctuations in electricity procurement prices
(b) Real estate business
16. Deterioration of profitability due to, e.g., changes in the business environment
17. Overseas business development
18. Housing quality control and guarantee

High-Impact Risks and Main Countermeasures

Content	Impact	Countermeasures
4. Occurrence of large-scale disasters, terrorism, infectious diseases, etc. Natural disasters, such as earthquakes and typhoons, as well as terrorism and outbreaks of infectious diseases, may cause damage to manufacturing facilities, such as LNG terminals, and supply facilities, such as pipelines, as well as affect business operations, potentially disrupting the stable supply of city gas and the operations of our Group companies.	Extremely large	● Centralized management of facilities and planned renewal/improvement to enhance earthquake resistance ● Risk transfer, such as through enrollment in disaster insurance ● Development and review of business continuity plans (BCPs) in the event of a disaster ● Establishment of business continuity systems in the event of an infectious disease outbreak
7. Failure, malfunction, or leakage of information of core IT systems There is a risk of disruptions or data breaches in core IT systems due to cyberattacks or system failures, which could affect business operations and service provision.	Extremely large	● Development and implementation of personal information protection regulations and information security guidelines ● Implementation of information security training for employees ● Strengthening of various security measures against cyberattacks ● Establishment of an information sharing and analysis system with related organizations ● Ongoing implementation of response training in the event of an incident and systemic review
12. Troubles related to raw material procurement The instability of domestic and international situations, as well as problems with LNG terminals and transportation, could disrupt the procurement of raw materials and fuels, posing a risk to the stable supply of city gas.	Extremely large	● Establishment of a system for emergency procurement, including domestic and international sources ● Establishment of a system for rapid spot procurement ● Diversification of supply sources through diversification of LNG procurement sources
8. Compliance risks In the event of violations of laws and regulations, fraudulent activities, or actions contrary to social norms, there is a risk that our Group's social credibility may decline, business activities may be affected, and our performance may be impacted.	Large	● Development and implementation of various regulations based on the Compliance Basic Policy ● Implementation of compliance awareness training and education for employees ● Strengthening and thorough implementation of compliance controls throughout the entire Group ● Regular implementation of internal audits
15. Risk of fluctuations in electricity procurement prices There is a risk that the cost of electricity procurement will rise due to fluctuations in electricity market prices and fuel prices, as well as tight supply and demand, which could affect the profitability of our Group and the operation of our electricity business.	Large	● Stabilizing procurement prices through expanded bilateral contracts with power generators ● Hedging price fluctuation risks, e.g., through the use of electricity futures trading ● Promoting diversification of our procurement structure through expansion of renewable energy business and securing internal power sources

Risk Management Assessment Results and Future Initiatives

To assess the effectiveness of our risk management, our Group conducted internal self-assessments and evaluations, as well as had an external organization perform an evaluation in FY2024. As a result, the fulfillment rate, which indicates the degree to which we have met our requirements for each evaluation item, was 72%, and we recognize this as showing we have satisfied the given standard. Moving forward, based on these assessment results, we will work to further improve the overall risk management level of the Group through ongoing improvement.

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Material Issue 7 Organization that Continues to Be Trusted

Information Security Risk Handling

As a corporate entity responsible for essential social infrastructure that forms the foundation of daily life, Saibu Gas Group recognizes the importance of managing information, including personal information such as customer data, and we are committed to implementing information security measures.

Information Security Efforts

With the increasing convenience of the Internet, the risks of information leaks and unauthorized access have risen. To address these risks, our Group is taking the following measures:

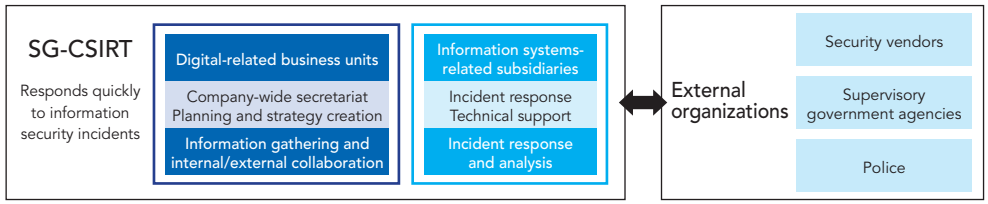
(1) We have established information security regulations and personal information protection regulations, and are promoting physical and technical measures, while ensuring strict adherence to rules through training for all employees.

(2) We utilize the network of Saibu Gas Information Systems for our business systems and communications, and we are strengthening and improving security measures through specialized business units and third-party assessments.

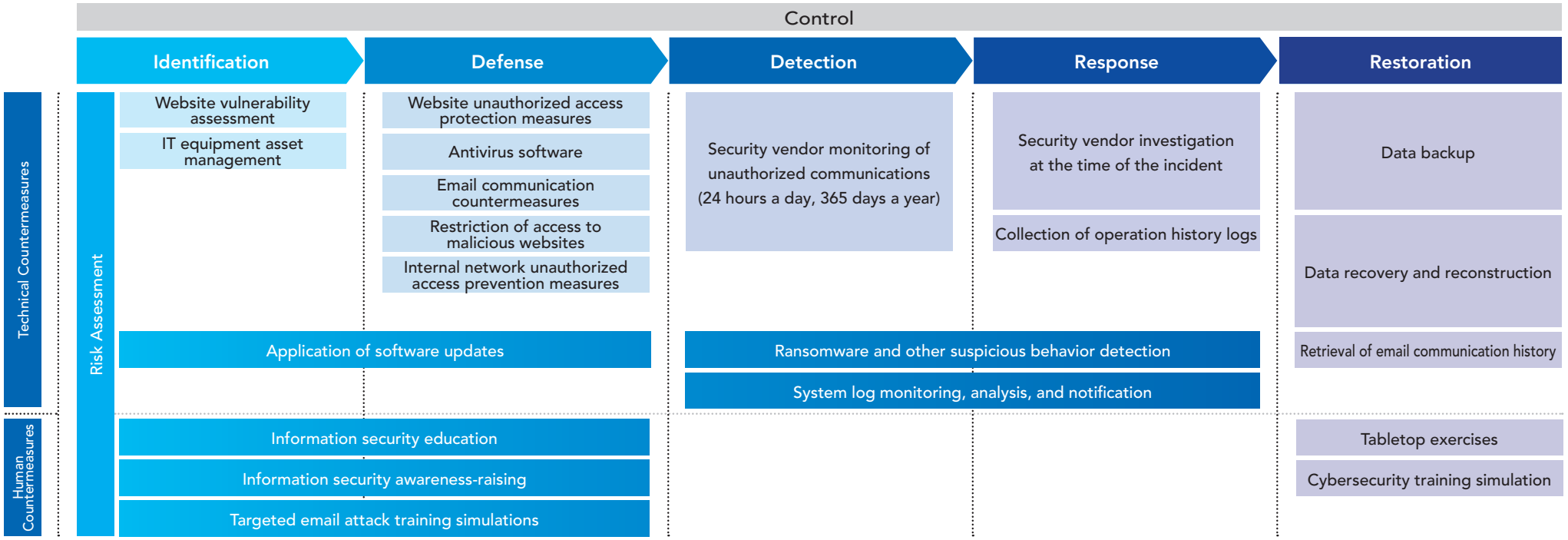
(3) We collaborate with external organizations, such as the Japan Gas Association and the police, to exchange information and conduct training exercises simulating unauthorized access incidents.

Information Security Management Structure

In 2018, we established SG-CSIRT as an organization to respond to information security incidents. SG-CSIRT is comprised of members from the digital-related business units and information systems-related companies within our Group, and it plays a central role in responding to incidents. During the course of normal operations, we work to raise the overall security level and improve response capabilities across the entire Group through information gathering and analysis on cyberattacks, technical support, and education for all employees.



Security Measures



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Material Issue 7 Organization that Continues to Be Trusted

Compliance Promotion

Approach and Basic Policy

Saibu Gas Group Corporate Code of Conduct

Our Group has established Saibu Gas Group Corporate Code of Conduct based on the fundamentals of our management philosophy—local contribution, responsibility and unity. Furthermore, we have defined what behaviors should be taken in accordance with these guidelines in Saibu Gas Group Corporate Code of Conduct Manual, which is distributed to all employees. All officers and employees of our Group understand and abide by this Policy and Manual.

Saibu Gas Group Compliance Basic Policy

Cultivation and Elevation of Compliance Awareness

We proactively make decisions and take actions that prioritize compliance in our daily work, and we establish a healthy workplace and corporate culture that does not tolerate misconduct, scandals, corruption, or malfeasance.

Proactive Initiative-Taking

Under the activity guidelines formulated by the Group Governance Committee, we will proactively develop and implement concrete action plans tailored to the specific content and characteristics of each business.

Promotion of a Compliance PDCA Cycle

To ensure effective and efficient compliance activities, we will faithfully implement a "Compliance PDCA Cycle" and review its contents as needed.

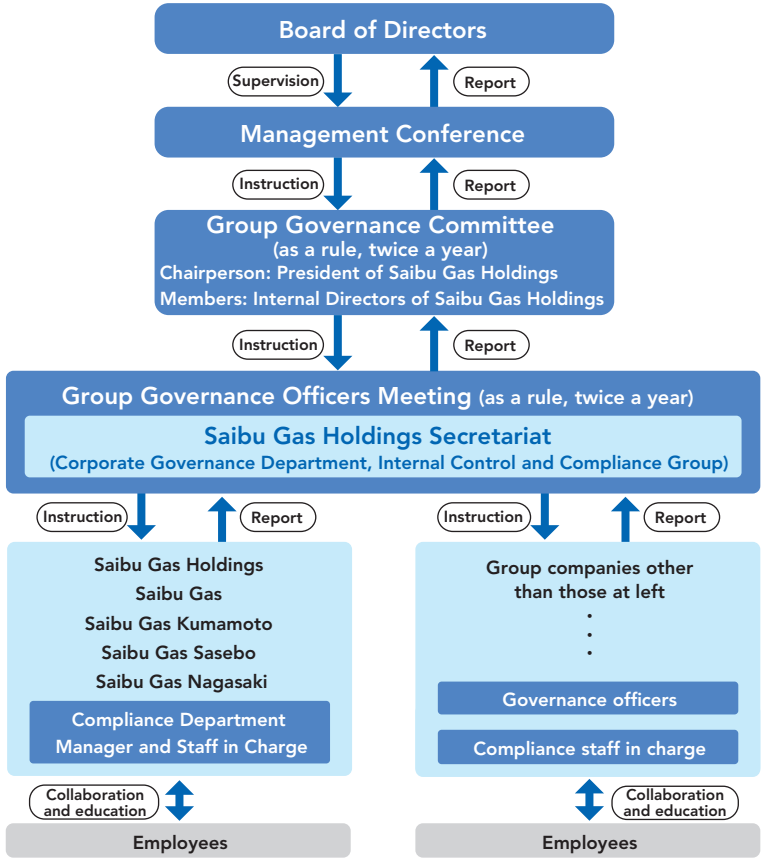
Compliance PDCA Cycle Diagram



Compliance Promotion System

We have established a Group Governance Committee ("the Committee"), chaired by the president and CEO, to report and deliberate on matters related to compliance promotion and anti-corruption efforts, as well as to report the results to the Board of Directors and the Management Conference.

Based on the annual policy decided by the Committee, business unit compliance officers appointed in each workplace implement various training and education programs and other compliance promotion initiatives. Furthermore, within each Group company, the governance officer in charge of overall compliance (primarily the General Affairs Manager, who also serves as a director in the company) takes the lead in implementing compliance promotion activities tailored to the specific issues of the Group company, in accordance with the same policy.



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Material Issue 7 Organization that Continues to Be Trusted

Compliance Promotion

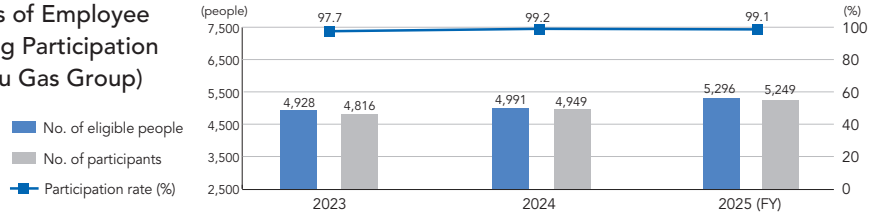
Compliance Promotion Initiatives

Compliance Education and Awareness-Raising

Our Group strives to raise compliance awareness and improve compliance skills by conducting annual training programs tailored to different levels of employees, including executives, managers, and new hires, as well as training for governance officers, who are key personnel in each Group company and organization's compliance activities. We also provide e-learning programs on harassment prevention to all group employees, maintaining consistently high participation rates. In particular, for FY2025 and FY2026, we conducted integrity training for all managers in Group companies to foster and improve employees' ethical awareness.

Furthermore, we promote employee awareness through the regular publication of a "Compliance Newspaper" containing information on compliance trends and examples of misconduct within our Group and other companies, as well as through the use of our intranet.

Status of Employee Training Participation (Saibu Gas Group)



Implementation of Compliance Awareness Survey

To confirm compliance understanding and awareness, we conduct an annual "Compliance Awareness Survey" for all employees of the Group. The results of the FY2025 survey showed a Group average score of 3.97 points (out of 5), which was evaluated as a "good level" by the survey company. These survey results are communicated back to each Group company and each business unit of our Company and are used to understand the current state of Group compliance and to develop future measures.

Efforts to Prevent Insider Trading

We have established an insider trading prevention system for all employees of our consolidated subsidiaries and require all employees to attend insider trading prevention training at least once a year.

In FY2025, among other things, we had employees watch an e-learning video and conducted a survey to confirm understanding and compliance for all officers and employees of our consolidated subsidiaries, deepening their understanding of the Financial Instruments and Exchange Act and ensuring strict adherence to internal rules.

Going forward, we will continue to clarify our information management and disclosure methods and aim to maintain and improve the social credibility of our Group in the securities market.

Compliance Promotion System

Our Group has established a "Compliance Consultation Desk" both internally and externally (at a law firm) where employees can consult about workplace misconduct, harassment, and all other corporate ethics issues via face-to-face meetings, telephone, email, etc., with a system in place to ensure anonymity.

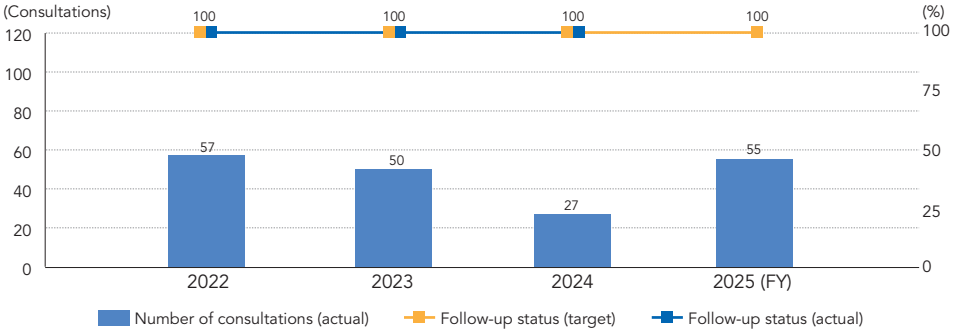
Reports received are promptly investigated in accordance with our internal reporting regulations, and necessary corrective measures and preventative measures are taken based on the results.

Diagram of Saibu Gas Group's Compliance Consultation Desk Response System



Last year, the number of consultations handled by our Compliance Consultation Desk increased. We believe this is a result of increased employee awareness of the Desk and the development of a corporate culture that makes it easier for employees to voice their concerns.

Consultation Numbers for the Compliance Consultation Desk (Saibu Gas Group)



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List of Officers Directors As of June 24, 2026



Representative Director and Chairperson

Yukinori Michinaga

Biography and Position

April 1981
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2014
Executive Officer, Senior General Manager of Information Communications Department
April 2015
Managing Executive Officer, General Affairs and Public Relations Manager
April 2016
Managing Executive Officer
June 2016
Director, Managing Executive Officer
April 2019
Representative Director, President and Chief Executive Officer
April 2024
Representative Director and Chairperson (current position)

Date of Birth
November 1, 1957
No. of Company Shares Held
19,336 shares
Years in Office
10 years
Board of Directors Meeting Attendance
13/13 meetings (100%)



Representative Director, President and Chief Executive Officer

Takuji Kato

Biography and Position

April 1985
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2018
Executive Officer, Sales Division Deputy General Manager
April 2020
Managing Executive Officer, Sales Planning Manager
April 2021
Managing Executive Officer
June 2021
Director, Managing Executive Officer
April 2024
Representative Director, President and Chief Executive Officer (current position)

Date of Birth
December 6, 1962
No. of Company Shares Held
8,300 shares
Years in Office
5 years
Board of Directors Meeting Attendance
13/13 meetings (100%)



Representative Director and Executive Vice President

Toshiyuki Ueno

Biography and Position

April 1987
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2021
Saibu Gas Co., Ltd. Executive Officer, Sales Division Sales Planning Manager
April 2022
Managing Executive Officer, Sales Division Sales Planning Manager
April 2023
Director, Managing Executive Officer, Sales Division Deputy General Manager
April 2024
Director, Managing Executive Officer, Sales Division General Manager
April 2025
Saibu Gas Holdings Executive Vice President
June 2025
Representative Director, Executive Vice President (current position)

Date of Birth
May 24, 1963
No. of Company Shares Held
4,463 shares
Years in Office
1 year
Board of Directors Meeting Attendance
11/11 meetings (100%)



Director and Senior Managing Executive Officer

Shogo Morita

Biography and Position

April 1988
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2022
Saibu Gas Co., Ltd. Executive Officer, Corporate Planning Manager
April 2023
Saibu Gas Holdings Managing Executive Officer, Management Strategy Manager
April 2024
Managing Executive Officer
June 2024
Director, Managing Executive Officer
April 2026
Director, Senior Managing Executive Officer (current position)

Date of Birth
February 24, 1965
No. of Company Shares Held
3,963 shares
Years in Office
2 years
Board of Directors Meeting Attendance
13/13 meetings (100%)



Director and Managing Executive Officer

Atsushi Mitarai

Biography and Position

April 1987
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2022
Executive Officer, Public Relations Manager
April 2023
Saibu Gas Co., Ltd. Auditor
June 2023
Director, Audit and Supervisory Committee Member (Full-time)
June 2025
Director, Managing Executive Officer (current position)

Date of Birth
December 3, 1963
No. of Company Shares Held
3,629 shares
Years in Office
3 years
Board of Directors Meeting Attendance
13/13 meetings (100%)



Director and Managing Executive Officer (newly appointed)

Harushige Ogoshi

Biography and Position

April 1988
Joined the Ministry of International Trade and Industry (now METI)
July 2018
Councilor, Minister's Secretariat, Cabinet Office; Director, Decommissioning and Contaminated Water Countermeasures Local Office, Cabinet Office Nuclear Disaster Response Headquarters
November 2021
Retired from METI
March 2022
Joined Saibu Gas Co., Ltd. International Energy Business Manager
April 2023
Executive Director, LNG Business Manager
April 2024
Executive Officer, Energy Supply Division Terminal Engineering Manager
April 2025
Managing Executive Officer, Energy Supply Division Terminal Engineering Manager
April 2026
Managing Executive Officer
June 2026
Director, Managing Executive Officer (current position)

Date of Birth
November 13, 1964
No. of Company Shares Held
200 shares

Directors' Expected Area of Involvement							
	Energy Business	●	●	●	●	●	●
	Non-Energy Business	●	●		●		●
	Sustainability	●	●		●	●	
	Corporate Management	●	●	●	●	●	
	Legal and Risk Management	●	●			●	●
	Finance and Accounting	●	●		●		
	Human Resources	●				●	

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List of Officers Directors As of June 24, 2026



Director, Audit and Supervisory Committee Member (Full-time)

Yoshinari Numano

Biography and Position

April 1986
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2019
Executive Officer, General Affairs and Public Relations Manager
April 2021
Saibu Gas Nagasaki Co., Ltd. Representative Director and President
April 2023
Managing Executive Officer
June 2023
Director, Managing Executive Officer
June 2025
Director, Audit and Supervisory Committee Member (Full-time) (current position)

Date of Birth
July 1, 1962
No. of Company Shares Held
7,334 shares
Years in Office
3 years
Board of Directors Meeting Attendance
13/13 meetings (100%)



Director, Audit and Supervisory Committee Member (Full-time)

Masahide Ariyoshi

Biography and Position

April 1987
Joined Saibu Gas Holdings (formerly Saibu Gas Co., Ltd.)
April 2022
Saibu Gas Co., Ltd. Executive Officer and Electricity Business Planning Manager
April 2023
Executive Officer, Supply Division Equipment Technology Manager
April 2025
Auditor
June 2025
Director, Audit and Supervisory Committee Member (Full-time) (current position)

Date of Birth
January 31, 1965
No. of Company Shares Held
1,908 shares
Years in Office
1 year
Board of Directors Meeting Attendance
11/11 meetings (100%)



Director, Audit and Supervisory Committee Member (Outside)

Kiyota Takata

Biography and Position

April 1978
Joined Nishi-Nippon Mutual Bank Co., Ltd. (now The Nishi-Nippon City Bank, Ltd.)
June 2003
Head of Management Policy Office
October 2004
Head of Integrated Management Office and Chief Secretary, Corporate Planning Department
April 2005 Hakozaki Branch Manager
June 2006 Executive Officer, Chief Secretary
June 2007 Director
June 2010 Managing Director
June 2011
Director and Managing Executive Officer
June 2012
Director and Senior Managing Executive Officer
June 2015
PIETRO Co., Ltd. Director (current position)
June 2016
The Nishi-Nippon City Bank, Ltd. Representative Director and Vice President
October 2016
Nishi-Nippon Financial Holdings, Inc. Director and Executive Officer
June 2023
Kyushu Sogo Shinyo Co., Ltd. Representative Director and President (current position)
June 2024
Saibu Gas Holdings Director and Audit and Supervisory Committee Member (current position)

Date of Birth
January 5, 1954
No. of Company Shares Held
500 shares
Years in Office
2 years
Board of Directors Meeting Attendance
12/13 meetings (92%)



Director, Audit and Supervisory Committee Member (Outside)

Hisashi Goto

Biography and Position

April 1985
Joined The Bank of Fukuoka, Ltd.
April 2012
General Planning Department Manager
April 2015
Executive Officer, Sales Promotion Department Manager
October 2016
Executive Officer, Sales Strategy Department Manager and FC Promotion Department Manager
April 2017
Managing Executive Officer
Fukuoka Financial Group, Inc. Executive Officer
April 2019
The Bank of Fukuoka, Ltd. Director and Managing Executive Officer
April 2020
Director and Senior Managing Executive Officer
The Kumamoto Bank, Ltd. Non-Executive Director
April 2021
Fukuoka Financial Group, Inc. Director and Executive Officer
April 2022
Fukuoka Financial Group, Inc. Representative Director and President (current position)
The Bank of Fukuoka, Ltd. Representative Director and President (current position)
June 2024
Saibu Gas Holdings Director and Audit and Supervisory Committee Member (current position)

Date of Birth
February 3, 1962
No. of Company Shares Held
1,000 shares
Years in Office
2 years
Board of Directors Meeting Attendance
13/13 meetings (100%)



Director, Audit and Supervisory Committee Member (Outside) (newly appointed)

Kaori Nishimura

Biography and Position

April 1992
Joined Kyushu Asahi Broadcasting Co., Ltd.
April 2014
TV Asahi Network (ANN) Seoul Bureau Correspondent
April 2018
Kyushu Asahi Broadcasting Co., Ltd. News Department Commentator
July 2021
Press and Information Bureau Deputy Director and Press and Information Center Director
July 2023
Head of Regional Production (current position)
June 2026
Saibu Gas Holdings Director and Audit and Supervisory Committee Member (current position)

Date of Birth
January 15, 1969
No. of Company Shares Held
0 shares



Director, Audit and Supervisory Committee Member (Outside) (newly appointed)

Naoko Nakamura

Biography and Position

December 2007
Joined Shin Nihon & Co. (now Ernst & Young ShinNihon LLC)
September 2011
Registered as Certified Public Accountant
August 2023
Established Naoko Nakamura Certified Public Accountant Office (current position)
Co-THINK Co., Ltd. Director
April 2024
Co-THINK Co., Ltd. Representative Director (current position)
Established Naoko Nakamura Tax Accounting Office (current position)
April 2025
Cyber University Visiting Lecturer (current position)
December 2025
JR Kyushu Private REIT Inc. Supervisory Officer (current position)
June 2026
Saibu Gas Holdings Director and Audit and Supervisory Committee Member (current position)

Date of Birth
August 16, 1984
No. of Company Shares Held
0 shares

Directors' Expected Area of Involvement							
	Energy Business	●	●				
	Non-Energy Business	●		●	●		
	Sustainability	●				●	●
	Corporate Management	●	●	●	●		●
	Legal and Risk Management	●	●	●	●	●	●
	Finance and Accounting			●	●		●
	Human Resources			●	●		

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Part 5

Data

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Ten-Year Consolidated Financial Data

Fiscal Year	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales (in millions of yen)	168,083	196,621	203,478	204,445	191,993	215,273	266,319	256,328	254,442	261,823
Operating profit (in millions of yen)	9,624	10,700	10,095	7,562	4,851	451	10,811	9,672	10,530	12,463
Ordinary profit (in millions of yen)	9,275	10,815	9,760	7,529	4,558	571	11,759	10,377	10,611	12,583
Profit attributable to owners of parent (in millions of yen)	3,445	5,929	5,496	4,695	1,794	495	13,215	6,155	6,362	7,147
Total assets (in millions of yen)	351,542	354,710	370,423	375,765	389,929	395,664	414,268	431,703	447,774	465,845
Net assets (in millions of yen)	75,035	81,009	82,557	80,604	86,121	80,639	93,624	105,493	111,709	123,331
Outstanding interest-bearing debt (in millions of yen)	237,973	229,395	240,105	255,568	264,330	275,124	281,902	282,610	279,819	288,195
Capital investment (in millions of yen)	16,141	15,939	18,559	18,568	20,905	16,049	19,769	26,370	25,201	40,678
Depreciation (in millions of yen)	18,621	18,857	19,004	19,125	19,555	20,829	20,377	20,404	18,270	15,687
Net cash provided by (used in) operating activities (in millions of yen)	23,544	28,336	19,020	17,956	20,748	10,542	21,749	22,124	38,557	25,329
Net cash provided by (used in) investing activities (in millions of yen)	(14,106)	(13,475)	(22,946)	(25,489)	(25,528)	(14,125)	(15,969)	(28,151)	(29,951)	(33,812)
Net cash provided by (used in) financing activities (in millions of yen)	(8,218)	(13,860)	6,486	10,263	4,854	7,634	2,959	(4,018)	(6,699)	2,898
Free cash flows (in millions of yen)	9,438	14,860	(3,926)	(7,533)	(4,780)	(3,583)	5,780	(6,026)	8,605	(8,483)
Balance of cash and cash equivalents at end of period	13,328	14,327	16,888	19,751	19,483	24,411	35,720	26,446	28,355	22,834
Basic earnings per share (in yen)	9.29	159.78	148.13	126.70	48.47	13.37	356.92	166.24	171.81	196.20
Return on equity : ROE (%)	5.1	8.2	7.2	6.2	2.3	0.6	16.4	6.7	6.3	6.5
Return on assets : ROA (%)	1.0	1.7	1.5	1.3	0.5	0.1	3.3	1.5	1.4	1.6
Equity ratio (%)	19.8	21.4	20.8	19.9	20.5	18.8	20.9	22.8	23.2	24.7
Number of shares issued at end of period (in thousands of shares)	371,875*1	37,187	37,187	37,187	37,187	37,187	37,187	37,187	37,187	37,187
Dividend per share (in yen)	7.0	38.5	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
Consolidated dividend payout ratio (%)	75.3	43.8	47.3	55.2	144.4	523.6	19.6	42.1	40.7	35.7
Dividend payout ratio (%) (reporting company)	118	86.4	85.4	160	850.5	126.1	30.3	100.6	76.6	396.8
ROIC (%)	2.4	2.6	2.3	1.8	1.1	0	2.3	1.9	2.1	2.3
PER (x)	27.6	17.2	16.1	20.3	65.4	149.2	4.9	11.6	9.9	13
PBR (x)	1.36	1.35	1.15	1.29	1.47	0.99	0.74	0.72	0.61	0.79
Number of employees (persons)	3,768	3,739	3,761	3,836	3,804	3,799	3,797	3,852	3,840	3,725

*The figures used to calculate the indicators are those from the time of initial disclosure; the impact of subsequent changes in accounting policies has not been retroactively adjusted. (This means the "shareholders' equity" figures match the balance sheets in the securities reports for the respective fiscal years.)

*1: The Company conducted a 1-for-10 share consolidation of common shares effective October 1, 2017.

[Calculation formulas]

Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities

ROIC = (NOPAT + Share of profit (loss) of entities accounted for using equity method) ÷ (Average invested capital at beginning and end of period) × 100

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Non-Financial Data

Environment

■Greenhouse gas emissions

			Unit	FY2023	FY2024 ★	FY2025 ★
Scope 1 and 2 total			t-CO_2e	79,585	74,953	70,676
Scope 1			t-CO_2e	50,449	51,851	50,154
	Targeted Greenhouse Gases	CO_2	t-CO_2e	50,241	51,560	49,869
		CH_4	t-CO_2e	195	280	274
		N_2O	t-CO_2e	13	11	11
Scope 2			t-CO_2e	29,136	23,102	20,522
Scope 3			t-CO_2e	3,394,553	2,863,318	2,860,167
	Category 1	Purchased Goods and Services	t-CO_2e	35,949	373,243	372,594
	Category 2	Capital Goods	t-CO_2e	84,879	92,884	115,512
	Category 3	Fuel- and Energy-Related Activities	t-CO_2e	572,399	10,261	10,647
	Category 4	Upstream Transportation and Distribution	t-CO_2e	86,945	4,909	4,863
	Category 5	Waste Generated in Operations	t-CO_2e	2,059	1,203	811
	Category 6	Business Travel	t-CO_2e	522	499	479
	Category 7	Employee Commuting	t-CO_2e	907	1,055	1,017
	Category 11	Use of Sold Products	t-CO_2e	2,602,863	2,379,264	2,354,245
	Category 13	Downstream Leased Assets	t-CO_2e	8,030	—	—

*Calculated based on the GHG Protocol.
*Scope 1, 2, and 3 (Categories 2, 3, 5, 6, and 7) data covers a total of 43 companies: the Company and its 42 domestic consolidated subsidiaries.
*Scope 3 (Categories 1, 4, and 11) data covers items related to the gas energy business of the Company and its 42 domestic consolidated subsidiaries.
*For Scope 3, categories and calculation methods have been revised starting in FY2024 in conjunction with third-party verification.
Category 1 : Until FY2023, calculated based on LNG extraction; from FY2024, calculated based on LNG extraction, liquefaction, and marine transport, as well as LPG production and transport.
Category 3 : Until FY2023, calculated based on LNG liquefaction, LPG production, and electricity procured from the market; from FY2024, calculated based on upstream processes for energy sources used in Scope 1 and 2.
Category 4 : Until FY2023, calculated based on LNG marine and tanker truck transport and LPG transport; from FY2024, calculated based on LNG tanker truck transport.
Category 11 : Until FY2023, calculated based on the combustion of city gas, LNG, and LPG; from FY2024, calculated based on the combustion of city gas and LPG at customer sites.
Category 13 : In FY2023, emissions at customer sites associated with energy services were included; from FY2024, these are reclassified to Category 11.
*★Third-party verification by SOCOTEC Certification Japan has been conducted since FY2024.

■Water usage

		Unit	FY2023	FY2024	FY2025
Water intake		1,000 m³	32,406	31,411	33,745
	Potable water	1,000 m³	286	312	334
	Industrial water	1,000 m³	171	158	158
	Seawater	1,000 m³	31,949	30,940	33,252
	For power generation	1,000 m³	0	0	0
Wastewater		1,000 m³	32,547	30,477	33,721
	Sewerage / rivers	1,000 m³	598	527	469
	Seawater	1,000 m³	31,949	30,940	33,252

*Scope of coverage: Includes all consolidated subsidiaries except those where data collection is difficult and environmental impact is minimal. This covers 99% of Saibu Gas Group's total sales.
*The Group's business operations utilize potable water, industrial water, and seawater and involve the management of the resulting wastewater. Potable water and industrial water are used and discharged at facilities such as city gas production plants and offices. Seawater is primarily used for LNG vaporization at city gas production plants; it is not consumed during the process and is discharged back into the sea. Wastewater quality is managed appropriately in compliance with applicable laws and ordinances.
*Regarding process water used at LNG terminals, we strive to reduce consumption through measures such as optimizing boiler operations and upgrading equipment.

■Industrial waste

	Unit	FY2023	FY2024	FY2025
Amount generated	t	27,097	31,153	25,710
Amount recycled	t	23,839	29,410	24,494
Recycling rate	%	88.4	94.4	95.27

*Scope of environmental data: Includes all consolidated subsidiaries except those where data collection is difficult and environmental impact is minimal. This covers 99% of our Group's total sales.

Society

■Employment

		Unit	FY2023	FY2024	FY2025
Number of full-time employees*1	Total	Persons	1,200	1,340	1,099
	Percentage of women	%	16	15.6	17
Number of managers*1 *2 *3	Total	Persons	371	419	368
	Percentage of women	%	3.8	4.8	5.16
Average length of service	Men	Years	21.8	21.7	20.1
	Women		15.7	16.0	15.2
Recruitment	Men	Persons	26	24	34
	Women		8	11	14
Ratio of mid-career hires among regular employees		%	9	17	27
Employment rate for persons with disabilities*4		%	2.6	2.5	2.6
Turnover rate		%	1.6	0.8	0.8

*1: Starting in FY2024, employees seconded to external organizations are included in the count of employees belonging to the original employer.
*2: "Managers" refers to the rank of section manager or higher.
*3: Targeted companies: Saibu Gas, Saibu Gas Energy, Saibu Gas Urban Development, Saibu Gas Living, Saibu Gas Information Systems, Saibu Gas Customer Service, Saibu Gas Techno Solution, Hibiki LNG.
*4: Targeted companies: Saibu Gas, Saibu Gas Energy, Saibu Gas Urban Development, Saibu Gas Living, Saibu Gas Customer Service, Saibu Gas Techno Solution, Saibu Gas Kumamoto, Saibu Gas Nagasaki, Saibu Gas Sasebo.

■Childcare-related system utilization

		Unit	FY2023	FY2024	FY2025
Number of employees taking childcare leave	Women	Persons	22	19	9
	Men		48	35	38
Childcare leave utilization rate	Women	%	100	100	100
	Men		92.3	94.6	71.7
Number of employees adopting shortened working hours	Women	Persons	45	40	35
	Men		0	0	1

*FY2023 & FY2024 results: At least one day of leave taken (combined total of childcare leave and childcare-related leave)
*FY2025 results: At least 14 days of leave taken (combined total of childcare leave and childcare-related leave)

■Wages

		Unit	FY2023	FY2024	FY2025
Gender wage gap	All workers	%	69.5	70.9	73.1
	Among regular employees		76.2	77.8	79.6
	Among part-time and fixed-term workers		68.5	72.3	73.2

*Targeted companies for FY2022: Saibu Gas, Saibu Gas Energy, Saibu Gas Urban Development, Saibu Gas Living, Saibu Gas Information Systems, Saibu Gas Customer Service, Saibu Gas Techno Solution, Saibu Gas Real Life Kitakyushu, Saibu Gas Facility Industry, Hassenkaku, SG Green House.
*Targeted companies for FY2023 and FY2024: Saibu Gas, Saibu Gas Energy, Saibu Gas Urban Development, Saibu Gas Living, Saibu Gas Information Systems, Saibu Gas Customer Service, Saibu Gas Techno Solution, Saibu Gas Real Life Kitakyushu, Saibu Gas Facility Industry, Hassenkaku, SG Green House, Saibu Gas Real Life Fukuoka, Saibu Gas Real Life Kumamoto, Saibu Gas Life Support, Five.

■Occupational accidents

	Unit	FY2023	FY2024	FY2025
Lost-time injury frequency rate	%	1.46	4.48	3.45

*Targeted companies: Persons affiliated with Saibu Gas Holdings, Saibu Gas, Saibu Gas Kumamoto, Saibu Gas Nagasaki, and Saibu Gas Sasebo.
*Commuting accidents are not included.

*Unless otherwise noted, society-related data is for the employer, Saibu Gas.
*Totals may not match due to rounding.

ESG aggregated data https://hd.saibugas.co.jp/sustainability/esgdata/

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Corporate Data (as of March 31, 2026)

Company Overview

Company name : Saibu Gas Holdings Co., Ltd.
Location : 1-17-1 Chiyo, Hakata Ward, Fukuoka City, Fukuoka Prefecture
Representative director and president : Takuji Kato
Establishment : December 1, 1930
Capital : 20,629,790,000 yen
Number of employees : 3,725*
*The number of employees represents the workforce of the Company and its consolidated subsidiaries.

Stock Information

Total number of issuable shares : 80,000,000 shares
Total number of issued shares : 37,187,567 shares (includes 1,138,343 shares of treasury stock)
Number of shareholders : 21,607

Major Shareholders

Shareholder name	Investment in the Company	
	Number of shares held	Equity stake
The Master Trust Bank of Japan, Ltd. (trust account)	2,045 x1,000 shares	5.67 %
The Nishi-Nippon City Bank, Ltd.	1,774	4.92
The Bank of Fukuoka, Ltd.	1,761	4.89
Nippon Life Insurance Company	1,725	4.79
SG Kyoeikai	1,246	3.46
The Juhachi-Shinwa Bank, Ltd.	1,169	3.24
Saibu Gas Employee Shareholding Association	880	2.44
Sumitomo Mitsui Banking Corporation	874	2.43
TOHO GAS Co., Ltd.	608	1.69
Kubota Corporation	586	1.63

(Note) 1. The Company holds 1,138,343 shares of treasury stock, but these are excluded from the list of major shareholders above.
2. Shareholding ratios are calculated after deducting treasury stock.

Saibu Gas Group Corporate Profile

Major Subsidiaries and Associates (as of March 31, 2026)

Saibu Gas Co., Ltd.	General gas pipeline business; gas retail, gas manufacturing, electricity supply, and LNG sales businesses in the Fukuoka and Kitakyushu areas of Fukuoka Prefecture
Saibu Gas Kumamoto Co., Ltd.	Gas retail business in the Kumamoto area of Kumamoto Prefecture
Saibu Gas Nagasaki Co., Ltd.	Gas retail business in the Nagasaki area of Nagasaki Prefecture
Saibu Gas Sasebo Co., Ltd.	Gas retail business in the Sasebo area of Nagasaki Prefecture
Saibu Gas Energy Co., Ltd.	Wholesale supply and sales of LPG
Saibu Gas Urban Development Co., Ltd.	Real estate business and merchandise sales
Saibu Gas Living Inc.	Sales of residential and air-conditioning equipment; home renovation; facility installation work; condominium management
Saibu Gas Information Systems Co., Ltd.	Information system development and outsourced business processing
Saibu Gas Customer Service Co., Ltd.	Gas appliance inspections, internal gas piping inspections, gas meter reading, and gas bill collection
Hibiki LNG Co., Ltd.	LNG receiving, storage, vaporization, processing, and supply business
Saibu Gas Techno Solution Co., Ltd.	Design, construction, and maintenance of energy facilities; heat supply business; energy service business
Kurume Gas Co., Ltd.	Supply and sales of city gas and LPG; sales of gas appliances
Omuta Gas Co., Ltd.	Supply and sales of city gas; sales of gas appliances, LPG, and autogas
Shimabara G Energy Co., Ltd.	Sales of city gas and LPG, and appliance sales, installation, and repair services, etc.
Kyusyu Gas Assou Co., Ltd.	Gas manufacturing and gas pipeline business
Chikugo Gas Pipeline Service Provider Co., Ltd.	Wholesale supply and sales of city gas
Saibu Gas Real Life Fukuoka Co., Ltd.	Sales of gas appliances and residential equipment
Saibu Gas Real Life Kitakyushu Co., Ltd.	Sales of gas appliances and residential equipment; design and construction of internal gas piping
Saibu Gas Real Life Kumamoto Co., Ltd.	Sales of gas appliances and residential equipment; design and construction of internal gas piping
Saibugas Facility Industry Co., Ltd.	Design and construction of internal gas piping
Kitakyushu Kanko Co., Ltd.	Gas piping work
Kumamoto Kanko Kensetsu Co., Ltd.	Construction of city gas mains, branch lines, and supply lines
Nippon Weld Corporation	Welding work for steel pipes and similar structures
eneseed Co., Ltd.	Power generation business (renewable energy, etc.) and contracted services such as maintenance and management
eneseed Hibiki Co., Ltd.	Power generation business (renewable energy, etc.)
S TRUST Co., Ltd.	Real estate sales, leasing, and management businesses
TRUST COMMUNITY Co., Ltd.	Comprehensive management of condominiums, real estate brokerage, etc.
S Trust Fudosan Hanbai Co., Ltd.	Real estate sales, brokerage, leasing, and management; non-life insurance agency and life insurance solicitation services; contracting and execution of construction work
Kenwa Jutaku Co., Ltd.	Sales of detached houses
Kyushu Yaesu Co., Ltd.	Residential construction, land development, and real estate sales
Saibu Gas Kensetsu Co., Ltd.	Construction and civil engineering contracting; architectural design and construction supervision
HASSENKAKU Co., Ltd.	Operation of Chinese restaurants and banquet halls; sales of prepared foods
SG Green House Co., Ltd.	Cultivation and sales of agricultural products
Fukuoka Chuo Fish Market Co., Ltd.	Wholesale of marine products and processed seafood
Saibu Gas Life Support Co., Ltd.	Operation of paid nursing homes and provision of various nursing care services
Five Co., Ltd.	Comprehensive building maintenance and management
SG Chemicals Co., Ltd.	Manufacturing and sales of carbon materials and chemical products; design, construction, and maintenance of chemical plants, etc.
SG Incubate Inc.	Management and administration of investment limited partnership assets
SAIBU GAS (Thailand) CO.,LTD.	Real estate sales, development, and management
SG ENRICH CO.,LTD.	Residential construction, land development, and real estate sales
SAIBU GAS USA Co.,Ltd.	Real estate business and other business operations
Saibu Gas Shared Service Co., Ltd.	Contracted services for accounting (bookkeeping and financial closing) and human resources (payroll processing), etc.
Greenland Resort Co., Ltd.	Operation of amusement parks, etc.
Marutai Co., Ltd.	Manufacturing and sales of instant noodles
Petro Vietnam Low Pressure Gas Distribution JSC	Industrial gas pipeline operations, CNG supply, and wholesale to CNG operators
TSH Birdsboro LLC	Investment in the Birdsboro power generation project in the United States
Hibiki Power G.K.	Thermal power generation business

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External Evaluation and Accreditation and Initiative Participation

Major ESG Evaluations

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Index

Four consecutive years since 2023

FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Sector Relative Index

Four consecutive years since 2023

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

Eight consecutive years since 2018

Climate CDP 2025 B

CDP

2025 B

http://info.msci.com/l/36252/2017-06-27/kj6v2j/

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Initiative Participation

GX FUTURE CONSORTIUM

GX Future Consortium

30by30

30by30 Alliance for Biodiversity

福岡県 SDGs

Fukuoka Prefecture SDGs Registration System

FUKUOKA NEXT Well-being & SDGs

Fukuoka City Well-being & SDGs Registration System

STOP THE 温暖化 市民協議会

Fukuoka City Citizens' Council on Global Warming Countermeasures

北九州 ネイチャーポジティブ ネットワーク

Kitakyushu Nature Positive Network

External Evaluations, Ratings and Awards

2026 健康経営優良法人 KENKO Investment for Health ホワイト500

Ministry of Economy, Trade and Industry Outstanding Organizations of KENKO Investment for Health 2026 White 500

First time in 2026[*1] [*2]

女性が活躍しています！

Ministry of Health, Labour and Welfare "Eruboshi" certification

2020★★★ Saibu Gas

2023★★ Saibu Gas Information Systems

2020年認定 くるみん 子育てサポートしています

Ministry of Health, Labour and Welfare "Kurumin" certification

2020

自然共生サイト認定 30by30

Saibu Gas Group Aburayama Training Center Forest certified as a "Nature Harmony Site" by the Ministry of the Environment

2025

GOOD CAREER COMPANY AWARD 2022 イノベーション賞

GOOD CAREER COMPANY AWARD Innovation Award

2022 Saibugas Banyu

省エネコミュニケーション ランキング制度

Energy-Saving Communication Ranking System City Gas Section

Three consecutive years since FY2023

★★★★★ full marks[*2]

Energy-Saving Communication Ranking System Electricity Section

First time in FY2025

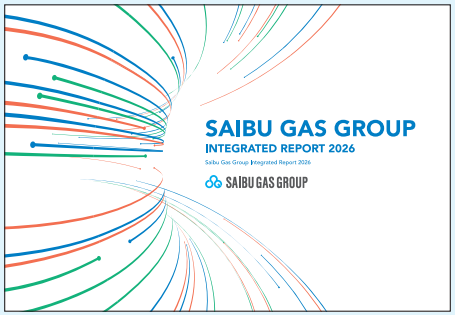
★★★★★ full marks Saibu Gas

Japan Gas Association "Technology Award" Development of a demand-responsive system utilizing LINE

FY2024 Saibu Gas

*1: Unless otherwise noted, refers to Saibu Gas Holdings.
*2: Saibu Gas, Saibu Gas Kumamoto, Saibu Gas Nagasaki, and Saibu Gas Sasebo.

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In Conclusion - Our Inspiration to Be “Powered by Connection”

In this integrated report, we have adopted “Powered by Connection,” which is a key concept of Saibu Gas Group Vision 2030, as the overarching theme.
For nearly a century, we have conducted our business based on relationships of trust with a wide range of stakeholders, including customers, local communities, business partners, and our own employees.
Reflecting on our journey, we realize that “connections” lie at the very foundation of the strengths we value most: a customer base rooted in the local community, people and an organization that continue to be trusted by the local community, and a sustainable infrastructure network.
A survey conducted among our approximately 3,700 employees during the preparation of this report revealed that many of them deeply value these connections in their respective workplaces.
For us, connections are not merely a slogan; they represent our corporate culture and the very DNA that drives value creation.
The individual lines depicted on the cover symbolize the connections between our various companies and businesses, as well as the bonds between people.
The curved lines in the design trace their own unique trajectories as they extend toward the future.
This imagery represents how each Group company, while maintaining its own autonomy, expands diverse connections and creates new value.
Moving forward, Saibu Gas Group will continue to transform these connections into a driving force for the future, walking alongside the community and taking on the challenge of creating new value.
Thank you for reading this report.



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