



Efforts to Realize Long-Term Management Vision 2030

The Daigas Group has formulated the Long-Term Management Vision 2030 and the Medium-Term Management Plan 2020, in which we adopted “three guiding principles” under its corporate philosophy. One of these principles is setting global ESG (Environment, Social and Governance) standards in its business operations, with the aim of becoming a corporate group that continues to be trusted by investors, business partners, citizens and employees.

We have stepped up our ESG efforts in line with the Daigas Group CSR Charter. To get the campaign moving further, the Group has identified important aspects in its CSR activities, which we call “materiality.” Based on the materiality, we have undertaken specific CSR activities. We will continue to see ESG as an important element of our business operations and redouble our efforts to realize the sustainable development of society and the Daigas Group.

Management that wins confidence of stakeholders

Main issues to address



Environment

■ Environmental management

- Support customers in introducing high-efficiency energy equipment, and provide them with energy services
- Promote fuel conversion to natural gas, a clean energy source, and introduction of energy-saving technologies
- Develop and introduce leading-edge thermal power plants and renewable energy
- Promote environmental management focusing on resources recycling, biodiversity, chemical substances safety, etc.

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Social

■ Stakeholder engagement

- Pursue activities in accordance with international norms, such as the Global Compact
- Promote activities relevant to the entire value chain including initiatives to protect human rights
- Engage in co-creation with local communities (social contribution activities, community communication activities, community building, etc.)

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Governance

■ Management / compliance

- Promote dialogue with stakeholders
- Pursue fair business practices
- Enhance Diversity of employees and executives
- Disclosure of ESG information in accordance with global standards
- Take measures to ensure information security

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Work style reform and development of human resources to improve productivity

Attitude Reform

- Think and act independently and remain reform-minded with readiness to change our mindset if necessary
- Execute assigned duties wisely and efficiently
- Shift to flexible thinking
- Pursue growth by taking up challenges beyond the boundaries

Work Style Reform

- Develop human resources who can play important roles in the global community
- Increase business efficiency through the active use of ICT
- Share business know-how among employees to make them immediately available in business and improve service quality
- Make workplaces attractive for employees

Work Environment Improvement

- Promote collaboration among individuals and companies with diverse values
- Provide employees with equal opportunities irrespective of nationality, age, gender or location of residence
- Develop a work environment and system whereby employees can work anywhere and any time



Environment

Environment

Addressing the issues of the environment both at regional and global levels is of paramount importance for the Daigas Group, which is engaged primarily in the energy business. Climate change, which is driven by greenhouse gases, is especially a global issue that greatly affects society and ecosystems. Since the emission of greenhouse gases is a large part of the environmental impact deriving from the Daigas Group's business activities, we will actively address greenhouse gas emissions.

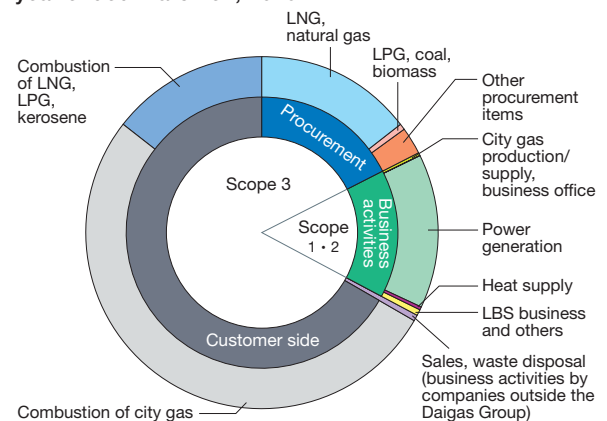
Understanding and management of environmental impact throughout the Daigas Group value chain

The Daigas Group calculated the amount of greenhouse gas (GHG) emitted by companies that constitute the Daigas Group's value chain network, based on the GHG Protocol, an international emission standard. The methodology of the calculation and its results have been certified by an independent organization to warrant their reliability and accuracy. Combined GHG emissions by the Daigas Group and value-chain companies, measured by CO₂, totaled about 34.81 million tons in the fiscal year ended March 31, 2019.

GHG emissions

GHG emissions from the Daigas Group's business activities (Scope 1 and 2), measured in terms of CO₂, amounted to about 5.35 million tons (about 15%) in the fiscal year ended March 31, 2019, of which 4.88 million tons were from the power generation business. As a way of reducing GHG emissions from power generation, the Group will continue to actively introduce highly advanced energy-efficient power generation facilities and use renewable energy sources. GHG emitted by organizations involved in our value chain (Scope 3) in terms of CO₂ came to about 29.46 million tons (about 85% of total emissions), of which GHG emissions from city gas combustion on the customer side amounted to 18.17 million tons. We will work toward reducing CO₂ emissions throughout society by widely providing high-efficiency equipment and systems, such as Ene-Farm and cogeneration systems, while promoting energy conservation using natural gas that emits less CO₂. In addition, GHG emissions from material and fuel procurement totaled 6.15 million tons, of which the procurement of energy sources accounted for nearly 90%. We will continue our efforts to improve fuel efficiency regarding the operation of LNG tankers in collaboration with material suppliers.

GHG Emissions Throughout the Value Chain in the fiscal year ended March 31, 2019



GHG emissions: 34.81 million tons-CO₂

Companies subject to the calculation of GHG emissions: Osaka Gas and 56 companies among 150 consolidated subsidiaries are subject to calculation of GHG emissions. Those housed in office buildings as tenants and whose GHG emissions are minimal are not subject to such calculation.

Environmental impacts other than GHG emissions

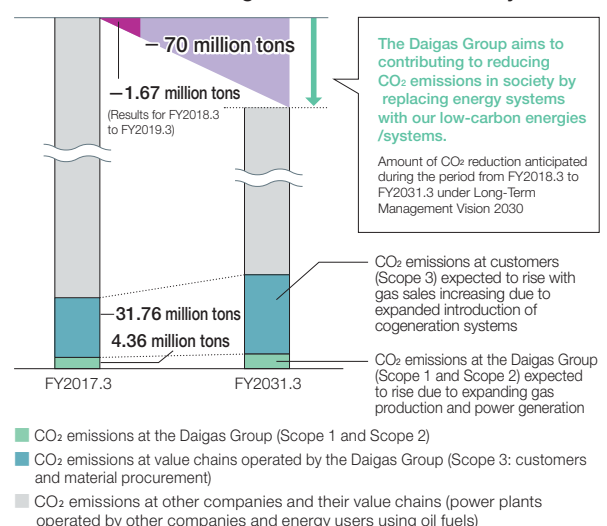
The recycling rates of waste (general waste and industrial waste) and excavated soil and polyethylene pipes associated with gas pipe works are high, a state that we will aim to maintain in the future. About 97% of water used for our industrial activities is taken from the sea. Such water is mostly used to vaporize LNG at LNG terminals and as coolant inside the steam turbine condenser at some power plants. Once used, the water is discharged into the sea under strict control.

Contribution to CO₂ Emissions Reduction

The Long-Term Management Vision 2030 aims to reduce the Group's CO₂ emissions by a cumulative total of about 70 million tons during the 14-year period from the fiscal year ended March 31, 2018 to the fiscal year ending March 31, 2031. The targeted reduction is calculated by totaling the reduction contribution of highly energy-efficient facilities and low-carbon energy sources planned to be introduced in the Group's business activities between the fiscal year ended March 31, 2018 and the fiscal year ending March 31, 2031. The reduction contribution is estimated by multiplying the introduction amount of those high-efficiency facilities and low-carbon energies by the CO₂ emission reduction effect per introduced amount compared to existing facilities and energy use.

As shown on the right, the Daigas Group expects to see its Scope 1, Scope 2 and Scope 3 GHG emissions grow in line with its expanding business size due to the nature of the business. However, the introduction of a low-carbon energy system through the Group's efforts will reduce emissions at other companies and their value chains, which in turn will contribute to society-wide emission reductions.

Contribute to Reducing CO₂ Emissions in Society



Risks and Opportunities Related to Climate Change

Background and philosophy behind actions

Tackling climate change is seen as one of the Sustainable Development Goals (SDGs) adopted by the United Nations. The Paris Agreement, a UN accord on climate change, went into force in November 2016. The accord is recognized as a framework of international efforts since 2020 for solving issues related to climate change. The Daigas Group recognizes that reducing greenhouse gas (GHG) emissions, known to be a factor for causing climate change, significantly and on a long-term basis, addressing the worldwide challenge of creating a low-carbon society in the future, and responding to heightened risks of natural disaster amid growing climate change are social issues facing the global community. The Daigas Group believes reducing CO₂ emissions is an extremely important mission for the company, whose primary business field is energy. The Group also believes that climate change may negatively affect its earnings and costs throughout its energy businesses. As such, we are implementing initiatives on such perceived risks and opportunities associated with climate change. Furthermore, in June 2017, the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB) at the request of G20 nations against a backdrop of demand from investors in the wake of growing ESG investment, published recommendations

to support and encourage companies to disclose climate change-related information (TCFD recommendations), which are gaining attention. In agreement with the TCFD recommendations, we disclose the Group's efforts on climate-related "governance," "strategy," "risk management," and "indicator and targets," as suggested by the TCFD recommendations (please see the Company's website for more details).

Needless to say, climate change initiatives are important. However, for the Daigas Group, which is engaged primarily in the energy business, initiatives for stable supply and improvement of economic efficiency are also important under the basic viewpoint of Japan's energy policy, 3E + S*. We believe that balancing them will contribute to the sustainable development of society.

*3E + S

The nation's Strategic Energy plan (2018) describes "3E + S" as the basic viewpoint of Japan's energy policy, and states: "The point of the energy policy is to first and foremost ensure stable supply ('Energy Security'), and realize low cost energy supply by enhancing its efficiency ('Economic Efficiency') on the premise of 'Safety.' It is also important to make maximum efforts to pursue environmental suitability ('Environment')."

Governance

Governance and management in terms of deliberation, decision-making, monitoring and supervision of business risks and opportunities associated with climate change are carried out within the Company's corporate governance and CSR management frameworks.

Strategy (Response to Risks and Opportunities Associated with Climate Change)

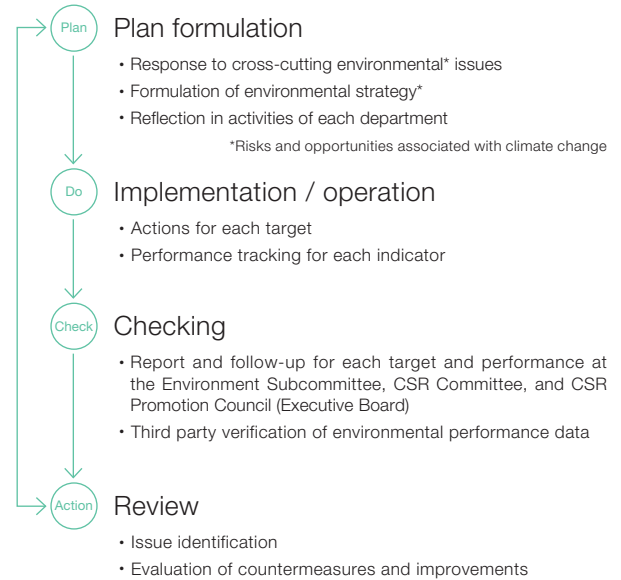
Below is a summary of major risks and opportunities associated with climate change, their impact on our business and finance, and methods of managing them.

Response to Risks and Opportunities Associated with Climate Change

(Events linked to climate change)	Extreme weather, disaster	Rising temperatures	Change in competitiveness of own products / facilities	Tighter GHG emission standards	Change in energy preference of customers	Growing ESG investing	LNG price rise
Risk impact	<ul style="list-style-type: none"> ● Damage to production and supply facilities ● Obstruction of LNG procurement 	<ul style="list-style-type: none"> ● Decrease in gas sales (water heater, heating) 	<ul style="list-style-type: none"> ● Competitive disadvantage ● Decrease in demand for and operation of own products / facilities ● Difficulty in recovering capital investment 	Concerns over fossil fuels <ul style="list-style-type: none"> ● Decrease in gas and electricity sales ● Difficulty in recovering capital investment 		<ul style="list-style-type: none"> ● Decreased capital raising ability ● Stock price drop 	<ul style="list-style-type: none"> ● Higher procurement costs ● Decrease in gas and electricity sales
Opportunity impact		<ul style="list-style-type: none"> ● Increase in gas and electricity sales (air conditioning) 	<ul style="list-style-type: none"> ● Competitive advantage ● Increase in demand for and operation of own products / facilities 	Focus on energy systems with fewer GHG emissions <ul style="list-style-type: none"> ● Increase in gas and electricity sales ● Expansion of renewable energy and energy-saving services 		<ul style="list-style-type: none"> ● Enhanced capital raising ability ● Stock price rise 	
Countermeasures	<ul style="list-style-type: none"> ● Making important facilities watertight, moving them to higher locations, subdividing the gas supply area into blocks ● Diversification of LNG suppliers 	<ul style="list-style-type: none"> ● Expansion of areas where demand is expected to increase 	<ul style="list-style-type: none"> ● High-efficiency products / facilities, development and introduction of renewable energy facilities ● Fuel conversion to natural gas ● Securing stable LNG supply through participation in upstream business 	<ul style="list-style-type: none"> ● Proposal and promotion of energy-saving services ● Surveys and research on innovative technologies such as hydrogen, natural gas as a clean energy source, and CCS etc. 	<ul style="list-style-type: none"> ● Dialogue with investors on contribution to GHG emission reduction and business vision etc. 	<ul style="list-style-type: none"> ● Diversification of suppliers ● Participation in upstream business ● Enhanced flexibility of procurement contract terms 	<ul style="list-style-type: none"> ● Advertising and proposal-based marketing of GHG emission reduction effects ● Policy proposal activities on GHG emission reduction ● Participation in and implementation of the Nippon Keidanren's Commitment to a Low Carbon Society

Risk Management

The Group's climate change risks may be affected by national policies and systems, environmental competitiveness of products and facilities to be introduced and developed, user preferences for energy sources and products on the environmental front, investor evaluations, and other factors. Departments in charge of each business line, including gas and power, analyze the factors affecting each business and the degree of their impacts, and list and identify risks. These risks, along with other business risks, are examined at the Executive Board before business plans are decided. Climate change risks in formulated business plans are reported and followed up by the Environment Subcommittee, CSR Committee, and CSR Promotion Council (Executive Board) using indicators and targets for greenhouse gas (GHG) emissions, which will be described later, and are managed using the PDCA cycle.



Indicators and Targets

The following indicators and targets have been established for greenhouse gas (GHG) emissions.

Indicators (Unit)		Targets	FY2019.3 Results
Materiality Indexes	Economic performance "financial impacts, risks and opportunities due to climate change"	Recognition of risks and opportunities* ¹	Recognition of risks and opportunities
Medium-Term Management Plan 2020	Cumulative contribution to CO ₂ reduction (t-CO ₂) during FY2018.3 – FY2021. 3 period	7 million* ²	1.67 million
Long-Term Management Vision 2030	Cumulative contribution to CO ₂ reduction (t-CO ₂) during FY2018.3 – FY2031. 3 period	70 million* ³	
CSR Indicators	Environmental Management Efficiency: Environmental impact of gas business per unit gas produced (yen / 1,000 m ³)	14.2* ²	12.5
	CO ₂ emissions per unit gas produced at LNG terminals (t-CO ₂ / 1 million m ³)	11.7* ²	11.0
	CO ₂ emissions per unit floor space at office buildings (t-CO ₂ / 1,000 m ²)	56.5* ²	53.0
	CO ₂ emissions per unit electricity generated through power business	-15%* ² from FY2009.3	-32% from FY2009.3
	CO ₂ emissions per unit sales scored through non-power business (t-CO ₂ / 10 million yen)	8.2* ²	9.3
Environmental Action Targets	Efforts to reduce CO ₂ emissions by customers and value chains	Promotion of energy efficient value-added appliances, centering on natural gas* ²	Cumulative sales of Ene-Farm, a fuel cell for residential use, reached 100,000 units.
GHG emissions	Amount of Scope 1, Scope 2 and Scope 3 emissions (t-CO ₂)	Results grasped (no targets set)	34.81 million

*1 Targets toward FY2019.3 *2 Targets toward FY2021.3 *3 Targets toward FY2031.3

S Social

The Promise to Customers

The Daigas Group will endeavor to ensure stable procurement, stable supply and security to allow customers to utilize energy safely. By doing so, the Group will provide products and services that are valuable to customers.

Customer Health and Safety

The Daigas Group puts the highest priority on securing safety of gas supply and facilities as an energy business operator which supplies city gas to approx. 5.58 million customers. Therefore, we consider it important that we make efforts to enhance the safety level and formulate a structure to respond possible accidents and disasters.

Performance

FY2019.3 Targets

100%



FY2019.3 Results

100%

In the fiscal year ended March 31, 2019, every procedure was conducted based on guidelines in accordance with laws and regulations as well as in-house rules in the processes such as quality control of gas in LNG terminals, safety inspection of gas pipelines and supply facilities, as well as gas appliances at customers consented.

Securing safety at customers' sites

Facilitate systems to respond to reports and prepare resources for dispatching in case of accidents and disasters 24 hours a day, 365 days a year.

In accordance with laws, inspection of gas appliances for gas leaks, gas water heaters for air supply and exhaust function at customers' sites were conducted. The visits to the customers were exploited as the opportunity for recommending installation of alarms for gas leaks for residential use and ventilation for commercial use.

Inspection of gas pipes

Gas supply facilities including pipelines and pressure regulators were inspected to ensure their safety at the frequency and content of such inspections set under in-house "Security Rules."

Preparation for disaster prevention

From our experience of the earthquake occurred in Kobe, we have made every effort to prevent disasters incurred by earthquakes. Those efforts include enhancement of safety function and measures in LNG terminals, replacement of old gas pipes with polyethylene pipes, installation of intelligent meter.

Customer Privacy

As an energy business operator which secures the basis of the society, the Daigas Group considers it is indispensable to recognize the importance of customers' information and those appropriate management.

Performance

FY2019.3 Results

Actions taken for loss of personal information

In the fiscal year ended March 31, 2019, one of the Daigas Group companies experienced a leak of customer information due to unauthorized access, and took measures to prevent recurrence based on the results of a third-party security audit.

Education of employees

All Daigas Group employees who have the authority to access PCs loaned to them by the Group, including those working on a contract basis and those dispatched from manpower agencies, are required to take an online training course on information security once a year. The percentage rate of employees taking this course reached 100% in the fiscal year ended March 31, 2019. These employees also received e-learning training, aimed at enabling them to respond appropriately to targeted e-mail attacks.

Unauthorized Access in Taku-File Bin Service: Actions for Leak of Customer Information

There was an attack on the vulnerabilities of some servers used for the file transfer service "Taku-File Bin," which is operated by the Daigas Group's OGIS-RI Co., Ltd., resulting in unauthorized access and an external leak of information on 4,815,399 customers. Following this incident, the Security Enhancement Department was established, and we are further strengthening information management by enhancing countermeasures and surveillance against cyberattacks and checking for risk of similar occurrences throughout the Group.

The Promise to Employees

The Daigas Group is working on to become a company that can realize the growth of its employees through work with preparing a personnel management system and environment whereby employees' individuality and initiative are respected, as well as their diverse talents are maximized.

Training and Education

System and Performance

Osaka Gas has introduced a personnel system where all employees are clearly presented with expectations and roles through interviews with supervisors who also serve as career development managers, and enable employees to choose their own development courses. In addition to training systems for each career development course, we offer a variety of training according to job position and type.

Acceptance of Diversity

Diversity promotion

As a way of enhancing its corporate value, the Daigas Group believes that it is essential for the Group to promote diversity in its corporate membership and corporate structure whereby employees can maximize their potential, irrespective of gender, age, nationality or physical disability. Recognizing that it is necessary for the Group to foster a corporate culture, the Group has adopted the "Daigas Group Diversity Promotion Policy" aiming for people with diverse personality and talent are respected, accepted, they can feel rewarded and fulfilled through their work.

Promotion of Active Roles for Female Employees

Under the action plan created based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace, the Daigas Group is carrying out actions to maintain 30% or more women in career-track positions and to achieve 5% or more women in managerial positions* by the fiscal year ending March 31,

Balancing Work and Family

Supporting Balance between Childcare / Nursing Care and Work through Systems and Workplace Environment

Osaka Gas has established various systems such as childcare / nursing care leave systems and satellite offices to support the balance between childcare / nursing care and work. Satellite offices were introduced to realize more flexible and productive work styles by reducing commuting and travel time.

No. of Employees Taking Childcare and Nursing Leave at Osaka Gas (excluding loaned employees)

	2015.3	2016.3	2017.3	2018.3	2019.3
Childcare leave	28	21	18	31	33
Male	1	1	1	4	5
Shorter working hours for childcare	35	37	31	21	35
Nursing care leave	4	2	1	1	2
Shorter working hours for nursing care	2	2	5	0	1
Nurturing leave	164	171	168	198	201
Male	140	153	149	172	178
Rate (%)	77.0	79.2	76.7	88.8	84.1

FY2019.3 Results

Hours spent by each employee per year for training and education

25.1 hours/person

Status of participation in e-learning (security, information security, environment)
*Including some agency temps and part-time employees

Number of participants:

5,029 persons/course

Course hours:

3.67 hours/person

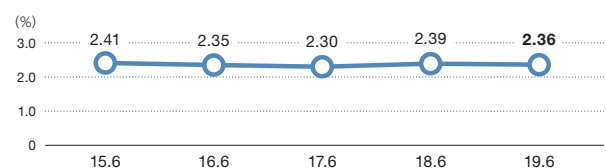
2021. As a result of various measures for work-life balance and career development, the percentage of women who joined the Company in April 2019 in career-track positions reached 28.3%, and women in managerial positions* 3.5% in April 2019.

*Percentage of women in manager or higher-level positions

Hiring the disabled

Osaka Gas does all it can to hire disabled persons and creates a work environment conducive each individual. As a result of these efforts, disabled persons accounted for 2.36% as of June 2019 exceeding the legal minimum of 2.2%. Of the 33 affiliate companies subjected to the relevant law, 15 have achieved the legal minimum.

Percentage Rate of Disabled Employees (Osaka Gas)



Employee Attitude Survey: job satisfaction and attachment to the company

Results and Actions

A grade on a five-point scale was assigned to the attitudes of Osaka Gas employees in categories including "job satisfaction" and their "degree of attachment to the Company." These survey results are treated as a source for business growth and used to develop a workplace culture where employees can tackle work with a sense of satisfaction and to evaluate better measures to implement these efforts.

	Targets	Results
Job satisfaction and attachment to the company	Maintain sufficient levels	Maintained sufficient levels (3.86 against scale of 5 for job satisfaction and 4.25 of scale of 5 for attachment to the company)

The Promise to Suppliers

Widespread value chain of our business functions with imperative cooperation of various business partners. Fulfilling our social responsibilities together with our suppliers in the value chain leads to relationships of mutual trust with our stakeholders, resulting in the development of the entire value chain.

Safety

■ Performance

FY2019.3 targets

100%



FY2019.3 results

100%

A total of 49 suppliers began new business transactions with Osaka Gas in the fiscal year ended March 31, 2019. In the year, no business deals were barred from being started due to violations of standards set in the fields of environmental and social impacts, human rights and labor practices.

■ CSR Survey Conducted on Gas Appliance Manufacturers

Osaka Gas conducted a CSR survey of 31 gas appliance manufacturers to ensure the safe use of gas appliances by end customers, as well as taking into consideration environmental friendliness and social concerns. The survey was designed to confirm each manufacturer's efforts regarding 59 items covered by the eight themes of compliance, human rights, labor, occupational health and safety, product safety and quality, environmental conservation, ethics and anti-corruption, and implementation systems in line with the "CSR Procurement Guidelines on Gas Appliances and Other Equipment." We also conducted a CSR survey of 245 companies, including service chain partners and engineering firms to which we contract our gas business related services. We will continue to fulfill our social responsibilities together with our suppliers and aim for mutual development throughout the value chain.

■ Measures in material procurement

Before starting business transactions, Osaka Gas communicates its "Purchasing Policy" and "CSR-based Purchasing Guidelines," and even confirms their efforts on CSR. In the fiscal year ended March 31, 2019, a survey was conducted on 174 major suppliers to check their CSR efforts. Furthermore, when the suppliers conduct business transactions with Osaka Gas, they are asked to observe "Green Purchase Guidelines" set by Osaka Gas, attached to the specifications for the business transactions.

■ Revision to the "Green Partner Initiative"

The "Green Partner Initiative" adopted by Osaka Gas is designed to promote environmental conservation by suppliers of gas pipeline materials. Under the system, suppliers that are recognized as being active in environmental conservation activities such as the building of an Environmental Management System (EMS) will be registered as Partners. Osaka Gas initially focused on suppliers of gas pipelines for its "Green Partner Initiative." In the fiscal year ended March 31, 2016, the Company revised the initiative to cover companies other than suppliers of gas pipeline materials as well. As of the end of the fiscal year ended March 31, 2019, 110 suppliers were registered as Partners.

The Promise to Shareholders

Daigas Group is committed to meeting shareholders' expectations for stable, long-term growth and maximized corporate value, while maintaining its sound financial foundation.

■ General Meeting of shareholders

To allow shareholders time to carefully consider proposed resolutions, Osaka Gas sends out its general meeting notifications early (about four weeks in advance of the meeting). Before sending out convocation notices, the Company discloses them on the website of the Tokyo Stock Exchange and on the Company's website. The Company has adopted an electronic voting system in which voting rights can be exercised electronically over the Internet.

■ Dialogue with shareholders and investors

The Daigas Group has been stepping up information disclosure and dialogue with shareholders and investors with the aim of strengthening our management base, regarded as necessary to generate profit in a stable manner and return part of it to shareholders continuously.

Activities in the fiscal year ended March 31, 2019

No. of briefings on financial results and business plans: 5
No. of meetings with institutional investors and analysts: 172
(85 and 87 held in Japan and overseas, respectively)

The Promise to Society

The Daigas Group will work on creating regional value by supporting community building.

Joining hands with local communities to create new social value

In a bid to create new value in regions, the Daigas Group is supporting community building under five themes—"together with local communities," "history, culture and town," "sports and health," "safety and security" and "diet." The Group is also stepping up the "Small Light Campaign," a volunteer initiative led by employees.

For better society

- Donation, volunteer activities by employees
- Support for elderly, disabled and children
- Cooperation with social designers

For healthy people and society

- Various education programs about food
- Disseminating the benefit of Japanese cuisine
- Cooking with local production

For protecting ourselves

- Energy/environment education for next generation
- Disaster prevention education using original textbooks
- Education on appropriate handling of fire



For nurturing attachment to the society

- Support for theatrical cultures
- Surveys, research, and proposals aimed at creating "comfortable lives," "vibrant communities," and "sustainable societies" by energy and cultural-related research facilities

For healthy society through sports

- Track and field class
- Nutrition seminar for athletes

- Volunteering activities by the Group employees

■ "Small Light Campaign"

The Daigas Group launched the "Small Light Campaign" in 1981. Begun with the idea that individual employees should take an interest as a member of the society and give serious thought to resolving the various problems facing their local communities, this initiative's goal is that the employees' actions contribute to development of the society.

■ Food education activities

The Daigas Group has been undertaking food education activities under the slogan "nurturing healthy youth through food." These activities include holding food education seminars and study sessions for people working at schools and nursing facilities, compiling and distributing food education books for use at elementary schools as learning materials, and sponsoring a food education class on dashi soup stock used in Japanese cuisine, in which participants can learn about "dashi culture" fostered in the Kansai region through actual cooking and tasting. The Daigas Group also holds cooking classes on a range of themes, including local production and local consumption, and food and health, in collaboration with local universities and municipalities. Also held by the Group are cooking contests participated in by parents and their children in the Kinki region. The "Japanese dashi soup stock experience class" mainly took the form of mobile courses at elementary schools, and was held 191 times and attended by 5,643 people in FY2018.3, and 343 times and by 11,687 people in FY2019.3. In recognition of these efforts, we received the Judging Committee Encouragement Award in the Awards for Companies Promoting Experience-based Activities for Youth, hosted by the Ministry of Education, Culture, Sports, Science and Technology. The award recognizes experience-based activities for youth that companies conducted as part of their CSR (social responsibility) or social contribution activities. This was the first time a gas company received the award.

■ Disaster prevention education

After the Great East Japan Earthquake, the need for disaster education has increased. Against this backdrop, Osaka Gas has created the original educational material "Disaster prevention classes to think about," and distributed it to schools, universities, administrative organizations, community associations, etc. free of charge. The content of material has come to be able to learn about natural disasters in Japan, changes in living at times of disasters and wisdom and ingenuity useful at that time in a workshop format. The total number of distribution exceeded 120,000 volumes in 5 years from the start of distribution. These activities were evaluated and received the Excellence Award in the "Corporate and Industry Organization" section of "Consumer Education Teaching Material Award 2018" sponsored by the National Institute on Consumer Education.

■ NOBY T&F CLUB activities

Osaka Gas has used its resources and assets to help build vitality-filled communities. For example, NOBY T&F CLUB, an athletic club run by Olympic medalist Nobuharu Asahara, an Osaka Gas employee, provides a variety of athletic programs to young athletes to support their sound growth and foster top-level athletes who are to play a key role in Japan's future athletic sports. A multiple number of businesses have been launched at local municipalities based on the know-how obtained through the NOBY T&F CLUB. In September 2018, NOBY T&F CLUB signed a business agreement with the CERESO OSAKA SPORTS CLUB, aiming to nurture next-generation top athletes who will be successful on the global stage and promote the health of all people from children to senior citizens using track and field facilities, and started activities as a comprehensive regional sports club.



Governance Corporate Governance



Representative Director Tadashi Miyagawa Representative Director and Chairman Hiroshi Ozaki Representative Director Masataka Fujiwara President Takehiro Honjo Representative Director Takeshi Matsui

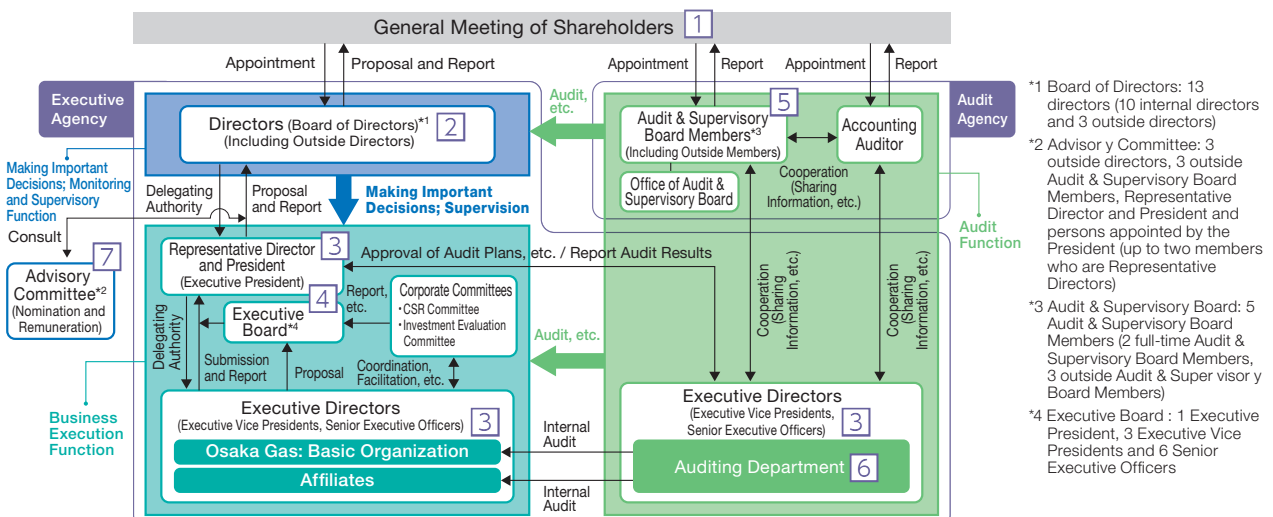
Basic stance toward corporate governance

Osaka Gas believes it is important to achieve sustainable growth and increase medium and long-term corporate value by engaging in fair and transparent business activities. To achieve this, the Company looks to respond appropriately to the exercising of shareholder rights, work toward maintaining and increasing a sense of trust by dialogue and cooperation with its stakeholders, and enhance the level of the entire

Group's corporate social responsibility (CSR). Further, the Group looks to respond swiftly to changes in the Group's business environment and continuously improve and strengthen its corporate governance so that transparent, fair and decisive decisions can be made and efficient and appropriate actions can thereby be implemented.

Corporate governance promotion organization and activities

Corporate governance organization chart (as of June 24, 2019)



1 General Meeting of Shareholders

To allow shareholders time to carefully consider proposed resolutions, Osaka Gas sends out its shareholder meeting notifications early (about four weeks in advance of the meeting). Before sending out convocation notices, the Company discloses them on the website of the Tokyo Stock Exchange and on the Company's website. The Company has adopted an electronic voting system in which voting rights can be exercised electronically over the Internet.

2 Board of Directors, Directors of the Company

The Board of Directors consists of 13 directors (including three outside directors). Its mission is to make swift and appropriate decisions about important matters that affect the whole Group including subsidiaries and to enhance supervisory capabilities. It met a total of 13 times in the fiscal year ended March 31, 2019, and had an attendance rate of 98.8%. There was adequate time for deliberations, and active discussions were conducted.

3 Executive Officers

Osaka Gas has adopted an executive officer system, which enables the Directors of the Company to focus on decision-making and monitoring and supervisory functions, and worked toward strengthening the business efficiency and the supervisory functions by dynamically mobilizing the Board of Directors. Executive officers perform duties determined by the Board of Directors, and some Representative Directors and Directors concurrently serve as executive officers to make management decision-making more accurate and efficient.

4 Executive Board

Osaka Gas examines basic management policies and important management issues through the Executive Board and fully deliberates the foregoing before decision-making. In accordance with internal regulations, the Executive Board consists of the Executive President, Executive Vice Presidents, Senior Executive Officers, Heads of Corporate Headquarters, and Heads of Business Division. In principle, CSR Promotion Meetings are held three times a year by the Executive Board, which deliberate on plans for CSR activities and make reports on CSR activities.

5 Audit & Supervisory Board, Audit & Supervisory Board Members

Osaka Gas has chosen the organizational form as a company with an Audit & Supervisory Board. The Audit & Supervisory Board consists of five Audit & Supervisory Board Members, of whom three are outside auditors and each Audit & Supervisory Board Member monitors the execution of work duties by the Directors.

The Office of Audit & Supervisory Board with a dedicated full-time staff of four which is not under the direct control of the directors has been established to support the Audit & Supervisory Board Members' auditing work and thus improve the auditing system.

6 Auditing Department

Osaka Gas has established the Auditing Department (with a staff of 18) that functions as an internal auditing division. Based on an annual auditing plan, it evaluates from an independent and objective standpoint the conformance to standards and efficiency of business activities and the appropriateness of institutions and standards. In addition to giving recommendations and conducting follow-ups that lead to business improvements in the organizations subject to audit, the department summarizes the issues and reports its results to the Executive Board.

Audit & Supervisory Board Members accounting auditors and the Auditing Department meet on a regular basis to discuss annual audit plans and audit reports, and also convene as required to exchange audit information. This facilitates audit coordination and helps improve audit effectiveness and quality.

7 Advisory Committee

To maintain objectivity and achieve transparency in the decision-making process, matters relating to appointment of Director and Audit & Supervisory Board Member candidates, appointment and dismissal of Representative Director and other Executive Officers, and matters relating to Directors' remuneration are deliberated at an advisory committee made up of a majority of external Officers before decision is made in light of such deliberations.

Directors



Representative Director and Chairman
Hiroshi Ozaki

[Biography]
1972. 5 Joined the Company
1999. 6 General Manager of Materials Dept.
2002. 6 Director
2002. 6 Tokyo Representative; seconded to the Japan Gas Association
2005. 6 Managing Director
2005. 6 Head of LNG Terminal & Power Generation Business Unit
2007. 6 Head of Commercial & Industrial Energy Business Unit
2008. 4 Representative Director and President
2009. 6 Representative Director and President, Executive President
2015. 4 Representative Director and Chairman (current)
2019. 6 Member of the Board of Shionogi & Co., Ltd. (current)



President
Takehiro Honjo

[Biography]
1978. 4 Joined the Company
2003. 4 General Manager of Corporate Strategy Dept.
2007. 6 Executive Officer
2008. 6 Senior Executive Officer
2008. 6 Head of Commercial & Industrial Energy Business Unit
2009. 6 Director, Senior Executive Officer
2010. 6 Head of Residential Energy Business Unit
2013. 4 Representative Director, Executive Vice-President
2015. 4 Representative Director and President, Executive President (current)



Vice-President
Masataka Fujiwara

[Biography]
1982. 4 Joined the Company
2009. 6 General Manager of Keiji Energy Sales Dept., Commercial & Industrial Energy Business Unit
2012. 4 Executive Officer
2012. 4 General Manager of Energy Business Development Dept., Commercial & Industrial Energy Business Unit
2013. 4 Representative Director and President of Osaka Gas Chemicals Co., Ltd.
2015. 4 Senior Executive Officer
2016. 4 Executive Vice-President
2016. 4 President of Corporate Planning Headquarters
2016. 6 Representative Director, Executive Vice-President (current)



Vice-President
Tadashi Miyagawa

[Biography]
1982. 4 Joined Ministry of International Trade and Industry
2013. 6 Director-General of Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
2014. 7 Retired from Ministry of Economy, Trade and Industry
2015. 1 Joined the Company
2015. 4 Senior Executive Officer
2016. 6 Director, Senior Executive Officer
2018. 4 Representative Director, Executive Vice-President (current)



Vice-President
Takeshi Matsui

[Biography]
1983. 4 Joined the Company
2009. 6 General Manager of Finance Dept.
2013. 4 Executive Officer
2014. 4 General Manager of Human Resources Dept.
2016. 4 Senior Executive Officer
2016. 4 Head of Energy Resources & International Business Unit
2017. 6 Director, Senior Executive Officer
2019. 4 President of Corporate Planning Headquarters (current)
2019. 4 Representative Director, Executive Vice-President (current)



Director
Takayuki Tasaka

[Biography]
1985. 4 Joined the Company
2011. 4 General Manager of Corporate Strategy Dept.
2015. 4 Executive Officer
2015. 4 General Manager of Planning Dept., Residential Energy Business Unit
2016. 4 Senior Executive Officer
2016. 4 Head of Residential Energy Business Unit
2018. 4 Head of Commercial & Industrial Energy Business Unit (current)
2018. 6 Director, Senior Executive Officer (current)



Director
Hisaichi Yoneyama

[Biography]
1986. 4 Joined the Company
2013. 4 General Manager of Technology Planning Dept.
2014. 4 Executive Officer
2014. 8 President of Osaka Gas USA Corporation
2017. 4 Senior Executive Officer
2017. 4 Head of LNG Terminal & Power Generation Business Unit
2018. 4 Head of LNG, Power & Engineering Business Unit (current)
2018. 6 Director, Senior Executive Officer (current)



Director
Fumitoshi Takeguchi

[Biography]
1985. 4 Joined the Company
2011. 4 General Manager of Secretariat
2016. 4 Executive Officer
2016. 4 General Manager of General Affairs Dept.
2018. 4 Senior Executive Officer
2018. 6 Director, Senior Executive Officer (current)



Director
Shigeru Chikamoto

[Biography]
1985. 4 Joined the Company
2013. 4 General Manager of Resources Trading Dept., Energy Resources & International Business Unit
2016. 4 Executive Officer
2018. 4 Senior Executive Officer
2018. 4 Head of Pipeline Business Unit
2018. 6 Director, Senior Executive Officer (current)
2019. 4 Head of Pipeline Network Company (current)



Director
Kei Takeuchi

[Biography]
1987. 4 Joined the Company
2013. 4 General Manager of Energy Business Development Dept., Commercial & Industrial Energy Business Unit
2016. 4 Executive Officer
2016. 4 Representative Director and President of Osaka Gas Chemicals Co., Ltd.
2018. 4 Senior Executive Officer
2019. 4 Head of Energy Resources & International Business Unit (current)
2019. 6 Director, Senior Executive Officer (current)



Outside Director
Hideo Miyahara

[Biography]

1989.10 Professor, Faculty of Engineering, Osaka University
1998. 4 Dean of the Graduate School of Engineering, Dean of the Faculty of Engineering, Osaka University
2002. 4 Dean of the Graduate School of Information Science and Technology, Osaka University
2003. 8 President of Osaka University
2007. 9 President of the National Institute of Information and Communications Technology
2012. 6 Representative Director of Knowledge Capital Association (current)
2013. 4 Specially Appointed Professor, Graduate School of Information Science and Technology, Osaka University
2013. 6 Director of West Japan Railway Company (current)
2013. 6 Director of the Company (current)
2016. 4 Visiting Professor, Graduate School of Information Science and Technology, Osaka University (current)

Board of Directors Meetings Attendance Record (April 1, 2018-March 31, 2019)

Attended 12 of 13 meetings of the Board of Directors. He made comments as appropriate based on his considerable experience and extensive knowledge in organizational management and from his independent position as an outside director.



Outside Director
Takayuki Sasaki

[Biography]

1970. 4 Joined Japanese National Railways
2002. 6 President, West Japan Railway Daily Service Net Company Co., Ltd.
2007. 6 Vice President, West Japan Railway Company
2009. 6 Vice Chairman, West Japan Railway Company
2009. 8 President, West Japan Railway Company
2012. 5 Chairman, West Japan Railway Company
2016. 6 Senior Advisor, West Japan Railway Company
2016. 6 Director of the Company (current)
2018. 6 Advisor, West Japan Railway Company (current)

Board of Directors Meetings Attendance Record (April 1, 2018-March 31, 2019)

Attended 13 of 13 meetings of the Board of Directors. He made comments as appropriate based on his considerable experience and extensive knowledge in corporate and organizational management and from his independent position as an outside director.



Outside Director
Kazutoshi Murao

[Biography]

1976. 4 Joined Nippon Telegraph and Telephone Public Corporation
2009. 6 Representative Director and Senior Executive Vice President of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION
2012. 6 Representative Director and President of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION
2018. 6 Counselor to the president, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (current)
2019. 6 Member of the Board of Mitsubishi Tanabe Pharma Corporation (current)
2019. 6 Director of Keihan Holdings Co., Ltd. (current)
2019. 6 Director of the Company (current)

Audit & Supervisory Board Members



Audit & Supervisory Board Member
Takahiko Kawagishi

[Biography]

1978. 4 Joined the Company
2005. 6 General Manager of Finance Dept.
2006. 6 General Manager of General Affairs Dept.
2008. 6 Executive Officer
2008. 6 General Manager of Secretariat
2011. 4 Senior Executive Officer
2011. 6 Director, Senior Executive Officer
2014. 4 Tokyo Representative; seconded to The Japan Gas Association
2014. 6 Senior Executive Officer
2016. 4 Counselor
2016. 6 Audit & Supervisory Board Member (current)



Audit & Supervisory Board Member
Toshimasa Fujiwara

[Biography]

1981. 4 Joined the Company
2010. 6 General Manager of Human Resources Dept.
2012. 4 Executive Officer
2014. 4 Representative Director and President of Osaka Gas Customer Relations Co., Ltd.
2015. 4 Senior Executive Officer
2015. 4 Head of Residential Energy Business Unit
2015. 6 Director, Senior Executive Officer
2018. 4 Director, Chairman and Director of Osaka Gas Customer Relations Co., Ltd.
2018. 6 Advisor
2019. 6 Audit & Supervisory Board Member (current)



Outside Audit & Supervisory Board Member
Yoko Kimura

[Biography]

1987.12 Assistant Professor, Faculty of Home Economics, Nara Women's University
1993.10 Assistant Professor, Faculty of Human Life and Environment, Nara Women's University
2000. 4 Professor, Faculty of Human Life and Environment, Nara Women's University
2000.12 Member of Local Public Finance Council
2010. 4 Chairperson of the Board of Directors, Council of Local Authorities for International Relations
2014. 4 Advisor of Japan Center for Cities
2014. 6 Audit & Supervisory Board Member of the Company (current)
2015. 4 Director, Nara Prefectural University (current)

Board of Directors Meetings and Audit & Supervisory Board Meetings Attendance Record (April 1, 2018-March 31, 2019)
Attended 12 of 13 meetings of the Board of Directors and attended 13 of 14 meetings of the Audit & Supervisory Board. She made comments as appropriate based on her considerable experience and extensive knowledge in organizational management and from her independent position as an outside Audit & Supervisory Board Member.



Outside Audit & Supervisory Board Member
Eiji Hatta

[Biography]

1985. 4 Professor, Faculty of Economics, Doshisha University (current)
1996. 4 Dean, Faculty of Economics, Doshisha University
1998. 4 President, Doshisha University
2008. 2 Chairman, Japan Student Baseball Association (current)
2009. 4 Vice Chairman, Japan University Auditors Association (current)
2011.10 Chancellor, The Doshisha
2015. 6 Vice President, Baseball Federation of Japan
2015. 6 Audit & Supervisory Board Member of the Company (current)
2015. 9 Director, Japan High School Baseball Federation (current)
2017. 4 President, The Doshisha (current)
2017. 4 Chancellor, The Doshisha (current)

Board of Directors Meetings and Audit & Supervisory Board Meetings Attendance Record (April 1, 2018-March 31, 2019)
Attended 13 of 13 meetings of the Board of Directors and attended 14 of 14 meetings of the Audit & Supervisory Board. He made comments as appropriate based on his considerable experience and extensive knowledge in organizational management and from his independent position as an outside Audit & Supervisory Board Member.



Outside Audit & Supervisory Board Member
Shigemi Sasaki

[Biography]

1974. 4 Appointed as judge
2011. 5 Chief Judge, Takamatsu High Court
2012. 3 Chief Judge, Osaka High Court
2013. 3 Retired from judgeship
2013. 4 Professor, Graduate School of Law, Kyoto University
2016. 6 Audit & Supervisory Board Member of the Company (current)

Board of Directors Meetings and Audit & Supervisory Board Meetings Attendance Record (April 1, 2018-March 31, 2019)
Attended 13 of 13 meetings of the Board of Directors and attended 14 of 14 meetings of the Audit & Supervisory Board. He made comments as appropriate based on his considerable experience and specialized knowledge as a legal professional and from his independent position as an outside Audit & Supervisory Board Member.

Director and Audit & Supervisory Board Members Remuneration

To maintain objectivity and achieve transparency in the decision-making process, the remuneration for each Director shall be deliberated at an advisory committee made up of a majority of outside officers before decision is made by a resolution of the Board of Directors, with such amounts being within the maximum amount (¥63 million per month).

In deciding amounts of remuneration, the Company follows rules specified by a resolution of the Board of Directors, and considers each Director's roles and responsibilities and levels of remuneration at other companies. To encourage officers' efforts to realize sustainable growth and increase medium- to long-term corporate value, about 40% of overall remuneration is linked to the business results of the Company. In order to contribute to short- and medium- to long-term corporate value enhancement, the performance-based amount is linked to profit attributable to owners of parent in the past three years. The voluntary advisory committee meeting for the fiscal year ended March 31, 2019 was held in May 2018 in accordance with rules specified by the resolution of the Board of Directors with attendance of seven committee members (including five outside officers) and deliberations were held on matters such as the appropriateness of calculation methods for the portion linked to business results, payment coefficient, and remuneration levels.

The amount of remuneration for Outside Directors consists only of a fixed portion because they are in positions independent of the execution of the Company's businesses. Directors, except Outside Directors, purchase the Company's shares through an

officers' shareholding association, to which they contribute a certain amount of money from their monthly remuneration.

The advisory committee is comprised of inside and outside members, with outside committee members being all of the outside officers (the three outside Directors and the three outside Audit & Supervisory Board Members). The inside committee members are the Company President and if necessary, persons appointed by the President (the President may appoint up to two other Representative Directors). The committee members elect the committee chairperson from amongst themselves.

The above-mentioned policy on deciding remuneration is determined by President within the scope of resolutions of the Board of Directors and the results of deliberation by the voluntary advisory committee.

Remuneration for each Audit & Supervisory Board Member shall be determined through discussions among Audit & Supervisory Board Members within the amount of remuneration (up to ¥14 million per month) approved at the Annual Meeting of Shareholders, taking into consideration the position, etc. of each Audit & Supervisory Board Member. The amount of the remuneration for Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) consists only of a fixed portion because they are in positions independent of the execution of the Company's businesses.

The system of paying retirement benefits to Directors and Audit & Supervisory Board Members has been abolished.

Profit Attributable to Owners of Parent (Consolidated Profit) for the Last Three Years

Fiscal year			198th	199th	200th
Fiscal year			FY2016.3	FY2017.3	FY2018.3
Profit attributable to owners of parent	million yen	Plan	73,500	52,000	42,500
		Results	84,324	61,271	37,724

Osaka Gas' Total Amount of Remuneration by Officer Classification and by Type of Remuneration, and Number of Eligible Officers

Classification	Total amount of remuneration (million yen)	Total amount of remuneration by type of remuneration		Number of payees
		Fixed (million yen)	Performance-linked (million yen)	
Directors (excluding outside directors)	506	303	202	14
Audit & Supervisory Board Members (excluding outside members)	67	67	—	2
Outside directors	32	32	—	3
Outside Audit & Supervisory Board Members	32	32	—	3

Note: The number of persons and amounts include four internal directors who retired as of the close of the Company's 200th Annual Shareholders' Meeting held on June 28, 2018.

■ The total amount of remuneration for each officer is not stated as there is no officer with a total amount of consolidated remuneration of 100 million yen or more.

■ There are no employees concurrently serving as officers.

Criteria for Determining the Independence of Outside Directors and Outside Audit & Supervisory Board Members

Osaka Gas appoints three outside directors and three outside Audit & Supervisory Board Members. To attain sustainable growth and improve medium- to long-term corporate value for the Group, as a basic policy, candidates for Directors and Audit & Supervisory Board Members are selected from a diverse group of people regardless of gender and nationality, taking into account their knowledge, experiences, abilities, and personalities. In addition, during selection of outside director candidates, the Company takes into consideration independence and ability to make objective decisions, wide range of insight, wealth of experience, and high level of expertise in their field of specialization. Outside directors participate in decision-making as members of the Board of Directors' meetings and monitor and supervise the execution of duties of the managing directors from an independent position based on their knowledge and experience. Outside Audit & Supervisory Board Members use their knowledge and experience to conduct strict audits on the execution of duties of the managing

directors, also from an independent standpoint. Both outside directors and outside Audit & Supervisory Board Members will hear about a variety of issues at Board of Directors' meetings, including the operation of internal control systems based on the Companies Act, the evaluation of internal controls as they relate to financial reports based on the Financial Instruments and Exchange Act, internal audits, and CSR activities. They will also confirm the content of accounting audit reports.

In addition, outside Directors Hideo Miyahara, Takayuki Sasaki, Kazutoshi Murao and outside Audit & Supervisory Board Members Yoko Kimura, Eiji Hatta, and Shigemi Sasaki have no special interest relationships with the company affecting decision-making, and as they meet the criteria for the independence of outside officers stipulated by the company, they are judged to have sufficient independence. Based on the above, they are reported as independent officers to the financial instruments exchanges on which the company is listed.

Risk management

In the Daigas Group, organizational heads of the Company and presidents of the affiliated companies promote the management of the risk of losses and periodically conduct risk management assessments. Each basic organization or affiliated company uses the Gas Group Risk Management System (G-RIMS) to ascertain risks, inspect the status of compliance with those risks, and conduct follow-up activities.

Regarding the management of risks concerning security and disaster prevention which are common to the Group, the organization in charge is clearly specified, and the organization supports each basic organization and affiliated company to ensure risk management on a Group-wide basis. To prepare for emergencies, regulations for disaster countermeasure and business continuity plans are prepared.

Business Risks

The following are examples of risks that can affect business performance and financial conditions of the Group. Matters concerning the future as stated are based on the Daigas Group's judgment and assumptions as of the end of the fiscal year ended March 31, 2019.

(1) Risks Related to All Businesses within the Group

- ① Changes in economic, financial, and social conditions as well as market contraction
A decrease in net sales, difficulties in fund-raising, insolvency of partner companies, Japan's shrinking population or the transfer of manufacturing overseas, due to worsening economic, financial, and social conditions in the economies of Japan and/or other countries
- ② Changes in foreign exchange rates and borrowing rates
- ③ Occurrence of catastrophic disasters, accidents, or infectious diseases
Occurrence of catastrophic natural disasters, terrorist events, accidents, or infectious disease epidemics such as new strains of influenza or other diseases
- ④ Changes in international rules, politics, laws and regulations, and institutional systems
Changes in international rules concerning the environment, the public, and corporate governance, as well as changes in the rules, policies, laws and regulations, and institutional systems in Japan and/or other countries
- ⑤ Intensifying competition
Intensifying competition with other operators in business areas related to the Group
- ⑥ Breakdown or malfunction of critical IT systems
Breakdown or malfunction of critical IT systems, such as systems related to gas production, power generation, and gas and electricity supply or billing
- ⑦ Quality issues with products or services
Expenditures to resolve quality problems relating to products or services handled by the Group or damage to the Group's social reputation thereof
- ⑧ Information leaks
External leaks of important information used in the course of the Group's business, including customer information or technical information possessed by the Group
- ⑨ Non-compliance with laws and regulations
Damage to social reputation and costs arising following acts carried out by the Group or by any person related to the Group in violation of any law or regulation

(2) Risks Related to Major Businesses

- ① Domestic energy business
 - a. Impact of fluctuations in temperature/water temperature on energy demand
 - b. Changes in raw fuel costs
Fluctuation in raw fuel costs due to changes in foreign exchange rates, crude oil prices, renewal of contracts and price negotiation trends with fuel suppliers, and other relevant factors
 - c. Difficulty in procuring raw fuels
Problems with the facilities of LNG (raw fuel from which gas or electricity are produced) suppliers or their operations, or other incidents
 - d. Difficulties in gas production and supply
Disruption of the production or supply of gas due to catastrophic natural disaster or accidents
 - e. Difficulties in power generation or supply
Any difficulties in power generation or supply due to a natural disaster, accident, problems with fuel purchasing or other incidents
 - f. Gas equipment and facility issues
Serious problems with gas equipment or facilities
 - g. Intensifying competition in the industry and the resulting increase in choices available to consumers
- ② International energy business
Changes in the operating environment, such as decreased profitability or project delay or cancellation, resulting from the public policies, implementation of or changes in regulations, deterioration of economic or social conditions, or technical problems in the countries in which the Group operates
The Daigas Group prepares for the above risk by entering into derivative transactions for foreign exchange and materials, etc., purchasing various insurance such as disaster insurance, enhancing the security of core IT systems, thoroughly following compliance and information management protocol, appropriately understanding and supervising the situations of business operations, and formulating and reviewing safety and disaster measures as well as business continuity plans, to mitigate impact on our business in cases where such risks emerge.