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(Securities) Identification Code: 9532)

Report for the 207th Fiscal Year From  
April 1, 2024 to March 31, 2025

**To Our Shareholders:**



I would like to express my deepest gratitude to our shareholders for your consistent support to the Daigas Group's business operations.

The Daigas Group ("the Group") aspires to "secure peace of mind today, build sustainable lifestyles for tomorrow," and aims to be an innovative and preferred energy & service company throughout the ages in line with our 2030 Long-term Management Vision and Medium-term Management Plan 2026. In February this year, we formulated the "Daigas Group Energy Transition 2050," and we will pursue value creation that contributes to solving social issues to achieve a sustainable society. This includes our initiatives for achieving a low carbon / carbon neutral society and initiatives to enhance the resilience of society.

Since we discovered incidents regarding descriptions for the sale of ENE-FARM products that raised questions under the Act against Unjustifiable Premiums and Misleading Representations, we have implemented measures to prevent recurrence and submitted a report to the Consumer Affairs Agency in March this year. We sincerely apologize to our shareholders for the great concern and inconvenience caused by these incidents.

The Group will work as one to regain trust by thoroughly ensuring fair and transparent business operations. We will actively and steadily promote our business activities.

Your continued support would be greatly appreciated.

June 2025

Masataka Fujiwara  
President

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## **Business Report (April 1, 2024 to March 31, 2025)**

### **I. Current Situation of the Business Group**

#### **1. Business Operations and Results**

During the current fiscal year, the Japanese economy continued to experience a moderate recovery due to strong corporate results driven by the depreciation of the yen, increased capital investment supported by the demand for digitization and labor-saving measures amid a labor shortage, and the expansion of inbound demand, despite lackluster personal consumption due to rising prices.

In such a business environment, the Group has proactively conducted its businesses with the aim of becoming a corporate group that “powers continuous advancement in life and business.”

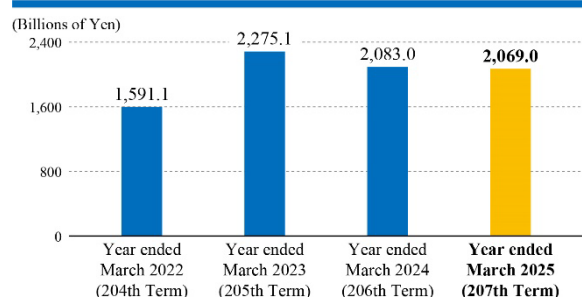
Consolidated net sales for the current fiscal year decreased by 0.7% from the previous year to ¥2,069.0 billion. This was primarily due to a decrease in LNG sales volumes and a low unit selling price of city gas under the fuel cost adjustment system, despite an increase in electricity sales in the Domestic Energy Business (see Graph 1).

Consolidated ordinary profit decreased by 16.3% from the previous year to ¥189.6 billion. This was primarily due to a decline in the positive impact of a time lag between fluctuations in raw material costs, etc., and their reflection in the unit selling prices\* in the Domestic Energy Business (see Graph 2).

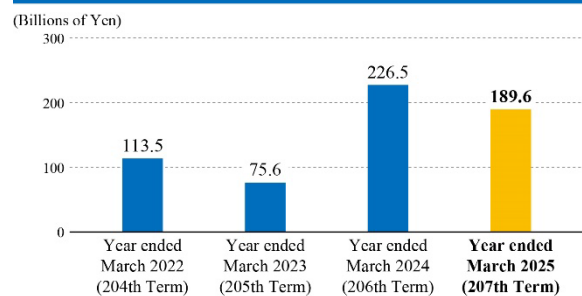
Profit attributable to owners of parent increased by 1.3% from the previous year to ¥134.4 billion (see Graph 3).

\* There is a time lag between fluctuations in raw material and fuel costs and their reflection in the unit selling price under the fuel cost adjustment system, which causes a temporary increase/decrease in profit. This resulted in a temporary increase in profit for this fiscal year.

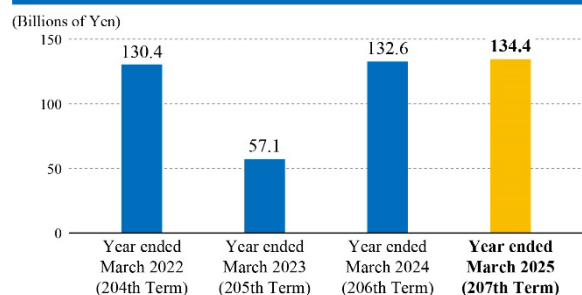
**Graph 1 Transition of Consolidated Net Sales**



**Graph 2 Transition of Consolidated Ordinary Profit**



**Graph 3 Transition of Profit Attributable to Owners of Parent**



An overview of the Group's operations by business segment was as follows.

#### (1) Domestic Energy

Net sales decreased by 1.9% from the previous year to ¥1,737.9 billion.

##### Gas

The city gas sales volume for residential use decreased by 3.6% from the previous year to 1,659 million cubic meters, primarily due to persistently high air and water temperatures.

The city gas sales volume for business use increased by 1.4% from the previous year to 4,992 million cubic meters primarily due to an increase in the operation of customers' facilities for business use.

As a result, total city gas sales volume increased by 0.1% from the previous year to 6,650 million cubic meters.

City gas was supplied to 5,114 thousand accounts as of March 31, 2025.

Regarding gas appliances and services for residential customers, we endeavored to develop and expand sales of devices and equipment for hot water supply, air heating and cooking.

In addition, we have worked to provide a range of services and further expand our offerings, including the "Sumikata Service" which involves repairing gas appliances and plumbing as well as disaster/crime prevention, the "Sumai LINK" digital life service platform, and "Sasuga Net" Internet services.

In January 2025, the "hu+g MUSEUM," our food and lifestyle showroom, celebrated its tenth anniversary. We renovated some of this facility in February, establishing the "hu+g BASE," where visitors can learn about energy through hands-on experiences.

We will continue to strive to enhance customers' comfortable living environments.

Regarding gas appliances and services for business use, we engaged in efforts to develop and promote sales of products such as cogeneration systems\*1, air-conditioning systems, kitchen instruments, boilers, industrial furnaces and burners. We also provided high-value-added solutions to meet customer needs, for example, "D-Lineup," which helps to solve various management issues of customers from the viewpoint of decarbonization,



"STYLES" gas stove



Publicizing "Sumai LINK"



"hu+g MUSEUM"

decentralization, and digitalization, by utilizing our engineering capabilities.

We also undertake research and development of catalysts and combustion technologies, among others, that contribute to carbon reduction / carbon neutrality. This includes high-efficiency SOEC methanation technology<sup>\*2</sup>, which is expected to be a promising technology for achieving the carbon neutrality of city gas.

In June 2024, in our SOEC methanation joint technological development project with the National Institute of Advanced Industrial Science and Technology (AIST)<sup>\*3</sup>, we completed a pilot facility for the production of 0.1Nm<sup>3</sup>/h e-methane<sup>\*4</sup> and commenced demonstration testing.

In March 2025, in our methanation pilot project using hydrogen from renewable energy sources and biogas<sup>\*5</sup>, we completed the construction of the Bakeru LABO, a demonstration facility inside the venue of the 2025 World Exposition in Japan (Expo 2025 Osaka, Kansai)<sup>\*6</sup> and commenced demonstration testing. Bakeru LABO will use food waste and CO<sub>2</sub> generated within the venue to produce 7Nm<sup>3</sup>/h of e-methane.

We promoted fuel conversion from fuels such as coal and petroleum to natural gas and the introduction of high-efficiency equipment, among other measures, as initiatives for the period of transition to a carbon-neutral society, and worked to reduce the CO<sub>2</sub> emissions of our customers.

To ensure stable supply and security, continuous efforts were made throughout the year to diversify natural gas procurement sources, ensure good maintenance and well-planned renovations of gas production and supply facilities including utilization of AI technology, and promote the spread of gas appliances equipped with safety functions.

In November 2024, Osaka Gas Network Co., Ltd. held a joint drill with TOKYO GAS NETWORK Co., Ltd. and TOHO GAS NETWORK Co., Ltd. aimed at mutual support and stronger coordination in the event of a disaster, and we have continued to engage in earthquake and tsunami countermeasures.

<sup>\*1</sup> As a decentralized power source, it also contributes to improving the resilience of the energy supply.



Advertisement for "D-Lineup"



Conceptual image of the Bakeru LABO



Joint earthquake drill

- \*2 Methanation technology uses a catalyst to cause a reaction between hydrogen and CO or CO<sub>2</sub> to produce methane, the main component in city gas. SOEC methanation is a technology that uses SOEC (electrolysis element using a solid oxide), harnessing electricity generated from renewable sources for the electrolysis of water together with CO<sub>2</sub> to produce hydrogen and CO, the raw materials for methanation.
- \*3 The SOEC methanation technological innovation project has been selected as a Green Innovation Fund Project by the New Energy and Industrial Technology Development Organization (NEDO).
- \*4 This is synthetic methane (e-methane) produced by using non-fossil fuel energy sources.
- \*5 This project has been implemented as a “Project to Construct and Demonstrate a Model for Reducing the Cost of Hydrogen Supply by Utilizing the Existing Infrastructure (Hydrogen Supply Chain Demonstration Project of Methanation Utilizing Renewable Hydrogen and Food Waste Biogas in Urban Areas)” by the Ministry of the Environment.
- \*6 The Japan Gas Association, of which the Company and Osaka Gas Network Co., Ltd. are members, has established the GAS PAVILION display to publicize e-methane and other technologies.



The GAS PAVILION exhibited by  
The Japan Gas Association at the 2025  
World Exposition in Japan  
(Photograph provided by the Japan  
Gas Association)

### Electricity

The electricity sales volume increased by 10.9% from the previous year to 16,982 million kWh.

The number of accounts under low-voltage electricity contracts reached 1.922 million as of March 31, 2025.

We strived to offer a variety of electricity rate menus, such as those that can be used in combination with gas for a discount, those tailored to customers' lifestyles and hobbies, and those that contribute to decarbonization.

To achieve carbon neutrality by 2050, we have been actively promoting the expansion of renewable energy sources. As a result, the total contribution to the spread of renewable energy sources, including contributions from overseas included in the International Energy segment, reached about 3.70 million kW as of March 31, 2025.

The main renewable electricity sources that the Company has participated in during the current fiscal year include two solar power



Hyuga Biomass Power Plant  
(Miyazaki Prefecture)



plants in Iwate Prefecture (with generating capacity of 40,000 kW, started commercial operation; 40% ownership).

The Hyuga Biomass Power Plant in Hyuga City, Miyazaki Prefecture (with generating capacity of 50,000 kW; 35% ownership) and the Aichi Tahara Biomass Power Plant in Tahara City, Aichi Prefecture (with generating capacity of 70,000 kW; 25% ownership) commenced commercial operation in October 2024 and November 2024, respectively.

Construction of Unit 1 and Unit 2 of the Himeji Natural Gas Power Plant in Himeji City, Hyogo Prefecture (with generating capacity of 1,250,000 kW, scheduled to start commercial operation by May 2026) is progressing steadily. In addition, in March 2025, the Company decided to construct Unit 3 of the plant (with generating capacity of 620,000 kW) jointly with three companies, including the Development Bank of Japan Inc.

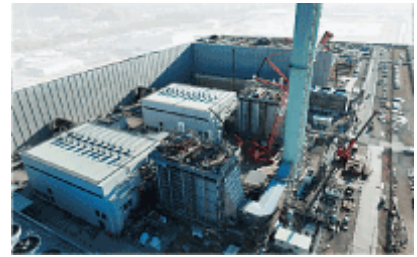
## (2) International Energy

Net sales increased by 10.0% from the previous year to ¥128.1 billion.

Sabine Oil & Gas Corporation (100% ownership), which is engaged in shale gas production development in Texas, USA, is steadily progressing with its projects, primarily the development of new wells.

In February 2025, the Company concluded an LNG purchase agreement with the Abu Dhabi National Oil Company PJSC in the Emirate of Abu Dhabi, UAE. Based on this agreement, the Company plans to purchase up to 800,000 tons of LNG per year as part of its efforts to ensure the stable procurement, development, and supply of natural gas, which will be a key energy source during the energy transition period.

In Asia, the Company's subsidiary Osaka Gas Singapore Pte. Ltd., through its jointly owned subsidiary, acquired an equity interest in AG &P LNG Marketing Pte. Ltd., which is a holding company with business subsidiaries engaged in the city gas business in India, in April 2024. In March 2025, through its jointly owned subsidiary, it proceeded to conclude an agreement to establish a joint venture company with Clean Max Enviro Energy Solutions, a business company engaged in developing power sources using renewable energy in India. The new joint venture will develop and hold renewable energy power sources.



The Himeji Natural Gas Power Plant currently under construction (Hyogo Prefecture)



Bird's-eye view of the base from which the LNG will be purchased (UAE)



Solar power plant operated by Clean Max Enviro Energy Solutions (India)

We also pursued joint consideration with energy business operators in North America, South America, Europe, the Middle East, Australia, and Asia, aimed at manufacturing e-methane and exporting it to Japan.

We will continue to strive for building supply chains for e-methane and other products that contribute to carbon neutrality.

### (3) Life & Business Solutions

Net sales increased by 3.1% from the previous year to ¥282.4 billion.

Osaka Gas Urban Development Co., Ltd., a group company engaged in the urban development business, expanded its assets by acquiring 19 rental apartment buildings, including “Urbanex Waseda Terrace” (Tokyo). The company also completed the construction of five condominium buildings, including “SCENES Kyoto Kamogawa Kawaramachi” (Kyoto Prefecture) during the current fiscal year.

It is also proceeding with the construction of a new building for rental laboratories at the Kyoto Research Park (KRP) operated by Kyoto Research Park Corp. We aim to complete construction in 2027.

OGIS-RI Co., Ltd., a group company engaged in the information solutions business, strove to provide comprehensive IT services, including consultation, design, development and operation of corporate information systems, AI and cloud services, as well as supporting customers to promote DX. In January 2025, it also acquired Fasttrack Solutions Inc., which provides support for the introduction and operation of core business system package products in the Philippines, launching its core business systems-related business in Southeast Asia.

Osaka Gas Chemicals Co., Ltd., a group company engaged in the material solutions business, strove to develop and expand sales of high-value-added materials, including fine materials, carbon products and preservatives. Its “Xyladecor” series wood preservative and coating agent products are used for the internal and external walls of the Osaka Healthcare Pavilion, which is exhibited by Osaka Prefecture and Osaka City at the 2025 World Exposition in Japan (Expo 2025 Osaka, Kansai).



SCENES Kyoto Kamogawa Kawaramachi  
(Kyoto Prefecture)



“Xyladecor” series products are used in  
the Osaka Health Care Pavilion  
(Photograph provided by EXPO 2025  
Osaka Pavilion Association)



[Net Sales and Segment Profit for Each Business Segment]

	Domestic Energy	International Energy	Life & Business Solutions
Net sales (Billions of Yen)	1,737.9	128.1	282.4
Percentage change from previous year (%)	(1.9)	+10.0	+3.1
Percentage of net sales (%)	80.9	6.0	13.1
Segment profit (Billions of Yen)	77.5	71.9	28.7
Percentage change from previous year (%)	(15.9)	(9.7)	(7.3)
Percentage of segment profit (%)	43.5	40.4	16.1

Note: The net sales and segment profit for each business segment include amounts relating to inter-segment transactions. Segment profit includes the share of profit of entities accounted for using equity method.

## 2. Principal Activities of the Group (as of March 31, 2025)

Business Segment	Major Businesses
Domestic Energy	Production, supply and sale of city gas, sale of gas appliances, gas piping work, sale of LNG, transportation of LNG, sale of LPG, sale of industrial gases, and generation and sale of electricity
International Energy	Development and investment relating to natural gas, etc. and supply of energy
Life & Business Solutions	Development and leasing of real estate, information processing service and sale of fine materials and carbon products

## 3. Capital Investment Activities

The amount of capital investments by the Group was ¥221.7 billion.

We lengthened the gas trunk and branch lines of Osaka Gas Network Co., Ltd. by 102 kilometers, bringing the total length to 51,921 kilometers as of the end of the current fiscal year.

We also conducted activities such as works for ensuring stable supply and security at gas production and supply facilities, equipment works related to natural gas development and production businesses in our subsidiaries and construction of power plants.

## 4. Financing Activities

During the current fiscal year, the Group borrowed ¥59.5 billion and repaid ¥51.9 billion of long-term loans.

With respect to corporate bonds\*1, the Group issued ¥41.0 billion of transition-linked bonds\*2.

\*1. Short-term bonds are not included.

\*2. Transition-linked bonds are issued by companies that have formulated long-term strategies aimed at achieving a carbon-neutral society. The economic conditions placed on the bonds change in line with the degree to which the company achieves the targets it has established to reduce corporate greenhouse gas emissions, etc., based on these strategies.

## 5. Major Lenders (as of March 31, 2025)

Lenders	Loans Outstanding (Millions of Yen)
Resona Bank, Limited	55,471
MUFG Bank, Ltd.	35,828
Development Bank of Japan Inc.	28,444
Japan Bank for International Cooperation	21,173
Sumitomo Mitsui Banking Corporation	20,180

## 6. Outstanding Issues

### (1) Management Policies

As “a corporate group that powers continuous advancement in life and business,” the Group aims to create “Value for Customers,” “Value for Society,” “Value for Shareholders” and “Value for Employees” by providing various products and services relating to the energy business, including natural gas, electricity and LPG, and its peripheral services, and non-energy businesses, such as urban development, materials and information businesses. With the recognition that achieving sustainable growth is the Group’s biggest managerial issue in pursuing the above aim, the Group formulated the 2030 Long-term Management Vision “Going Forward Beyond Borders” in 2017 and the Medium-term Management Plan 2026 “Connecting Ambitious Dreams” in 2024.

We also established the “Daigas Group Carbon Neutral Vision” in 2021, presenting our approach and initiatives to achieve carbon neutrality in the Group’s business activities, and “Daigas Group Energy Transition 2030” in 2023, presenting our views and specific initiatives aimed at achieving an energy transition by 2030. In February 2025, we went on to establish “Daigas Group Energy Transition 2050,” which presents our road map and solutions toward the year 2050.

In line with these visions and plans, the Group will aim to become an innovative and preferred energy & service company through the ages. While responding to changes in the business environment, we will contribute to achieving a sustainable society, continuing to secure peace of mind today, including stable supply and emissions reduction during this period of transition, even as we build sustainable lifestyles for tomorrow by progressively resolving social issues such as carbon neutrality.

### (2) Priority Issues

We have set the Three Commitments as a key strategy under Medium-term Management Plan 2026. The first of the Three Commitments is to “co-create value for a sustainable future,” which will contribute to resolving social issues utilizing natural gas and carbon neutrality. The second is to “support employees to shine in their roles” by creating a corporate culture that encourages diverse talent to collaborate. The third is to “evolve the business foundation” that focuses on asset-light management to maximize asset value. Through these initiatives, we aim to create value that contributes to solving social issues and practice portfolio management that accommodates changes in the future business environment based on three pillars— Domestic Energy Business, International Energy Business, and Life & Business Solutions Business. To achieve this, the Group will address the following issues.

(a) Domestic Energy Business

(i) Ensuring stable and economical procurement of fuels and raw materials

We endeavor to ensure the stable procurement of fuels and raw materials such as natural gas by diversifying sources, by way of procuring from many producers. Through the diversification of price indices and other efforts, we aim for procurement of fuels and raw materials which increase our market competitiveness.

In addition, in the event of unforeseen circumstances in fuels and raw materials procurement, we will utilize the know-how we have accumulated through trading and other activities to secure fuels and raw materials in a prompt and flexible manner.

(ii) Ensuring competitive power sources and expansion of renewable energies

Through such efforts as the development of new power sources and procurement of electricity through the wholesale power market and alliance partners, we will seek to construct a competitive portfolio of power sources. Particularly in renewable energy, we will promote development aimed at carbon neutrality and business participation, as well as expansion of procurement sources and acquisition of projects through collaboration and other means.

(iii) Stable and safe energy supply

With safe and stable operation as our top priority, we will continue to address such issues as the maintenance, reinforcement and renovation of facilities for gas production and supply and for power generation and the implementation of countermeasures against natural disasters including earthquakes and tsunamis and other events including the outbreak of infectious diseases for stable supply and improvement of resilience. We also continue to provide responses to emergencies such as gas leakages to secure safety at customer locations.

(iv) Expanding the marketer businesses

By encouraging wider use of gas cogeneration systems such as fuel cell systems, as well as gas air-conditioning systems, expanding the sales of electricity and LPG, expanding the menu of proposals such as D-Lineup, and building an energy network that combines decentralized power sources with renewable energy, we will contribute to the solution of social issues, including the shift to a carbon-neutral society and improvement of resilience. We will also enhance and broaden the range of life support services, such as the “Sumai LINK,” a digitally enabled life services platform, the “Sumikata Service,” and renovation, and services peripheral to the energy business, including the management and maintenance of buildings and facilities, air conditioning and ventilation, water treatment, and energy saving and the visualization of the operational status of facilities. In addition, we will offer fixed telecommunication service, as well as the FitDish refrigerated meals regular delivery service and a range of energy rate menus according to customers’ lifestyles and business requirements so that we can contribute to the enhancement of customers’ living environment as well as their business growth. Furthermore, we will promote alliances with various business partners, including energy business operators in various locations, thereby expanding the marketer business in a wider geographic area.

(v) Developing energy infrastructure and promoting the engineering business

We will promote efforts to develop new energy infrastructure, such as natural gas-fired thermal power plants. Toward the customers who are considering the use of LNG, we will propose solutions that meet the customers’ needs based on the expertise accumulated through our business experience, thereby promoting our engineering business.

(vi) Promoting a fair and efficient gas pipeline service business

As a general gas pipeline service business operator, we are committed to making continuous efforts to maintain and expand the demand for city gas, while ensuring neutrality and transparency and enhancing the convenience of the transportation service, and meeting the needs of communities and consumers.

(b) International Energy Business

We will steadily promote the projects we are currently undertaking, such as the shale gas development business operated by Sabine Oil & Gas Corporation in North America, and strive to ensure safe and stable operation in the liquefaction business of the Freeport LNG project in North America and the production business in Gorgon LNG project and Ichthys LNG project in Australia. In the IPP business, we will ensure the steady operation of the gas-fired power generation business, as well as the development and acquisition of renewable energy and other energy sources. In the marketer business, we will steadily operate gas, electric power, and energy service businesses and develop new projects, while also acquiring expertise in new areas through business participation, etc., by utilizing the knowledge we have cultivated in Japan. Furthermore, we will promote our energy infrastructure development and engineering business by proposing solutions that meet customers' needs.

(c) Life & Business Solutions Business

Based on the expertise and knowledge accumulated through our energy businesses, we will offer products and services that capitalize our unique strengths in our non-energy businesses relating to urban development, materials and information, thereby helping our customers at home and abroad to achieve comfort, convenience and good health and contributing to the advancement of the life and business of our customers.

(d) Management Foundations

(i) Practicing sustainability management

In accordance with the "Daigas Group Charter of Business Conduct," we will ensure sustainability management. In tandem with the parties involved with the supply chain of the Group at home and abroad, we will make continued efforts to gain greater trust from our customers and society.

On the environmental front, as the society goes through a period of transition to a carbon-neutral society, we will promote fuel conversion from coal and petroleum, etc. to natural gas and the introduction of highly efficient facilities, while further expanding efforts to reduce CO<sub>2</sub> emissions at customers' sites and in our own business activities by introducing renewable energy and promoting carbon-neutral LNG and city gas. Furthermore, we will continue to develop technologies such as e-methane and hydrogen and establish supply chains in order to realize a carbon-neutral society. In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we will work to enhance the disclosure of information on our efforts for carbon neutrality. On the social front, we will promote human rights and occupational health and safety initiatives in accordance with the Daigas Group Human Rights Policy established in April 2021, based on international norms, and foster a culture of diversity, equity and inclusion through the appointment of female directors and other means. In the area of governance, we will maintain and strengthen our efforts to raise awareness of compliance, strengthen and improve the effectiveness of our risk management structure, and promote information security measures.

(ii) Promoting innovation, technological development and digital transformation

We will seek to increase value by creating new services utilizing the latest digital technologies and internal and external ideas, such as IoT and AI, and improve productivity through operation reforms and system renovations inside the Company.

We will also promote efforts to achieve higher efficiency and lower costs for gas appliances and facilities, including fuel cell systems, and to develop new technologies relating to materials, information processing, and efforts for carbon neutrality, etc.

(iii) Reinforcing human resources and organization

To maximize the Group's output, we will promote the creation of environments where diverse personnel can come together and collaborate, bringing out the best in each employee. From a human resources standpoint, in addition to expanding our hiring of diverse and highly-specialized talent, while also enhancing our programs and training to promote employee growth. From an organizational standpoint, we will engage in achieving the optimal allocation of personnel through talent management, promoting diversity, equity and inclusion, transforming working styles and jobs, and fostering an organizational culture that encourages employees to grow and take on challenges. We will revitalize each initiative through two-way communication between the Group and its personnel and strive to enhance employee engagement.

(3) Conclusion

The Group will continue to implement highly effective internal controls by monitoring and assessing its internal control system and providing necessary measures. With such system effectively in place, the Group tackles the issues described above and exerts ceaseless efforts to achieve sustainable growth by implementing the "Daigas Group Corporate Principles."

The Group looks forward to the continued support and encouragement from all shareholders.



## 7. Financial Position and Profits and Losses

Division	Year ended March 2022 (204th Term)	Year ended March 2023 (205th Term)	Year ended March 2024 (206th Term)	Year ended March 2025 (207th Term)
Net sales (Millions of Yen)	1,591,120	2,275,113	2,083,050	2,069,019
Ordinary profit (Millions of Yen)	113,525	75,649	226,563	189,647
Profit attributable to owners of parent (Millions of Yen)	130,421	57,110	132,679	134,414
Basic earnings per share (Yen)	313.69	137.39	320.60	333.31
Total assets (Millions of Yen)	2,588,086	2,819,589	2,980,127	3,200,525
Net assets (Millions of Yen)	1,296,089	1,417,178	1,604,992	1,739,291

Note: From the 205th Term, the Company prepares its consolidated financial statements based only on “Regulation on Consolidated Financial Statements.” It has also changed the method used for revenue associated with the sale of gas to the method based on Article 103-2 of the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021). The results for the 204th Term have been calculated to reflect this change retrospectively, and the figures presented in this Business Report are based on figures reflecting this change.

## 8. Major Offices, Plants and Employees (as of March 31, 2025)

### (1) Major Offices, etc.

The Company	Head Office	Head Office (Osaka Prefecture)
	Offices	Osaka Office (Osaka Prefecture) Nanbu Office (Osaka Prefecture) Hokubu Office (Osaka Prefecture) Tobu Office (Osaka Prefecture) Hyogo Office (Hyogo Prefecture) Keiji Office (Kyoto Prefecture)
	LNG Terminals	Semboku LNG Terminals (Osaka Prefecture) Himeji LNG Terminal (Hyogo Prefecture)
	Research Center	Energy Technology Laboratories <sup>*1</sup> (Osaka Prefecture)
Subsidiaries <sup>*2</sup>		Osaka Gas Urban Development Co., Ltd. (Osaka Prefecture) OGIS-RI Co., Ltd. (Osaka Prefecture) Osaka Gas Chemicals Co., Ltd. (Osaka Prefecture) Osaka Gas Network Co., Ltd. (Osaka Prefecture) Osaka Gas Marketing Co., Ltd. (Osaka Prefecture) Daigas Energy Co., Ltd. (Osaka Prefecture) Daigas Gas and Power Solution Co., Ltd. (Osaka Prefecture) Osaka Gas USA Corporation (Texas, USA)

### (2) Employees

Business Segment	Number of Employees <sup>*3</sup>
Domestic Energy	10,934
International Energy	358
Life & Business Solutions	10,112
Total	21,404

Notes:

1. Renamed the Advanced Technology Institute on April 1, 2025.
2. The head office locations of the principal subsidiaries are shown as major offices.
3. The above number of employees indicates the number of employees currently on duty.

## 9. Business Transfers, Absorption-type Splits, etc.

On July 1, 2024, the Company transferred part of the real estate business of Daigas Energy Co., Ltd. and the real estate business of OG Capital Co., Ltd. to the Company by means of an absorption-type company split.

## 10. Outline of Principal Subsidiaries (as of March 31, 2025)

The Group treats the following affiliated companies that play a central role in energy business and other businesses and that are positioned as elementary units for the management of the Group as Core Non-Energy Business Companies, Network Company, Core Energy Business Companies, and Overseas Regional Headquarters, which the Group recognizes as principal subsidiaries.

Category	Company	Capital	Holding	Main Activities
Core Non-Energy Business Companies	Osaka Gas Urban Development Co., Ltd.	¥1,570 mil.	100%	Development, leasing, management, and sale of real estate
	OGIS-RI Co., Ltd.	¥440 mil.	100%	Development of software and information processing services via computers
	Osaka Gas Chemicals Co., Ltd.	¥14,231 mil.	100%	Manufacture and sale of fine materials, carbon products, etc.
Network Company	Osaka Gas Network Co., Ltd.	¥6,000 mil.	100%	General gas pipeline service business, etc. (city gas transportation service, gas piping work, etc.)
Core Energy Business Companies	Osaka Gas Marketing Co., Ltd.	¥100 mil.	100%	Sales of gas and electricity for residential use; sales and maintenance of gas appliances; and home renovation
	Daigas Energy Co., Ltd.	¥310 mil.	100%	Sales of gas and electricity for business use; sales and maintenance of gas appliances; energy service business; sales of LNG and LPG; and heat supply business
	Daigas Gas and Power Solution Co., Ltd.	¥100 mil.	100%	Operation and maintenance of LNG terminals and power plants; power generation and sales of electricity; and engineering service business
Overseas Regional Headquarters	Osaka Gas USA Corporation	US\$1	100%	Investment, etc. relating to natural gas and energy supply businesses in North America

Note: The Group has 163 consolidated subsidiaries, including the above eight principal subsidiaries.

## II. Officers

### 1. Details of Directors (as of March 31, 2025)

Position	Name	Business in Charge	Significant Concurrent Positions
Chairman and Director	Takehiro Honjo		Member of the Osaka Prefectural Public Safety Commission Director of Asahi Broadcasting Group Holdings Corporation
Representative Director and President Executive President	Masataka Fujiwara		
Representative Director Executive Vice-President	Takayuki Tasaka	In charge of: Tokyo Branch, Overall Representative in Tokyo Responsible for: Energy Solution Business Unit, Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept. Osaka Gas Urban Development Co., Ltd. and OGIS-RI Co., Ltd.	Director of Osaka Gas Urban Development Co., Ltd. Director of OGIS-RI Co., Ltd.
Representative Director Executive Vice-President	Keiji Takemori	In charge of: Energy Resources & Int'l Business Unit and Osaka Gas Chemicals Co., Ltd.	Director of Osaka Gas Chemicals Co., Ltd.
Representative Director Executive Vice-President	Ko Sakanashi	Head of Technology Head of ESG Promotion Head of Carbon Neutral Promotion Head of Risk Management President of Corporate Planning Headquarters Head of Power Business Unit Responsible for: LNG & Engineering Business Unit and Next-Generation Business Headquarters	
Director, Senior Executive Officer	Toshiyuki Imai	General Manager of Human Resources Dept. In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept., and Purchasing Dept.	Director of Osaka Gas Urban Development Co., Ltd. Director of OGIS-RI Co., Ltd. Director of Osaka Gas Chemicals Co., Ltd.
Director	Kazutoshi Murao		Director of West Nippon Expressway Company Limited
Director	Tatsuo Kijima		Advisor of West Japan Railway Company Audit & Supervisory Board Member of Sumitomo Electric Industries, Ltd.
Director	Yumiko Sato		Trustee of Otemon Gakuin Educational Foundation
Director	Mikiyo Niizeki		Professor of Doctoral Program, Graduate School of Economics, Doshisha University

Position	Name	Business in Charge	Significant Concurrent Positions
Director (Audit and Supervisory Committee Member) (full-time)	Fumitoshi Takeguchi		
Director (Audit and Supervisory Committee Member) (full-time)	Ichiro Hazama		
Director (Audit and Supervisory Committee Member)	Eriko Nashioka		Representative Director of Institute for Environmental Management Accounting Director of Nashioka Accounting Office Director of Sansha Electric Manufacturing Co., Ltd. Director (Audit & Supervisory Committee Member) of FUKUSHIMA GALILEI CO. LTD.
Director (Audit and Supervisory Committee Member)	Chieko Minami		Professor of Department of Modern Management, Sugiyama Jogakuen University
Director (Audit and Supervisory Committee Member)	Eimei Kozai		Professor of Graduate School of Law, Kyoto University Auditor of the Kinki Branch, Japan Bar Association

Notes:

- 1) “Responsible for” in the “Business in Charge” column means monitoring and providing advice and suggestions concerning the operations of specific headquarters, organization, position, Core Non-Energy Business Company or person in a designated position according to its managerial importance, effect on business management and other factors.
- 2) Directors Kazutoshi Murao, Tatsuo Kijima, Yumiko Sato, Mikiyo Niizeki, Eriko Nashioka, Chieko Minami, and Eimei Kozai are outside directors as specified in Article 2, Item 15 of the Companies Act.
- 3) The Company has appointed Directors (Audit and Supervisory Committee Members) Fumitoshi Takeguchi and Ichiro Hazama as full-time Audit and Supervisory Committee Members to strengthen the audit and supervisory functions of the Audit and Supervisory Committee, gather information from the Directors (excluding the Directors who are Audit and Supervisory Committee Members), share information at important internal meetings, and ensure sufficient coordination with the internal audit department.
- 4) All of the outside Directors have been notified as independent officers pursuant to the provisions prescribed by the Tokyo Stock Exchange.
- 5) There are no special relationships between the entities set out in the column “Significant Concurrent Positions” for each outside Director and the Company.
- 6) Directors Keiji Takemori, Ko Sakanashi, and Toshiyuki Imai were newly appointed at the 206th Annual Meeting of Shareholders held on June 27, 2024, and assumed office on the same day.
- 7) The Company transitioned to a Company with an Audit and Supervisory Committee at the close of the 206th Annual Meeting of Shareholders held on June 27, 2024. Audit & Supervisory Board Members Hisaichi Yoneyama, Ichiro Hazama, Shigemi Sasaki, Eriko Nashioka, and Chieko Minami retired pursuant to this change, and Fumitoshi Takeguchi, Ichiro Hazama, Eriko Nashioka, Chieko Minami, and Eimei



Kozai were appointed Directors who are Audit and Supervisory Committee Members and assumed office on the same day.

- 8) Director (Audit and Supervisory Committee Member) Eriko Nashioka is qualified as a certified public accountant and tax accountant, and possesses substantial expertise related to finance and accounting.
- 9) In the column of “Significant Concurrent Positions,” “Director of Asahi Broadcasting Group Holdings Corporation” for Director Takehiro Honjo, “Director of West Nippon Expressway Company Limited” for Director Kazutoshi Murao, and “Director of Sansha Electric Manufacturing Co., Ltd.” for Director Eriko Nashioka are all outside director positions, and “Director of FUKUSHIMA GALILEI CO. LTD.” for Director Eriko Nashioka is an outside director (audit & supervisory committee member) position. “Audit & Supervisory Board Member of Sumitomo Electric Industries, Ltd.” for Director Tatsuo Kijima is an outside auditor position.
- 10) Changes in significant concurrent positions during the current fiscal year:  
 Director Takehiro Honjo retired as Director of Osaka Gas Urban Development Co., Ltd. on April 1, 2024.  
 Director Masataka Fujiwara retired as Director of OGIS-RI Co., Ltd. and Director of Osaka Gas Chemicals Co., Ltd. on April 1, 2024.  
 Director Takayuki Tasaka was appointed Director of OGIS-RI Co., Ltd. on April 1, 2024.  
 Director Kazutoshi Murao retired as Vice Chairman of Kansai Economic Federation on May 27, 2024.  
 Director Kazutoshi Murao retired as Director of Keihan Holdings Co., Ltd. on June 19, 2024.  
 Director Kazutoshi Murao was appointed Director of West Nippon Expressway Company Limited on June 26, 2024.  
 Director Kazutoshi Murao retired as Counselor to the president of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION on June 30, 2024.  
 Director Eimei Kozai was appointed Auditor of the Kinki Branch, Japan Bar Association, on September 24, 2024.
- 11) Changes in the responsibilities of Directors after the end of the current fiscal year:  
 Some of the responsibilities of the Directors changed on April 1, 2025. The table below shows the responsibilities from April 1, 2025, onward of the Directors whose responsibilities changed.

Position	Name	Business in Charge
Representative Director Executive Vice-President	Takayuki Tasaka	In charge of: Tokyo Responsible for: Energy Solution Business Unit, Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept. Tokyo Branch, Overall Representative in Tokyo OGIS-RI Co., Ltd.
Representative Director Executive Vice-President	Keiji Takemori	Head of Technology Responsible for: Energy Resources & Int'l Business Unit, Next-Generation Business Headquarters and Osaka Gas Chemicals Co., Ltd.
Representative Director Executive Vice-President	Ko Sakanashi	Head of Security President of Corporate Planning Headquarters Responsible for: LNG & Engineering Business Unit and Power Business Unit
Director, Senior Executive Officer	Toshiyuki Imai	Head of Sustainability Promotion Head of Risk Management In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept.

- 12) The name of FUKUSHIMA GALILEI CO. LTD., where Eriko Nashioka serves as Director (Audit & Supervisory Committee Member), was changed to GALILEI CO. LTD. on April 1, 2025.

## **2. Indemnity Agreement**

The Company has concluded indemnity agreements with the Directors listed in “II. 1. Details of Directors” above for the purpose of indemnifying them for the costs set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of the same Paragraph to the extent permitted by laws and regulations.

In order to ensure that the said indemnity agreement does not impair the appropriateness of the execution of duties by officers, the Company mainly stipulates the following matters in the said indemnity agreement.

- The maximum amount of indemnification per event
- Indemnity will not apply to costs or losses incurred as a result of duties executed while being aware that they violate laws and regulations
- A portion of the losses shall be borne by the officer himself/herself

## **3. Directors and Officers Liability Insurance Contract**

The Company has concluded an insurance contract with an insurance company to cover damages, etc. (compensation for statutory damages, litigation costs, etc.) incurred by the insured as a result of claims for damages against them, with the Company and its subsidiaries, as well as the directors, auditors, executive officers, employees in middle management<sup>\*1</sup> and officers dispatched to external entities<sup>\*2</sup> from the Company and its subsidiaries as the insured<sup>\*3</sup>.

\*1 Important employees such as heads of basic organizations who are appointed by the resolution of the Board of Directors.

\*2 Persons who hold the position of director, executive officer, audit & supervisory board member, or accounting advisor under the Companies Act (including positions that are considered equivalent to these positions) at an external corporation as per the Company's instructions, etc.

\*3 Includes persons who resigned or retired from the insured position on or after January 25, 1992, and persons who were newly appointed to the insured position during the insurance period.

In order to ensure that the said insurance contract does not impair the appropriateness of the execution of duties by the insured, the Company mainly stipulates the following matters in the said insurance contract.

- The total limit of insurance claims during the insurance period
- Insurance claims will not cover damages caused by illegal acceptance of personal benefits or provision of convenience, criminal conducts, etc.
- A portion of the damage shall be borne by the insured himself/herself

Insurance premiums under the insurance contract are fully borne by the Company.

#### 4. Outside Officers

##### (1) Principal Activities

The principal activities of outside officers are shown in the table below.

The Company expects outside Directors (excluding Directors who are Audit and Supervisory Committee Members) to participate in decision-making as members of the Board of Directors, and to monitor and supervise the execution of duties by executive Directors from an independent position based on their experience, knowledge and other assets. The Company expects outside Directors who are Audit and Supervisory Committee Members audit the execution of duties by executive Directors, as well as expecting them to participate in decision-making as members of the Board of Directors, to monitor and supervise the execution of duties by executive Directors from an independent position based on their experience, knowledge and other assets.

All of the outside Directors appropriately fulfill their roles by attending and making comments at meetings of the Board of Directors and the voluntarily appointed advisory committee.

Position	Name	Attendance and Comments
Director	Kazutoshi Murao	Kazutoshi Murao attended 13 out of the 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.
Director	Tatsuo Kijima	Tatsuo Kijima attended 13 out of the 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.
Director	Yumiko Sato	Yumiko Sato attended 13 out of the 13 meetings of the Board of Directors. She made comments as appropriate based on her deep insight in life and culture and from her independent position as an outside Director.
Director	Mikiyo Niizeki	Mikiyo Niizeki attended 13 out of the 13 meetings of the Board of Directors. She made comments as appropriate based on her deep knowledge in the field of economics and her considerable experience in organizational management, as well as from her independent position as an outside Director.
Director (Audit and Supervisory Committee Member)	Eriko Nashioka	Eriko Nashioka attended 13 out of 13 meetings of the Board of Directors, 3 out of 3 meetings of the Audit & Supervisory Board, and 11 out of 11 meetings of the Audit and Supervisory Committee. She made comments as appropriate based on her deep knowledge concerning finance, accounting, and sustainability and her considerable experience in corporate and organizational management, as well as from her independent position as an outside Audit & Supervisory Board Member and an outside Director (Audit and Supervisory Committee Member).

Position	Name	Attendance and Comments
Director (Audit and Supervisory Committee Member)	Chieko Minami	Chieko Minami attended 13 out of 13 meetings of the Board of Directors, 3 out of 3 meetings of the Audit & Supervisory Board, and 11 out of 11 meetings of the Audit and Supervisory Committee. She made comments as appropriate based on her deep knowledge in the field of economics and her considerable experience in organizational management, as well as from her independent position as an outside Audit & Supervisory Board Member and an outside Director (Audit and Supervisory Committee Member).
Director (Audit and Supervisory Committee Member)	Eimei Kozai	Eimei Kozai attended 10 out of 10 meetings of the Board of Directors and 11 out of 11 meetings of the Audit and Supervisory Committee held after he assumed the office of Director of the Company on June 27, 2024. He made comments as appropriate based on his expert knowledge as a legal practitioner and his considerable experience in organizational management, as well as from his independent position as an outside Director (Audit and Supervisory Committee Member).

Notes:

1. The Company transitioned to a Company with an Audit and Supervisory Committee at the close of the 206th Annual Meeting of Shareholders held on June 27, 2024. The table above shows each director's attendance at meetings of the Audit & Supervisory Board before the transition and meetings of the Audit and Supervisory Committee after the transition, as well as the status of making comments.
2. Incidents were found regarding descriptions for the sale of ENE-FARM products that have raised questions under the Act against Unjustifiable Premiums and Misleading Representations. In response, the Company and Osaka Gas Marketing Co., Ltd. have implemented measures to prevent recurrence and submitted a report to the Consumer Affairs Agency on March 27, 2025.  
None of the outside Directors were aware of the issue before the incidents came to light. However, they regularly provide recommendations from the standpoint of legal and regulatory compliance at meetings of the Board of Directors and other forums. After the incidents came to light, they have appropriately fulfilled their roles, including providing recommendations regarding cooperation with investigations by the Consumer Affairs Agency and the formulation and implementation of measures to prevent recurrence.

## (2) Summary of Liability Limitation Agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has an agreement with each of the outside Directors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for in laws and regulations.

## 5. Remuneration for Directors and Audit & Supervisory Board Members

### (1) Decision Policies on Content of Remuneration, etc. for Each Individual Director

The Company has established a policy on determining the content of remuneration, etc. for each individual Director (hereinafter the "Policy on Determining Remuneration") as prescribed by the resolution of the Board of Directors after deliberation at a voluntarily appointed advisory committee made up of a majority of the outside Directors. This policy is summarized in the table\* below.

- \* The Policy on Determining Remuneration was partially amended by resolution of the Board of Directors during the current fiscal year. The amended portion has been underlined and the amendments are presented in the notes. The amendments have been applied to remuneration from April 2025 onward.

Policy on Determining Remuneration
<p><b>Basic Approach</b></p> <p>Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) shall be provided in a remuneration system designed to raise motivation for Directors to achieve sustainable growth and mid- to long-term increase in corporate value.</p> <p>Remuneration for executive Directors shall consist of basic remuneration as fixed remuneration, performance-linked remuneration and stock-based remuneration. Remuneration for the Chairman and Director shall consist of basic remuneration and stock-based remuneration as fixed remuneration, to clarify the separation between executive and supervisory functions. Remuneration for outside Directors shall only consist of basic remuneration as fixed remuneration, as they have a standpoint independent of business execution.</p> <p>Remuneration for Directors shall be determined within the total amount of remuneration approved at the Annual Meeting of Shareholders, after deliberation at a voluntarily appointed advisory committee made up of a majority of the outside Directors, from the perspective of ensuring objectivity and seeking transparency in the decision-making process.</p> <p><b>Basic Remuneration</b></p> <p>Basic remuneration shall be monetary remuneration paid on a monthly basis. The amount shall be determined in accordance with the rules prescribed by the resolution of the Board of Directors, while considering such factors as each Director's position and responsibilities, public standards, and other factors.</p> <p><b>Performance-linked Remuneration</b></p> <p>Performance-linked remuneration shall be monetary remuneration paid on a monthly basis. The amount shall be determined using consolidated EBITDA for a single fiscal year, consolidated ROE for the past three years and the <u>sustainability indicators</u>*<sup>1</sup> set forth in the Medium-term Management Plan, to encourage contribution to short-term and mid- to long-term increases in corporate value.</p> <p><b>Stock-based Remuneration</b></p> <p>Restricted stock shall be granted at a certain time every year for the purpose of strengthening the linkage between remuneration and mid- to long-term increase in corporate value and further promoting sharing of value with the shareholders. The number of shares to be granted shall be determined with consideration for the positions and responsibilities of each Director and stock prices, etc.</p> <p><b>Ratio by Type of Remuneration</b></p> <p>For executive Directors, the standard ratio of basic remuneration, performance-linked remuneration, and stock-based remuneration should be 4:4:2. For the Chairman and Director, the ratio of basic remuneration to stock-based remuneration should be 8:2. Remuneration for outside Directors shall fully consist of basic remuneration.</p> <p><b>Procedures for Determining Remuneration</b></p> <p>The content of remuneration for each individual Director shall be made in accordance with the rules prescribed by the resolution of the Board of Directors, and, after deliberation at the voluntarily appointed advisory committee, shall be determined by the resolution of the Board of Directors.*<sup>2</sup></p> <p>Remuneration for Directors who are Audit and Supervisory Committee Members shall be determined through discussion between the Directors who are Audit and Supervisory Committee Members, within the total remuneration limit approved by the Meeting of Shareholders.</p>

\*1 In the Policy on Determining Remuneration before amendment, the underlined portion was: "ESG indicators." The name of the indicators was changed by a resolution adopted at the meeting of the Board of Directors held on March 13, 2025.

\*2 In the Policy on Determining Remuneration before amendment, the content of monetary remuneration could be determined by the Representative Director and President based on delegation of authority by the resolution of the Board of Directors. This method was abolished by a resolution adopted at the meeting of the Board of Directors held on January 30, 2025.



(2) Resolution of the Annual Meeting of Shareholders on Remuneration, etc. of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of monthly monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this item) was resolved at the 206th Annual Meeting of Shareholders held on June 27, 2024 to be up to ¥57 million.

In addition, at the same Annual Meeting of Shareholders, it was also resolved that the total amount of monetary remuneration to be paid to Directors (excluding outside Directors) for granting restricted stock shall not exceed ¥144 million per year (¥12 million per month) and that the total number of common shares of the Company to be issued or disposed of by the Company in exchange for the contribution of monetary remuneration claims shall not exceed 96 thousand shares per year.

As of the end of the said Annual Meeting of Shareholders, the number of Directors who are eligible for the monthly monetary remuneration was ten (including four outside Directors) and the number of Directors who are eligible for stock-based remuneration was six.

(3) Resolution of the Annual Meeting of Shareholders on Remuneration, etc. of Directors Who Are Audit and Supervisory Committee Members

The amount of monthly monetary remuneration for Directors who are Audit and Supervisory Committee Members was resolved at the 206th Annual Meeting of Shareholders held on June 27, 2024 to be up to ¥14 million.

As of the end of the said Annual Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members was five.

The amount of remuneration for each Audit and Supervisory Committee Member is determined by the consent of all Audit and Supervisory Committee Members through discussions among Audit and Supervisory Committee Members, within the amount resolved by the Annual Meeting of Shareholders, above, and consisting only of fixed remuneration because they are assigned the role of auditing the execution of duties by Directors from a standpoint independent of the performance of the Company's businesses, and taking into consideration whether each Audit and Supervisory Committee Member is full- or part-time, as well as factors such as their respective audit and supervisory duties.

(4) Delegation, etc. of Decision of Content of Remuneration, etc. for Each Individual Director (Excluding Directors Who Are Audit and Supervisory Committee Members)

Of the remuneration paid to each Director (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this item) during the current fiscal year, the amount of monthly monetary remuneration and the timing and method of payment, among other factors, were determined by Representative Director and President Masataka Fujiwara based on delegation of authority by a resolution of the Board of Directors. The Company delegated the above authority to the Representative Director and President, as the position is considered to be the best suited to determine the contents of remuneration, taking into account the status of the execution of duties by each executive Director while maintaining a comprehensive view of the Company's performance.

In addition, to ensure that the authority of the Representative Director and President is exercised appropriately, the delegation of authority was conducted so that the remuneration amount, etc. for each individual Director is determined in accordance with the Policy on Determining Remuneration and the rules prescribed by the resolution of the Board of Directors, while considering such factors as each Director's position and responsibilities, public standards, and the Company's business performance, after deliberation at a voluntarily

appointed advisory committee made up of a majority of the outside Directors. As the amount of remuneration, etc. for each individual Director is determined through such a procedure, the Board of Directors has judged that the content of remuneration, etc. for each individual Director for the current fiscal year is in line with the Policy on Determining Remuneration.

(5) Remuneration Paid to Directors and Audit & Supervisory Board Members

	Total amount of remuneration (Millions of Yen)				Number of eligible officers
		Fixed	Performance-linked	Non-monetary	
Directors (excluding Audit and Supervisory Committee Members)	558	278	159	119	12
Of which: Outside Directors	55	55	—	—	4
Directors (excluding Audit and Supervisory Committee Members)	95	95	—	—	5
Of which: Outside Directors	32	32	—	—	3
Audit & Supervisory Board Members	25	25	—	—	5
Of which: Outside Directors	9	9	—	—	3

Notes:

1. The Company transitioned to a Company with an Audit and Supervisory Committee at the close of the 206th Annual Meeting of Shareholders held on June 27, 2024. The remuneration paid to Audit & Supervisory Board Members is for the period before the transition and the remuneration paid to Audit and Supervisory Committee Members is for the period after the transition.
2. The amount of remuneration and the number of Directors shown for “Directors (excluding Audit and Supervisory Committee Members)” include remuneration for two Directors who retired at the end of the 206th Annual Meeting of Shareholders held on June 27, 2024.
3. The amount of performance-linked remuneration paid up to June 2024 was calculated mainly by multiplying the fixed remuneration by a coefficient calculated using the profit attributable to owners of parent for the period from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2023, and the coefficient of ESG indicators achievement for the fiscal year ended March 31, 2023 as the primary indicators. These performance indicators were selected because the Company has judged that they will contribute to raising motivation for Directors to achieve short-term and mid- to long-term increases in corporate value.

Results for profit attributable to owners of parent were ¥80.8 billion in the fiscal year ended March 31, 2021, ¥128.2 billion in the fiscal year ended March 31, 2022, and ¥57.1 billion in the fiscal year ended March 31, 2023. For the coefficient of ESG indicators achievement for the fiscal year ended March 31, 2023, the Company established the 14 ESG indicators shown in the table below. The Company achieved its targets for 12 of these indicators, with the exception of indicators i. and iii.

i. Number of customer accounts, ii. Customer satisfaction rate, iii. Build resilient energy supply facilities<gas line earthquake survival rate and number of supply blocks>, iv. Proportion of power from renewable energy, v. Renewable energy development contribution, vi. CO<sub>2</sub> emissions reduction contribution, vii. Civic activities (urban development plans, etc.), viii. Co-creation projects with the local community, ix. Number of appropriate new suppliers, x. Employee awareness surveys, xi. Annual training hours per employee, xii. Proportion of female officers, xiii. Promotion rate of females to management positions, xiv. Proportion of female career-track recruits

The amount of performance-linked remuneration paid from July 2024 onward was calculated mainly by multiplying the fixed remuneration by a coefficient calculated using the consolidated EBITDA for the fiscal year ended March 31, 2024, consolidated ROE for the period from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024, and the ESG indicators set forth in the Medium-term Management Plan as the primary indicators. These performance indicators were selected because the Company has judged that they will contribute to raising motivation for Directors to achieve short-term and mid- to long-term increases in corporate value.

The result for consolidated EBITDA was ¥328.1 billion in the fiscal year ended March 31, 2024. The results for consolidated ROE were 11.0% in the fiscal year ended March 31, 2022, 4.3% in the fiscal year ended March 31, 2023, and 8.9% in the fiscal year ended March 31, 2024. The Company will calculate the coefficient for the ESG indicators set forth in the Medium-term Management Plan based on the degree of achievement of the ESG indicators shown in the table below during the plan period (from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027). No results have been calculated for these indicators as of March 31, 2025.

i. Avoided emissions, ii. Renewable energy development contribution, iii. Percentage of renewables in our power generation portfolio in Japan, iv. CO<sub>2</sub> emissions of Daigas Group, v. CO<sub>2</sub> emissions reduction in the Group company offices and vehicles, vi. Promotion of e-methane practical application, vii. Promotion of methanation technology development, viii. Number of serious accidents and serious energy supply disruptions caused by the company, ix. Establishment of resilient facilities, x. Customer accounts, xi. Customer satisfaction rate, xii. Creation of innovation, xiii. Percentage of females in members newly promoted to middle management positions, xiv. Percentage of females in new recruits for career-track positions, xv. Work engagement score, xvi. Total number of new graduates and mid-career hires, xvii. Reserve ratio of next-generation management personnel, xviii. Ratio of female directors, xix. Number of serious violations of laws and regulations, xx. Recruitment of DX core staff, xxi. Respect for human rights, xxii. Contribution to local communities, xxiii. Sustainable growth of Life & Business Solutions Business

4. The Company grants restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors; hereinafter referred to as “Eligible Directors”) as non-monetary remuneration (stock-based remuneration). Based on the resolution of the Board of Directors, the Company pays monetary remuneration for the grant of restricted stock to the Eligible Directors, and the Eligible Directors receive the Company’s treasury shares in exchange for contributing all of the rights to receive monetary remuneration in kind. The restricted transfer period is the period from the date of receipt of allotment of shares to the date of retirement. The restriction on transfer will be lifted upon expiration of the restricted transfer period, provided that the retirement of the Eligible Director is due to reasons, etc., that the Company deems justifiable. The specific timing and allocation of payments to Eligible Directors are determined by the Board of Directors, and the number of shares allocated to Eligible Directors during the current fiscal year is as described in “III. 4. Status of shares delivered to officers of the Company as compensation for the performance of the duties during the current fiscal year” below.

### III. Shares (as of March 31, 2025)

#### 1. Number of Shares Issued and Number of Shareholders

Number of Authorized Shares	700,000,000 shares
Number of Shares Issued and Outstanding*	404,105,300 shares
Number of Shareholders	90,003

\*7,127,258 treasury shares are included. As a result of the cancellation of treasury shares during the fiscal year ended March 31, 2025, the “Number of Shares Issued and Outstanding” has decreased by 5,806,800 shares compared to March 31, 2024.

#### 2. Principal Shareholders

Shareholders	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	66,198	16.68
Custody Bank of Japan, Ltd. (trust account)	25,381	6.39
Nippon Life Insurance Company	13,469	3.39
Resona Bank, Limited	10,555	2.66
STATE STREET BANK WEST CLIENT-TREATY 505234	8,658	2.18
MUFG Bank, Ltd.	8,391	2.11
STATE STREET BANK AND TRUST COMPANY 505001	7,406	1.87
Aioi Nissay Dowa Insurance Co., Ltd.	5,973	1.50
Meiji Yasuda Life Insurance Company	5,838	1.47
JPMorgan Securities Japan Co., Ltd.	5,234	1.32

Note: The number of treasury shares (as of March 31, 2025) is excluded from the “Number of Shares Issued and Outstanding” in calculating the shareholding ratios.

#### 3. Purchase and cancellation of treasury shares

The Company repurchased and cancelled treasury shares as shown in the table below.

Date of decision to repurchase shares	Number of shares repurchased	Repurchase method	Date of decision to cancel shares	Date of cancellation
May 8, 2024	5,806,800	Market purchases	September 26, 2024	October 11, 2024
October 31, 2024	6,223,500		April 24, 2025	May 16, 2025

#### 4. Status of shares delivered to officers of the Company as compensation for the performance of the duties during the current fiscal year

Officers	Number of shares	Number of officers
Directors (excluding Audit and Supervisory Committee Members and outside Directors)	33,950 shares	6

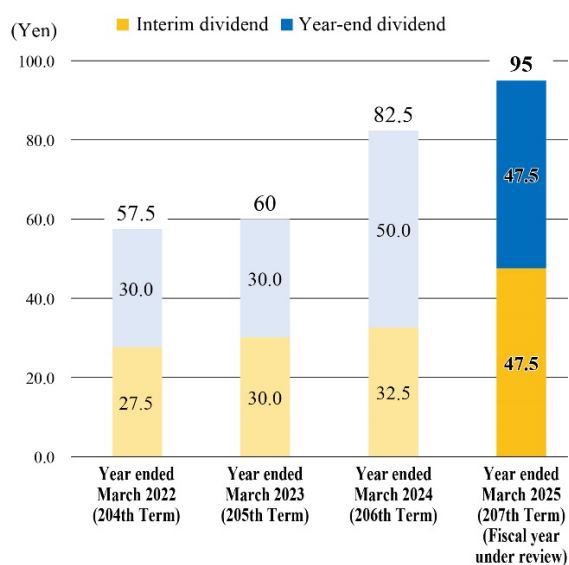
Note: The Company disposed of 80,560 shares of its treasury stock on July 19, 2024 as stock-based compensation to the above six Directors and nineteen Executive Officers who do not concurrently serve as Directors.

## 5. Policy on the determination of dividends of surplus, etc.

The Company's policy on the determination of dividends of surplus is to aim for dividends-on-equity (DOE) of 3.0%, within the scope of the stand-alone distributable amount of surplus, with consideration for factors such as financial performance and future management plans, while maintaining the basic approach of progressive dividends: that is increasing or maintaining dividends without decreasing dividends in principle.

Based on the provisions of Article 28 of the Articles of Incorporation, the Company pays dividends by resolution of the Board of Directors, to enable the flexible payment of dividends of surplus, etc.

### [Reference] Transition of Dividend per Share



## IV. Accounting Auditor

### 1. Name of Accounting Auditor

KPMG AZSA LLC

### 2. Remuneration, etc., for Accounting Auditor

(1) Amount of Fees and Other Charges Payable to the Accounting Auditor for the Current Fiscal Year

	Fees for audit and attestation services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	118*	7
The Company's subsidiaries	165	23
Total	283	31

\*As the audit fees under the Companies Act and those under the Financial Instruments and Exchange Act are not separated for the purpose of the audit contract executed between the Company and the accounting auditor and are impractical to separate, the amount specified above is the total amount of audit fees payable under both Acts.

(2) Reason for the Audit and Supervisory Committee's Consent for Remuneration, etc., for the Accounting Auditor

The Audit and Supervisory Committee considered such items as the accounting auditor's audit plans, the status of the accounting auditor pursuing its duties and the basis of estimates for remuneration. As a result, the Audit & Supervisory Board judged that the remuneration, etc., for the accounting auditor was appropriate and provided consent as stipulated in Article 399, Paragraph 1 of the Companies Act.

### 3. Non-Audit Services

The Company entrusted duties such as the provision of professional advice on accounting and finance matters relating to the consideration of business operation streamlining to the accounting auditor and paid consideration therefor.

### 4. Policy on Decision of Dismissal or Non-Reappointment of Accounting Auditor

In the event that the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act, the Company's Audit and Supervisory Committee will dismiss the accounting auditor upon the unanimous agreement of all Audit and Supervisory Committee Members. In addition, in the event that the accounting auditor's proper performance of its duties is found to be difficult based on the Audit and Supervisory Committee's comprehensive evaluation of the accounting auditor in terms of qualifications, expertise and independence, the Audit and Supervisory Committee will determine the content of a proposal regarding the dismissal or non-reappointment of the accounting auditor to be submitted to the shareholders' meeting.

# Consolidated Balance Sheet (As of March 31, 2025)

(Millions of Yen)

Assets		Liabilities	
<b>Current assets</b>	<b>812,779</b>	<b>Current liabilities</b>	<b>409,785</b>
Cash and deposits	82,810	Notes and accounts payable - trade	103,690
Notes and accounts receivable - trade, and contract assets	317,852	Other	306,094
Lease receivables and investment in leases	63,931	<b>Non-current liabilities</b>	<b>1,051,448</b>
Inventories	204,987	Bonds payable	500,999
Other	144,836	Long-term borrowings	363,939
Allowance for doubtful accounts	(1,639)	Deferred tax liabilities	75,371
		Retirement benefit liability	17,394
		Other	93,743
<b>Non-current assets</b>	<b>2,387,746</b>	<b>Total liabilities</b>	<b>1,461,234</b>
<b>Property, plant and equipment</b>	<b>1,427,677</b>	<b>Net assets</b>	
Buildings and structures	207,431	<b>Shareholders' equity</b>	<b>1,302,054</b>
Machinery, equipment and vehicles	708,617	Share capital	132,166
Land	269,815	Capital surplus	19,902
Construction in progress	212,405	Retained earnings	1,173,020
Other	29,408	Treasury shares	(23,034)
<b>Intangible assets</b>	<b>92,377</b>	<b>Accumulated other comprehensive income</b>	<b>386,739</b>
<b>Investments and other assets</b>	<b>867,691</b>	Valuation difference on available-for-sale securities	56,187
Investment securities	569,252	Deferred gains or losses on hedges	70,747
Long-term loans receivable	34,897	Revaluation reserve for land	(2,395)
Retirement benefit asset	144,544	Foreign currency translation adjustment	216,648
Other	119,729	Remeasurements of defined benefit plans	45,552
Allowance for doubtful accounts	(730)	<b>Non-controlling interests</b>	<b>50,497</b>
		<b>Total net assets</b>	<b>1,739,291</b>
<b>Total assets</b>	<b>3,200,525</b>	<b>Total liabilities and net assets</b>	<b>3,200,525</b>



**Consolidated Statement of Income (April 1, 2024 to March 31, 2025)**

(Millions of Yen)

Account	Amount
<b>Net sales</b>	<b>2,069,019</b>
<b>Cost of sales</b>	<b>1,663,441</b>
<b>[Gross profit]</b>	<b>[405,577]</b>
<b>Selling, general and administrative expenses</b>	<b>244,846</b>
<b>[Operating profit]</b>	<b>[160,731]</b>
<b>Non-operating income</b>	<b>54,277</b>
Interest income	12,020
Dividend income	6,716
Share of profit of entities accounted for using equity method	20,653
Other	14,886
<b>Non-operating expenses</b>	<b>25,361</b>
Interest expenses	15,332
Other	10,028
<b>[Ordinary profit]</b>	<b>[189,647]</b>
<b>Extraordinary gains</b>	<b>25,406</b>
Gain on sale of investment securities	25,406
<b>Extraordinary losses</b>	<b>25,803</b>
Impairment losses	14,397
Loss on valuation of investment securities	11,406
<b>[Profit before income taxes]</b>	<b>[189,250]</b>
<b>Income taxes - current</b>	<b>26,458</b>
<b>Income taxes - deferred</b>	<b>27,737</b>
<b>[Profit]</b>	<b>[135,054]</b>
<b>Profit attributable to non-controlling interests</b>	<b>640</b>
<b>Profit attributable to owners of parent</b>	<b>134,414</b>

# **Non-Consolidated Balance Sheet (As of March 31, 2025)**

(Millions of Yen)

Assets		Liabilities	
<b>Current assets</b>	<b>522,648</b>	<b>Current liabilities</b>	<b>497,533</b>
Cash and deposits	11,361	Accounts payable - trade	56,823
Notes receivable - trade	34	Short-term borrowings	253,485
Accounts receivable - trade	265,808	Accounts payable - other	18,584
Merchandise and finished goods	12,417	Accrued expenses	90,553
Raw materials and supplies	66,080	Income taxes payable	8,480
Short-term loans receivable	152,556	Advances received	89
Other	15,329	Deposits received	6,823
Allowance for doubtful accounts	(940)	Other	62,693
<b>Non-current assets</b>	<b>1,513,560</b>	<b>Non-current liabilities</b>	<b>768,439</b>
<b>Property, plant and equipment</b>	<b>161,530</b>	Bonds payable	500,999
Buildings	19,585	Long-term borrowings	232,957
Structures	13,724	Provision for retirement benefits	853
Machinery and equipment	31,923	Other	33,628
Tools, furniture and fixtures	1,540	<b>Total liabilities</b>	<b>1,265,972</b>
Land	75,101	<b>Net assets</b>	
Construction in progress	19,507	<b>Shareholders' equity</b>	<b>757,819</b>
Other	147	<b>Share capital</b>	<b>132,166</b>
<b>Intangible assets</b>	<b>27,314</b>	<b>Capital surplus</b>	<b>19,482</b>
Software	26,667	Legal capital surplus	19,482
Other	647	<b>Retained earnings</b>	<b>629,205</b>
<b>Investments and other assets</b>	<b>1,324,715</b>	Legal retained earnings	33,041
Investment securities	76,490	Other retained earnings	596,163
Shares and investments in capital of subsidiaries and associates	721,961	Reserve for reduction entry of specified replaced properties	195
Long-term loans receivable	428,397	Reserve for overseas investment loss	2,028
Prepaid pension costs	80,266	Reserve for investment promotion taxation	142
Other	17,788	Reserve for adjustment of cost fluctuations	89,000
Allowance for doubtful accounts	(188)	General reserve	62,000
		Retained earnings brought forward	442,796
		<b>Treasury shares</b>	<b>(23,034)</b>
		<b>Valuation and translation adjustments</b>	<b>12,416</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>35,998</b>
		<b>Deferred gains or losses on hedges</b>	<b>(23,582)</b>
		<b>Total net assets</b>	<b>770,236</b>
<b>Total assets</b>	<b>2,036,209</b>	<b>Total liabilities and net assets</b>	<b>2,036,209</b>

**Non-Consolidated Statement of Income (April 1, 2024 to March 31, 2025)**

(Millions of Yen)

Account	Amount
<b>Net sales</b>	<b>1,514,799</b>
<b>Cost of sales</b>	<b>1,354,300</b>
<b>[Gross profit]</b>	<b>[160,498]</b>
<b>Selling, general and administrative expenses</b>	<b>124,906</b>
<b>[Operating profit]</b>	<b>[35,592]</b>
<b>Non-operating income</b>	<b>34,714</b>
Interest and dividend income	25,249
Other	9,464
<b>Non-operating expenses</b>	<b>15,998</b>
Interest expenses	8,134
Loss on valuation of investment securities	3,413
Other	4,450
<b>[Ordinary profit]</b>	<b>[54,307]</b>
<b>Extraordinary gains</b>	<b>28,180</b>
Gain on sale of investment securities	22,837
Gain on extinguishment of tie-in shares	5,343
<b>Extraordinary losses</b>	<b>13,166</b>
Impairment losses	13,166
<b>[Profit before income taxes]</b>	<b>[69,321]</b>
<b>Income taxes - current</b>	<b>5,795</b>
<b>Income taxes - deferred</b>	<b>11,002</b>
<b>[Profit]</b>	<b>[52,524]</b>

## (Reference)

### Initiatives for Achieving a Low Carbon / Carbon Neutral Society

For the Group, which is engaged in activities centering on the energy business, tackling the reduction of CO<sub>2</sub> emissions is a crucial mission. So far, the Group has declared its commitment to pursuing the challenge to achieve carbon neutrality by 2050 as well as indicating its approach and specific measures during the transition period leading up to 2030 through the “Daigas Group Carbon Neutral Vision” and “Daigas Group Energy Transition 2030”.

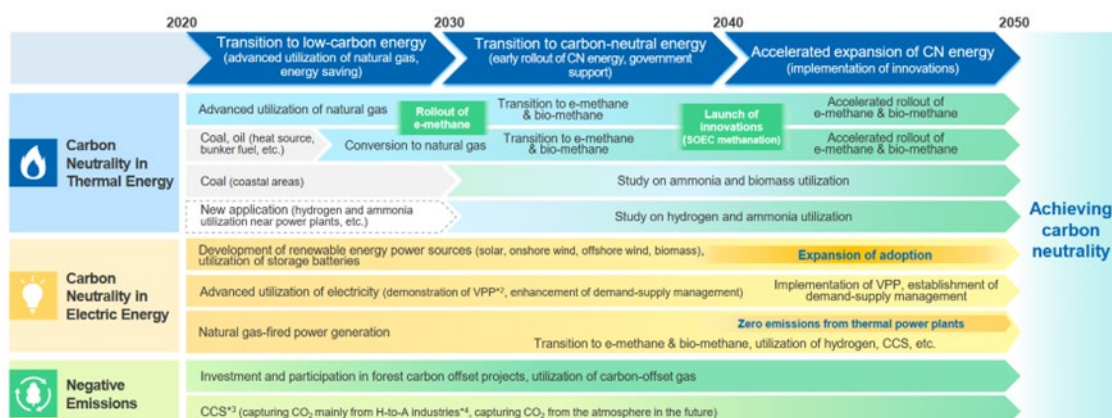
In line with this approach, we are steadily bolstering our activities for a better future through the development of various renewable energy sources, the promotion of e-methane production projects, and the advancement of innovative technologies contributing to decarbonization.

As social changes increase uncertainty in the energy environment, we believe that the Group is called upon to achieve both energy supply stability and carbon neutrality.

In light of these environmental changes, in February this year, we formulated “Daigas Group Energy Transition 2050,” which clarifies the roadmap toward achieving carbon neutrality by 2050 and summarizes solutions for co-creating future value with all our stakeholders.

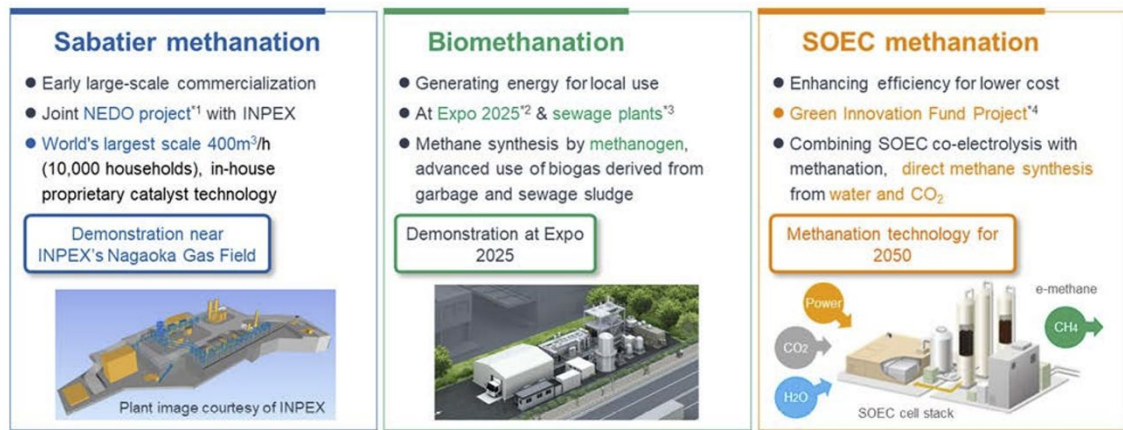


Our roadmap and initiatives toward achieving carbon neutrality by 2050 are shown below.

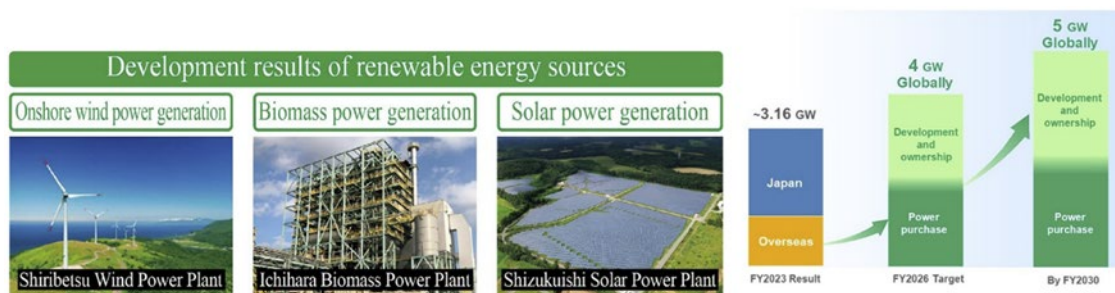


E-methane, especially, is an exceedingly flexible energy source that enables the use of existing supply chains, facilitating a seamless transition from natural gas to a carbon-neutral society. As we look forward to the introduction of e-methane, we will focus not only on our production capabilities in Japan and overseas but also on building supply chains in anticipation of its widespread adoption.

### Developing three methanation technologies for producing e-methane



### Development of renewable energy sources



For information on the Group's other initiatives and the disclosure of climate change response information in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), please refer to our Sustainability website, our Integrated Report, and "Daigas Group Energy Transition 2050."

[Sustainability website]

<https://www.daigasgroup.com/en/sustainability/>



[Integrated Report]

<https://www.osakagas.co.jp/en/ir/library/ar/>



[Daigas Group Energy Transition 2050]

[https://www.osakagas.co.jp/en/whatsnew/\\_\\_icsFiles/afieldfile/2025/02/27/250227\\_2\\_2.pdf](https://www.osakagas.co.jp/en/whatsnew/__icsFiles/afieldfile/2025/02/27/250227_2_2.pdf)

