



II. Evolve Our Corporate Group

Enhancing Business Portfolio Management

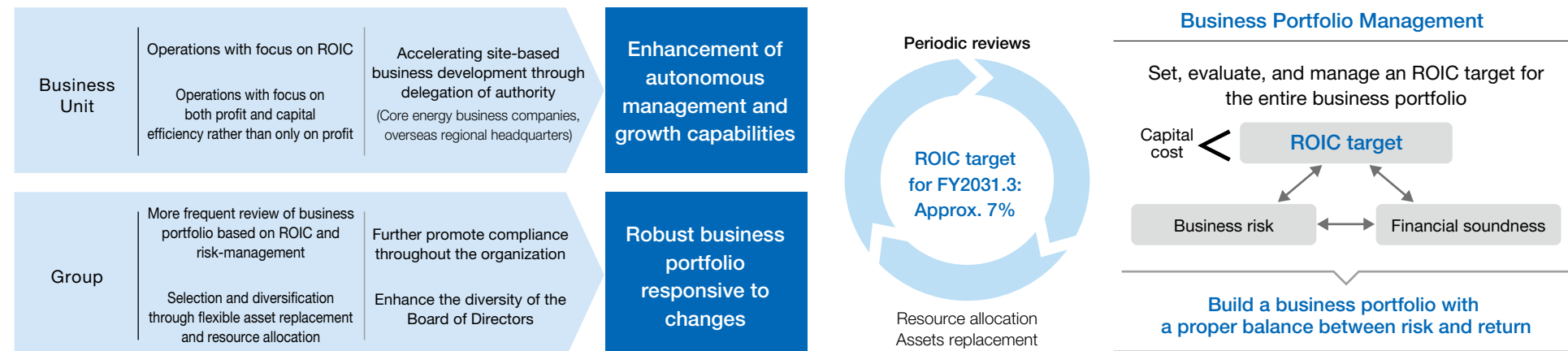
Recognition of External Environment

A sense of uncertainty is growing due to Russia's prolonged aggression against Ukraine, heightened global geopolitical risks, weaker yen, continued inflation, and expected economic recession. This has resulted in unstable energy supply-demand balance and surging prices, which has a serious impact on the Daigas Group's business. We are therefore expected to improve the robustness of our business portfolio and quickly adapt to change.

Review of FY2023.3 and Future Strategy

In FY2023.3, we evaluated each business unit against the ROIC results in the first year of the Medium-Term Management Plan 2023, with a view to stay focused on ROIC. In addition, we took various measures to improve NOPAT, sold cross-shareholdings, and worked to securitize Group-owned real estate.

Going forward, we will accelerate business portfolio management by familiarizing and establishing ROIC management and thereby encouraging each business unit's autonomous growth. We will thus aim for a sustainable growth and medium- to long-term corporate value improvement.



$$\text{ROIC} = \text{NOPAT}^{*1} / \text{Invested capital}^{*2}$$

- We have introduced ROIC as an indicator of how efficiently we earn profits from assets associated with our business
- Monitor ROIC as a common indicator for each business unit and the Group as a whole

*1 NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes

*2 Invested capital = (Business unit) Working capital + Non-current assets (Group-wide) Interest-bearing debts + Shareholders' equity (average of the beginning and the end of each fiscal year) Interest-bearing debts excludes risk-free leased liabilities to us.

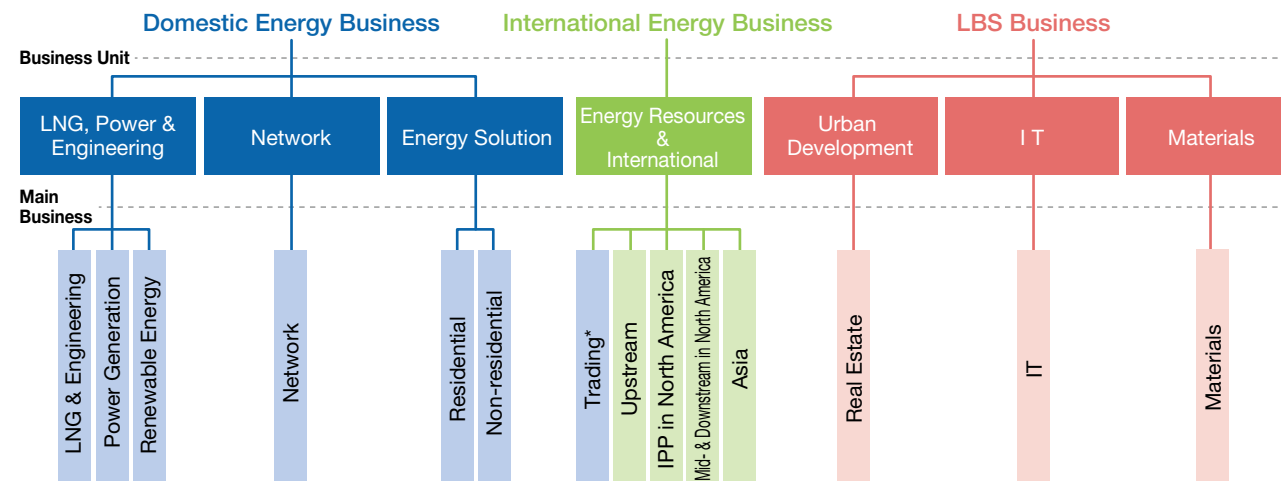
Enhancing Business Portfolio

In order to create value for a sustainable future, we need the growth of earnings and capital efficiency of each business unit and a robust portfolio comprising those businesses. Under CVS 2023, we are improving our business management through the introduction of ROIC as a new management indicator, with the aim of boosting the earning capabilities of each business unit with more focus on the balance sheet. At the same time, we are increasing the business control functions of each business unit, which enhances their flexibility and agility in business operations. We are also introducing more frequent review of our business plan and resource allocation at the group headquarters. These measures are efficiently improving the robustness of our business portfolio while enabling it to quickly adapt to change.


■ Main Initiatives under the Medium-Term Management Plan 2023

Promote business units' autonomous asset divestment	<ul style="list-style-type: none"> Sell overseas assets that have completed their purpose (Idemitsu Snorre, 4 IPP projects) For cross-shareholdings, re-examine the significance of holdings for each individual stock and sell stocks appropriately (divestment of 14 stocks)
Invest in assets with focus on ROIC target	<ul style="list-style-type: none"> In renewable energy development in Japan, maximize investment efficiency through share-out with strategic partners, offtake in excess of stakes in the project, innovation in finance schemes, etc.
Improve asset efficiency	<ul style="list-style-type: none"> Work on securitization of the Group-owned real estate Mitigate business risk and improve asset efficiency through leasing in industrial energy services
Increase NOPAT	<ul style="list-style-type: none"> Take advantage of the market price surge and expand shale gas output Optimize LNG trading Expand the gas and electricity businesses to a wider area

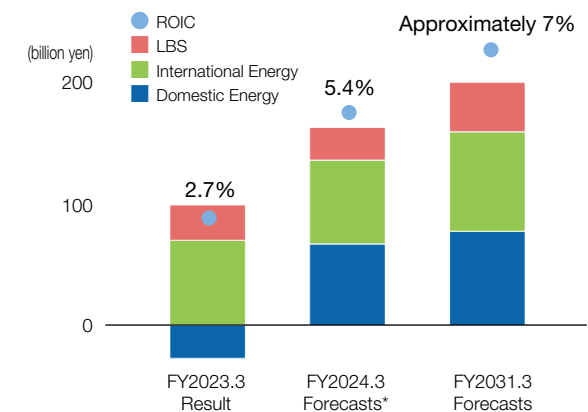
■ Domestic Energy ■ International Energy ■ Life & Business Solutions



*Trading is included in the Domestic Energy Business segment.

Please see  P.22 for the details of each business.

■ Forecasts for ordinary profit by segment and ROIC targets



*Disclosed in March 2023



Domestic Energy Business

Main business lines Production, supply and sale of city gas, sale of gas appliances, gas pipe installation, sale of LNG, LNG transport, sale of LPG, sale of industrial gas, power generation and sale of electricity

What We Aim to Be in FY2031.3

The Daigas Group is striving to develop its business as an energy marketer in a new era by strengthening each of the three areas in the Domestic Energy Business; namely, gas manufacturing and sales, gas distribution, and power generation and electricity sales.

In addition to ensuring that customers in the Kansai region use city gas in a stable, safe, and secure manner, we are proceeding with the comprehensive provision of energy and services by expanding the electric power and LPG businesses and enhancing life support services and one-stop services as a utility agent. Furthermore, we will expand the know-how and services developed in the Kansai region to a wide area through alliances.

With these activities going beyond customer expectations, business boundaries, and corporate boundaries, we aim to reach more than 10 million customer accounts by FY2031.3.

FY2023.3
Results

Net Sales **1,971.6** billion yen

Segment Loss* **-27.3** billion yen

*Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

Investment
for Growth for
FY2031.3

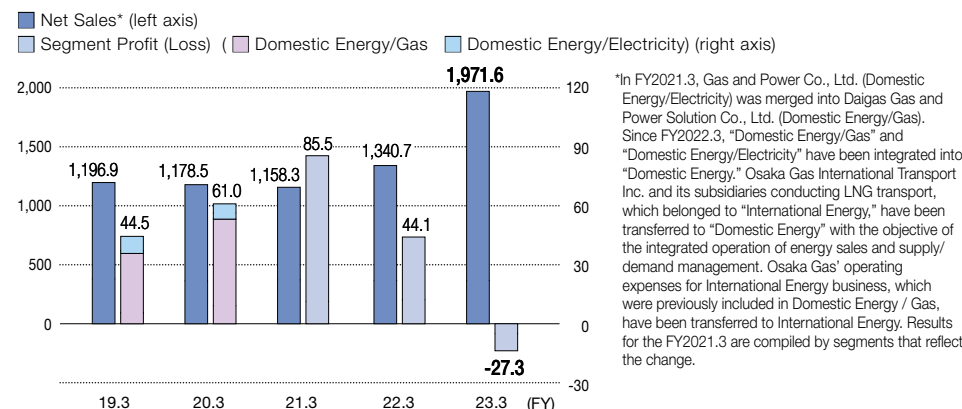
520.0 billion yen*

*From FY2018.3 to FY2031.3 (Plan)

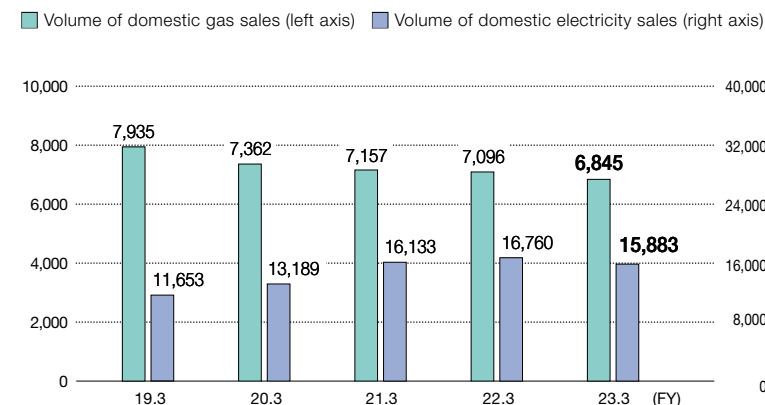
Key Strategy

We will promote an efficient gas pipeline business that meet the needs of local communities and other stakeholders, while working on the following matters: (1) procure raw materials stably and economically by diversifying source LNG projects and contract price indicators; (2) establish a competitive power source portfolio by finding new power sources and procuring from markets and expand the use of renewable energy through development and collaboration; (3) achieve stable gas supply by taking measures against natural disasters and other contingencies, and ensure safety through emergency response to gas leakage and other accidents; (4) expand marketer businesses that help solve social issues, such as low-carbon and decarbonization and resilience enhancement, achieve a comfortable life and develop businesses for customers; (5) expand new energy infrastructure development, such as LNG terminals, as well as the engineering business based on solution proposals that take advantage of our know-how; and (6) ensure impartiality and transparency of wheeling.

Net Sales* (billion yen) **Segment Profit (Loss)*** (billion yen)



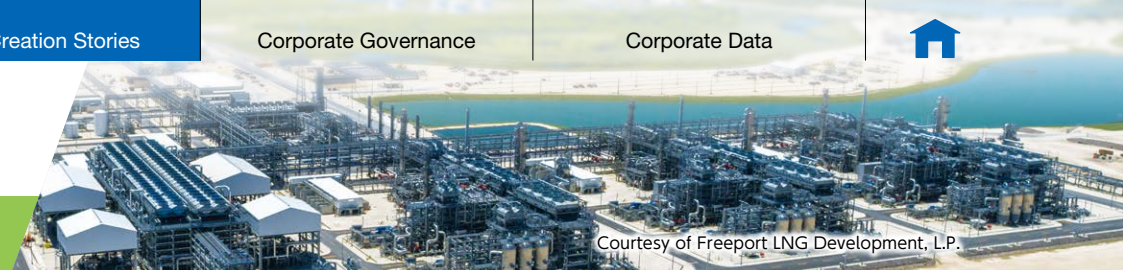
Domestic gas sales volume (million m³) **Domestic electricity sales volume** (million kWh)





International Energy Business

Main business lines Development of and investment regarding natural gas, energy supply



Courtesy of Freeport LNG Development, L.P.

What We Aim to Be in FY2031.3

As an energy business operator, the Daigas Group has focused on the natural gas value chain from early on and has made investments abroad accordingly. In the future, we will continue to invest outside of Japan and by FY2031.3 will increase our international-to-domestic business ratio to 1:2. The Group will create a business model capable of generating balanced earnings streams from North America, Asia, Oceania, and Europe, in addition to Japan.

FY2023.3
Results

Net Sales **123.2** billion yen

Segment Profit* **69.7** billion yen

*Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

Investment
for Growth for
FY2031.3

550.0 billion yen*

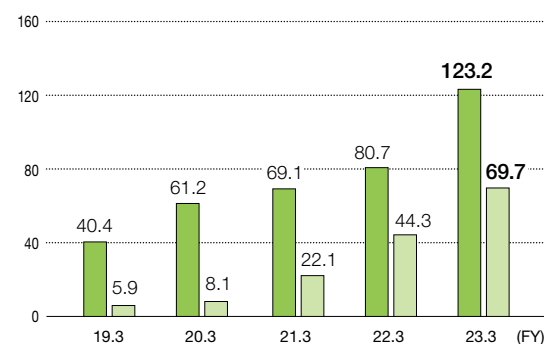
*From FY2018.3 to FY2031.3 (Plan)

Key Strategy

To procure natural gas, etc. in a stable manner and gain profits, we will steadily drive forward ongoing projects, such as production at the Gorgon and Ichthys LNG Projects in Australia, shale gas development by Sabine Oil & Gas Corporation in the United States, and the liquefaction business at the Freeport LNG. In the IPP business, we will steadily work on the gas-fired thermal power generation business, as well as develop and acquire renewable energy. In the marketer business, we will take advantage of the knowledge cultivated in Japan, based on which we will steadily operate the gas, electricity, and energy service business and develop new projects, as well as gain know-how in new domains through business participation and other initiatives. In addition, we will expand energy infrastructure development and the engineering business by proposing solutions that meet customer needs.

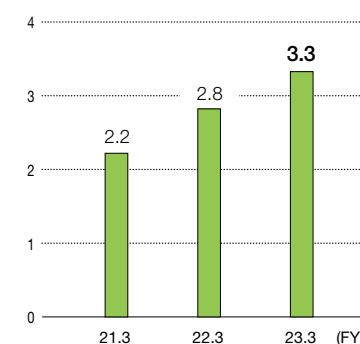
Net Sales* (billion yen) **Segment Profit*** (billion yen)

■ Net Sales ■ Segment profit



*Since FY2022.3, Osaka Gas International Transport Inc., which belongs to "International Energy" and conducts LNG transport, has been merged into "Domestic Energy" with the objective of the integrated operation of energy sales and supply/demand management, and operating expenses for international energy included in Osaka Gas (Domestic Energy/Gas) have been transferred to International Energy.

Sabine Oil & Gas Corporation's Shale Gas Production Volume (million tons)





Life & Business Solutions Business

Main business lines Development and leasing of real estate properties, information-processing services, sale of fine materials and carbon material products

What We Aim to Be in FY2031.3

The Daigas Group actively applies the technologies and know-how it has accumulated in the energy business, developing businesses that differ from the energy field in order to diversify business risk. These non-energy businesses are playing a major role in supporting the Daigas Group's earnings base as a stable source of earnings, particularly as crude oil prices and foreign exchange trends remain unclear.

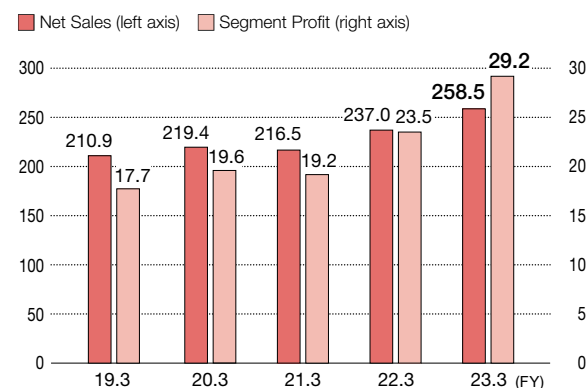
We plan to accelerate growth in three core business areas in Life & Business Solutions (LBS)—Urban Development, Materials Solutions, and Information Solutions—aiming to consistently increase profits through FY2031.3.

Key Strategy

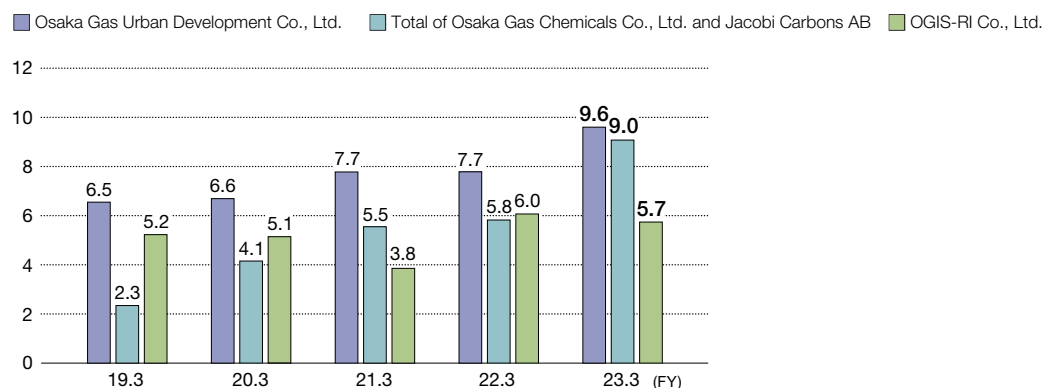
Based on the technologies and know-how accumulated in the energy business, we provide products and services in such business areas as Urban Development, Materials Solutions, and Information Solutions. These products and services take advantage of strengths unique to us. We thus help domestic and overseas customers achieve comfort, convenience, and health, as well as enrich lives and develop businesses. Described below are what we aim to be in the three business areas.

- **Urban Development Business:** A corporate group in which employees are actively engaged in various areas including development, operation, and maintenance, and one that meets the needs of customers and society through diverse solutions that are blended with real estate and services
- **Material Solutions Business:** A corporate group that has top class technologies and shares in various business domains in the functional materials market and provides highly functional materials solutions and adsorption separation solutions to customers across the world.
- **Information Solutions Business:** A corporate group that provides comprehensive IT services ranging from consulting to design, development, and operation of systems and grows sustainably with customers

Net Sales (billion yen) Segment Profit (billion yen)



Operating Profit of Each Company (billion yen)



FY2023.3
Results

Net Sales **258.5** billion yen

Segment Profit* **29.2** billion yen

*Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

Investment for
Growth for
FY2031.3

380.0 billion yen*

*From FY2018.3 to FY2031.3 (Plan)



Responding to Customer Needs and Expanding Business Domains in the Life & Business Solutions (LBS) Business

To further develop the LBS business as our core business, we will promote the growth of existing fields and the expansion of business domains. Described below are major activities in each business field.

Urban Development Business



Providing comfortable, healthy, and high-quality living space and productivity-boosting office space



Osaka Gas Urban Development Group

The Urban Development Business rolls out real estate business, which extends widely to include the development of properties such as sale and rental apartments, office buildings, management of buildings and facilities, and so on.

Osaka Gas Urban Development Co., Ltd. has adopted ZEH-M Oriented^{*1} as standard features of its condominiums planned from April 2022 onward. This facilitates the provision of condominiums that save and create energy and allow residents to contribute to the environment.

We will continue to aim for sustainable profit growth and improvement of capital efficiency by deepening the strength of existing businesses, expanding business domains, and evolving our business model. Specifically, we will continue to develop and supply quality housing that address social issues (SDGs, etc.) and customer needs, accelerate new businesses such as logistics real estate and private-placement REIT, provide comprehensive facility management services in the building maintenance business, expand out-of-area projects in the research park business, and provide interaction opportunities and a business environment that triggers the creation of innovations.

^{*1} ZEH-M Oriented condominiums aim to reduce primary energy consumption by 20% or more for the entire condominium including communal areas. This is materialized by significantly improving outer surface insulation and other functions of buildings and achieving significant energy saving through the introduction of highly efficient facility systems.



Osaka Gas Urban Development Asset Management

Materials Solutions Business



Providing value and contributing to a sustainable society through high-quality materials solutions



Osaka Gas Chemicals Group

The Materials Solutions Business develops, manufactures, and sells a variety of highly functional materials based on our own coal chemistry technologies and pharmaceutical- and agrochemical-related technologies. Specific business fields include fine materials, carbon fiber materials, activated carbon, silica- and alumina-based materials, and preservatives. In 2014, we acquired activated carbon producer Jacobi Carbons AB (Sweden) and are developing our business globally.

Frontier Materials Laboratories of Osaka Gas Chemicals Co., Ltd. develops new materials and technologies to create future-oriented materials conducive to value creation, focusing on the three fields of organic synthesis,^{*2} polymerization and compounds,^{*3} and bioscience.

We will continue to aim to establish a stable earnings base and achieve sustainable growth by developing and expanding sales of products with high added value in a diverse product offering, while also pursuing synergies and developing new markets.

^{*2} New monomers for optoelectronic materials and semiconductors are mainly developed in the organic synthesis field.

^{*3} Optoelectronic materials, resin modifiers, and carbon dispersion materials are mainly developed in the polymerization and compounds field.



Mizusawa Industrial Chemicals, Ltd.



Information Solutions Business



Contributing to the evolution of corporations and individuals in the digital age



OGIS-RI Group

OGIS-RI traces its roots back to developing and managing systems for the gas business of Osaka Gas Co., Ltd. It rolls out services for general consumers as well. Through various acquisitions, the company has organized a group of IT companies that offer services to the manufacturing and financial industries or have strength in ERP,^{*4} thereby expanding business domains. By sharing the expertise within the group, we provide comprehensive IT services ranging from consulting, design, development, and operation of information systems to cloud data centers, and security.

In addition, the strength of OGIS-RI Group, which is the ability to accelerate the evolution of business by asking essential questions and finding answers without fail, is set as the company's PURPOSE. We strive to secure and develop talented human resources to resolve customers' issues by using technology.

We will continue to help improve the competitiveness of the Daigas Group, responding to new customer needs in the fields of energy, manufacturing, and finance; ERP; clouds; and digital transformation.

^{*4} ERP is the abbreviation for enterprise resource planning. ERP has been adopted in a wide range of industries as a system that centrally manages customers' corporate activities and contributes to efficient management.





II. Evolve Our Corporate Group

Promoting Business Transformation with DX

Daigas Group's Digital Transformation Strategy

[Main initiatives]

Practicing Innovative Service Creation

We will offer various services with higher value by incorporating trends and the diverse needs of customers without delay. This does not only refer to the development of new businesses and new services but also leads to increasing sophistication in existing businesses, resulting in an increase in customer accounts, business opportunities, and net sales as well as raising business operations to the next level. In rapidly changing times, it is important to “accelerate the trial and error cycle.” We will acquire skills through practice, innovate the system itself and foster customs and mindsets across the entire Group, which enable the Group to move forward with new initiatives aggressively and quickly.

Operational Process Innovation

We will thoroughly review our internal operations from “the perspective of customers.” We will also focus on merging and abolishing operations as well as standardizing and aggregating different procedural operations among organizations to broadly redesign the entire operational process. Furthermore, the workload for remaining operations will be reduced with digital technologies such as AI and RPA. Through these transformations, the Group employees will be able to generate extra power to work on more non-routine and discretionary operations as well as operations that require higher expertise and judgment in a pleasant working environment. This will allow employees to devote more energy to providing better value to customers.

Data Management Evolution

The Group has been leading efforts to utilize data, placing an internal “Business Analysis Center” at its core. In the future, utilizing valuable assets such as data as our strengths is the key to value creation and growth strengths. For example, if we can catch customers’ needs from data, we can offer services optimized for each customer. We will continue to create new value in optimized customer experiences and our supply chain by developing our initiatives in the past and evolving data management further.

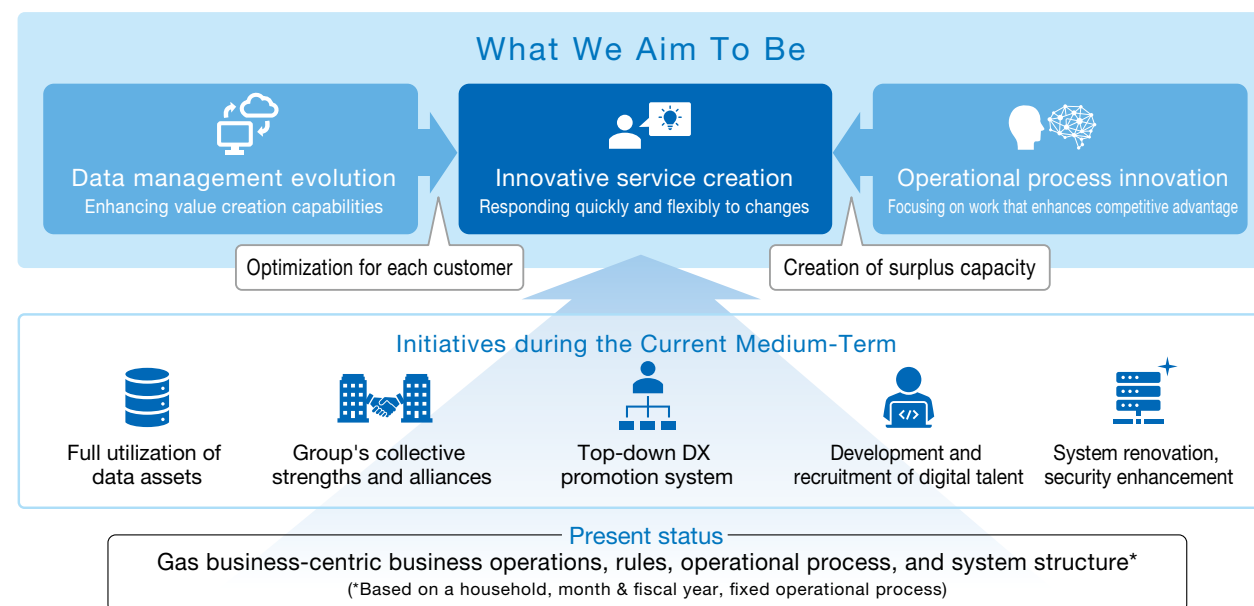
Recognition of External Environment

In the times when everything is connected via digital technology and evolves rapidly, how we compete to offer services to customers is completely different from conventional approaches. Under such circumstances, our business operation needs to respond quickly and flexibly to changes. Operational process innovation increases the productivity of internal operations, which will also enhance competitiveness.

Review of FY2023.3 and Future Strategy

In FY2023.3, we launched the DX Strategy Department in the Corporate Planning Headquarters to implement effective and swift digital transformation under the leadership of top management. We also enhanced the development of digital talent by offering training by job level, group-wide e-learning, and other programs.

Going forward, we will accelerate the Daigas Group's business activities by taking advantage of digital technologies. Specifically, we will create services that are ahead of the times, as well as promote innovation in operational processes through the full-scale launch of Daigas X (Daigas Transformation).





Key Initiatives

Transforming Value for Customers

We are giving a concrete form to what we aim to be in 2030. To achieve this goal, we have started to transform our business activities to keep providing value to customers. Under the key phrase of “All for everyone’s smile,” Osaka Gas Marketing Co., Ltd.,*¹ which conducts business for residential customers, aims to create a future where not only customers but also business partners and Group employees are smiling. The Group will continue to provide optimized experiences tailored to each customer by taking advantage of digital technologies and transforming services and communication in accordance with customer and societal needs. Helping customers achieve a safe and secure, comfortable and convenient, and energy-saving and eco-friendly lifestyle, we aim to be a “housing and lifestyle partner.”

*¹ Please refer to □□ P. 40 for examples of FY2023.3 activities in services for residential customers.

Transforming Employee Value Through Daigas X (Daigas Transformation)

In FY2023.3, we launched an initiative to evolve how we work and operate, so that we can keep producing a virtuous cycle of employee and company value creation in unprecedented, rapidly changing times.

In FY2024.3, the initiative was named “Daigas X (Daigas Transformation),” and shared with all employees via the intranet along with specific measures and what we aim to be. Daigas X rolls out activities that aim to enable diverse human resources to take on challenges, keep learning, and grow, as well as to let us speedily explore and deepen our understanding of unprecedented changes. Simultaneously, we are creating environments and systems that support the initiative. Each organization considers what they aim to be and what action they take to that end, based on the reality in the organization and on the frontline. In parallel, the company is developing internal mechanisms, such as the introduction of chat tools to stimulate communication, and the expansion of learning opportunities for employees to encourage autonomous career development.*²

*² Please refer to □□ P. 53-55 for measures to encourage autonomous career development.

■ Offering Information on the Intranet



Systems and Structures That Take Advantage of Group's Collective Strength

Under the DX promotion system built in FY2023.3, we are building group-wide systems and structures from FY2024.3 to accelerate DX promotion, with stronger collaboration with OGIS-RI Co., Ltd. in charge of the Information Solutions Business. Specific initiatives include the launch of “DX Practical Training,” a consulting service that works together with each organization to help resolve their issues. This aims to support Group employees to improve business operations and take on the challenge of transformation. In collaboration with OGIS-RI Co., Ltd., we are also taking advantage of the Group's collective strength in working on Daigas X and the transformation of customer value in the residential energy business.

Human Resources Development That Aims to Integrate Business with Digital

To focus on the development of human resources who can integrate business with digital and draw and promote what we aim to be, we are promoting systematic training by job level. In FY2023.3, we invited external experts for monthly lectures and dialogues for the management, which featured case studies of corporate reforms, trends in the shift of customers' values, and other topics. The contents were shared with employees as well. We also develop core human resources who take advantage of digital technologies for operational reform and new business planning. After defining the skills necessary for core human resources, we implemented a development program that includes lectures, OJT, and feedback interviews. As of April 2023, a total of approximately 120 employees have undergone the development program. For all employees, we offered e-learning, as well as courses for obtaining qualifications, and enhanced reskilling support. From FY2024.3, our initiatives will target managers as well. We thus aim to build a system where top-down and bottom-up approaches create synergy.

■ Development Program by Job Level

Target	Development program
Management	● Lectures by and dialogues with external experts held about once a month (approx. 20 participants)
Managers	● Launch initiatives in FY2024.3
Core human resources	● Development program including lectures, OJT, and interviews (targeting approx. 120 employees)
All employees	● E-learning, courses for obtaining qualifications ● Share lectures for the management ● Enhance reskilling support



II. Evolve Our Corporate Group

Maximizing Value for Each Employee



Recognition of External Environment

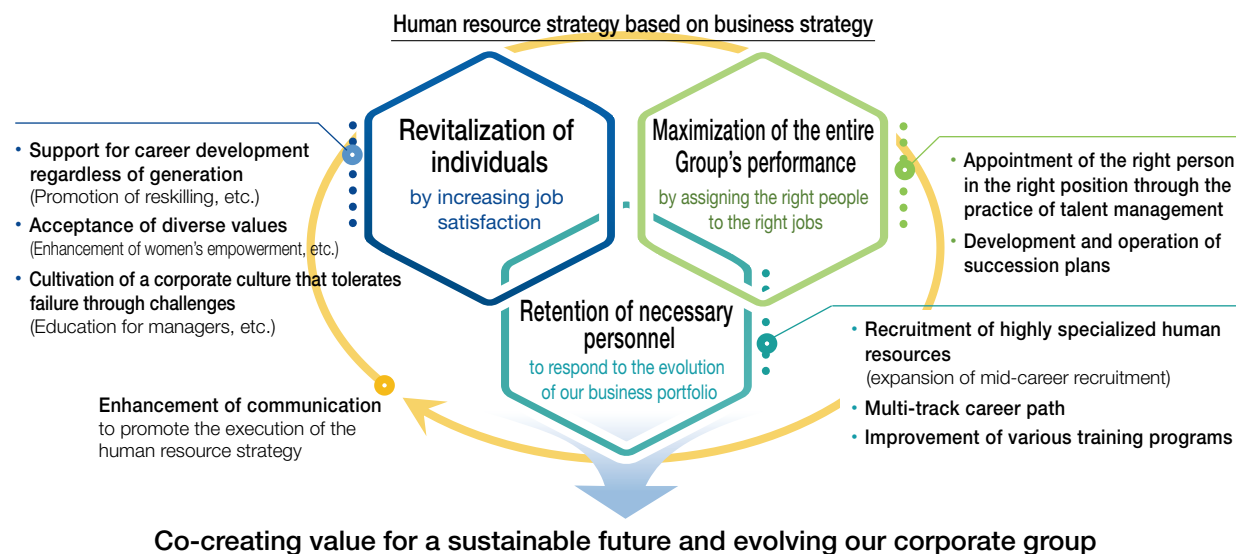
Amid a rapidly changing business environment and diversifying mindset toward working, the Daigas Group considers human capital as a source of value creation. Based on such recognition, we will drive forward initiatives that enhance employees' sense of fulfillment and overall Group performance, raising both corporate value and value for employees.

Review of FY2023.3 and Future Strategy

To materialize “diverse talent and ways of work” and an “organization that provides personal growth and a sense of fulfillment” stated in the Medium-Term Management Plan 2023, we strengthened the recruitment of highly specialized human resources. In addition, employee career path was made multi-track, and a talent management system was introduced. Furthermore, we constantly supported career development regardless of generation and worked on the creation of a pleasant working environment.

We also measure employee engagement in the Daigas Group's Employee Attitude Survey and reflect the results in measures we take.

We will continue to deepen communication with each employee and steadily implement a human resource strategy based on our business strategy.



Daigas Group's Human Resource Strategy

Basic Approach

To achieve the Long-Term Management Vision and the Medium-Term Management Plan objectives, it is important to develop and implement a human resource strategy aligned with our business strategy, including initiatives to realize a low-carbon and carbon-neutral society and enhance of business portfolio management. To this end, we recruit and develop human resources important in our business strategy, let individuals demonstrate the best of their abilities, and promote diversity, equal opportunity, and inclusion.

[Main initiatives]

1 Retention of necessary personnel to respond to the evolution of our business portfolio

We work to secure the quality and quantity of personnel for portfolio development of the Domestic Energy Business, International Energy Business, and Life & Business Solutions (LBS) Business, as well as to recruit and develop human resources who can flexibly respond to changes in the business environment and highly specialized human resources. In particular, we are committed to working on the urgent issue of securing human resources who can elevate our business to the next level. Specifically, our focus is on initiatives to achieve carbon neutrality, acceleration of overseas energy business development, and digital transformation.

2 Maximization of the entire Group's performance by assigning the right people to the right jobs

We will introduce a talent management system, and create a foundation by reviewing job requirements and centralizing the management of human resource information. After defining all job requirements, we will match them with human resource information, such as personal characteristics and job transfer experiences. We thus aim to maximize performance by assigning the right people to the right jobs and empowering diverse human resources. In addition, we will develop succession plans mainly for management positions, with an eye to showing sustainable performance as an organization.

3 Revitalization of individuals by increasing job satisfaction

We consider that taking measures to offer a satisfying and pleasant working environment enables employees to demonstrate their abilities and skills. We aim to achieve sustainable growth by helping employees develop their careers autonomously and take on challenges and grow, thereby increasing engagement and labor productivity. To this end, programs are in place to offer diverse experiences.



Materiality

Employee Engagement
Development of Employee Skills
Diversity and Inclusion

Indicators and FY2023.3 Results

Employee Attitude Survey ▶ Remained at appropriate levels

Employee engagement was measured based on the following four indicators: overall satisfaction, which indicates the current level of satisfaction with the company; loyalty, which indicates the level of attachment to the company; intention to continue working, which indicates the intention to continue working for the company; and intention to recommend, which indicates the likeliness of recommending the company to friends and acquaintances. The scores for Osaka Gas and its affiliates were higher than the society average. The attitude survey results are analyzed by age cohort, organization, and other factors, and measures are taken to address issues found.

Annual average hours of training per employee

▶ **26.3** hours/personParticipation in e-Learning program*: **5.83** hours/person

Osaka Gas attaches importance to the development of human resources who can play an active role in a rapidly changing business environment. We therefore offer diverse education programs for each employee's skills development. Specifically, a variety of training sessions take place according to positions and job categories, including various training programs by job level and extensive self-selection style training.

We organized training sessions in a planned manner throughout FY2023.3. e-learning courses saw 5,264 participants per course.

*Includes some temporary employees and part-time workers; covers the area of safety, information security, environment, digital transformation, etc.

Percentage of women

▶ Executives/Directors: **13.3%** / **10.0%**Newly-promoted to middle management positions: **14.3%**New recruits for career-track positions: **28.1%**

Osaka Gas promotes initiatives to empower female employees to achieve the targets for 2030.

In FY2023.3, we strived to respect diverse careers and values and roll out measures attentive to individuals' situations. We made efforts in multiple areas to achieve our female advancement goals, including training appropriate to the timing of job responsibilities and life events, dissemination of the importance of individual-based management in training for managers, and promotion of male employees to take childcare leave. As of June 2023, the ratio of female executives was 26.7%, and the ratio of female directors was 20.0%.

Promote Diversity and Inclusion

As the working population is expected to decline in Japan, Osaka Gas believes it important to accept diverse values and has been striving to create a work environment where women can exercise their abilities and play active roles. As a result of our efforts, many women employees have been displaying their abilities in various fields.

■ Number of Osaka Gas employees using childcare-related leave systems

	FY19.3	FY20.3	FY21.3	FY22.3	FY23.3
Number of employees who took childcare leave/leave for childcare purposes	201	201	111	135	46
Of which, male employees	178	172	97	123	39
Rate of male employees	84.1%	93.1%	93.3%	93.8%	87.8%
Number of employees who shortened their working hours due to childcare	35	33	22	26	29

[Main initiatives]

Recruitment

Strengthen recruitment activities for female students

- As a diversity seminar, introduce female employees' career paths and workplace environments where they are playing an active role; Hold seminars for science-major female students
- Post career examples of women as part of the information on recruitment on our website

Development

To support female employees' career formation, offer continuous career education, including how they would balance work and childcare

- Transfer and appointment: transfer and appoint based on individual development plans suited to each employee
- Career education: offer the mentoring program, have interviews with young female employees, and dispatch to external training

- For supervisors: offer training for newly appointed and existing managers/supervisors, and hold a Diversity Promotion Forum (lecture by knowledgeable person and workshop)

Work environment

Create a work environment where life events do not disrupt career

- Childcare: hold child-rearing luncheon meetings (job networking event)
Hold Childcare Worker + Supervisor Forums
Offer intranet networking opportunities for workers on leave and returners
Hold roundtable talks for people taking childcare leave
Hold seminars on balancing work and childcare for men (Diversity West Japan Study Group)
- Corporate culture: provide information through continued distribution of e-mail news and in-house web magazines
Continue to implement measures to promote efficient working



Progress of Major Initiatives Based on Human Resource Strategy

1 Retention of necessary personnel to respond to the evolution of our business portfolio (recruitment and development)**Strengthening of mid-career recruitment and multi-track career path after joining the company**

We have strengthened mid-career recruitment. Mid-career hires accounted for 16.7% of new employees in FY2023.3, up from roughly 5% in the previous years.

By conducting interviews with mid-career hires, we were able to confirm that a corporate culture that accepts diverse human resources has been cultivated and employees are being recognized equally regardless of whether they joined the company as new graduates or mid-career hires.

Through interviews with specialist employees whose strengths lie mainly in

technology, we found out that it is difficult to see a career track other than that leading to managerial human resources. In response to such a concern, we created a new career track applicable from FY2023.3.

Result

Hired 29 mid-career employees (16.7% of the total number of new employees)
Appointed 10 Fellows and 4 Authorities

2 Maximization of the entire Group's performance by assigning the right people to the right jobs**Introduction and utilization of talent management system**

We started to consider introducing a talent management system in FY2022.3, and have been utilizing the system on a trial basis. Our job fields have been classified into 18 domains, including international business, electricity business, and finance. We reviewed the work experiences of eligible employees by linking those experiences with the domains, which enabled us to centrally manage employees' professional experience at the company.

We will create a foundation by reviewing job requirements and centralizing the management of human resource information, define clear job requirements, and match them with human resource information, such as personal characteristics and job transfer experiences. We thus aim to maximize performance by assigning the right people to the right jobs and empowering diverse human resources.

3 Revitalization of individuals by increasing job satisfaction**Support for career development regardless of generation**

Based on the recognition that each employee needs to develop their careers autonomously and proactively, we have been reorganizing the conventional system of approaches. In April 2023, we newly established the Career Development Project Team in the Human Resources

Department. Serving as a contact point for employee career development, whose support extends from young employees to senior employees, the team is restructuring the system for training, interviews, and other initiatives that help career development.

Creation of a Pleasant Working Environment

Health promotion was positioned as Osaka Gas's priority management policy in 1975. Since then, we have been promoting the physical and mental health of employees. We established the Daigas Group Health Management Declaration* in March 2021, and have been taking action according to the declaration, such as encouraging employees to refrain from smoking during work hours. Our efforts from the past years bore fruit, and in March 2023, we were recognized under the Health and Productivity Management Stock Selection program for the first time.

*Health and Productivity Management is a registered trademark of the NPO Kenko Keiei Kenkyukai.

