

Social

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Innovation Management

Summary

Why the topic is material	<p>The Daigas Group views technology as the foundation for its corporate competitiveness and views research and development as one of its most important strategies for differentiating itself from the competition. We also recognize that proactively leveraging digital technology for our business, creating innovative services, evolving data management, and reforming business processes will lead to improved business competitiveness.</p> <p>While providing a stable supply of city gas in the Kansai region, the Group has expanded its business into peripheral areas and developed together with the region by working on research, development, and practical application of various new technologies that lead to comfortable lives and development of business for our customers.</p> <p>To attain sustainable development and growth that address the needs of the environment and society, the Group will create new value and provide a wider range of services and new technologies to customers in collaboration with various stakeholders.</p>	
	Items to be addressed	Specific initiatives
Promoting business transformation with DX	<ul style="list-style-type: none">• Data management evolution• Practicing innovative service creation• Operational process innovation	<div>Policy and promotion system</div> <p>We aim to become a “corporate group capable of keeping on changing” to continue providing value amid rapid change in society and the work environment as well as changes in customer values. We will proactively leverage digital technology, which is progressing rapidly, for our business and accelerate innovative service creation, data management evolution, and operational process innovation.</p> <p>In April 2022, we established the DX Strategy Department at the Corporate Planning Headquarters, and the DX Committee, a corporate committee, performs cross-organizational coordination and promotion of DX for the entire Daigas Group.</p>
		<div>Initiatives undertaken in FY2023.3</div> <ul style="list-style-type: none">• Transforming value for customers• Building systems and structures that take advantage of Group’s collective strength• Transforming employee value through “Daigas X (Daigas Transformation)”• Human resources development
Research and development/ intellectual property	<ul style="list-style-type: none">• Research and development of technologies that contribute to achieving carbon neutrality• Technology development to ensure stable energy supply and safety• Research and development for the creation of new businesses• Securing and utilizing intellectual property rights	<div>Policy and promotion system</div> <p>In line with the Medium-Term Management Plan 2023, the Carbon Neutral Vision, and Energy Transition 2030 (ET2030), we aim to realize a low-carbon, decarbonized society and promote research and development of technologies to ensure a stable energy supply and safety as well as to create new businesses. Based on the rules and regulations related to technological development, we make decisions on the implementation of technological development, allocate appropriate budgets according to the importance of the theme, and follow up on progress at the time of implementation.</p>
		<div>Initiatives undertaken in FY2023.3</div> <ul style="list-style-type: none">• Promoted research and development, including that of methanation, to achieve carbon neutrality• Continued to promote technological development to ensure and improve safety, and research and development to create new businesses• Secured and utilized intellectual property rights in conjunction with business and technology development strategies• Promoted open innovation activities that actively integrate and utilize technologies owned by Osaka Gas and those owned by external parties

Promoting Business Transformation with DX

Principle and Outline

We aim to become a “corporate group capable of keeping on changing” to continue providing value amid rapid change in society and the working environment as well as changes in customer values. We will proactively leverage digital technology, which is progressing rapidly, for our business and accelerate innovative service creation, data management evolution, and operational process innovation.

We will change our business operations to enable them to respond rapidly and flexibly to any changes to enhance productivity dramatically to create value sustainably for realizing Medium-Term Management Plan 2023 and Long-Term Management Vision 2030.

In the new age in which both our customers and services rapidly change, we will aim for transformation of the business itself and for innovation as a corporate group that can keep on changing by revising constantly and flexibly our business model, operations, rules, and systems, which used to be taken for granted.

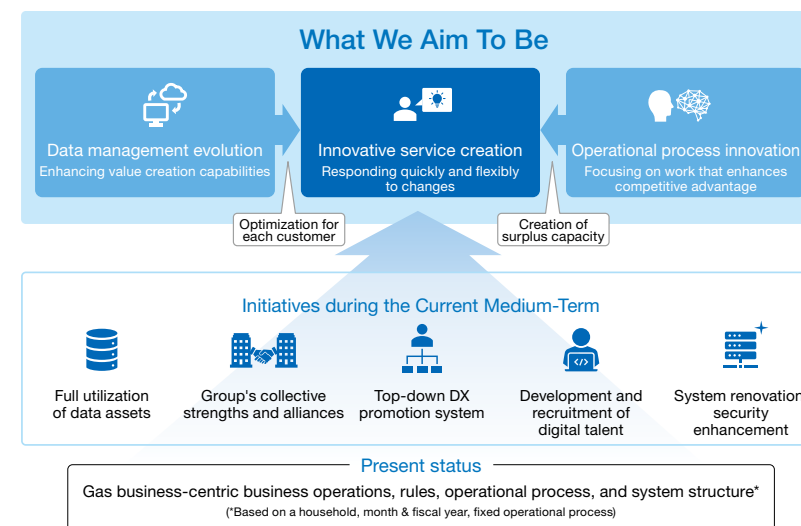
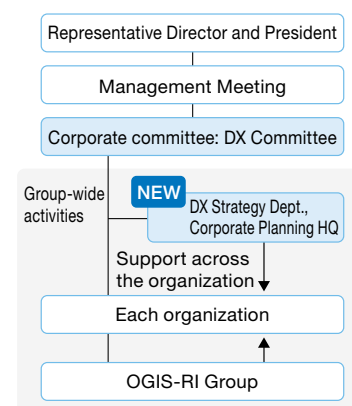
To make a major transformation to realize our vision, we will work on building a promotion system driven by top management, strengthening human resources development, demonstrating the comprehensive strength of the Daigas Group, including OGIS-RI Co., Ltd. and building alliances with our partner companies.

DX Promotion System

In April 2022, to realize “what we aim to be” and accelerate business transformation (creation of new businesses/sophistication of existing businesses/operational process innovation) and system transformation, we established the DX Strategy Department under the Corporate Planning Headquarters as an organization consolidating the Information/Communication Systems Department and the DX Promotion Office.

We also established the DX Committee as a company-wide committee to perform cross-organizational coordination and promotion of DX (business transformation utilizing digital technology) for the entire Daigas Group from the perspective of alignment with the business, IT and financial strategies, etc., and we aim to realize the group-wide vision and transform the business.

DX Promotion System



DX Strategy

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, we will reduce the workload for remaining operations with digital technologies such as AI and RPA.

Through these transformations, employees in the Group 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 comfortable 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 customer’s needs from data, we can offer services optimized for each customer. We will continue to create new value in customer experiences and our supply chain by developing our initiatives in the past and evolving data management further.

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., 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.”

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.*

*Please see □□ P.66 for information on measures for voluntary career development.

■ Offering Information on the Intranet



Building 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

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.

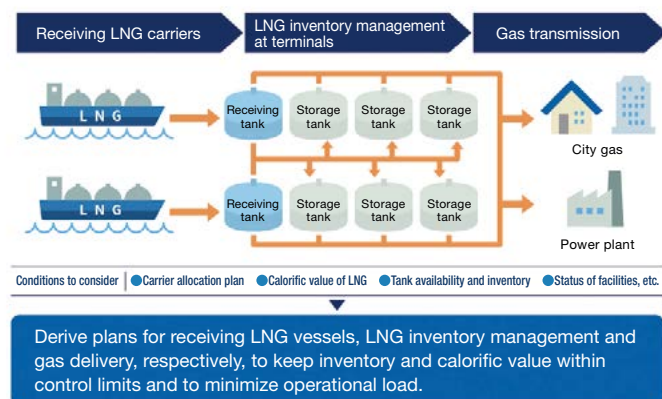
In FY2023.3, we invited external experts for monthly lectures and dialogues for the management, which featured case studies of corporate reforms, trends in the shift of customers’ values, and other topics. The contents were shared with employees as well. We also develop core human resources who take 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	<ul style="list-style-type: none"> Lectures by and dialogues with external experts held about once a month (approx. 20 participants)
Managers	<ul style="list-style-type: none"> Launch initiatives in FY2024.3
Core human resources	<ul style="list-style-type: none"> Development program including lectures, OJT, and interviews (targeting approx. 120 employees)
All employees	<ul style="list-style-type: none"> E-learning, courses for obtaining qualifications Share lectures for the management Enhance reskilling support

DX in Gas Production Business—Optimization of LNG Tank Operation Planning

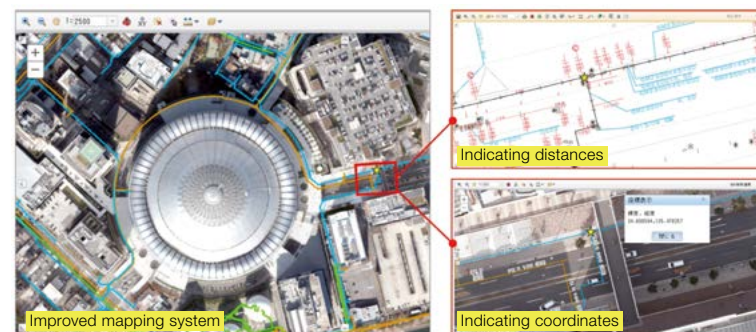
Once LNG is delivered to a manufacturing plant, it is stored in tanks and then delivered according to demand, which requires appropriate heating value management and inventory control. The formulation of the tank operation plan requires expertise of skilled personnel since complex equipment configurations, operational constraints, city gas demand and various other factors need to be considered. We are working to optimize tank operation planning, using this expertise and mathematical programming.



Digital Utilization in Gas Supply Equipment Management

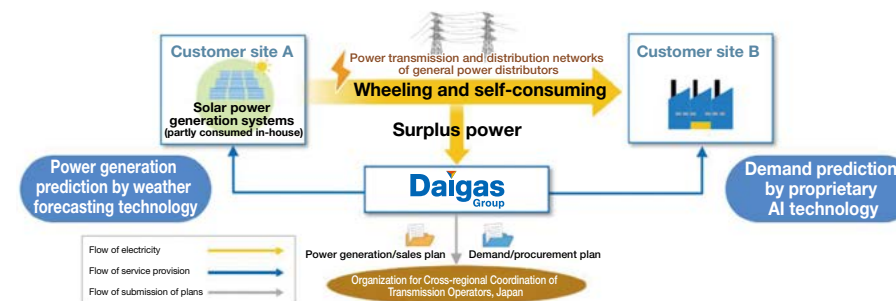
Since the gas supply business involves a great deal of on-site work, including gas pipe installation, maintenance and management, and safety monitoring, and involves an extremely large number of employees and partner companies, we are promoting the use of digital technology for the purpose of future efficient business operation, improvement of safety quality, and securing of technology and expertise.

We are operating a mapping system that displays and manages information on gas supply equipment on a map, including the location of approximately 60,000 km of gas pipes and the history of past gas works and works accepted from other companies, and using this information as the basis for various operations related to gas supply. By managing absolute coordinates based on latitude and longitude coordinates, we increased the accuracy of information on the location of gas pipes, which was previously handled based on relative distances to buildings and other structures.



AI-Based Self-Wheeling Scheme for Renewable Electricity —Starting supply and demand management service for self-wheeling, using a solar power generation system—

As one of our low-carbon and decarbonization solutions for corporate customers, we have started proposing a new electricity scheme using renewable energy, which is greatly affected by weather conditions, by using the weather forecasting technology and AI developed independently by Osaka Gas for output and demand prediction to improve accuracy.



Human Resources

Summary

Why the topic is material	<p>In the Daigas Group Corporate Principles, the Group declares its aim to create value primarily for customers, as well as for society, shareholders, and employees. Based on the belief that human capital is a source of value creation, the Group aims to be a company where employees can achieve personal growth through their work.</p> <p>Based on the notion that creating a comfortable work environment that takes into consideration the health and safety of our employees is the foundation of all our operations, we are working to prevent occupational accidents and promote health and wellness of our employees.</p> <p>We respect the individuality and self-reliance of all employees and actively promote diversity, equal opportunity, and inclusion so that they can take on challenging and rewarding work.</p> <p>We position employee engagement, development of employee skills, and diversity & inclusion as material issues.</p>		
	Items to be addressed	Specific initiatives	
Human resources management	<ul style="list-style-type: none"> Retention of necessary personnel to respond to the evolution of our business portfolio Maximization of the entire Group's performance by assigning the right people to the right jobs Revitalization of individuals by increasing job satisfaction <p>Materiality Employee engagement</p>	<p>Policy and promotion system</p> <p>We are engaged in various initiatives to improve employee satisfaction and the Group's entire performance in a rapidly changing business environment with increasingly diversified employees' work perspectives.</p> <p>The personnel system of the Osaka Gas helps all employees understand their roles and expectations through meetings with their supervisors, who serve as personnel development advisors, and allows employees to choose their own career course to pursue.</p> <p>Moreover, we have established the Daigas Group Safety and Health Council to discuss measures for and share information on occupational accident prevention and health maintenance and enhancement.</p> <p>Each year, we measure employee engagement through the Attitude Survey of Daigas Group employees, reflecting the results in each policy.</p>	
		<p>KPIs based on the materiality</p> <p>Employee engagement</p>	<p>FY2023.3 results</p> <p>Conducted the Employee Attitude Survey. Maintained four overall indicators at appropriate levels</p>
		<p>Initiatives undertaken in FY2023.3</p> <ul style="list-style-type: none"> Strengthened recruitment of highly specialized human resources and established a multi-track career path system by offering new career paths Introduced a talent management system Continued to implement improvements to the workplace environment to make it more comfortable to work in 	
Human resources development	<ul style="list-style-type: none"> Revision of the specifics of the training contents in light of the employees' desired level of growth and the personnel profile Implementation of DX human resources education <p>Materiality Development of employee skills</p>	<p>Policy and promotion system</p> <p>The Daigas Group's Long-Term Management Vision 2030 lists the promotion of work style reform and development of human resources as important goals. We consider it vital to develop personnel who are capable of working actively in a rapidly changing business environment, and to that end, we offer a range of training and educational programs aimed at developing individual capabilities.</p> <p>Osaka Gas offers a wide range of training programs for all positions and job descriptions, in addition to the training system for each career course. These include training programs by level along with self-directed training.</p>	
		<p>Human Resources Department</p>	<p>Leading the development of common elements across the company</p>
		<p>Respective organizations</p>	<p>Leading the development of organization-specific elements (operational expertise, acquisition of qualifications, etc.)</p>
		<p>Supervisor</p>	<p>Person responsible for development</p>
		<p>Instructor for new employees</p>	<p>Person promoting the development of new employees' skills during their first three years of employment</p>
		<p>General affairs of the each organization</p>	<p>Confirmation of the development status and support</p>
		<p>KPIs based on the materiality</p>	<p>FY2023.3 results</p>
		<p>Annual average hours of training per employee</p>	<p>Practical training: 26.3 hours/person; e-learning: 5.8 hours/person</p>
		<p>Initiatives undertaken in FY2023.3</p> <ul style="list-style-type: none"> Periodically conducted follow-ups and assessments through meetings between employees and their supervisors based on Management by Objectives (MBO) approach Developed each individual's spontaneous desire and motivation for growth and formulated a future career plan 	

	Items to be addressed	Specific initiatives
Diversity and Inclusion	For empowerment of female employees: <ul style="list-style-type: none"> • Implementation of career education (including balancing of work and childcare) • Creation of an environment where life events do not disrupt a career • Enhancement of recruitment activities for female students Materiality Diversity and Inclusion	Policy and promotion system We take action across the organization in line with the UN Global Compact, related laws, and the Daigas Group Diversity Promotion Policy to make improvements in recruitment, human resources development and the workplace environment, led by the dedicated division for diversity promotion.
		KPIs based on the materiality Percentage of women among: <ul style="list-style-type: none"> • Executives/Directors • Newly promoted to middle management positions • New recruits for career-track positions
		FY2023.3 results <ul style="list-style-type: none"> • Percentage of women among Executives/Directors: 13.3%/10.0% (Results after the Annual Meeting of Shareholders held in June 2023: 26.7%/20.0%) • Percentage of women among all career-track employees promoted to middle management positions: 14.3% • Percentage of women among new recruits for career-track positions: 28.1%
Work-life management	<ul style="list-style-type: none"> • Implementation of measures for supporting employees balancing work and life • Efforts to improve productivity and reduce working hours • Support for community activities involvement 	Policy and promotion system We aim to create a corporate culture in which employees can maximize their abilities by striking a balance between rewarding work and fulfilling personal lives and involvement with society. Furthermore, labor and management are working together to realize a work-life balance by systemizing support measures needed by employees at each life stage and creating a workplace environment that facilitates the use of such measures. We are working on work-style reform while considering measures to promote highly productive and creative work styles through corporate committees called the Efficient Work Styles Committee and the DX Committee.
		Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> • Expanded systems to promote work styles that are not restricted by location or time (telework, flexible work hours and paid leave by the hour) • Implemented mindset-building programs to promote the penetration of systems that support balancing work with childcare, nursing care, and medical treatment
Labor safety and health	<ul style="list-style-type: none"> • Continued implementation of measures to prevent occupational accidents • Practical implementation of Kenko Keiei* • Continued support for labor health and safety management at group companies <p>*The term "Kenko Keiei®" is a registered trademark of Non-profit Organization Kenkokeiei.</p>	Policy and promotion system In March 2021, we established the Daigas Group Declaration of Health and Productivity Management by summarizing our attitude toward Kenko Keiei (health and productivity management), which was indicated in the Daigas Group Corporate Principles, the Daigas Group Charter of Business Conduct, and the Daigas Group Code of Business Conduct. We also established the Daigas Group Action Guidelines "7 Rules for Being Healthy" to encourage employees to live healthy lifestyles. In addition, in order to create a workplace where employees can work safely, based on the idea that ensuring safety and maintaining and improving physical and mental well-being are key to all operations, we declared in the Daigas Group Code of Business Conduct that we will prevent occupational accidents and promote fitness.
		Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> • Continued implementation of measures to prevent occupational accidents: Continued implementation of safe driving education and heat stroke countermeasures • Practical implementation of Kenko Keiei: Health promotion activities based on the Daigas Group Action Guidelines "7 Rules for Being Healthy" • Implementation of health-related training: 9% of employees participated • Continued support for labor health and safety management at group companies: Once a year each group company prepares a safety and health action plan. Conducted a survey on the status of labor health and safety management in conjunction with the submission of the action plan. <p>13,715 employees from 34 companies (total of Osaka Gas and affiliated companies) received regular health checkups at the Osaka Gas Health Development Center.</p>
Communication between employees and company	<ul style="list-style-type: none"> • Continuing to set up opportunities for direct dialog between Osaka Gas President and group employees • Maintaining and strengthening sound and good labor-management relations to resolve issues • Continued implementation of the in-house award system 	Policy and promotion system The Daigas Group believes that it is important for employees and the company to work together to realize the healthy growth of each group company with a sense of mutual trust and tension. To this end, we promote communication between employees and the company by opinion exchanges at informal meetings between the labor union and management and various study committee meetings, as well as workplace visits by the President of Osaka Gas to group companies and organizations.
		Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> • Continuing to set up opportunities for direct dialog between Osaka Gas President and group employees: 11 times provided • Maintaining and strengthening sound and good labor-management relations to resolve issues: 9 work councils held • Continued implementation of the in-house award system: President's Award granted once

Human Resources Management

Principle and Outline

To achieve its sustainable growth, the Daigas Group is working to maximize the value of each and every employee by hiring and fostering human resources who will continue to create value, creating an organizational culture that accepts diverse values and encourages challenges, and ensuring safety and maintaining and improving the health of its employees. We will continue to contribute to solving social issues, promote diverse and creative work styles, and work even more actively to create a rewarding and comfortable work environment.

Furthermore, based on the idea that it is important to create disruptive innovation in order to enhance our corporate value over the medium to long term and the driving force for such innovation is a combination of diverse individuals, we promote diversity, equal opportunity and inclusion and actively incorporate diversity in terms of experience, sensitivity and values into our organization. We have traditionally been helping female, elderly, disabled and non-Japanese workers play an active role and making considerations to ensure that they are not disadvantaged because of their minority status. We will develop an environment for them to further demonstrate their abilities.

Efforts to Assign the Right People to the Right Jobs

The Daigas Group aims to implement business portfolio management based on the three pillars of “Domestic Energy Business,” “International Energy Business,” and “Life & Business Solutions Business.” To maximize performance by ensuring the quality and quantity of personnel to that end and by empowerment of diverse human resources based on the principle of assigning the right people to the right jobs, we work to hire and foster human resources who can flexibly respond to changes in the business environment and highly specialized human resources. In particular, we secure human resources while expanding mid-career recruitment to meet the growing need for highly specialized human resources to realize our management strategies, which include initiatives to achieve carbon neutrality, accelerate international energy business expansion, and transform through DX. Recognizing the importance of sustainable organizational management in achieving our management strategies for the future, we will work to secure personnel in a planned manner and appoint personnel with an awareness of human resource development.

Introduction of Talent Management System

Osaka Gas considered the introduction of a talent management system and has begun using the system on a trial basis since FY2022.3.

The job fields are classified into a total of 18 areas, including international business, electricity business, and financial operations. We reorganized the duties experienced by the target employees by linking them to their respective job fields, and we consolidated the experience of each member within the company.

By organizing these job requirements and consolidating human resource information to form foundations, and by matching the organized job requirements with human resource information, such as personal characteristics and transfer experience, we aim to maximize performance through the appointment of the right persons in the right positions and the empowerment of diverse human resources.

Furthermore, we will formulate a succession plan mainly for management posts, aiming to achieve sustainable performance as an organization.

Efforts to Maintain and Improve Employee Engagement

In FY2022.3, we reviewed the content of the attitude survey, which was conventionally conducted at Osaka Gas, and designed and conducted the new Employee Attitude Survey so as to grasp employee engagement across the group. In a survey conducted in FY2023.3, 5,769 employees at Osaka Gas responded, and the response rate was 92.5%. At affiliated companies, 7,305 employees responded, and the response rate was 89.9%. Four indicators were used as evaluation indicators: “overall satisfaction,” which indicates the current level of satisfaction with the company, “loyalty,” which indicates the level of dedication to the company, “intention to continue working,” which indicates the intention to continue working for the company, and “recommendation intention,” which indicates the degree to which employees recommend the company to their friends and acquaintances. It was confirmed that the levels at Osaka Gas and its affiliated companies were higher than those in general. We analyze the results of the Employee Attitude Survey by age bracket, organization, etc., and implement measures to address identified issues.

Data on Osaka Gas Workforce

The number of employees at Osaka Gas as of the end of March 2023 was 1,163 (male: 895/ female: 268). For recruitment, a joint recruitment seminar is held by Daigas Group companies. In FY2023.3, ten companies participated in the seminar, where approximately 320 students were provided explanations on the businesses of each group company and the type of personnel that they are looking for. Furthermore, in FY2023.3, we provided approximately 500 students with internship opportunities to gain work experience. The number of employees who joined the company through mid-career recruitment was 29. (The ratio of those hired through mid-career recruitment to full-time workers was 16.7%.) We are also actively hiring locally at our overseas affiliates.

Human Resources Development

Principle and Outline

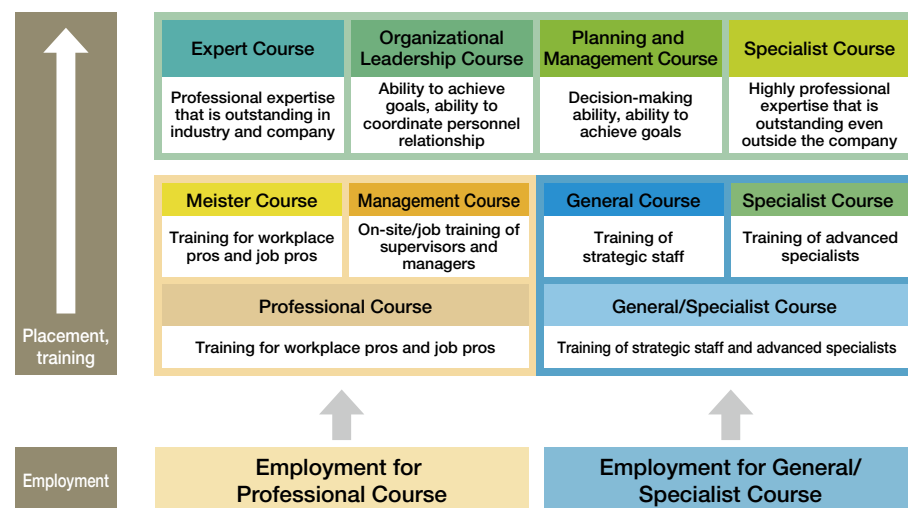
The Daigas Group aims to become a group of companies at which all employees can find personal growth through their work. We have introduced a career-course-specific human resources systems designed to respect and put to full use the individuality and autonomy of employees, and we have been conducting a wide range of training. Overseas business training is also provided to develop personnel who can play an active role globally. Furthermore, we have introduced an employee evaluation system that is highly objective based on the Management by Objectives (MBO) method, as well as a system that allows employees to take on the challenge of voluntary career development.

Personnel System

Personnel system to develop human resources according to their roles

For the steady growth and development of the company, Osaka Gas has introduced a career-course-specific personnel system in which roles and expectations are clearly defined for all employees and employees are appropriately employed, fostered, evaluated and assigned according to each role. Under this personnel system, employees themselves conduct course registration.

Outline of the Personnel System



Training System

Career-course-specific training

To enable employees to play an active role in their respective courses, we systematize training and conduct training sessions in a planned manner to have participants acquire abilities required for each career course.

Meister Course

This course is designed to foster business professionals who achieve high performance through their extensive business experience and outstanding skills and who contribute to business performance by passing on their skills and know-how. Employees systematically acquire required skills and know-how according to the nature of their work at the human resource development center established at each business unit.

Management Course

This course is designed to develop future managers and supervisors who will manage operations based on their wealth of work experience and leadership skills and to promote organizational vitality and the development of subordinates. Selective training sessions and other programs are provided to enhance management and leadership skills.

General Course

This course is designed to develop human resources who will lead an organization based on a wide range of work experience, including management, while taking on staff duties, such as strategic planning for the business unit and the Daigas Group as a whole. We have an in-house business school for learning the knowledge and skills that form the basis of strategic planning, such as logical thinking, marketing, accounting and finance.

Specialist Course

This course is designed to foster specialists who will draft strategies for the business unit and the Daigas Group with a high level of expertise to help with decision-making and realization of such strategies. In addition to the in-house business school for the General Course, we provide in-house study sessions, etc. to learn advanced expertise in each business field.

Training for all job levels

Training for young employees

Osaka Gas positions the first three years after employees join the company as a period for nurturing young employees and encourages them to form their foundations as members of society.

After acquiring basic conduct and attitudes as a member of society through introductory training at the time of employment, each employee receives follow-up training every year to enhance the abilities required at each stage of growth. For the same period, an instructor assigned to each newly hired employee provides guidance on work to promote further growth.



Training for young employees

Training system for the Daigas Group

To enhance the Daigas Group's human resource development support measures, we offer systematized training programs that are highly requested by group companies. In addition to programs for all job levels, the system is designed to encourage self-directed career development and personal growth by providing self-development support programs.

Outline of the Training System for Daigas Group

Executives	Newly appointed director training	Online study courses	Challenge seminars (self-directed training)	Accounting and financial affairs seminars
	Management seminars Purpose: To improve managerial skills and build sympathetic qualities			
Managers	Enlightenment program for manager candidates Purpose: To raise self-awareness regarding the skills and qualities needed for organizational management and to foster the desire to develop one's own abilities			
	Mid-level leadership program Purpose: To develop the core leaders of the organization			
	Training for managers			
Mid-level employees	Self-discovery training Purpose: To raise self-awareness regarding the skills and qualities needed for workplace management and to foster the desire to develop one's own abilities			
	Managerial skills booster program Purpose: To develop in managerial candidates an understanding of managerial skills and aid in their acquisition			
Junior/new employees	Mid-career training			
	Newly appointed instructor training			
	Newly hired employee training			

Training to develop human resources leading overseas operation

Overseas business training systems

In order to develop a large number of human resources who can play an active role in overseas business, we send personnel appointed by each organization to carry out overseas business to a short-term intensive overseas business training curriculum conducted overseas or in an environment in Japan close to an overseas environment.

[Specific curriculum examples]

Overseas Trainee System (a system under which employees are assigned to affiliated companies under the Energy Resources & International Business Unit or overseas research institutes as trainees for a certain period of time), short-term overseas language training, etc.

Studying-abroad program

We send employees to study at overseas universities in order to have them foster a sense of globalization and acquire management literacy.

Language learning support system

We have a support system for employees to learn English in order to nurture human resources who can play an active role both in Japan and abroad.



Our employee who experiences working overseas under the Trainee System (second from right)

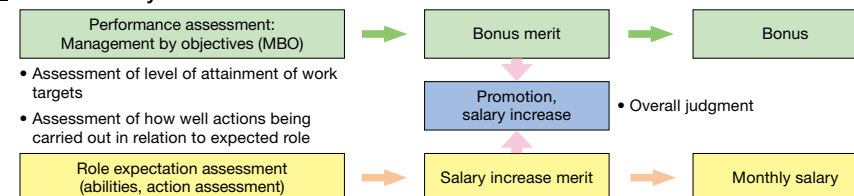
Employee Performance Evaluation and Interviews

Aiming for evaluations that lead to growth

Osaka Gas is using two evaluation indicators, performance evaluation, which measures the degree of performance based on the Management by Objectives (MBO) method, and role expectation evaluation, which evaluates the level of performance of daily activities. While enhancing opportunities for meetings between supervisors and subordinates, we clarify each employee's strengths and areas for improvement, and supervisors give appropriate advice, leading to each employee's skill development.

In performance evaluation, in which employees set their own goals, we encourage them to take on even more aggressive challenges by appropriately evaluating not only results but also processes in the course of work.

Evaluation System



Compliance set as a personnel evaluation item

Since FY2009.3, we have set compliance initiatives as one of the evaluation items in the role expectation evaluation. This promotes compliance with laws and regulations and ethical standards.

Furthering Employees' Careers at Osaka Gas

Creating a system that encourages employees to take on challenges on their own initiative

Osaka Gas provides an opportunity for all employees to have a self-observation interview once a year, in which each employee reflects on the satisfaction and performance of his or her current job, proactively draws up desired mid- to long-term career plans, and expresses his or her desired career path, etc. By taking into consideration the opinions and wishes of each employee obtained through these interviews, we are able to make decisions on assignments and other matters, thereby raising awareness of the need for employees to shape their careers on their own.

We have a Challenge System in place that allows employees to choose the work that they are interested in or want to do from among internally advertised jobs, encouraging employees to seek career development on their own accord. A total of more than 280 employees have been reassigned through this system since FY1989.3, when it was launched.

Support for self-development

[Encouraging self-development](#)

We offer Challenge Seminar Training Courses (approximately 100 courses per year) for all Daigas Group employees, allowing them to acquire advanced business skills at their discretion. In addition, to improve the skills of employees, we encourage them to take various correspondence training and education courses by subsidizing a portion of the fees for these courses.

Skill development support

[Aiming to improve field operations skills](#)

In order to provide safe and reliable products and services to our customers, the Daigas Group provides technical training for employees in the management of LNG terminal facilities, gas supply pipe installation and safety inspections, and equipment installation and repair.

Diversity & Inclusion

Principle and Outline Daigas Group Diversity Promotion Policy

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

Supporting a More Active Role for Female Employees

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 female employees can exercise their abilities and play active roles. With their aptitude and wishes taken into account, female employees have been displaying their abilities in various fields. Under the Daigas Group Diversity Promotion Policy, we have set numerical targets of increasing the percentage of women on the board and in executive positions to 20% or higher, respectively, and the percentage of women among career-track employees promoted to middle management positions*¹ to 30% or higher by FY2031.3 and of maintaining the percentage of women among career-track hires at 30% or higher, and we will promote various initiatives and enhance various systems. We have made various efforts to achieve a healthy work-life balance and taken measures for career development. These endeavors have led to a steady increase in the percentage of women in middle management positions. Osaka Gas has won the “Eruboshi” (highest level) certification from the Minister of Health, Labor and Welfare as an excellent company in terms of the status of women’s participation and advancement in accordance with the Act on the Promotion of Women’s Participation and Advancement in the Workplace. In FY2022.3, Osaka Gas was also selected for the Nadeshiko Brand by the Tokyo Stock Exchange (TSE) and the Ministry of Economy, Trade and Industry as one of the TSE-listed companies which actively promote the utilization of female human resources, including the development of an environment where women can continue to work.

Osaka Gas has also been selected as a constituent of the MSCI Japan Empowering Women Index (WIN), an ESG investment index for Japanese stocks adopted by the Government Pension Investment Fund (GPIF). In FY2019.3, Osaka Gas became the first gas provider to receive gold in the PRIDE Index, Japan’s first index introduced by a volunteering group called “work with Pride” to evaluate corporate efforts to support inclusiveness of LGBT employees and other sexual minorities.

*¹ Percentage of women among all career-track employees promoted to middle management positions:

The percentage of women promoted to middle management positions among career-track employees promoted to managerial positions in that fiscal year (including loan employees)

Change in the percentage of women in managerial positions (Osaka Gas)*²

The target of 5% or more for the percentage of women in managerial positions was attained by FY2021.3

*² Percentage of women in manager positions or higher (non-consolidated)

	FY2005.3	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3
Percentage of female employees in management positions	0.3	2.3	2.7	3.8	3.4	3.5	5.0

• In FY2022.3, a new indicator was set to attain “30% or more for the percentage of women among employees promoted to managerial positions by FY2031.3 (managerial positions changed to “managerial positions or equivalent,” including Osaka Gas’s loaned employees).”

	FY2022.3	FY2023.3
Percentage of women among all employees promoted to managerial positions* ³	6.3	14.3
Percentage of female employees in managerial positions* ⁴	4.2	4.5s

*³ The percentage of women promoted to managerial positions among career-track employees promoted to managerial positions in that fiscal year (including loan employees)

*⁴ For the percentage of female employees in managerial positions, the target was changed from female employees on a non-consolidated basis to all employees, including loan employees.



Gold in the PRIDE Index



Nadeshiko Brand

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering
Women Index (WIN)



Osaka Gas acquires
Eruboshi certification
(third stage,
which is the highest)

■ Main Actions Taken in FY2023.3

	Specific initiatives in FY2023.3		
Recruitment	Holding of diversity seminars to introduce female employees' career paths and workplace environments where they are playing an active role; Holding seminars for science-major female students		
	Website	Posting of articles about career plans pursued by female workers	
Development of human resources	Transfer and appointment	Transfer and appointment based on individual development plans suited to each employee	
	Career education	Mentor system (mentoring program)*	Career-design seminars
			Roundtable talks between female workers on careers (strengthen connections with internal role models)
		Interviews with young workers during their training period (young workers when they are employed/after assignment/after three years)	
		Dispatch of employees to an external organization that supports the empowerment of women, the "Japan Institute for Women's Empowerment & Diversity Management"	
	Training for supervisor	Training for newly appointed and existing managers/supervisors	
		Holding of a Diversity Promotion Forum (lecture by knowledgeable person and workshop)	
		Attendance of supervisors in various training programs for women	
Work environment	Childcare (Men are also eligible.)	Holding child-rearing luncheon meetings (job networking event)	
		Holding forums for employees raising children and their supervisors	
		Offering intranet networking opportunities for workers on leave and returners	
		Holding roundtable talks for people taking childcare leave	
		Holding seminars on balancing work and childcare for men (Diversity West Japan Study Group)	
	Corporate culture	Provision of information through continued distribution of e-mail news and in-house web magazines	
		Continued implementation of measures to promote efficient working	

* Mentor system (mentoring program): A program that provides female employees before and after life events and before management with the opportunity to receive direct guidance from experienced mentors to foster networking and career awareness.

Holding of Diversity Training for Newly Appointed Managers/Supervisors

Osaka Gas conducts diversity training as part of training for newly appointed managers/supervisors.

■ Number of Participants in Training for Newly Appointed Managers/Supervisors

	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3
Group	171	156	176	163	149
Osaka Gas	98	77	46	36	10

■ Number of Participants in Mentoring Program

	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3
Osaka Gas	22	12	17	19	16

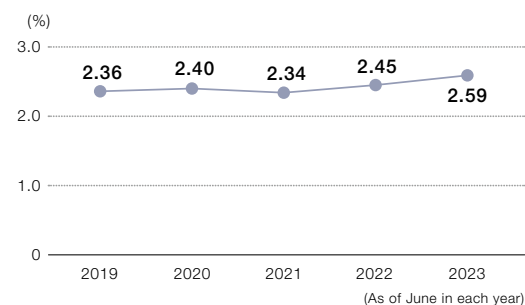
*Osaka Gas and consolidated companies

Creating a Work Environment for the Disabled

Hiring the disabled

Osaka Gas does all it can to hire disabled persons and creates a work environment conducive to the talents of each individual. As a result of these efforts, disabled persons accounted for 2.59% of our workforce as of June 2023, well above the legal minimum of 2.3%. Of the 37 Group companies subjected to the law, 20 companies including Osaka Gas have achieved the legal minimum.

■ Percentage Rate of Disabled Employees (Osaka Gas)



Creating a Work Environment for Seniors

Creating a work environment for seniors

Osaka Gas has implemented a reemployment scheme to rehire employees who have reached mandatory retirement age, under which applicants are placed in jobs that match their skills and preferences. All Daigas Group companies have similar reemployment programs.

Post-retirement support

In order to meet the diversifying needs of second life, at Osaka Gas, the Career Development Project Team conducts career guidance (training) and career development interviews for employees at the ages of 45 and 53.

This training offers the employees briefings on circumstances inside and outside the company as well as various support systems, and through closer examinations of their work histories and group discussions, the employees are encouraged to seek out career paths that are consistent with their values and motivation and to develop their own career plans. After the training, each employee will fill out a career track questionnaire and then attend a one-on-one interview with an in-house career counselor to discuss their career aspirations and growth plans. About 270 employees received career development interviews in FY2023.3.

When employees reach the age of 54, they are invited to attend a “Nice Life Seminar” with their spouse. They are briefed about various systems that may affect their post-retirement life plans.

Work-Life Balance

Principle and Outline

Osaka Gas aims to create a corporate culture in which employees can maximize their abilities by striking a balance between rewarding work and fulfilling personal lives and involvement with society. Furthermore, labor and management are working together to realize a work-life balance by systemizing support measures needed by employees at each life stage and creating a workplace environment that facilitates the use of such measures.

By researching strategies to encourage an innovative and productive work style inside the cross-company Efficient Work Styles Committee and the DX Committee, the Company is aiming to change the way people work.

Support for Male Employees to Participate in Childcare

Osaka Gas encourages male employees to take one month of childcare leave. In addition to solving social issues such as the declining birthrate and creating a society in which both men and women can play an active role, taking childcare leave is expected to improve the work-life balance of employees raising children, thereby increasing their job satisfaction and productivity, and creating innovation from a new perspective through the experience of childcare, which is different from their work duties. Based on this concept, in addition to childcare leave, we have introduced a system that allows employees to flexibly take leave and according to their work and family needs, including “Hagukumi Leave”*, and the utilization rate of such leave system was 87.8% in FY2023.3. In addition, we are striving to create an environment that facilitates the use of the system by sending out messages from management, preparing guidebooks, and sharing examples of cases where employees have used the system.

*Hagukumi leave: A unique paid leave for childcare purposes that can be taken for five days within six months of the birth of a child.

Support for Balancing Work and Nursing Care by Improving the Systems and the Workplace Environment

Osaka Gas offers various systems to support a balance between work and nursing care. For employees who need to take leave to care for family members, we have established systems that allow employees to take more leave than legally required, including a nursing care leave system that allows employees to take a total of 366 days of leave per family member who needs care and a system of shorter working hours for nursing care that allows employees to work up to 3 hours less per day for a total of 1,096 days in addition to the leave period.

Helping Employees Balance Work and Medical Treatment

In April 2021, Osaka Gas introduced a system of shorter working hours to support employees in balancing work and medical treatment, mainly for employees requiring cancer and dialysis treatment. Normally, employees use paid leave, half-day paid leave, flextime, etc. when going to the hospital for treatment of illnesses, etc. However, in some cases where long-term continuous treatment is required, paid leave, etc. may not be sufficient. In response to such a situation, we introduced a system of shorter working hours for the purpose of outpatient treatment that allows employees to apply to shorten their working day.

Efforts to Improve Productivity and Reduce Working Hours

Osaka Gas promotes efficient work styles to improve productivity with the objectives of increasing employee value by realizing work-life balance, creating a culture to promote diversity, and preventing health problems caused by overwork. Aiming to reduce total annual working hours, we have been implementing the following initiatives one by one since FY2010.3.

- Promote paperless office by digitizing internal documents (e.g., use of a projector in principle for internal meetings and discussions).
- Improve efficiency of meeting management (e.g., distribution of meeting materials in advance and sharing of meeting minutes via electronic bulletin board, etc.)
- Create a work environment that encourages creativity through office layout changes (e.g., free-address office space with no fixed seating for employees).
- Visualize data, such as actual overtime work hours, and streamline operations using IT (e.g., information sharing via internal portal site, work support via smartphone, and automation of operations using RPA).

As part of our efforts to promote telecommuting, which leads to flexible work styles, we have established satellite offices where employees can work in an office other than their own regular office to improve productivity by reducing commuting and travel time and concentrating work in a remote office. Furthermore, we offer our employees diverse and flexible work options that are not limited to working in our offices by all employees eligible for telecommuting and introducing a web conferencing system that allows employees to participate using smartphones and other devices.

In addition, we have formulated the Code of Conduct for Efficient Work Styles, a set of specific action standards that supervisors, subordinates, and related personnel should be aware of and implement from the perspective of increasing work efficiency and saving labor and of promoting further productivity improvement by practicing actions in line with the standards.

In April 2023, we introduced a system that allows employees to take paid leave by the hour, creating a more flexible work environment.



Satellite office set up in Grand Front Osaka, located near Osaka Station

Supporting Employees' Participation in Society through a Juror Leave System, etc.

Prior to the implementation of the juror system in Japan in May 2009, Osaka Gas established a juror leave system that allows employees to take paid leave for the required number of days when they are selected as a juror or prosecution councilor in FY2009.3 to support employees' participation in society.

Volunteer Leave System/Community Leave System

Osaka Gas has introduced various systems for employees to participate in company-approved volunteer and social contribution activities. Under the volunteer leave system, each employee is treated as being on leave during the period of an activity and is provided with special treatment regarding their work period and salary. The community leave system is a system to support employees' involvement in the community, under which they can take special leave.

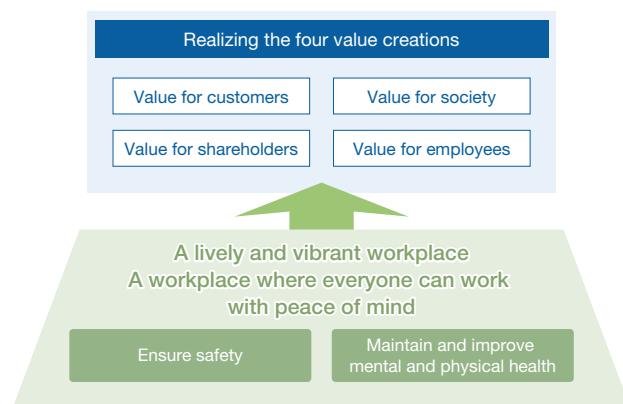
Occupational Health and Safety

Principle and Outline

Convinced that ensuring employees' safety and maintaining/improving their physical and mental well-being are keys to all its operations, the Daigas Group has been undertaking efforts to prevent employees from developing health problems and support their medical treatment. Positioning health promotion as a priority management policy, we established the Osaka Gas Health Development Center in 1975. Since then, we have been implementing various measures to promote the health of employees, including providing regular health checkups and individual health guidance by medical professionals to all employees, including those of Group companies.

Today, in the era of the 100-year life, being healthy throughout a lifetime is of great importance not only to employees but also to society. Based on this idea, in March 2021 we established the "Daigas Group Declaration of Health and Productivity Management" by summarizing our attitude toward Kenko Keiei* (health and productivity management), which was indicated in the Daigas Group Corporate Principles, Daigas Group Charter of Business Conduct, and Daigas Group Code of Business Conduct. We also established the Daigas Group Action Guidelines "7 Rules for Being Healthy" to encourage employees to live healthy life styles.

*The term "Kenko Keiei®" is a registered trademark of Non-profit Organization Kenkokeiei.



Daigas Group Declaration of Health and Productivity Management

The Daigas Group believes that we can create value that meets the expectations of customers, society, shareholders and employees by ensuring that our employees stay healthy both mentally and physically, and fully exercise their abilities, individuality and initiative, thereby remaining motivated and satisfied with their jobs.

The Daigas group will work as one to maintain and improve the health of employees and create a vibrant workplace filled with people who are mentally and physically energetic, with the aim of becoming a corporate group that powers continuous advancement in customer and business life.

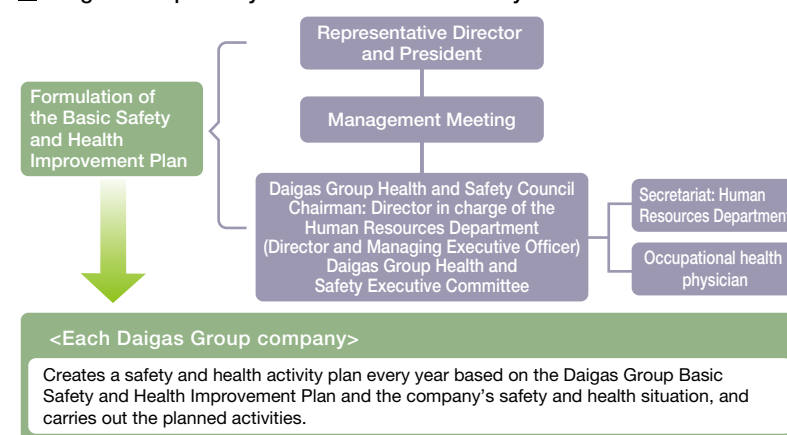
Safety and Health Management Promotion System

In accordance with the Daigas Group Code of Business Conduct, Osaka Gas not only complies with relevant laws and ordinances but also has established its original rules, including the Daigas Group Safety & Health Promotion Regulations and the Osaka Gas Safety & Health Management Regulations. In this way, Osaka Gas works with its Group companies and partner companies to improve the levels of workers' safety and health.

The Daigas Group Safety and Health Council, chaired by an officer in charge of the Human Resources Department at Osaka Gas (Director and Managing Executive Officer), deliberates the Daigas Group's safety and health basic policy and submits deliberation proposals to the Management Meeting. After deliberation by the Management Meeting, the decision is made by the Representative Director and President of Osaka Gas.

The Daigas Group Safety and Health Council also discusses measures for and shares information about occupational accident prevention and health maintenance and enhancement of employees.

Daigas Group Safety and Health Promotion System



Preventing Injury in the Workplace

Promoting safety and health management activities based on OSHMS

Osaka Gas has been systematically and meticulously undertaking activities aimed at preventing workplace accidents with establishing the “Osaka Gas Health and Safety Action Plan” based on the Occupational Safety and Health Management System (OSHMS), which was established by the Minister of Health, Labour and Welfare. Based on the Plan, each organization of Osaka Gas is working on reducing the number of incidents leading to absence from work due to workplace accidents to zero. The Plan, consisting of three priority themes—prevention of transportation-related accidents, prevention of general work accidents, and prevention of accidents through collaboration with business partners—is designed to enhance the level of workplace safety by implementing improvement measures under the PDCA (plan-do-check-action) cycle.

Each Daigas Group company is working on establishing the PDCA cycle to improve safety and health-enhancement activities in accordance with each company's safety and health situation while maintaining the current safety and sanitary management system and in line with the Daigas Group's Basic Safety and Health Improvement Plan (FY2022.3-FY2024.3).

■ Goals for FY2023.3

Items		Goals for FY2023.3
Accident causing absence (Osaka Gas, other party)		0
Accident causing no absence	Osaka Gas	Negligence 0
	Other party	0

Efforts of the health and safety committee to improve health and safety

The Health and Safety Committee holds a meeting once a month at the head office and each district office (workplace), attended by representatives of the company and labor union, industrial physicians. The Health and Safety Committee investigates and deliberates on measures that should serve as the basis for preventing employee hazards and health problems (measures to eliminate the causes of occupational accidents and prevent their reoccurrence, etc.), thereby striving to ensure that the opinions of employees are well reflected when implementing measures and policies related to employee health and safety.

“Accident Indices” for Evaluating Safety Activities

If an industrial accident occurs at Osaka Gas, the Company division concerned investigates and identifies the cause and takes measures to prevent a reoccurrence. The case is shared company-wide through a portal or other means, to ensure that similar accidents will not occur.

To assess safety activities at each workplace, we also use the “Accident Indices,” which uses a unique formula to calculate the degree of the accident in terms of seriousness and impact. The “Accident Indices” was created to establish a common, company-wide standard for labor accidents in all business segments, from gas processing and supply to sales.

Also, we honor organizations that meet their prescribed accident index targets to recognize their efforts as well as to raise awareness.

Daigas Group's Safety Education Efforts “Safe Driving Education”

The Daigas Group and its partners use a large fleet of vehicles in their work. We implement unique measures to ensure that all our vehicle operators master reliable driving skills and improve their driving manners so that everyone in the community can trust the Daigas Group's commitment to safe driving.

The Safe Driving Training Center run by Osaka Gas offers safe driving education with a focus on practical training, and we are seeking to extend safe driving practices throughout the Daigas Group to improve safety across the Group as a whole. In FY2023.3, a total of 3,710 employees from 46 companies, including Osaka Gas, took part in this safe driving program. The intranet and email are used to share and disseminate information across the Group as a whole to reduce accidents.



Class at an on-site driver training center

Education for foremen and health and safety managers

In accordance with Article 60 of the Industrial Safety and Health Act, we conduct safety and health education for those who are newly charged as foremen (first line supervisors) or others to directly guide or supervise workers in operations, by inviting a lecturer from the Japan Industrial Safety & Health Association. The Daigas Group holds training sessions five times a year for newly appointed managers who need foreman education. Approximately 160 people take the training.



Class at an on-site safety and health education

Competency improvement education for foremen and health and safety managers

According to the Guidelines for Promotion of Safety and Health Education issued by the Ministry of Health, Labour and Welfare, employers are required to provide education according to the competency improvement education for foremen and other workers approximately every five years, or when there is a major change in machinery and equipment.

Based on this, since FY2023.3, the Daigas Group has been providing the competency improvement education four times a year for those who have completed the education for foremen or the education for health and safety managers and are still leading their subordinates as foremen, with approximately 50 employees having taken the education.

Joint Safety Activities With Partners

Osaka Gas works closely with affiliates and partners at the sites of gas business activities. In particular, we strive to boost the level of safety by working closely with our partners through the Health and Safety Promotion Council to exchange safety-related information and hold a range of training and safety activities.

The Council, with 74 member companies, primarily in the manufacturing sector, promotes voluntary safety and health activities, with the goal of zero lost-time injury. As a key activity, the Council has designated a disaster prevention month in both the first half and second half of the year, during which we conduct safety patrols jointly with them. It also issues a Safety & Health Monthly Report that provides useful information on company efforts in preventing workplace accidents and promoting employee health.

At piping works, we work with partner companies in organizing exercise sessions to enhance physical performance and prevent accidents involving older workers falling from, or tipping over, stepladders.



Safety patrol with partner (Implemented a small number of people while taking measure against COVID-19 in the second half in FY2023.3)



Safety & Health Monthly Report

Prevention of General Work Accidents

Heat stroke prevention measures

Osaka Gas has introduced work clothes with built-in fans as part of measures to improve the working environment and prevent heat stroke in the summer with extreme heat (except for workers handling raw gas because fans are not explosion proof). In FY2019.3 we started considering the introduction of fan-equipped work clothes and conducted research using monitors to assess the required quantity and needs. The fan-equipped work clothes are made using a fabric suitable for fitting fans while following the design of the current ones. Also, the fan-equipped work clothes allow the use of a full harness safety belt, which has been mandatory from January 2022 due to a revision of the Industrial Safety and Health Act.



Fan-equipped work clothes

Prevention of fall accidents

Fall accidents occur frequently nationwide, accounting for one-quarter of industrial accidents.

Osaka Gas strives to prevent fall accidents by introducing health-enhancement physical training to workplaces and giving laptop tote bags to employees.

Older workers have come to constitute a larger portion of the entire working population at the Daigas Group, resulting in an increase in the number of accidents involving workers on duty, including stumbling. In FY2018.3, we introduced health-enhancement physical training company-wide. We have changed the conventional exercise program centered on stretching to health-enhancement physical training that strengthens muscles and the body trunk, including squats and standing on one leg.

In 2019, an employee slipped down the stairs with a laptop in his hands. A similar accident occurred in FY2018.3, too. To address this matter, we have been promoting company-wide measures to prevent similar accidents.

To avoid a similar accident, you should not walk around the office (especially up and down the stairs) while holding an open laptop in your hands. So, we encourage employees to carry laptops and documents in bags to keep both hands open while walking.

Moreover, to promote the habit above, we have provided laptop-carrying bags to organizations upon request.

We have also created a poster encouraging employees to keep both hands open while walking and sent it to each and every organization.



Scene of squat exercises, part of a health-enhancement physical training program being conducted before the start of the day



Introduction of laptop tote bags



Enlightenment poster

Maintaining and Improving Health

Regular health checkups and health guidance

Osaka Gas holds regular health checkups as required by law, and all employees expected to take them had planned checkups at the Daigas Group Health Development Center within the Human Resources Department.

The Center also offers health checkups and health counseling services to employees of affiliates. In FY2023.3, 13,715 employees of 34 companies (the total number from Osaka Gas and its affiliates) received health checkups at the Center.



Health checkup at the Daigas Group Health Development Center

	Daigas Group Health Development Center	In general
Health checkups	Half a day	About half a day
Explanation of health checkup results	On the day	Later date
Judgement of work classification	On the day	Later date
Health promotion class	On the day Advice on health promotion Special health guidance (in the first session)	Later date
Interviews with people experiencing a high level of stress	On the day To be conducted after evaluating the stress level through a prior medical questionnaire (Stress checks specified by law are conducted separately.)	No
Reservation for thorough examination	On the day Medical staff make reservations on the spot (legally mandated item).	To be made by oneself

Prevention and control related to global health issues

The Daigas Group has set forth “Providing safe and secure workplace” and “Ensuring safety of products and services” in the Daigas Group Code of Business Conduct, and it has established a system to provide health care against infectious diseases beyond the legal requirements.

In accordance with legal requirements, we provide employees with an opportunity for regular health checkups (once a year), including chest x-ray examinations for early detection of pneumonia, pulmonary tuberculosis, lung cancer, and other diseases.

Furthermore, based on advice and warnings on COVID-19 and other risks issued by the Ministry of Foreign Affairs and the World Health Organization (WHO), the Group takes measures such as alerting employees and setting up a task force.

Efforts related to the Action Guidelines “7 Rules for Being Healthy”

Promotion of measures to prevent lifestyle-related diseases

We will increase the number of employees working to improve their lifestyle habits by carrying out specific activities in line with the Action Guidelines “7 Rules for Being Healthy.”

In FY2023.3, the Healthy 7 Olympics (no smoking category) was held as in FY2022.3, and seminars on each of the Healthy 7 categories were also held to encourage employees to actively engage in Healthy 7 activities.

Furthermore, to enhance awareness among young employees of their risks of future high blood pressure and excess blood glucose, we analyze the results of their latest health checkups and create a health condition sheet and distribute it to each employee to provide advice to young employees on how to maintain and promote their health. The sheet shows each employee his/her probability of developing lifestyle-related diseases within seven years and a comparison with the average probability for all employees who underwent the checkup.

We are working on enhancing employees’ consciousness toward health from an early life stage, with the aim of reducing their risks of contracting lifestyle-related diseases in the future.

■ Healthy 7 Lifestyle Habit Monitoring Indicator: Total of Osaka Gas, Network Companies, and Three Core Energy Business Companies

Unit: %	Obesity rate (men)	Breakfast skipping	Exercise at least twice a week	Drinking 360 ml or more	Smoking rate (men)	Smoking rate (women)	Rest from sleep
FY2023.3	33.5	22.5	26.6	23.6	23.9	2.2	69.2
FY2022.3	34.2	21.5	25.7	19.8	24.7	2.1	70.7
National data*	33.0	3.1 (Reference)	28.7	27.9	27.1	7.6	78.3

- The figures shown for indicators other than obesity rate and smoking rate are the total of men and women.
- Breakfast skipping: Percentage of respondents who answered they skip breakfast three or more times a week (Nationwide: Percentage of respondents who answered they do not eat breakfast [reference])
- Exercise at least twice a week: Percentage of respondents who answered they exercise at least 30 minutes a day at least two days a week
- Drinking 360 ml or more: Percentage of respondents who answered that the amount of alcohol consumed on a drinking day is 360 ml or more
- Rest from sleep: Percentage of respondents who answered they get enough or moderate rest from sleep

* From the National Health and Nutrition Survey (Ministry of Health, Labour and Welfare, 2019 [data on sleep from the 2018 Survey])

Other results

▶ Information on other health results, such as the Healthy 7 Olympics participation rate.

Promotion of Measures to Enhance Mental Health

The Daigas Group implements various measures to enhance mental health in order to promote early detection and prevention of mental disorders.

- We conduct a group analysis of stress checks and provide feedback to the general affairs department of the organization to promote improvement of the working environment in the organization. Depending on the issues, the medical staff will conduct detailed group analysis of stress checks and provide feedback to the head of the organization and exchange views on how to create a better workplace. In this way, the general affairs department of each organization and the Health Development Center are working together to improve the working environment.
- For mental health measures for younger employees, we conduct a health questionnaire for new employees. For employees in their second year of work, we conduct a stress questionnaire and individual interviews at the time of a health checkup. Based on the results, we take appropriate measures in cooperation with their supervisors.
- For managers/supervisors, we provide mental health training centered on case studies.



Interview with employees in their second year of work regarding stress



Mental health training for managers and supervisors

Helping employees manage and maintain their health

Medical staff hired by the Daigas Group visit its business offices to provide health education to employees. This measure is designed to create a working environment that ensures workers' health and comfort, and encourages them to work on enhancing their health on their own.

We are providing employees with health management information via the Health Development Center website.

To help employees relieve shoulder stiffness and backache and avoid a lack of exercise, we have created a video titled "Easy Workout and Exercise," which introduces a workout and exercise that can be easily done even during remote work. Employees exercise while watching the video before meetings or when they are waiting their turn during health checkups.

■ Trainings by Occupational Safety and Health Staff (FY2023.3)

No. of such events held	No. of participants	Description
14	766	Measures for mental health, back pain, women's health, etc.



Easy and quick exercise

Measures against Infectious Diseases

In late January 2020, when the spread of COVID-19 infection was confirmed overseas, Osaka Gas started the implementation of various infection preventive measures against COVID-19, based on its Business Continuity Plan in Response to COVID-19 Pandemic.

With the change of COVID-19 to a Category V Infectious Disease on May 8, 2023, we lifted the alert; however, we will continue to respond according to the situation to ensure the safety of our employees and the stable and appropriate supply of gas and electricity to our customers.

Osaka Gas Selected as a 2023 Health & Productivity Stock Selection Brand for the First Time

In March 2023, Osaka Gas was selected as one of the brands in the 2023 Health & Productivity Stock Selection Brand program, jointly administered by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

The Health & Productivity Stock Selection is a program to promote enterprises' initiatives for Kenko Keiei,* or health and productivity management, by selecting outstanding listed enterprises engaging in a health and productivity management program, in which enterprises focus on and strategically carry out efforts with regard to their employees' and other workers' health from a management perspective, and introducing them as attractive enterprises to investors who are focused on improving corporate value from a long-term perspective.

As well as the Daigas Group Declaration of Health and Productivity Management, we established the Daigas Group Action Guidelines "7 Rules for Being Healthy" to encourage employees to have healthy lifestyles, aiming to improve their lifestyles through health promotion activities based on the rules. In recognition of these initiatives, we have been selected.

*The term "Kenko Keiei®" is a registered trademark of Non-profit Organization KenkoKeiei.



Communication Between Employees and Company

Principle and Outline

The Daigas Group believes that it is important for employees and the company to work together to realize the healthy growth of each group company with a sense of mutual trust and tension. To this end, we promote communication between employees and the company by opinion exchanges at informal meetings between the labor union and management and various study committee meetings, as well as workplace visits by the President of Osaka Gas to group companies and its organizations.

Labor-Management Relations

Cooperation between labor and management to resolve issues

Osaka Gas has adopted a union shop system, in which all employees, except those in management positions, are members of a labor union, pursuing sound and good labor-management relations. The Osaka Gas Workers Union consists of approximately 4,100 members, including those temporarily transferred to affiliated companies, etc. The workers union and management exchange opinions at informal meetings and various study committees on overall corporate activities, including actions regarding various management issues, as well as changes in working conditions. We strive to build, maintain and strengthen sound and good labor-management relations based on mutual understanding and trust.

Company Award System

President's Award to boost employee morale

Osaka Gas presents the President's Award every year to honor employees who have made significant contributions to the company's activities to boost employee morale. Awards are presented to regular and contract employees at Osaka Gas and employees of affiliated companies for their outstanding achievements in business operations and contributions to the environment, the community, and other aspects of society, passing on skills, the safety field, etc.

Human Rights

Summary

Why the topic is material	The Daigas Group respects human rights as basic rights inherent to all. The Group supports the international standards on human rights and promotes activities and programs to protect the human rights of its stakeholders. We comply with the applicable laws and regulations of the countries and regions where we operate. In the case where there is a conflict between internationally recognized human rights-related norms and the laws and regulations of a country or region, we will pursue ways to ensure maximum respect for international norms.	
	Items to be addressed	Specific initiatives
Respect for human rights throughout the value chain/ Human rights due diligence/ Human rights awareness promotion	<ul style="list-style-type: none"> • Management regarding respect for human rights • Human rights due diligence • Encouragement of suppliers • Promoting human rights awareness activities for Daigas Group officers and employees 	<div data-bbox="940 542 1209 566">Policy and promotion system</div> <p>Based on the Daigas Group Human Rights Policy, we support international human rights-related norms and comply with laws and regulations of the countries and regions where we operate, promoting activities and programs to protect the human rights of its stakeholders.</p> <hr/> <div data-bbox="940 667 1243 691">Initiatives undertaken in FY2023.3</div> <ul style="list-style-type: none"> • Implemented human rights due diligence • Informed our suppliers of our procurement policy and conducted a sustainability questionnaire • Provided human rights awareness training to Daigas Group officers and employees

Respect for Human Rights throughout the Value Chain

Principle and Outline

The Daigas Group supports and respects international standards for human rights, including the International Bill of Human Rights (Universal Declaration of Human Rights and the International Covenants on Human Rights) and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We also promote human rights initiatives in accordance with the UN Guiding Principles on Business and Human Rights, the UN Children's Rights and Business Principles, and other relevant principles.

We identify and assess the negative impact of our business activities on human rights and take steps to prevent or mitigate such risks under the Daigas Group Human Rights Policy. We will also demand that our suppliers and other parties concerned respect human rights and not infringe on them.

Daigas Group Human Rights Policy


[▶ Daigas Group Human Rights Policy](#)

The Daigas Group established the Daigas Group Human Rights Policy in April 2021. This Policy is based on the Daigas Group Corporate Principles and the Daigas Group Charter of Business Conduct and has been approved by the Board of Directors of Osaka Gas.

Human Rights Due Diligence

Principle and Outline

In accordance with the United Nations Guiding Principles on Business and Human Rights, the Daigas Group is committed to establishing systems in order to respect the human rights of all people affected by the group's business activities, and proactively disclose its initiatives in this area. The Group conducts human rights due diligence as part of its efforts to respect human rights and realize business sustainability.

System for Promotion of Human Rights Due Diligence

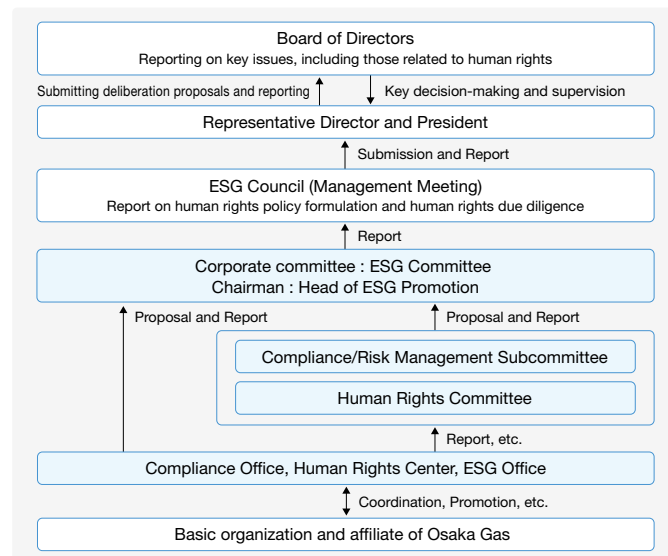
Human rights due diligence is jointly promoted by the Human Rights Center in the Human Resources Department; Compliance Office and the Internal Control Planning Team in the General Affairs Department; and the ESG Office in the Corporate Strategy Department.

The Board of Directors, which makes decisions and supervises other important business activities across the Daigas Group, is responsible for supervising activities aimed at tackling human rights issues and other related issues.

At the ESG Council (Management Meeting), which meets three times a year, officers deliberate on action plans and reports concerning ESG issues, including human rights issues, and report to the Representative Director and President.

The Group also has the ESG Committee, chaired by the Head of ESG Promotion (Representative Director and Executive Vice President), who supervises the Group's sustainability activities, and consisting of the heads of related organizations and other members. In principle, the ESG Committee meets four times a year for cross-organizational deliberation, coordination, and supervision of the formulation, promotion, etc. of plans for human rights due diligence activities.

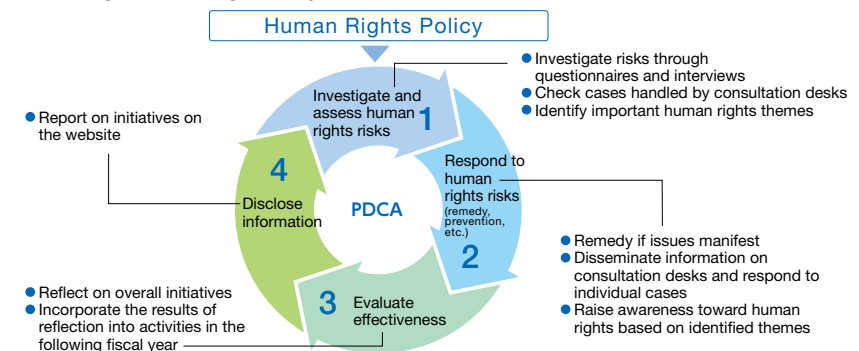
System for Carrying Out Human Rights Due Diligence



Human Rights Due Diligence Cycle

We have built a cycle in which human rights risks that may arise from our business activities are investigated and identified, the identified human rights risks are addressed through corrective and remedial measures, education and awareness-raising activities, etc., and the effectiveness of these measures are evaluated and linked to improved initiatives.

Human Rights Due Diligence Cycle



Results of Initiatives in FY2023.3

Investigate and assess human rights risks

We conducted inspections using G-RIMS, a self-assessment system, and a compliance questionnaire survey to check the status of employees' understanding and penetration of compliance. We also conducted a questionnaire survey of Daigas Group's major suppliers and found no significant risks related to human rights.

Respond to human rights risks (remedy, prevention, etc.)

We offered human rights training and conducted educational activities aimed at improving awareness and instilling knowledge of human rights issues. Please see [P.85-86](#) for more information on each action.

Establishment of grievance mechanisms

We have established the Human Rights Center and the Compliance Desks as contact points for consultation, and we appropriately respond to cases received by them.

Identification of key human rights risks (process)

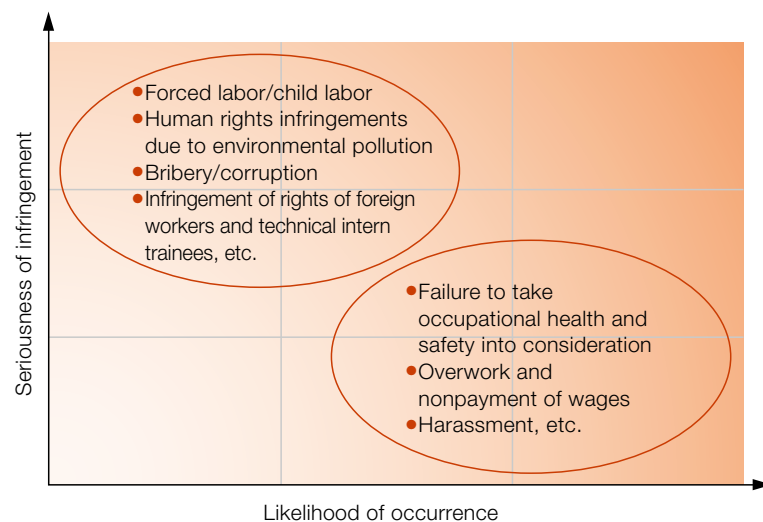
By reference to the dual axes of the seriousness of each potential human rights infringement and the likelihood of it occurring, we identify key human rights risks that the Daigas Group needs to consider in the course of its business activities and establish a priority order for addressing them.

■ Identification Process

1. Confirm the likelihood of occurrence and seriousness of human rights infringements based on the results of the human rights risk investigation and human rights consultations.

2. Conduct a discussion among internal stakeholders and evaluate each item of human rights risks using the matrix shown in the figure below.

3. Consult with experts to identify the Group's significant human rights risks.



Identify important human rights themes (assessment)

Based on the results of the survey and the cases received by consultation desks in FY2023.3 and in consultation with experts, the Daigas Group identified important human rights issues that it should take into consideration when conducting its business activities and organized the human rights risks by rights holder in the table below.

Among the human rights risks that may occur in the Group's business activities, we identified 14 items as prominent human rights risks, including failure to take occupational health and safety into consideration, human rights infringements due to overwork and nonpayment of wages, and harassment, as well as forced labor, child labor, and bribery and corruption as risks in international business and infringement of rights of foreign workers and technical intern trainees as a risk in domestic business.

For these risks, we have taken various measures to prevent or reduce them under the relevant policies and other relevant guidelines.

In discussions with experts, it was pointed out that the chemical and developer industries require special attention to human rights risks due to the nature of their industries. In the chemical industry, we are aware of human rights risks, such as forced labor and child labor at raw material suppliers in the supply chain, and in the developer industry, where labor shortages are an issue, we recognize the need to pay attention to human rights risks in hiring foreign nationals and accepting technical interns.

We also evaluate human rights risks for new businesses. For example, when carrying out M&A, as part of our due diligence, we investigate whether the new company joining our group complies with labor standards, health and safety laws and regulations to ensure that no serious human rights issues arise in it.

■ Identified Human Rights Themes and Classification of Entities of Rights

		Entity of rights				Relevant policy
		Group employees	Customers	Local residents and others	Suppliers	
Daigas Group's important human rights risks	Forced labor	●*1			●	Daigas Group Human Rights Policy
	Child labor	●*1			●	Daigas Group Human Rights Policy
	Lack of consideration for occupational health and safety	●			●	Occupational health and safety
	Infringement of human rights caused by excessive working hours or unpaid wages	●			●	Occupational health and safety
	Discrimination on the basis of disability, race, nationality, gender, etc.	●		●		Daigas Group Diversity Promotion Policy
	Discrimination based on one's origin	●		●		Daigas Group Human Rights Policy
	Harassment	●		●		Daigas Group Code of Business Conduct
	Infringement of the rights of foreign workers or technical interns	●*2			●	Daigas Group Human Rights Policy
	Infringement of rights to privacy	●	●	●		Initiatives to protect personal information
	Infringement of the rights of indigenous peoples or local residents			●		Daigas Group Code of Business Conduct
	Human rights problems caused by environmental pollution			●		Daigas Group Environmental Policy
	Defective quality of products or services, and inappropriate provision of information		●			Daigas Group Code of Business Conduct
	Bribery/corruption	●*1		●	●	Daigas Group Code of Business Conduct
	Procurement of conflict minerals			●	●	Daigas Group Procurement Policy

*1 Overseas subsidiaries, *2 Domestic subsidiaries

Response to Human Rights Risks

Establishment of policies and regulations

The Daigas Group has stated that human rights are to be respected in the Daigas Group Charter of Business Conduct, which expresses the Daigas Group's corporate stance, and the Daigas Group Code of Business Conduct, which serves as a code of conduct for officers and employees, and it established the Daigas Group Human Rights Policy in April 2021.

In addition to the Daigas Group Procurement Policy, which is aimed at respecting human rights throughout the supply chain, we have also established various regulations related to occupational health and safety, etc.

Consideration for occupational safety and health

The Daigas Group not only complies with all applicable laws and regulations related to safety and health but also has established its original rules, including the Daigas Group Safety & Health Promotion Regulations. The Group has also established the Daigas Group Safety and Health Council to discuss and share information on measures to prevent occupational accidents and promote health maintenance, thereby working to improve the levels of workers' safety and health throughout the Group.

In March 2021, we issued the Daigas Group Declaration of Health and Productivity Management to summarize our stance toward health and productivity management, based on the idea that ensuring safety and maintaining and improving physical and mental well-being are key to all operations.

Based on the Declaration of Health and Productivity Management, we also established the Daigas Group Action Guidelines "7 Rules for Being Healthy" to encourage employees to live healthy lifestyles, and we provide guidance to organizations and individuals at the Health Development Center, as well as lifestyle advice to employees at health checkups.

Action on human rights

To promote human rights awareness throughout the Daigas Group, we have established the Daigas Group Human Rights Committee, with the Human Rights Center as its secretariat and chaired by the officer responsible for the Human Resources Department.

The Human Rights Committee strives to understand group-wide issues through the sharing of information and the exchange of opinions related to human rights.

Activities for group employees include programs by level and lectures on human rights.


In addition, Osaka Gas overseas affiliated companies have made the English version of the Daigas Group Code of Business Conduct known to all of their employees to raise employee awareness with respect to human rights, work standards, and anti-corruption measures.

Consultation Desks for Human Rights

The Daigas Group accepts requests for consultation regarding human rights from not only employees but also customers, the local community, suppliers, and all other stakeholders.

Information on consultation desks is provided to employees through channels such as the intranet and posters and to external stakeholders via our website.

■ Consultation Desks

Employees	<ul style="list-style-type: none"> Human rights promoters are assigned to each organization, including key affiliated companies, as an initial point of contact. The Human Rights Center provides consultation services (for officers, employees, and temporary employees of all Group companies). The Compliance Desks accept requests for consultation and reports concerning compliance with laws, regulations, and internal rules (for officers, employees, and temporary employees of all Group companies).
Customers, local communities, etc.	<ul style="list-style-type: none"> Customer Centers accept inquiries.
Suppliers	<ul style="list-style-type: none"> Consultation requests and reports are accepted at the consultation/reporting desk on the website.  ▶ Consultation/reporting desk

Encouraging suppliers to comply with laws and regulations regarding human rights

To ensure respect for human rights throughout the supply chain, the Daigas Group strives to encourage its suppliers to understand the concept of human rights and follow international human rights standards through the Daigas Group Procurement Policy and the Daigas Group Procurement Policy for Suppliers.

In our sustainability questionnaire for suppliers, we set up a section on human rights to ascertain the actual status of forced labor and child labor, confirm that there are no problems, and provide an opportunity to mutually confirm the importance of our efforts to respect human rights.

Major requests

Respect for Human Rights

Respect the human rights of all those involved in corporate activities according to international human rights standards, and prevent direct or indirect infringement of human rights, including discrimination, harassment, and other inhumane treatment, due to corporate activities throughout the supply chain.

Fair Working Conditions

Comply with international labor standards and related laws and ordinances to appropriately pay employees, manage their working hours, and give them days off; to prevent any kind of discrimination at the workplace, forced labor, or child labor; and to respect the rights of workers (including technical intern trainees, other workers from abroad and immigrant workers), such as the freedom of association and the right of collective bargaining.

Contribution to Environmental Conservation

Reduce the environmental burden of business operation and products and services. [Examples: Reduce greenhouse gas emissions by saving energy and using low-carbon and/or decarbonized energy; promote green purchasing; use resources (water resources, raw materials, etc.) in a sustainable way; promote resource recycling; prevent air, water and soil pollution; and conserve biodiversity]

Ethical Corporate Management

Respect free and fair competition and prevent misconduct.

Protect intellectual property rights; disclose information appropriately; maintain confidentiality; safeguard privacy, including that of personal information; procure minerals responsibly; conduct responsible marketing activities; and never have any relationships with antisocial groups.

Action on Human Rights

Principle and Outline

The Daigas Group holds that human rights ought to be accorded the maximum respect in all circumstances. All officers and employees must be keenly aware of this, and acquire and act on correct knowledge pertaining to human rights. In expanding its business globally, the Group pays careful attention to compliance with local and national laws and regulations, respect for human rights and other international norms, local culture and customs, and the interests of stakeholders. Accordingly, it offers human rights training and conducts educational activities aimed at improving awareness and instilling knowledge of human rights issues.

Systems and Plans for Human Rights Awareness

To promote human rights awareness throughout the Daigas Group, Osaka Gas has established a “Daigas Group Human Rights Committee” headed by the director (Director and Managing Executive Officer) responsible for the Human Resources Department. This committee decides the activity policy with regard to human rights.

Based on this policy, the Human Resources Department’s “Human Rights Center” plans, formulates and administers numerous efforts and events such as human rights training for all job levels, human rights lectures, and human rights slogan contests, and offers cooperation and support to individual organizations. In FY2023.3, we have started training programs based on human rights themes identified as those which we should give consideration to in human rights due diligence. The top award-winning slogans are made into posters that are put up in offices to constantly remind employees of the importance of human rights.

As well, business units and major affiliates have their own “Human Rights Committee,” which relays company policies and human rights information to employees, encourages participation in outside lectures and the human rights slogan contest. The “Corporate Human Rights Committee” also exchanges information and opinions with divisions in the Group, all in an effort to understand what must be done across the entire Group. Further, each business unit and major affiliate appoints a “Human Rights Awareness Promotion Leader,” who is in charge of dealing with daily issues related to human rights.

The Daigas Group’s “Compliance Desks” and “Human Rights Center” also accept consultation requests and reports on all matters related to human rights.

Initiatives to Respect Human Rights for Suppliers

The Daigas Group sets up a section on human rights in its annual sustainability questionnaire for major suppliers. In FY2023.3, we conducted a questionnaire survey of 395 companies and received 353 responses, confirming that there were no problems with forced labor or child labor.

In addition, at the human rights lecture for organization heads and managers, which is held every year, in FY2023.3, we invited the participation of construction companies, service chain companies, and other partner companies, and approximately 80 people attended the lecture.

Please see  P.89 for more information on the details of the conducted questionnaire survey.

System for Promoting Human Rights Awareness

Daigas Group Human Rights Committee

Members: General Manager of the department in charge of general affairs in each organization, and Managers of the ESG Office and the Compliance Office

Daigas Group Human Rights Executive Board

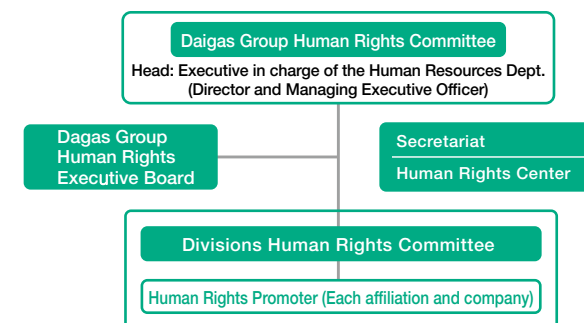
Members: Manager of the team in charge of general affairs at each organization, the ESG Office, and the Compliance Office

Human Rights Committees at each organization

Members: Persons in charge of general affairs, etc., including affiliated core energy business companies and related companies

Human Rights Promoters (at each organization)

Members: Persons in charge at each organization



Implementation of Human Rights Training

Human rights training for all levels

[Human rights lectures for organization heads and managers](#)

The Daigas Group has human rights training for all job levels: directors, managers, and new recruits.

In the human rights training for new managers, participants learn about companies and human rights. We have human rights lectures for division heads and managers led by outside experts.

In FY2023.3, a human rights training session for all employees provided by a Human Rights Promoter appointed at each organization was held for the purpose of promoting awareness of the newly formulated and released “Daigas Group Human Rights Policy” among employees, under the theme of “Becoming Aware of Unconscious Bias.” Approximately 17,100 employees, including those from affiliated companies, participated in this training session.

■ Group-wide Human Rights Training - Participants

Participants	Implementation period	No. of participants
Executives	September	29
Managers and leaders	May, June, November, December	212
New employees	April	146
Training for all employees	From November to March	About 17,100
Human rights lecture (for organization heads and managers)	July	460
Human rights lecture (for all employees)	February	450
New employees at affiliates	April, June, October, February	329
Others (HR Committee members, etc.)	Year around	142
Total		About 18,800

Training for human rights awareness leaders

In training for each division's human rights awareness leaders, participants take a variety of courses outside the company. In FY2023.3, a total of 110 took these courses.

■ Results of Participation in Courses outside the Company

Course name	No. of participants
Anti-discrimination and Human Rights Issues Awareness Raising (for Managers)	110
Human Rights and Anti-discrimination Awareness Raising	
Buraku Liberation/Human Rights Summer Course	
Buraku Liberation/University Human Rights Course	
Other	

Supply Chain Management

Summary

Why the topic is material	<p>The Daigas Group could not conduct business without the cooperation not only of companies within the Group but also of its various stakeholders. We believe that it is necessary for the Group to control the social and environmental effects that are generated in the business processes in the most responsible manner and in close cooperation with our stakeholders.</p> <p>Based on the Group's corporate motto, "Service First," we strive to procure responsibly in cooperation with our suppliers.</p> <p>Supply chain management is positioned as one of our material issues.</p>		
	Items to be addressed	Specific initiatives	
Supply chain management	<ul style="list-style-type: none"> Promoting understanding of the Daigas Group Procurement Policy among suppliers Confirmation of the status of major suppliers' sustainable activities, etc. Promotion of green purchasing <p>Materiality Supply chain management</p>	Policy and promotion system <p>The Daigas Group is committed to fulfilling its social responsibility in close cooperation with suppliers in line with the Daigas Group Code of Business Conduct, revised in accordance with the United Nations Global Compact.</p> <p>The Daigas Group has formulated the Daigas Group Procurement Policy and has made it known to the Group's suppliers, together with the Daigas Group Procurement Policy for Suppliers.</p> <p>Each organization in charge of procuring particular materials is to fulfill its responsibility.</p>	
		KPIs based on the materiality	FY2023.3 results
		Appropriate new supplier ratio	100% A total of 27 suppliers began new business transactions with Osaka Gas. No business deals were barred from being started due to violations of standards set in the fields of environmental and social impacts, human rights, and labor practices.
		Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> Implementing and promoting a system for disseminating the Daigas Group Procurement Policy and the Daigas Group Procurement Policy for Suppliers to our suppliers and confirming the status of their sustainable activities before proceeding with a business transaction Conducting questionnaires for major suppliers to understand, evaluate, and analyze the status of their sustainable activities, etc. Implementing and promoting the Green Partner Initiative, a system for evaluating the environmental initiatives of suppliers who are proactive in such efforts as building an environmental management system (EMS) and obtaining certification 	

Supply Chain Management

Principle and Outline

Our broad-based city gas value chain is built on the cooperation of various suppliers. Fulfilling our social responsibility by working with our suppliers in the value chain builds relationships of trust with our stakeholders and furthers the development of the entire value chain.

The Daigas Group is committed to fulfilling its social responsibility in close cooperation with suppliers in line with the Daigas Group Code of Business Conduct, revised in accordance with the United Nations Global Compact. The Daigas Group has formulated the Daigas Group Procurement Policy and has made it known to the Group's suppliers, together with the Daigas Group Procurement Policy for Suppliers.

Daigas Group Procurement Policy



▶ Daigas Group Procurement Policy

The Daigas Group aims to contribute to the development of a sustainable society and believes that environmental and social consideration is important in procurement. Based on this idea, the Group formulates its policy on the procurement of works, services, goods, products, parts, materials, etc. as follows:

1. Compliance

We will ensure that our procurement will be in compliance with laws and ordinances, based on common sense corporate practices following sound ethical views, and in full consideration of occupational health and safety, respect for human rights, including prohibition of discrimination, forced labor, and child labor, and the elimination of misconduct.

2. Open Trading

To procure high-quality, safe and economical materials, equipment and the like at appropriate timing, we will deal with not only domestic companies but also overseas companies.

3. Fair Dealing

We will fairly and justly select suppliers, vendors, contractors and others with whom we conduct business (collectively referred to as "Suppliers"), taking into comprehensive account such factors as their corporate soundness, financial condition, commitment to corporate social responsibility, safety management system, technical capabilities, the quality, prices,

and reliability of their products and services, the compatibility of their products and services with existing equipment, reliability in delivery, after-sales service, and economic rationality.

4. Contribution to Environmental Conservation

Based on the Daigas Group Environmental Policy, we aim to operate our business in harmony with the environment, including consideration of biodiversity. We will promote green purchasing* in consideration of the balance between economic conditions and the reduction of environmental burdens.

5. Trusting Relationship

We will build a solid relationship of trust with Suppliers and strive for mutual development through close communication and fair and just purchasing transactions with them. For more details, refer to the Daigas Group Procurement Policy for Suppliers, which the Group has formulated.

**Green purchasing* is purchasing in full consideration of the necessity of the purchase, taking into account not only quality and price but also the environment.

Daigas Group Procurement Policy for Suppliers (Excerpt)



▶ Daigas Group Procurement Policy for Suppliers (Excerpt)

Respect for Human Rights

Respect the human rights of all those involved in corporate activities according to international human rights standards, and prevent the direct or indirect infringement of human rights, including discrimination, harassment, and other inhumane treatment, due to corporate activities throughout the supply chain.

Fair Working Conditions

Comply with international labor standards and related laws and ordinances to appropriately pay employees, manage their working hours, and give them days off; to prevent any kind of discrimination at the workplace, forced labor, or child labor; and to respect the rights of workers (including technical intern trainees and other workers from abroad, and immigrant workers), such as the freedom of association and the right of collective bargaining.

Contribution to Environmental Conservation

Reduce the environmental burden of business operation, and products and services. [Examples: Reduce greenhouse gas emissions by saving energy and using low- and/or zero-carbon energy; promote green purchasing; use resources (water resources, raw materials, etc.) in a sustainable way; promote resource recycling; prevent air, water and soil pollution; and conserve biodiversity]

Ethical Corporate Management

Respect free and fair competition and prevent misconduct. Protect intellectual property rights; disclose information appropriately; maintain confidentiality; safeguard privacy, including that of personal information; procure minerals responsibly; conduct responsible marketing activities; and never have any relationships with antisocial groups.

Responsible Procurement

Measures in material procurement

We have a system for explaining the Daigas Group Procurement Policy and the Daigas Group Procurement Policy for Suppliers to our suppliers and confirming the status of their sustainable activities before proceeding with a new business transaction in materials purchasing.

In addition, we conducted a questionnaire survey of major suppliers in materials purchasing to check their sustainability efforts. Furthermore, when the suppliers conduct business transactions with the Daigas Group, they are asked to observe the Green Purchasing Guidelines set by the Group, which are attached to the specifications for the transactions.

Sustainability activity survey of gas appliance makers and other suppliers conducted to promote information sharing on social and environmental issues to be tackled by companies

The Daigas Group conducts a questionnaire survey of major suppliers* on sustainable activities to provide a sense of security to customers when they choose the Daigas Group, as well as taking into account social and environment aspects in doing business. The survey is based on the Daigas Group Procurement Policy and the Daigas Group Procurement Policy for Suppliers. The survey was conducted of gas appliance makers and other suppliers to assess the status of their efforts for a total of 59 items on the eight themes of compliance, human rights, labor, occupational health and safety, product safety and quality, environmental conservation, ethics and prevention of corruption, and policy enforcement system. In addition, we conducted a survey of service chain partners and construction work contractors, to which the Group has entrusted gas business-related duties, and of LNG suppliers.

*Selected based on the degree of impact on our business, such as the transaction amount and whether or not Daigas Group brand products are handled

■ Survey on Sustainability Activities Conducted in FY2023.3

Companies covered by the survey	No. of companies surveyed	No. of companies which replied	Other efforts
Main suppliers	146	146	Green Partner Initiative
Gas appliance manufacturers	36	36	
Service companies, engineering firms	205	165	
LNG suppliers	8	6	

Results of the questionnaire surveys of suppliers

Questionnaire surveys of suppliers regarding sustainability activities for FY2023.3 found no violations in the environmental and social fields. For responses that raised concerns, we followed up individually from each responsible line to confirm that there were no problems with the actual state of activities.

We provided suppliers with feedback on good practices among respondent companies and comparisons between overall average values and the results of their own responses to encourage them to continue and improve their efforts.

Efforts to encourage the reduction of environmental burdens and results

We encourage major suppliers, etc. to reduce environmental burdens as part of our efforts to reduce environmental burdens in our supply chain. In addition to complying with environmental laws and regulations, we request them to monitor their CO₂ emissions and water usage, report the status of setting reduction targets, and take measures to reduce environmental burdens.

Promoting green purchasing in collaboration with suppliers and affiliates

Based on its Green Purchasing Guidelines (formulated in 2000, revised in 2022), Osaka Gas works with suppliers to promote Green Purchasing: prioritized procurement of biodiversity-friendly goods and construction work that have less impact on the environment. We actively use eco-friendly products, including Forest Stewardship Council-certified paper, recycled paper, LED lighting, and carbon offset products.

In 2005, we launched the “Green Partner Initiative” to evaluate environmental efforts by our main suppliers, including establishing an environmental management system (EMS) and obtaining an EMS certificate. Suppliers recognized as supporting the initiative have been registered as Green Partners.

The Green Partner Initiative was revised in FY2016.3, resulting in suppliers other than those previously covered now being covered by the initiative. As of March 31, 2023, 85 suppliers were registered. Affiliated companies are working to expand green purchasing under the Daigas Group Environmental Management System (OGEMS), our unique environmental management system.



Participation in an initiative related to supply chains

Since FY2018.3, Osaka Gas has been participating in Sedex, which promotes the establishment of ethical supply chains, to respond to requests from suppliers.

We regularly undergo SMETA audits (an audit scheme provided by Sedex) at our manufacturing sites in an effort to respect the human rights of our employees and improve the working environment.

Training for personnel in charge of purchasing

The Daigas Group conducts training for personnel in charge of purchasing once a year. During training, we disseminate the Daigas Group Procurement Policy, which shows consideration for compliance, human rights, and the environment.

We also have e-learning courses for personnel in charge of purchasing available at all times.

Customer Health and Safety

Summary

Why the topic is material	The Daigas Group is committed to making a positive contribution to realizing a higher level of comfort of its customers and the development of their business activities by ensuring a stable supply of city gas, electricity, LPG, and other energy sources and the safety of city gas supply and equipment with an improved level of services for its customers. To realize this, we believe that it is important to improve energy resilience so that customers can use energy without worry. We will endeavor to provide products and services that offer utmost reassurance about safety in order to be a corporate group that continually evolves and develops alongside our customers. We have positioned customer health and safety as one of our material issues.		
Customer health and safety	<div>Items to be addressed</div> <div><ul style="list-style-type: none">Ensuring continued stable procurement and safe supply of energyBuilding resilient facilitiesEmergency response system and anti-disaster measuresPassing on advanced knowledge and skills in safety and disaster preventionDisseminating information about safe use<div>Materiality Customer health and safety</div><div>Materiality Stable supply of services</div></div>	Specific initiatives	
		Policy and promotion system	
		The Daigas Group is committed to ensuring the quality of city gas, our primary product, its stable supply, and the safety of our gas and power generation facilities—all by adhering to our “Security Rules.” From FY2023.3, based on legal separation, we established the “Safety and Disaster Prevention Committee” as a company-wide committee to centrally manage and promote measures for events related to safety, disaster prevention, and gas supply stability, with the aim of building a system that exercises governance across the company during normal times.	
		KPIs based on the materiality	FY2023.3 results
		Number of serious accidents	We continued achieving zero serious accidents by implementing quality control of city gas in the production business and safety inspections of gas facilities in the supply business in accordance with laws, regulations, and internal rules.
		Building resilient facilities	The percentage of earthquake-resistant facilities is approximately 89%, and the number of earthquake blocks* increased to 713 due to the subdivision of supply network.
		Initiatives undertaken in FY2023.3	
<ul style="list-style-type: none">Ensuring the safety of city gas, gas and power generation facilities, and continuing to maintain quality levelsStriving to systematically update facilities and maintain a pipeline network to build resilient facilitiesBuilding and implementing a system that allows for quick response to accidents and disasters, developing a Business Continuity Plan (BCP) to Take Effect During a Large-scale Disaster or Accident, and conducting drillsContinuing to develop human resources with advanced knowledge and skills related to safety and disaster prevention			

*Blocks are divided parts of the supply network aimed at early restoration in the event of supply disruptions due to earthquakes, etc.

Customer Health and Safety

Principle and Outline

The Daigas Group announced Long-Term Management Vision 2030 in March 2017 and Medium-Term Management Plan 2023 in March 2021. Ensuring the safety of city gas as well as gas and power generation facilities is of the utmost priorities for the Daigas Group, which sets targets of continued zero serious accidents and more than 10 million customer accounts and aims to enhance the resilience of customers and society. To that end, we consider it important to work towards enhancing safety and improving preparedness for accidents and disasters.

The Daigas Group Code of Business Conduct, which sets forth the standards of conduct that our officers and employees must follow without fail, specifies “ensuring safety of products and services.” In order to ensure safety, we are committed to not only meeting legal standards but also pursuing safety from the perspective of customers in each of our operations.

Safety and Disaster Prevention Promotion Structure

We established the Safety and Disaster Prevention Committee as a corporate committee, which is a system built for ensuring governance across the company during normal times so as to centrally manage and promote measures for incidents related to safety, disaster prevention, and gas supply stability.



Operations and maintenance tasks inspected

In the infrastructure business, one accident can have various effects on stable supply and cause large losses. So, Inspections beyond the regular ones were carried out led by the Safety Subcommittee, on operations and maintenance work.

In FY2023.3 we have reaffirmed and improved our efforts and systems to prevent accidents and ensure stable supply in the energy businesses that are essential to people's lives and industry, such as gas, electricity and heat supply. In addition to continuously checking the operational status in FY2023.3, we will also expand the scope in FY2024.3 to our renewable energy business. We will roll out good practices obtained from inspection results to new businesses.

Safety and Security Efforts in the Energy Business

Ensure stable procurement by diversifying sources of LNG imported by Osaka Gas

Natural gas resources—the source of city gas and fuels for power generation—are spread worldwide. Osaka Gas started importing LNG from Brunei in 1972 and has since diversified its procurement sources.

In December 2019, a natural gas liquefaction project was launched in Texas, U.S. LNG from the United States is procured with a new method, whereby the price is determined in connection with Henry Hub prices, the index upon which the market price for natural gas futures is based in the United States. This procurement method has been added to Osaka Gas's existing procurement method, whereby the price is determined by indexing to crude oil prices.

The use of more diverse price indicators will enable us to procure LNG at stable prices even if crude oil prices fluctuate. Moreover, investment in the natural gas liquefaction project will enable us to procure a kind of price-competitive LNG, whose price is closer to prime cost, among the kinds of LNG whose prices are linked to Henry Hub prices.

We will continue our efforts to procure more affordable LNG in a more stable manner.

■ LNG Handled by Osaka Gas (Including Fuel Used for Power Generation and Wholesale)

(thousand ton)

Fiscal Year	21.3	22.3	23.3
Brunei	454	641	160
Indonesia	285	127	0
Malaysia	945	942	1,153
Australia	3,436	4,011	4,756
Russia	384	449	321
Qatar	421	179	0
Oman	1,271	1,335	1,460
Papua New Guinea	1,308	1,663	1,939
USA	1,836	2,803	679
Others	235	274	141
Total	10,575	12,443	10,608

Safety measures at LNG terminals

Our system docks LNG tankers safely

At the Osaka Gas LNG terminals at Senboku and Himeji, we strive for complete safety on site and in the surrounding areas. This safety begins as soon as the tankers carrying LNG dock at dedicated piers at the LNG terminals.

The tankers bringing LNG from around the world are docked with the utmost concern for safety. Osaka Gas developed its own system specifically for safely docking tankers through a series of processes.

This system uses a GPS to monitor in real time the position of the tankers to an accuracy of 10 cm as they enter and leave the port, and dock and undock.

LNG tank safety measures

The LNG transported by tanker is fed into LNG tanks from the dock. To ensure a stable supply of city gas, our two LNG terminals have a total of 25 LNG tanks, including one of the world's largest land-based tanks.

Tanks are equipped with advanced earthquake-proof technology. Should there be a gas leak, the tanks have dikes to stop the LNG from flowing to the outside. And there are high-expansion foam discharge systems and water curtain facilities to contain any spilt LNG.



High-expansion foam discharge and water curtain facilities along the dike around an LNG tank

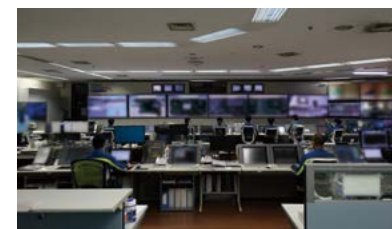
Odorization aids gas leak detection

At Osaka Gas's two LNG terminals, the LNG brought in by tankers at a temperature of -160°C is vaporized using the heat of sea water, then the heating value of the gas is adjusted before it is delivered to customers. Because natural gas is odorless, it is given a specific odor so that it can be detected in case of a gas leak.

Monitored 24 hours a day, 365 days a year

Central control rooms at LNG terminals carry out around-the-clock monitoring and operation of all processes from receipt of LNG, vaporizing of the gas, to delivery of the product.

These central control rooms also carry out monitoring and operation of all of the incident detectors and surveillance cameras so that problems are detected promptly and prevented from spreading. If an incident detector picks up a problem, an alarm is sounded in the central control room and staffs are on the scene immediately.



Central control room at an LNG terminal

Developing a Business Continuity Plan to Take Effect During a Large-scale Disaster or Accident

In July 2013, the Daigas Group formulated a Business Continuity Plan (BCP) to be implemented in the event of a large-scale disaster or accident. This BCP, which we have disseminated throughout our Group, outlines responses to identified risks.

It assumes a situation in which the company and society at large are affected by an earthquake or tsunami resulting in a paralysis of various functions, or a functional failure due to problems with raw materials suppliers and our equipment. According to the terms of the "Act on Special Measures for Pandemic Influenza and New Infectious Diseases," the company shall respond promptly and accurately to the outbreak of a new strain of influenza or the like to prevent infection of employees and to protect public health. We have established company regulations under the name of the "Pandemic Influenza and New Infectious Diseases Preparedness Action Plan" in order to ensure the stable supply of gas in such a situation.

In principle, we review our BCP annually and promote employee awareness by implementing BCP training, earthquake drills, and education and training incorporating e-learning.

In the event of an earthquake, we must respond by upholding business continuity in parallel with implementation of disaster response operations, so clearly advanced disaster response capabilities are required as well. By simultaneously implementing earthquake drills and BCP training in FY2023.3, we were able to identify the challenges of maintaining business continuity concurrently with disaster response operations, thus strengthening our overall disaster-response capabilities.

Osaka Gas Network Co., Ltd. initiatives: Safety measures during supply

Monitoring and replacing gas pipes

City gas is delivered to customers via the gas pipeline network. Therefore, Osaka Gas Network Co., Ltd. recognizes that keeping the gas pipes safe and properly maintained is one of the most important matters and is constantly replacing old metal pipes with pipes made of polyethylene, which is highly durable and earthquake resistant.



Pipes made of polyethylene exhibit superior strength

Building resilient facilities

To ensure stable city gas supply, we believe that it is important to renovate the processing facilities, build a gas pipeline network, and take disaster prevention measures in accordance with meticulously devised plans to strengthen our foundation to secure a higher level of stability in the gas supply.

Osaka Gas Network Co., Ltd. is working to improve the earthquake resistance of gas facilities as a preventive measure (promotion of the spread of earthquake-resistant facilities), including the introduction of highly earthquake-resistant gas pipes. We are refurbishing aged gas pipes and introducing pipes with superior resistance to earthquakes and corrosion according to the plan. We are actively proposing the repair of old buried gas pipes at customers' sites that pose a risk of corrosion. We completed measures for cast iron pipes (pipes requiring measures) ahead of schedule from FY2021.3 to FY2016.3. We continue to implement measures for cast iron pipes (to be maintained and managed) and pipes for preventing corrosion and deterioration.

As part of emergency measures to prevent secondary disasters, we have established a gas shutoff system to prevent secondary disasters caused by gas leakage in the event of an earthquake or other disaster.

In accordance with the Ministry of Economy, Trade and Industry's "Gas Safety Upgrading Plan," we are working to increase the percentage of earthquake-resistant pipes, which indicates the ratio of earthquake-resistant pipes to the total, and to subdivide supply blocks to keep gas shut off due to emergency measures to the minimum extent possible.

We believe that energy resilience can be improved by taking both measures: increasing earthquake resistance as a preventive measure against earthquakes and minimizing damage and achieving early restoration in the event of an earthquake.

Security measures to prevent accidents

Osaka Gas Network Co., Ltd. ensures that the following security measures are taken to prevent the occurrence of accidents including gas leaks.

1. Regular inspection of gas pipes along the pipelines to ensure there are no gas leaks
2. Inspection and repair of facilities including regulators, valves, and gas pipes on bridges
3. Meetings with contractors who are doing excavation work for water and sewage pipes, and electrical and phone lines near Osaka Gas pipelines, as well as inspection of the work sites, before, during, and after the work



Regular inspection of gas pipes on bridges

Integrated system for monitoring and controlling the gas supply

The Central Control Room of Osaka Gas Network Co., Ltd. ensures a stable and safe supply of gas 24 hours a day, 365 days a year.

We have a gas supply monitoring and control system that keeps a constant watch on gas, from the LNG terminals to every corner of the pipeline network. The system constantly gathers data on gas pressure, flow volume, and irregularities from points around the gas pipeline network, providing integrated control through remote operation that controls production and supply and detects any problems.



Central Control Room

Osaka Gas Network Co., Ltd. initiatives: Emergency response system and anti-disaster measures

Taking calls and responding all day, every day

It is particularly important to establish an initial response system in the event of accidents and natural disasters and act appropriately in response to such events.

Osaka Gas Network Co., Ltd. has established a unified security system covering the entire supply area. Under the system, if gas leakage occurs, the Central Control Room will take charge of all relevant duties, including receiving an accident report and dispatching security staff to the accident site. Specifically, the Central Control Room will order the dispatch of the emergency vehicle that can reach the accident site the fastest by taking various factors into consideration, such as availability of vehicles and their locations.

The Central Control Room accepts emergency reports, such as a gas leakage, around the clock via dedicated telephone lines set up in the Room. After an accident is reported, emergency staff will be sent to the site immediately and work in close collaboration with local police and fire departments.



Central Control Room (emergency call reception)

Initiatives for coordination with local governments in the event of a disaster

Osaka Gas Network Co., Ltd. has concluded agreements with local governments on coordination in the event of a major disaster or in other similar situations. The purpose of the agreements is to quickly stabilize people's lives by working together with local governments to restore gas supplies safely in the event of any major disaster. As of March 2023, the company has concluded agreements with approximately 70 local governments within the supply area, including Osaka City.

With this agreement, the company will deepen its cooperation with the government in normal times even more than before, and build a system for cooperation and collaboration in the event of a disaster.

Emergency response system and anti-disaster measures

Measures against possible large-scale earthquakes

Daigas Group has taken a range of measures for dealing with large earthquakes, including installing earthquake-resistant polyethylene pipes and intelligent meters that detect vibrations from the earthquake and shut off the gas supply and securing an emergency communications network. In addition, the Great Hanshin-Awaji Earthquake of 1995 has prompted us to step up these measures.

We have installed seismometers in the Group's service area, which allow us to quickly determine the seismic intensity and other information. The service area is divided into blocks. In the event of the detection of ground shaking that may cause damage to gas pipelines, to prevent secondary damage, gas supplies are shut off block by block. This is possible thanks to a system of automatic gas shutoff devices equipped with a seismoscope as well as remote gas shutoff devices that are activated by command from the Central Control Room. If the Central Control Room is physically damaged, the Central Control Subcenter set up with a similar function will take over its task.

We also make constant efforts to improve employees' ability to respond to emergencies, including conducting company-wide disaster drills and providing disaster prevention education through e-learning, in addition to taking physical countermeasures against earthquakes as described above.

In FY2023.3, as a company-wide disaster drill, we conducted a company-wide earthquake drill and business continuity plan (BCP) training simultaneously, continuing from last year, to identify issues arising from conducting disaster response and business continuity operations at the same time. In the drill, which was based on the scenario of an earthquake of magnitude 8.7 with an epicenter in the Nankai Trough, a task force, headed by the President of Osaka Gas, was formed at the Head Office. We worked to strengthen our initial disaster-response capabilities and share the disaster response flow until the completion of restoration.

In addition to approximately 2,000 employees of the Group, including partners, 50 people from 13 retailers other than Osaka Gas also participated in the drill to confirm cooperation in disaster response.

■ Progress of Earthquake Countermeasures after the Great Hanshin-Awaji Earthquake

Focus	Main earthquake countermeasures	At the time of Great Hanshin-Awaji Earthquake (January 1995)	Present (April 2023)
Strengthen information gathering function	Install additional seismometers	Installed at 34 locations	• Installed at approx. 3,300 locations
	Introduce earthquake damage prediction system	—	• Introduced at the Central Control Office (head office, back-up center) and 5 areas
Establish supply suspension system	Subdivide supply blocks into smaller segments	55 middle blocks	• 87 middle blocks • 713 little blocks
	Introduce supply suspension equipment	Remote suspension equipment only for super blocks (dividing the supply area into 8)	• Remote suspension equipment at approx. 3,600 locations • Earthquake-sensitive automatic suspension equipment at approx. 3,000 locations
Strengthen emergency communications	Strengthen wireless systems	—	• Head office and back-up center serve as two hubs • 6 portable satellite communications facilities
Other	Ratio of strengthening of earthquake resistance	Percentage of earthquake resistant pipes: 68%	• Percentage of earthquake resistant pipes: Approx. 89%
	Promote widespread use of polyethylene (PE) pipes	PE pipeline length: Approx. 1,200 km	• PE pipes used for basically all low-pressure pipelines • PE pipeline length: Approx. 17,900 km
	Promote widespread use of microcomputer meters	Overall adoption rate: Approx. 75%	• Installation completed for residential sector • Overall adoption rate including non-residential sector: Approx. 99%
	Back up important online information	—	• Back-up center opened

Status of technology development and operation for disaster preparedness and recovery support

Various in-house organizations must work in close cooperation to restore gas supply suspended because of a disaster or accident. This requires that information on conditions at trouble spots be shared immediately.

Osaka Gas developed the "BRIDGE" disaster recovery support system to centrally manage real-time information from the onset of a disaster/accident through recovery, and put this system into operation in April 2012. The system links up map information with customer information, making it possible to "visualize" recovery actions by centrally managing on-site progress and reducing the time needed to complete recovery work.

In addition, the "OG-DRESS" mobile-based reporting system aimed at supporting disaster recovery has been established, enabling reporting on completion of recovery work via mobile phone. Based on such a system, we will make our response actions in the event of a disaster expeditious.

We developed the "Typhoon and Torrential Rainfall Information System," which provides centralized information on accumulated rainfall and landslide disasters during typhoons and torrential rainfall, and have been operating the system since 2015. We also built a system to grasp the risk of river flooding at an early stage and have operated it since 2021. If we identify a risk of inundation of gas supply facilities due to river flooding, we will establish an emergency system and take preventive measures for the facilities to ensure the safe supply of gas for our customers. We have developed a "recovery visualization system" that provides easy-to-understand information on the restoration of gas service to customers living in areas where gas supply is cut off due to a major earthquake. In the event of a major earthquake, the top page of our website switches to an emergency-use page that provides status updates on gas supply stoppage and restoration using this system.

The recovery visualization system has two types of browsing functions: a map on which the gas recovery status is shown color-coded by stage and a list that shows the gas recovery progress by area.

We will continue to work to improve our disaster prevention and mitigation measures against earthquakes and other natural disasters and to deliver city gas to our customers with greater safety and stability.

*Since April 2022, the city gas supply business has been conducted by Osaka Gas Network Co., Ltd.

Passing on advanced knowledge and skills in safety and disaster prevention

Based on the belief that our greatest mission is to deliver gas safely and securely, the Daigas Group strives to nurture human resources with a high level of knowledge and skills in the areas of safety and disaster prevention.

At LNG terminals, a system with a 3D animation function was installed to simulate things that are not easy to experience, such as a more realistic reproduction of a fire or other serious accident, to improve the quality of training and transfer skills. The Technical Skill Development Center of Osaka Gas Network Co., Ltd. strives to develop human resources with advanced knowledge and skills through high-quality lectures, abundant video content, etc., with the aim of preventing gas accidents and accidents resulting in injury or death. To convey the lessons learned from various past failures, we have also set up experiential-type training facilities that reproduce the circumstances at the time of these failures. Also in the Energy Solutions Business Unit, the Human Resource Development Centre provides various training programs to improve the quality of work related to security, such as starting service of gas supply, regular safety checks of gas appliances, and installation and repair of equipment.

In order to further solidify "safety," we have established the Four Safety Principles as a universal code of conduct common to those involved in safety as part of their work. We aim to eliminate accidents and problems by adhering to these four principles, which are: adherence to rules, reliable communication, reconfirmation, and interruption at unexpected times. We will follow these provisions to help make ourselves continuously aware of our responsibility to customer safety.

Products and services ensure safe use by customers

[Informing customers about safe use of gas appliance](#)

To ensure that customers can use their gas appliances with peace of mind, we take every opportunity to talk to them about the safety of their appliances: during regular safety inspections, when providing a new gas service, and when conducting repairs.

The Osaka Gas website has a section with important announcements on gas appliances, where we talk about the proper use of gas appliances, and post prompt notices about product modifications or defects.

[Developing and promoting the use of safer gas appliances](#)

The Daigas Group strives to bring customers products and services that ensure the safe use of gas. In 1992 we developed an automatic shut-off device for gas stoves and in 1999 a small gas water boiler with interlock mechanism*1. To eradicate fires originating from gas stoves, since April 2008 all products have been equipped with an auto shut-off function to automatically turn off the gas when the user forgets to. We have been working to spread the use of this product, called the “Si” Sensor-Equipped Cooking Stove.

In 2019, we developed and launched a new safer and securer gas stove in cooperation with Paloma Co., Ltd. to reduce the risk of clothing catching fire*2 during cooking. The new gas stove is equipped with area sensors*3, an industry-first technology. When a sleeve or other object comes close to the flame, the sensors detect it, lower the flame automatically, and sound a voice alert. The product obtained recommendation certification as a product with effective fire and disaster prevention functions from the Fire Equipment and Safety Center of Japan, the first time for a cooking device. Meanwhile, we would like to eradicate all old gas appliances that lack safety mechanisms. In particular, we visit customers who are still using old appliances that are not equipped with incomplete combustion prevention devices, such as small tankless gas water heaters and wire-mesh gas stoves, and recommend that customers upgrade to safer gas appliances.

The Group also provides gas alarm systems that warn residents of a gas leak or carbon monoxide and offers a range of safety-related services, including the dispatch of staff to a home when trouble is detected.

*1 Interlock mechanism: A device that stops the ignition process after the incomplete combustion prevention mechanism is triggered three times.

*2 Clothing catching fire: A sleeve, for example.

*3 Area sensors: It is a registered trademark of our company.

■ Changes in the Rate of Use of Water Heaters with an Incomplete Combustion Prevention Device and Gas Stoves with a Function of Automatically Turning off the Flame

	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3
Water heater with an incomplete combustion prevention device	99.9%	99.9%	99.9%	99.9%	99.9%
Gas stove with a function of automatically turning off the flame	96.0%	96.1%	96.2%	96.3%	96.3%

[Announcement of joint development of a smart meter system](#)

Osaka Gas Network Co., Ltd., Tokyo Gas Network Co., Ltd., and Toho Gas Network Co., Ltd., which are city gas pipeline companies, have been working to jointly develop a smart meter system for the city gas business with the aim of increasing the efficiency of gas meter reading and gas line closing operations in normal times and improving disaster resilience.

The introduction of communication-enabled smart meters will increase the efficiency of on-site work through remote gas meter reading and gas line closing. The smart meters will also enable remote gas shutoff operations (gas line closing) in the event of gas leakage as well as remote safety measures (gas line closing) and gas restoration operations (gas line opening) in the event of a disaster. This will further help enhance safety and improve resilience in supplying city gas.

We believe that joint development of the system responsible for signal exchange between smart meters and various business systems will not only reduce development costs, but also contribute to improving social benefits.

[Product Safety Voluntary Action Plan for residential gas appliances](#)

The Daigas Group, as a distributor of residential gas appliances and a repair and installation business, strives to ensure the safety of residential gas appliances, acting according to the Product Safety Voluntary Action Plan, being based on a strong determination to continue to ensure that our customers enjoy safe, secure, and comfortable lives.



[When problems occur](#)

When there is a product accident or other problem with a gas appliance that it sold, installed, or repaired, the Daigas Group immediately informs the media and places notices in newspapers and on its website. At the same time, the Group proceeds with the inspection of the product in question and if necessary repairs it or replaces parts.

No such incident occurred in FY2023.3

Customer Satisfaction

Summary

Why the topic is material	<p>With “Service First” as its corporate motto, the Daigas Group believes it is important to strive to improve our security and service quality as well as appropriately provide customers with information regarding the safety aspects of our products and services so that they can use them in a safer and more convenient manner. To provide services in excess of customer expectations, we are listening to their voices through various contacts with them, with the aim of improving our products and services.</p> <p>We have positioned the improvement of customer satisfaction and quality of services as one of our material issues.</p>		
	Items to be addressed	Specific initiatives	
Customer satisfaction	<ul style="list-style-type: none"> • Maintenance and improvement of service levels by collecting and analyzing customer feedback and reflecting it in operations • Creation and sharing of manuals for each duty, aiming for higher level of service • Promotion of awareness-raising activities through training for managers and persons in charge 	Policy and promotion system The General Manager of the Energy Solution Business Unit plans the basic policy for customer satisfaction improvement activities in accordance with the “Customer Service Rules,” and the head of each organization in charge formulates and implements specific measures.	
		KPIs based on the materiality	FY2023.3 results
		Customer satisfaction rate	90%
	Materiality Improvement of customer satisfaction and quality of services	Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> • Conducting a questionnaire after completing a duty, analyzing and sharing it within the company, and reflecting it in the improvements in duties • Continuing efforts to improve the skills of managers and persons in charge through the creation of manuals and training for each duty 	

Customer Satisfaction

Principle and Outline

Since FY1989.3, Osaka Gas has conducted the Customer Satisfaction Survey with the aim of improving customer satisfaction. The survey covers five duties that directly deal with customers: opening of gas lines, repair of gas appliances, sales and installation of appliances, regular security patrols (gas facilities inspection), and response to telephone inquiries (at the customer centers). After completing each duty, we ask customers to provide their feedback in a questionnaire, and in FY2023.3, we received 33,400 responses to the questionnaire.

The results of this survey are reflected in our efforts to improve daily operations and enhance CS awareness among the Group employees and Osaka Gas service chain employees.

The results of this survey are also reflected in KPIs based on material issues. We manage our progress toward achievement of our goals and redouble our efforts to achieve higher levels of customer satisfaction.

Improving Customer Satisfaction

Prompt, precise phone service connects customers to the relevant company division

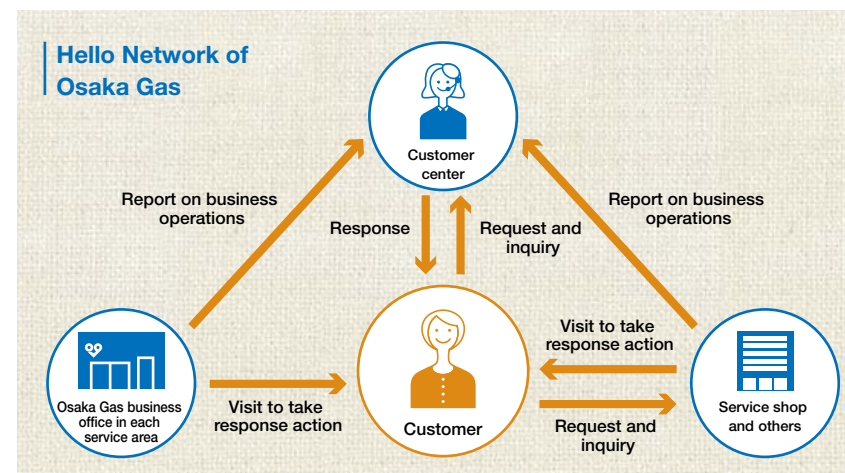
In 1985, Osaka Gas opened its “Customer Centers” as a one-stop service portal for customers with inquiries and applications for service. The center takes telephone inquiries on all matters relating to gas and electricity, such as starting and stopping a gas and electricity service, inquiries about gas and power bills, requests to change payment methods, and repair of gas appliances. On the Osaka Gas “Internet Reception” page, customers can easily apply for services related to moving to a new home, inquiries on gas bills, and changes in the day of equipment surveys. And for the hard of hearing, we have a facsimile service for handling inquiries. With our company-wide “Hello System,” applications and inquiries are relayed from the “Customer Centers” to the relevant Osaka Gas division to ensure that customers always get a prompt and appropriate response.

For the sake of greater customer convenience, we have been offering toll-free numbers and a phone service even on Sundays and holidays to take gas appliance repair requests 24 hours a day. In April 2020, we launched a new service whereby artificial intelligence (AI) automatically responds by voice to phone calls made by customers to arrange a schedule change for gas equipment inspection, using the Voice Digital Transformation (DX) Consulting Model* provided by NTT Communications Corporation.

Aiming to further improve service in additional ways, we will optimize the assignment of Customer Center operators and introduce an automated attendant system to ensure that phone calls can be answered at all hours. We will also continue our efforts to further enhance our system for accepting requests, applications, etc. online.

*The Voice Digital Transformation (DX) Consulting Model is a solution that automates the entire process, from response at the contact center to clerical processing, by combining an interactive AI engine and application programming interface (API; a system for sharing the functions of software)

■ Hello Network of Osaka Gas



Efforts to Improve Customer Satisfaction in Each Duty that Directly Deals with Customers

Opening of gas lines

For the opening of gas lines, we first receive an application from a customer when starting a new gas service and then visit the customer on the desired date and time. In the presence of the customer, we perform work such as checking for gas leaks and the safety of gas appliances so that gas services can be used without worry. We accept applications by phone at Osaka Gas's customer center or on our website. In response to feedback from customers who have moved into new homes where they do not know how to use the installed gas appliances, we provide explanations on how to use gas water heaters and stoves. We have received positive feedback from many customers through questionnaires.

Repair of gas appliances

For the repair of gas appliances, we accept requests for repairs 24 hours a day, 365 days a year, and visit our customers' homes to repair their appliances. In addition to accepting requests by phone at Osaka Gas's customer center, we also accept them on our website, where customers can inquire about the details of their problems and receive advice on issues that can be resolved without our visit. In our questionnaires, we have received many comments expressing satisfaction with a quick fix of malfunctions. For this reason, Osaka Gas's service chain partners hold a large inventory of parts of hot water appliances, for which there are particularly many requests for repair, so that we can repair them on the day of our visit. As a result, the satisfaction rate for the number of days from acceptance to completion of repairs reached 98%, indicating that our repair speed is highly evaluated by our customers.

Sales and installation of appliances

For the sales and installation of appliances, Osaka Gas's service chain partners, which operate in approximately 200 locations in the Kansai region, provide community-based services that can respond quickly and meticulously to customer requests. In order to help our customers live safe and comfortable lives through a wide range of operations, our experienced staff members provide various services, including proposals for appliances, quotations, contracts, installation, and after-sales service. We created a video explaining the details of installation work, based on the comments from customers who have signed a contract for purchasing a gas stove regarding advance explanations of the installation work, including "I would feel more secure if I knew the details of the work in advance." We use this video at the time of sale or installation so that customers can see in advance what will be performed on the day of the work, and thus the appliance can be delivered with a greater sense of security.

Regular security patrols

In regular security patrols, inspections of gas facilities for gas leaks and ventilation equipment (gas water heater/gas water boiler) are conducted at least once every four years* in accordance with the Gas Business Act to ensure safe and secure use of gas. The work on the day of the inspection is carried out by workers who have received appropriate technical training. In addition to the inspection items stipulated by law, we have set items for voluntary work, such as checking the ignition of some gas appliances and measuring the carbon monoxide concentration in the exhaust gas, in an effort to call attention to the safe use of gas. Additionally, as we require the customer's cooperation during the inspection, we mail a notice of the visit date in advance, and if the date is not convenient for the customer, we accept requests to change the visit date. In addition to applying by phone, we also make it possible to apply online in an effort to reduce the burden on our customers.

*Patrols are conducted at least once a year for specific underground malls and specific underground rooms.

Proposing New Value

“Sumikata Services”: A range of home repair and other services to support comfortable, safe living

Osaka Gas provides a wide range of services under the umbrella of “Sumikata Services” for residential customers, which extend beyond gas and electricity, to support the comfort and safety of people’s home living environments.

Sumikata Services include plumbing repair, air conditioning repair, home repair, house cleaning, and other services as part of “Kaketsuke Service,” which involves the dispatch of personnel to the customer’s home. Other services include disaster-management and crime-prevention services covering gas alarms, fire alarms, home security, and more. For example, personnel from the Osaka Gas service chain, with expertise gained through the repair of gas equipment, quickly accept and respond to service requests to repair water-related problems in the kitchen, bath, sink area, or toilet.

In June 2020, we started providing services, such as housekeeping and garden tree care, in collaboration with Duskin Co., Ltd., and from October the same year, we began the provision of services to respond to trouble with PCs and IoT devices in partnership with Japan PC Service Co., Ltd.

Through Sumikata Services, we respond to a wide range of problems faced by our customers in collaboration with the Osaka Gas service chain and diverse alliance partners. The membership of the services currently exceeds 480,000.

Accuracy in Advertising

Ensuring complete accuracy and honesty in advertising based on the code of conduct

Advertising activities and product labeling are important means for many customers to accurately understand the products and services of Osaka Gas, and they are important factors for customers to make decisions when selecting products and services. Therefore, we strive to provide and display appropriate information about products and services based on “9. Ensuring safety of products and services” in the Daigas Group Code of Business Conduct. Responding to rising popularity and demand among our customers for environmentally friendly products, whenever the degree of energy-saving effects of a product is printed in our catalog, as a rule we ensure the accuracy by double-checking the manufacturer’s claims of the product’s performance data and confirming those numbers internally.

As for the safety of products and services offered by the Daigas Group, we are managing the development and quality control as well as labeling and information disclosure for all Osaka Gas brand products in line with the technological standards stipulated under the Gas Business Act and the Law Concerning the Securing of Safety and the Optimization of Transactions of Liquefied Petroleum Gas and guidelines set by the Japan Industrial Standards (JIS) and the Japan Gas Appliances Inspection Association (JIA), as well as in-house rules.

Introducing energy saving information and a safety guide on our website

The Daigas Group uses various media to provide customers with a wide variety of useful information for daily life regarding energy saving so that they can use energy efficiently. “Kurashi no Hinto Zukan” on the Osaka Gas Website contains a collection of hints regarding measures aimed at promoting energy saving at households and their expected benefits. Users of the website can access the content of a guidebook called “Anshin Guide,” detailing how to use gas safely, which they are to receive from Osaka Gas staffers visiting their homes for gas equipment surveys.

We have set up an online site called “Daigas STUDIO” to deepen people’s knowledge of Osaka Gas and increase their favorability of our company. Users of the service can access the most updated information about the Daigas Group and relevant topics through the website, Facebook and X (Twitter).

In addition, we share information about our low-carbon and decarbonization initiatives, which are of great importance to society, on our website “The Daigas Group’s Challenge to Carbon Neutrality”.



Community

Summary

Why the topic is material	<p>The Daigas Group operates a business that is rooted in and supported by local communities. We believe that our various contributions to local communities will lead to a virtuous cycle, leading to the development of both the Group and society.</p> <p>The Group recognizes that it is important to proactively disclose information, enhance management transparency, and promote co-creation through constructive dialogue with a wide range of stakeholders for the public's better understanding of its corporate activities. We have positioned coexistence with the local community as one of our material issues.</p>
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	Items to be addressed	Specific initiatives	
Co-creation activities with local communities	<ul style="list-style-type: none"> Community building Recommendations to society through research activities Partnerships with social service organizations Contribution to next-generation education Contribution to local communities through sports Corporate volunteering activities under the Small Light Campaign <p>Materiality Coexistence with local community</p>	Policy and promotion system <ul style="list-style-type: none"> Leveraging networks with a wide range of stakeholders, including local governments, schools, and NPOs, to provide knowledge and programs aimed at resolving social issues Promoting sound development of the next generation through the Group's energy and environmental education, disaster prevention, food education, sports menus, etc. 	
		KPIs based on the materiality	FY2023.3 results
		Participation in local governments' activities (i.e. community development planning)	38 cases
		Number of joint efforts with local communities	326 times
		Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> Local contribution activities under the Small Light Campaign and collaboration with neighboring companies and local organizations by employees 	
Activities by public interest incorporated foundations	<ul style="list-style-type: none"> Assisting the elderly <ul style="list-style-type: none"> - The Osaka Gas Group Welfare Foundation Doing our part on the international scene <ul style="list-style-type: none"> - The Osaka Gas Foundation of International Cultural Exchange 	Policy and promotion system <ul style="list-style-type: none"> The Foundation engages in activities to improve and enhance the welfare of the elderly by subsidizing local welfare activities for the elderly and surveys/research conducted by universities and medical institutions and by promoting health to help senior citizens maintain and improve their health. The Foundation continues its activities to grant subsidies in the fields of education, academics, and science and technology in natural gas-producing countries in Southeast Asia and Oceania, with the aim of deepening international mutual understanding between Japan and these countries and contributing to international goodwill. 	
		Initiatives undertaken in FY2023.3 <ul style="list-style-type: none"> Subsidy projects for welfare activities for the elderly and surveys/research: 62 subsidies for welfare of the elderly (5.24 million yen); 14 subsidies for surveys/research (9.88 million yen) Health promotion projects aimed at helping senior citizens maintain and improve their health: 96 times, 3,514 participants Subsidy projects for universities, students, etc. in Indonesia, Malaysia, and East Timor: Scholarships, grants for experimental research, etc. (21.89 million yen) 	

Co-creation Activities with Local Communities

Principle and Outline

As a corporate group operating in a community-based manner, the Daigas Group believes that its good relationships with local communities is an indispensable foundation for its management. To help local residents better understand our business, we are proactively disclosing information and increasing the transparency of our company operations, as well as communicating with the general public. In addition, we will promote activities that are highly compatible with the Group's management strategy and that can contribute to coexistence with local communities. We have been making proposals for and cooperating in local governments' activities and working on joint efforts and activities with communities to create value in communities by taking full advantage of knowledge and resources which the Group has acquired through its business operations.

■ Examples of activities

Theme	Examples of activities	
Participation in local governments' activities (i.e. community development planning)	<ul style="list-style-type: none"> ● Support for SDGs promotion activities by local governments through proposals for community building 	<ul style="list-style-type: none"> ● Proposals for/participation in councils, committees, etc. organized by various organizations and local governments
Co-creation with local communities	<ul style="list-style-type: none"> ● Research activities with third parties to create attractive cities <ul style="list-style-type: none"> • Holding the Uemachi-Daichi past and present forum event • Production of Storytellers' Theater 	<ul style="list-style-type: none"> ● Support for activities by elderly people in collaboration with local governments, NPOs, etc.
	<ul style="list-style-type: none"> ● Collaborative activities with NPOs and social entrepreneurs <ul style="list-style-type: none"> • Communication related social issues through NPO for social designing • Supporting NPOs through Osaka Gas member's club 	<ul style="list-style-type: none"> ● Holding social design forums and workshops
	<ul style="list-style-type: none"> ● Holding "Fureai Bazaar," etc. under the "Small Light Campaign" 	<ul style="list-style-type: none"> ● Activities to revitalize communities in collaboration with local governments and third parties <ul style="list-style-type: none"> • Talkin'About and Walkin'About activities • Histoire project
Other activities (next-generation education, consumer support, etc.)	<ul style="list-style-type: none"> ● Environmental communication activities 	<ul style="list-style-type: none"> ● NOBY T&F activities
	<ul style="list-style-type: none"> ● Disaster response education and fire education 	<ul style="list-style-type: none"> ● Research on disaster response and network activities
	<ul style="list-style-type: none"> ● Food education 	<ul style="list-style-type: none"> ● Lectures and presentations at universities
	<ul style="list-style-type: none"> ● Response to consumer groups and consumer centers 	<ul style="list-style-type: none"> ● Community clean-up by sports clubs ● Holding coaching sessions for baseball and track and field, etc.

■ Social contribution activity costs

FY2023.3: 197 million yen

Community Building

As an energy service provider focusing on businesses closely related to people's day-to-day lives as well as addressing environmental preservation with a great sense of mission, the Daigas Group is working on giving the public greater safety and security by cooperating and making proposals in fields related to daily lives, such as cooperation and proposals for community development that takes into account the local environment and disaster prevention, as well as the health of local residents and other areas of life.

Recommendations to Society through Research Activities

The Research Institute for Culture, Energy and Life (CEL), the in-house research institute of the Daigas Group, was established in 1986 as one of the projects commemorating the 80th anniversary of the founding of Osaka Gas.

We work on research, practice, and recommendations to analyze the social structure and solve problems in society with the aim of creating value in communities ((i) responding to an environment-oriented and recyclable society, (ii) responding to security and mutual assistance in a mature society, and (iii) responding to utilization of the vitality of communities and creation of attractive cities). It also makes good use of them in outside activities undertaken in cooperation with government agencies, business committees and NPOs.

In addition, efforts have been made to disseminate information through media, including the CEL magazine, its website, and SNS. Furthermore, the CEL is taking advantage of a laboratory set up at the Knowledge Capital facility at Grand Front Osaka on the north side of JR Osaka Station for the purpose of studying the attraction of cities. Seminars and study sessions are being held on various themes, such as region/community and super-ageing society.

Partnerships with Social Service Organizations

Local communities face many social issues, and these issues are becoming more advanced and complex. The Daigas Group regards the practitioners of "My Project = Starting to Solve Social Issues by Considering Them as if They Were My Own" as future partners in livening up communities in the Kansai region. The Group disseminates their activities to society and aims to collaborate with various stakeholders.



Produced "Osaka Midousuji Monogatari" and released it on Youtube.

Collaborative activities with NPOs, etc.

Osaka Gas Network Co., Ltd., which is one of the Daigas Group companies, has been operating the online magazine "My Pro Showcase Kansai" jointly with the NPO Greenz since 2013 to introduce regional projects undertaken by Kansai-based "social designers" and nonprofit organizations. Outside Japan, Osaka Gas USA Corporation (OGUSA), which develops and invests in natural gas and power generation projects, etc. in the U.S., works on social contribution activities, including reforestation projects in public parks.



Efforts to realize an inclusive society

The "Hajimaru-kun Personal Computer Donation Program," being organized by Group member OGIS-RI, based on the idea of helping the environment by encouraging the reuse of PCs, is also a social contribution activity that provides employment support for the disabled to whom recycling operations are outsourced, as well as IT support for donation recipients. Since this program started in 2009, it has donated over 4,533 PCs to social welfare organizations. FY2023.3, the 13th Daigas Group Hajimaru-kun Personal Computer Donation Program donated 190 "Hajimaru-kun PCs" to 150 welfare facilities in six prefectures in the Kansai region, Japan.



PC recycling work at a welfare workshop

Community contribution activities in collaboration with customers

Osaka Gas and Osaka Gas Marketing Co., Ltd. have been working with our customers to consider and support social issues in local communities through the implementation of "Social Design+," a project that supports social design leaders who are striving to solve social issues on the membership-based website "My Osaka Gas," and of the "Let's Do Something Good for Our Planet — Connecting Project," which supports groups that carry out environmental activities.



Contribution to Next-generation Education

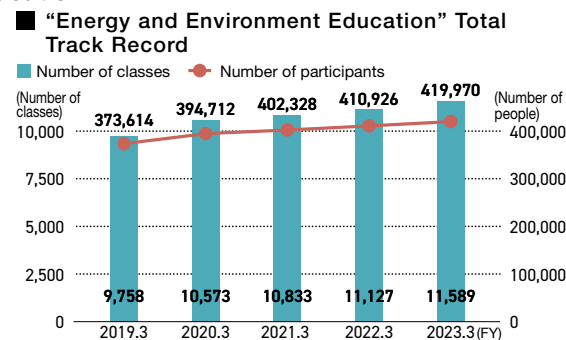
Energy and environment education

Since FY2007.3, the Daigas Group employees and alumni traveled to elementary, junior and senior high schools to teach lessons on energy and the environment in order to help children think about and understand increasingly important environmental issues. The Group's instructors offer two programs, including Eco-Cooking.*

In addition, Osaka Gas runs the Gas Science Museum (located on the premises of the Senboku LNG Terminal) where visitors can learn about energy and the environment. In December 2022, its content was completely renewed to provide the latest information. The museum is also used by the general public for experimental learning programs at nearby elementary and junior high schools or local events.

In FY2023.3, the number of participants in energy and environment education was 9,044, and the number of times it was held was 462.

*Eco-Cooking is a registered trademark of Tokyo Gas Co., Ltd.



Disaster response education

In response to the increased need for disaster response education following the Tohoku earthquake and tsunami of 2011, we created an original textbook for an upper elementary school on the theme of disaster response Lessons in Disaster Response that we distribute to local elementary schools. The textbook teaches children about natural disasters in Japan. While studying it, children take a workshop designed to impart useful knowledge about the changes that take place in people's lives when a disaster strikes. The textbook also contains a checklist of items to prepare and things to do at home to prepare for emergencies. Over a period of nine years, the textbook has been used widely at junior high schools, high schools, and universities, as well as by local governments and local residents' associations. Over 240,000 textbooks in total have been distributed.



Left: Learning material for upper grades of elementary school (A4, 40 pages, full color)

Right: Teacher handbook (with worksheets and supplementary teaching materials for the class, A4, 40 pages, full color)



"Lessons in Disaster Response," in which children learn in a workshop format how their lives can change during a disaster and useful knowledge for disaster preparedness

Contribution to Local Communities through Sports

NOBY T&F CLUB, a track club led by Nobuharu Asahara, a Daigas Group employee and Beijing Olympics medalist, aims for the sound development of the next generation and creation of a new community through athletics and track and field.

In addition to focusing on fostering top athletes by leveraging the experience and leadership of former Olympians and Japanese national team members for world championships, the club also offers courses aimed at improving the health of seniors.

The training programs that have been held for more than 10 years and the instructional know-how are also used at municipal events or in school classes.

Furthermore, we disseminate information on tips for rich eating habits and body building that lead to good health through seminars, websites, and SNS.



NOBY T&F CLUB training program

Corporate Volunteering Activities under the Small Light Campaign

As a "corporate group that works together with local communities," the Daigas Group has always actively participated in local activities.

The Small Light Campaign was launched in 1981, the UN International Year of Disabled Persons, as a company volunteer effort.

Based on donations made by group employees, we provide support for children in need of social care, employment support for people with disabilities, support for disaster-stricken areas, and support for employees' volunteering activities.

The Midosuji Fureai bazaar, an initiative to support the employment of people with disabilities that was suspended due to the COVID-19 pandemic, was held for the first time in two years in April 2022 under infection control measures. In October of the same year, the "Midosuji Disaster Stricken Area Recovery Assistance Bazaar" was also resumed.



The Midosuji Fureai bazaar held for the first time in two years

Fund management

The Small Light Campaign gathers funds through various activities, including charity calendar donations and proceeds from the Midosuji Fureai bazaar, a used book bazaar, as well as donations from workplace groups, individuals, and the Suzurankai (Osaka Gas alumni) — all managed as the Small Light Fund. The money is used to support the activities of the Small Light Campaign, to support recovery in disaster-hit areas, and to donate items for social welfare or educational purposes, such as wheelchairs and picture books, to all municipalities served by Osaka Gas.

The Fund's operating balance for FY2023.3 was 7,600 thousand yen in income and 9,144 thousand yen in expenses, including a special expense for the 40th anniversary of the Fund.



A charity calendar for raising donations from Daigas Group employees, alumni, other relevant parties and customers

Social contribution activities by employees with the mindset of the Small Light Campaign

Business activities of the Daigas Group are closely tied to the daily lives of everyone in the community. Our employees contribute to local communities as members of the community, or “good corporate citizens.”

In addition to donating blood, collecting unused postcards and used stamps, and donating proceeds from sales of used books, we continue to participate in volunteer activities to support a citizen marathon race aimed at supporting regional revitalization.

The Osaka Gas Tomoshibi Club, which donates welfare points granted to employees by the company to social service organizations, donated a total of 2.344 million yen to seven organizations in FY2023.3, along with the best wishes of the employees.

In FY2023.3, we launched the “Social Contribution Portal Website” to encourage participation in community contribution activities.



The “Social Contribution Portal Website,” an in-house bulletin board that provides employees with information on volunteer activities, etc.



To support the Osaka Marathon 2023, 83 employees participated in the event as volunteers.

Activities by Public Interest Incorporated Foundations

Principle and Outline

In order to further the welfare work that the Daigas Group has conducted as a company volunteer through the “Small Light Campaign,” which was started in 1981 (the UN International Year of Disabled Persons) in a more planned and ongoing manner, 362 companies including Osaka Gas and affiliate companies, the associations comprised of contracted companies providing sales of gas appliances and other services, pipe working joined together in October 1985 to establish and fund the Osaka Gas Group Welfare Foundation in honor of Osaka Gas’ 80th anniversary. The Foundation is involved in subsidizing local welfare activities for the elderly and surveys/research conducted by universities and medical institutions, and in promoting fitness efforts aimed at helping senior citizens maintain and improve their health.

In September 1992, the Osaka Gas International Exchange Foundation was founded and fully funded by Osaka Gas, and in October 2010 the Foundation was granted authorization by the Cabinet Office to transition into a public interest incorporated foundation. The Foundation now works to deepen mutual understanding with natural gas producing countries and to make international contributions through the foundation’s activities.

Assisting the Elderly - The Osaka Gas Group Welfare Foundation

Set up in 1985 through the contribution of Daigas Group companies, the Osaka Gas Group Welfare Foundation operates in six prefectures of the Kansai region, mainly engaging in (1) funding welfare projects, (2) researching and surveying the elderly population and (3) supporting health-promotion projects to help maintain and improve the health of the elderly.

In FY2023.3, the Foundation provided 5.24 million yen in subsidies to 62 welfare projects for the elderly, and 9.88 million yen in subsidies to 14 investigation and research projects, and carried out 96 health-promotion projects involving 3,514 participants.



Health-promotion project: Gathering for health promotion



Subsidy for the welfare of the elderly: Subsidy for farm tools for agricultural workshop courses

Results of each activity (cumulative total from FY1986.3-FY2023.3)

(1) Funding to Enhance the Welfare of the Elderly	3,045 cases	691 million yen
(2) Funding for Research and Surveys	658 cases	440 million yen
(3) Health-promotion project	6,102 times	443,790 participants

Distribution of “Health Seminar for the Elderly” on YouTube

In conjunction with the renewal of our website in FY2022.3, we have created the video content “Health Seminar for the Elderly” and have started distributing it on YouTube.

We will continue to annually distribute content that can be used for health promotion in the elderly.



Video content “Health Seminar for the Elderly”

Stakeholder Comment

Striving to Build a Sense of Community

Ms. Naoko Kitao,

Section Chief, Area Social Welfare and Volunteer Promotion Section,
Kyoto Prefectural Social Welfare Council



I would like to express my great appreciation for the efforts your foundation has made since 1985 to help build a community for an aging society by providing assistance for welfare programs for the elderly, activities for encouraging them to participate in society, and other activities.

As the environment surrounding the community is changing rapidly these days, it is important to catch up with the issues that have emerged and are being faced by local residents, and the cooperation of not only professionals but also local residents and community activists is essential for this.

With COVID-19 being reclassified to Class 5 from May 2023, efforts to create a place to stay and build connections in the community will be resumed, and a community culture that respects diversity more than ever will be fostered. Also, the Social Welfare Council will work to promote community welfare activities with an eye toward a society coexisting with COVID-19.

Organizations in Kyoto Prefecture that have received subsidies from your foundation have been promoting such efforts as exchanges at salons for the elderly, etc., creation of a place to stay for foreign nationals, and cross-cultural exchanges, aiming at creating a community where everyone can live with peace of mind.

Our Council will continue working to achieve its basic principles of the fifth medium-term plan: To create a society where everyone can live with dignity while connecting with others. We sincerely ask for your continued support of these community welfare efforts.

Doing Our Part on the International Scene - The Osaka Gas Foundation of International Cultural Exchange

Deepening friendship and mutual understanding with natural gas-producing countries

The Osaka Gas Foundation of International Cultural Exchange provides aid services to promote mutual understanding with natural gas-producing countries in Southeast Asia and Oceania and contribute to international goodwill.

In FY2023.3, the Foundation provided a total of approximately 14.62 million yen in aid to Indonesia, including grants for educational equipment to elementary and junior high schools, scholarships for 300 students, research grants in the energy and environment fields for three universities, and a short-term training program in Japan for four graduate students. For Malaysia, the Foundation provided a total of approximately 5.22 million yen in subsidies, such as English education assistance, experimental research grants, and scholarships to 12 university students. For East Timor, it provided a total of approximately 2.05 million yen in scholarships to 30 university students.

Marking its 30th anniversary, the Foundation reviewed its aid activities to date, in which it has provided subsidies totaling approximately 590.11 million yen, scholarships to 10,494 people, and grants for 438 research themes. In addition, it held an interview with the Chairman and an online meeting with local students to further explore future directions of its activities.



Graduate students of University of Indonesia visiting the Gas Science Museum during their Japanese language training program



Meeting at the Ministry of Education Malaysia

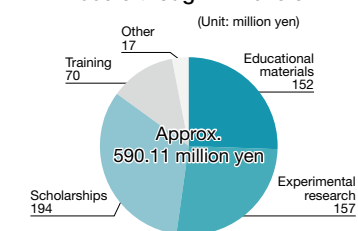


Presentation ceremony at National University of East Timor

■ Scope of Funding



■ Total Assistance Provided from FY1993.3 through FY2023.3



The Osaka Gas Foundation of International Cultural Exchange

■ Grant Disbursement (single-year base)

(unit: thousand yen)

	FY2018.3	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3
Educational materials	2,512	1,878	1,873	1,760	1,973	2,115
Experimental research	5,888	5,401	5,172	5,049	5,332	6,935
Scholarships	8,483	6,558	8,092	7,737	8,512	9,564
Training	4,592	3,212	3,175	371	313	3,281
Total	21,475	17,049	18,311	14,917	16,129	21,895