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.

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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

Social

Starting in FY2025.3, Osaka Gas has measured its work engagement score*1 and is working to maintain and improve this as a KPI. In a survey conducted in FY2025.3, 6,254 employees at Osaka Gas and affiliated companies*2 responded (including loaned employees), and the response rate was 91.3%. In order to manage employees while properly evaluating whether they are enthusiastic about their work, we measured engagement scores using multifaceted questions, and have confirmed that the scores of the Company and our affiliated companies are higher than the average among the general public. In addition, we conduct an "Employee Attitude Survey" to create an environment that enhances value for employees and the Company. In the FY2025.3 survey, 5,973 employees (including loaned employees) responded at the Company, for a response rate of 95.3%, and 9,564 employees at affiliated companies responded, for a response rate of 91.1%. We used the "overall satisfaction" score, which indicates current satisfaction with the Company, as a comprehensive evaluation index. With this survey, we confirmed that the level was higher than the average among the general public at the Company and affiliated companies. We analyze the survey results by age bracket, organization, etc., and implement measures to address identified issues.

- *1 Deviation in work engagement results for companies using the Advantage Toughness Survey
- *2 Scores were compiled for Osaka Gas and its three core energy business companies (Osaka Gas Marketing Co., Ltd.; Daigas Energy Co., Ltd.; Daigas Gas and Power Solution Co., Ltd.), as well as Osaka Gas Network Co., Ltd.

Data on Osaka Gas Workforce

The number of employees at Osaka Gas (Non-consolidated) as of the end of March 2025 was 1,283 (male: 971/female: 312). The number of employees who joined the company through mid-career recruitment was 43. (The ratio of those hired through mid-career recruitment to full-time workers was 37.4%.)

We are also actively hiring locally at our overseas affiliates.

Materiality indicators (key performance indicators) 080

Social

The Daigas Group strongly recognizes the need to further strengthen human capital initiatives to achieve sustainable growth. We position "support employees to shine in their roles" as a human resource strategy, which is a key pillar in the management strategy in the Medium-Term Management Plan 2026 announced in March 2024. We will drive forward (1) talent acquisition and development, (2) strategic deployment of talent to align with job requirements, and (3) revitalization of individuals, with KPIs set in addition to materiality indicators.

We will acquire and develop enough talent to allow them to operate appropriately with sound room on their plates, and both secure the quantity and improve the quality.

We will promote the strategic deployment of talent to align with job requirements, such as expanding talent management to all employees, so that we are more likely to both deploy employees to serve the purpose of business operations and achieve higher levels of employee satisfaction.

We will work on the revitalization of individuals, where we achieve both the creation of an environment that makes employees feel more rewarded and motivated and the maximization of the overall output.

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Strategy to enhance employee success in their roles			Specific initiatives and KPI	FY2025.3 Results	FY2027.3 target
<u>*</u>	Talent acquisition and development	Expansion of recruitment	Total number of new graduates and mid-career recruitments (career-track hires)	116 people	Cumulative total of 3 years: 330 people (approx. 1.25 fold increase)
			Mid-career hire ratio	37.4%	Approx. 30%
			Recruitment of recent graduates	In practice	In practice
			Ratio of female career-track employees	39.4%	30% or higher
			Development of an alumni network	26 people	More than 50 people
		Enhancement of talent development	Recruitment of DX core staff	243 employees	300 employees
			Common training hours to strengthen the management foundation (/person)	14.1 hours	15 hours
			Management training participation rate	96%	100%
			Extension of retirement age	Age 60	Phased extension planned to start in th current mid-term period
& &c &	Strategic deployment of talent to align with job requirements	Talent management	Expanded to all employees	Applied to all employees	Applied to all employees
			Reserve ratio of next-generation management personnel	260%	250% or higher
₽	Revitalization of individuals	Autonomous career development	Information disclosure and exchange at Career Portal (number of registered employees)	948 employees	More than 300 people
			Assignment of employees in light of their preferences	In practice	Continued implementation
		Provision of support for diverse ways of work	Ratio of female directors	26.7%	25% or higher
			Percentage of female employees promoted to managerial positions	18.2%	20% or higher
			Percentage of male employees who have taken childcare leave	94%	90% or higher
			Group company programs applied to LGBT partners	Applied	Put into practice
			Employment of people with disabilities and continuous support	In practice	Continued implementation
			Work engagement score*	52.2	50 or more

^{*} Deviation in work engagement results for companies using the Advantage Toughness Survey