Sustainability Report 2025

Your good partner for a good future.

Better servicing customers in closer communication for a brighter tomorrow

Daigas Group

120th

Contents

*Please refer to the links on this page for various environmental, social, and governance data.

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Introduction

Introduction

Sustainability Report Editorial Policy

Principle and Outline

The Daigas Group deems that it is necessary for the Group to listen to people's voices sincerely, and conduct its business activities based on such voices, in order to fulfill its corporate social responsibility (CSR).

In the Daigas Group Medium-Term Management Plan 2026 "Connecting Ambitious Dreams," we laid out the key strategy of "co-create value for a sustainable future," "support employees to shine in their roles," and "evolve business foundation," which contribute to solving social issues. We also reviewed materiality.

On its sustainability site, the Daigas Group reports on the status of management and the progress of related initiatives for the materiality. Activities other than materiality reports are also posted to the extent possible so that the overall picture of the Group's initiatives can be made known to parties outside and inside the Group.

This Sustainability Report is an integrated and edited PDF of the main contents previously posted on the sustainability site.

Coverage and Material

▶ Materiality of the Daigas Group

In selecting topics to be covered in the report and prioritizing them, we took into consideration both the impact on society and the environment and the future financial impact on the Group.

For more information on consideration to importance, click the above link for Materiality of the Daigas Group.

Readability and Ease of Understanding

To ensure that a wide range of readers can understand the information provided in the report, careful consideration is given to visual design, including the text size, use of colors, pictures, and diagrams, and technical terms are supplemented with annotations and other explanations.

Reliability

To ensure the reliability of the content of the report and the data that it contains, environmental performance data is reported on this website after undergoing third-party verification by Bureau Veritas Japan, Inc.

Scope of This Report

Reporting Period:
Fiscal year 2025.3 (April 1, 2024 to March 31, 2025)
*Matters on other periods are partially included.

Reporting Boundary:
Osaka Gas Co., Ltd. and its consolidated subsidiaries

- **Financial data:**
  Osaka Gas Co., Ltd. (1), and its consolidated subsidiaries (163)
- **Environmental data:**
  68 companies in total, including Osaka Gas Co., Ltd. and 67 companies among 163 consolidated subsidiaries are subject to calculation of environmental performance data. Those housed in office buildings as tenants and whose environmental data are difficult to grasp and whose environmental effects are minimal are not subject to such calculation. Energy consumption and greenhouse gas emissions for a total of 70 companies exclude overseas subsidiaries, except for two overseas subsidiaries.
- **Social, Governance data:**
  Data ranges are described in the respective articles.

Publication Information
This report will be published annually as an annual report.
Publication: September 2025
Last update of the sustainability website: September 2024

About the Notation

Some information, as noted in this report by phrases such as "Osaka Gas" or "the Company," refers exclusively to Osaka Gas Co., Ltd.

Guidelines Referred to

- ISO 26000 (Guidance on social responsibility)
- Sustainability Reporting Standards of the Global Reporting Initiative (GRI)
  This report contains information corresponding to disclosure requirements of the GRI Sustainability Reporting Standards.

▶ Global Reporting Initiative (GRI) Index

- Environmental Reporting Guidelines 2018 of the Ministry of the Environment
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations (v1.0)
- International Integrated Reporting Framework of the IFRS Foundation
- Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry
- SASB Standards
- The United Nations Global Compact COP* Policy

*COP
COP stands for Communication on Progress. COP is an annual report that provides information on the status of participants' commitment to the 10 principles of the UN Global Compact. It is an important requirement for participation in the UN Global Compact.

Outline of the Daigas Group

Corporate Profile of Osaka Gas Co., Ltd. (As of March 31, 2025)

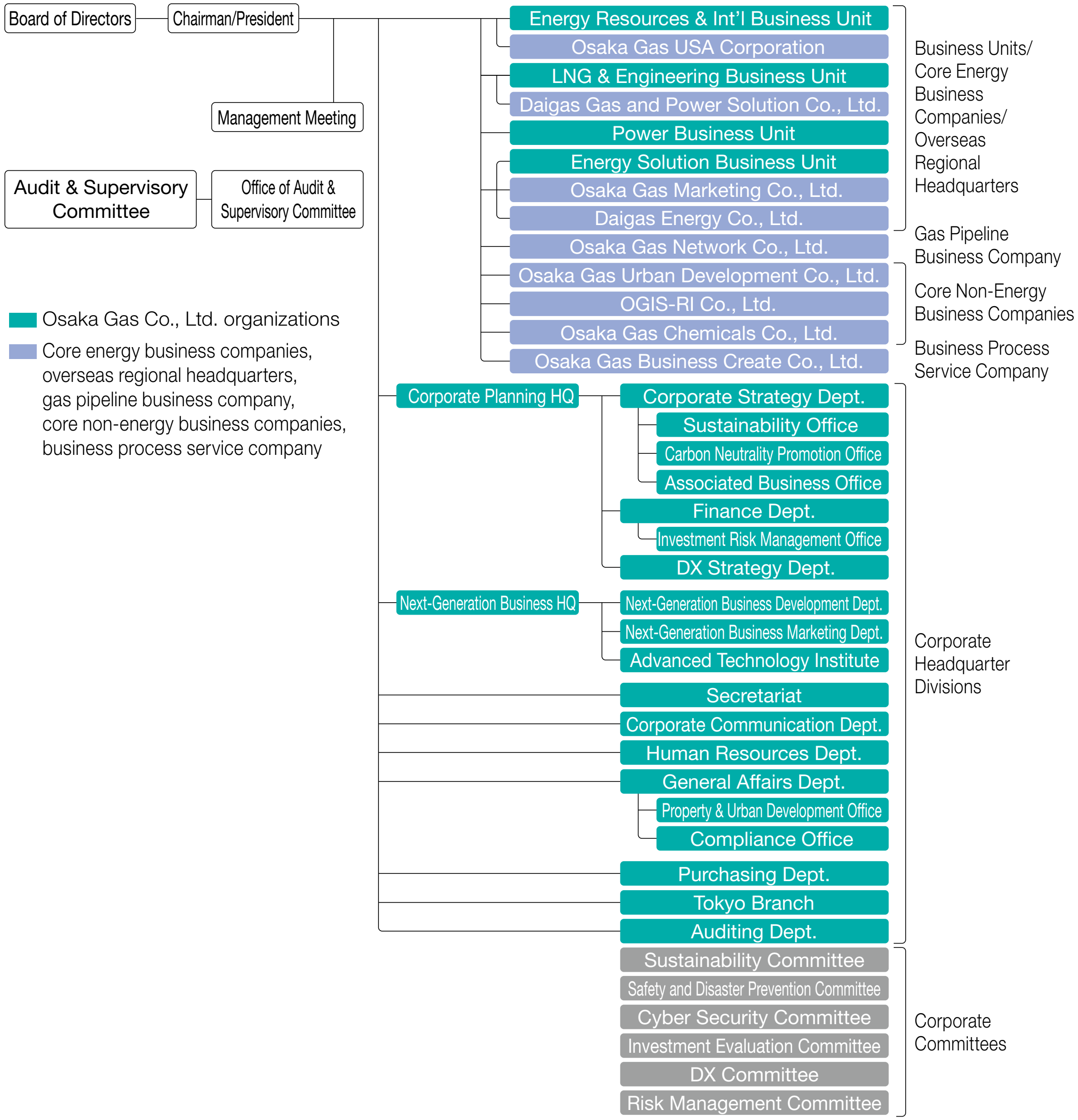
Head Office	4-1-2, Hiranomachi, Chuo-ku, Osaka 541-0046, Japan
Date of Establishment	April 10, 1897
Date of Founding	October 19, 1905
Net Sales*1	[Non-consolidated] 1,514.7 billion yen [Consolidated] 2,069.0 billion yen
Ordinary Profit*1	[Non-consolidated] 54.3 billion yen [Consolidated] 189.6 billion yen
Profit*1	[Non-consolidated] 52.5 billion yen [Consolidated] 134.4 billion yen*2
Capital	132,166 million yen
Number of Employees	[Non-consolidated] 1,283 (excluding employees temporarily transferred to other companies; including employees temporarily transferred to the Company) [Consolidated] 21,404 (excluding employees temporarily transferred outside the Group; including employees temporarily transferred from outside the Group to the Group)

*1 FY2024.3
*2 Profit attributable to owners of parent

Main Business Lines of the Daigas Group (As of March 31, 2025)

Business segments	Main business lines
Domestic Energy	Production, supply and sale of city gas, sale of gas appliances, gas pipe installation, sale of LNG, LNG transport, sale of LPG, sale of industrial gas, power generation and sale of electricity
International Energy	Development of and investment regarding natural gas, energy supply
Life & Business Solutions (LBS)	Development and leasing of real estate properties, information-processing services, sale of fine materials and carbon material products

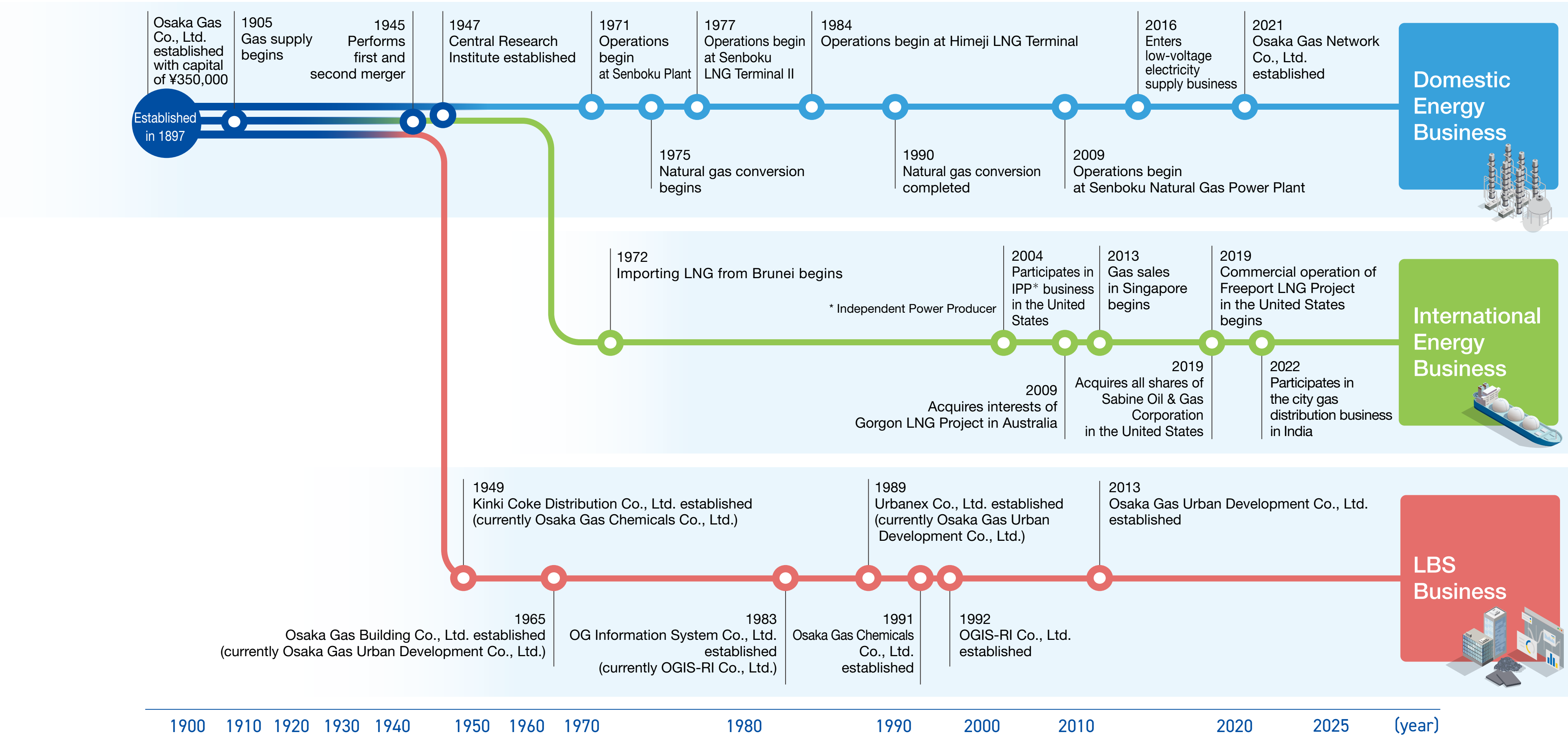
Daigas Group Organization (As of April 1, 2025)



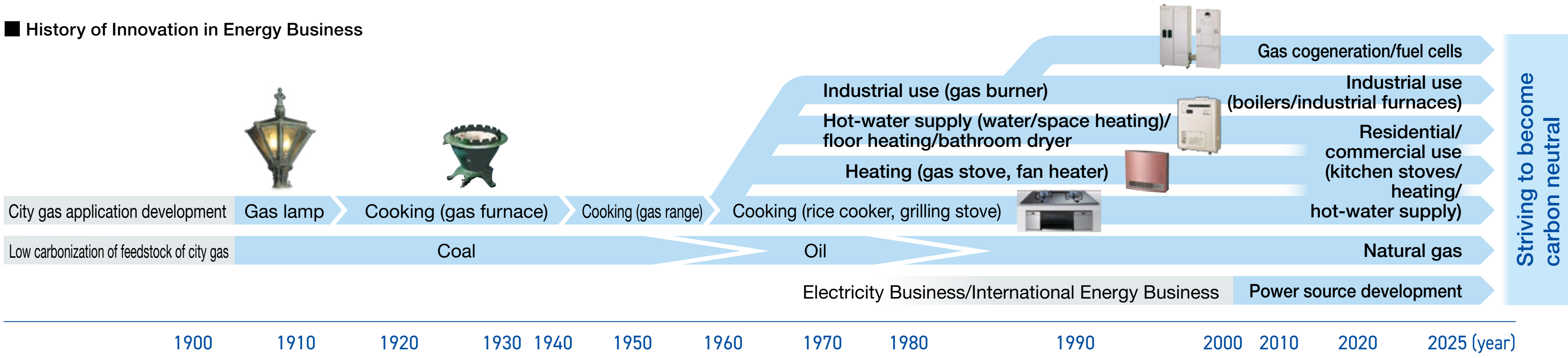
History of Co-creation of Value

The Daigas Group's gas business began with gas supply in 1905. In the 120 years since then, the gas business that started with lighting gas lamps has expanded the application of gas to cooking, heating, hot water, and power generation, overcoming many obstacles as society evolved and lifestyles changed. Additionally, founded on the relationships with customers and regions that have been fostered through the energy business, the Daigas Group has expanded its business domains and developed into a corporate group that provides various products, services, and solutions.

■ History of Growth in the Daigas Group's Businesses



■ History of Innovation in Energy Business



■ Social Background and Daigas Group's Strategy

Social Issues and Needs

Improving regional safety

From oil lamp to gas lamp

At that time, electrical lights were still expensive, and oil lamps, which were widely used, often caused fires, making them one of social issue in urban areas.

Gas supply begins

Working to popularize gas lamps

With the provision of safe and affordable gas to citizens being set forth as the purpose of the incorporation of the Company, efforts were made to popularize gas lamps.

Changes in lifestyle

Life changed by gas

Various lifestyles and people's customs were undergoing changes, and women's participation in society also began.

Proposals of new lifestyles

Dissemination of gas to residential kitchens significantly reduced the burdens of household duties associated with traditional cooking stoves.

Increase in energy demand

Increase in population/ postwar recovery

It became necessary to address increased energy demand and rapid urbanization.

Introduction of LNG

Transitioning to natural gas was a long-term project that required huge up-front investment, but it resulted in improving the stability of gas provision and reducing environmental burdens, etc.

Realization of sustainable society

Growing concern for Improving environment

SDGs, Paris Agreement, and TCFD recommendations, etc., have been presented as pressing issues that must be tackled on a global scale.

Development of advanced products

By developing advanced equipment, systems, and technologies, we aim to achieve carbon neutrality by 2050 together with our customers.

Daigas Group's Co-creation of Value

Management

Management

Message from the President of Osaka Gas

Driving Growth to Meet the Targets of the Medium-Term Management Plan 2026

Representative Director and President

Masataka Fujiwara

Review of FY2025.3

Executing a balanced strategy to drive growth during the transition while advancing future investments

In FY2025.3, the political and economic outlook remained challenging and uncertain, marked by escalating global geopolitical risks and rising inflation both in Japan and abroad. Despite these adversities, the Daigas Group effectively implemented its balanced strategy to drive both transition-period growth while advancing future investments.

During this crucial transition period, we have seen growth in our domestic electricity business, Sabine in the U.S., and other upstream operations overseas. To drive further growth with natural gas as a practical transition fuel, we intensified efforts to diversify LNG sources and promote customers' fuel conversion to natural gas. Additionally, to ensure continuous growth, we systematically upgraded our LNG regasification and gas distribution facilities to better prepare for potential natural disasters and enhance our energy security.

Furthermore, in the Life & Business Solutions (LBS) segment, we achieved steady growth by leveraging the unique strengths of each Group company and fostering synergies within the Group. In our real estate development business,
we provided environmentally friendly and disaster-resilient solutions. In our materials business, we focused on creating and enhancing activated carbon and other high-value-added products. In our IT business, we drove digital transformation ("DX") initiatives and expanded ERP* operations throughout the Group.

*ERP: Enterprise Resource Planning. A system that centralizes customer business activities to improve management efficiency.

Meanwhile, we made consistent progress in our future investments. In developing e-methane, we established a laboratory-scale SOEC methanation test unit. We also completed detailed studies for a project to produce e-methane in the U.S., targeting our FY2031.3 goal of achieving 1% e-methane in our gas grid. In our natural gas distribution business in India, a primary growth market in Asia, we have invested in its expansion.

As a result of these activities, our profitability indicators for FY2025.3 exceeded the targets, highlighting a year of steady progress toward our future goals.

Evolving Energy Landscape in Japan and Its Impact

Importance of a stable energy supply and the use of natural gas, emphasized in the Seventh Strategic Energy Plan

A significant development in Japan's energy landscape was the Cabinet's approval of the Seventh Strategic Energy Plan on February 18, 2025. In response to increasing energy security needs arising from tensions in Europe and the Middle East, along with rising electricity demand fueled by DX, this new plan aims to strengthen the industrial policy to foster economic growth. It focuses on transforming the energy structure to ensure a stable energy supply while advancing decarbonization efforts. Recognizing the uncertainty ahead, which imposes the risk that decarbonization technologies may not be fully developed by 2040, the plan emphasizes the need to secure and utilize fossil fuels, including natural gas via long-term LNG contracts, to ensure a stable energy supply. Natural gas, in particular, is highlighted for its comparatively low greenhouse gas emissions and potential to lessen environmental impact through fuel conversion to natural gas from coal and oil. Furthermore, the plan identifies hydrogen, ammonia, and e-methane as next-generation energy sources, underscoring the critical need for government support in both technological development and capital investment for these emerging solutions.

Daigas Group Energy Transition 2050

Leading in the practical application of carbon-neutral ("CN") solutions through diverse approaches

In light of Japan's roadmap for carbon neutrality ("CN") by 2050, clarified by the new energy mix outlook for 2040 outlined in the Seventh Strategic Energy Plan, the Daigas Group, as an integrated energy provider, recognized the necessity of presenting a clear pathway toward its 2050 CN goal. Consequently, we announced our Energy Transition 2050 initiative on February 27, 2025.

This initiative consists of three key components. First, it lays out a comprehensive roadmap for the Group's energy transition through 2050, illustrated by multiple projected scenarios. We have clarified our path to achieving CN by specifying our targets for 2040. Going forward, we recognize the importance of regularly reviewing these scenarios to adapt to changes in the business environment.

The second component is our commitment to a CN future with our CN power and thermal energy supply, as well as negative emissions initiatives. As an integrated energy company, we offer a range of energy options tailored to our customers' needs, with e-methane and renewable energy serving as our business pillars. One of the primary advantages of e-methane is its compatibility with existing infrastructure, allowing a seamless transition to a CN society without imposing considerable social costs or complexities on customers.

Lastly, our plan presents various solutions to co-create value for a sustainable future with our customers. We are dedicated not only to providing CN energy but also to offering customer-centric solutions that address our clients' needs. Together with our customers, we strive to achieve a CN society.

Progress on Key Strategies of the Medium-Term Management Plan 2026

Steadily executing our plan while addressing new challenges

Advancing the shift to CN energy by conducting methanation demonstration tests and entering the basic design phase

We are making steady progress toward fulfilling the Three Commitments outlined in the Medium-Term Management Plan 2026.

Our first commitment is to co-create value for a sustainable future, particularly by providing CN energy solutions. We are advancing our SOEC methanation technology to bench-scale testing. For Sabatier methanation, we are conducting a large-scale demonstration in Nagaoka City,

Niigata Prefecture, and also showcasing at the Expo 2025 site in Osaka, Japan. In our efforts to produce e-methane abroad, our U.S. project is progressing to the basic design phase. In the renewable energy sector, operations have begun at the Hyuga Biomass Power Plant and Aichi Tahara Biomass Power Plant, raising our cumulative renewable energy development contribution to 3.7 GW during FY2025.3 (including procurement from other companies). While the shrinking FIT market poses challenges for solar power expansion, the increasing demand for energy in data centers, driven by generative AI, offers new opportunities for our Group. We are targeting a goal of 5 GW by FY2031.3, leveraging our strengths across the entire value chain, from development to sales, including corporate PPAs that enable us to sell electricity directly to specific customers.

Identifying the customer's core issues and applying the Three Realities Principle

In FY2025.3, customer accounts reached 10.71 million, approaching our medium-term management plan target of 10.9 million. This achievement reflects our employees' commitment to our corporate motto, "Service First," which empowers them to identify customer needs, develop tailored products, and deliver solutions effectively. In my early career promoting gas to factories, I frequently visited manufacturing sites and gained a deep understanding of their production processes. This enabled me to identify previously overlooked energy-saving opportunities and propose optimal systems. When communicating with employees, I emphasize the importance of a proactive approach to recognizing customers' real issues, alongside the Three Realities Principle, which focuses on actual place, actual items, and actual facts.

Creating an environment that supports employee growth while enhancing our talent acquisition and development initiatives

Our second commitment is to support employees in shining in their roles. As workforce mobility has increased in recent years, we have seen a rise in mid-career hires within the Group, leading to a more diverse employee base in age and background. These professionals are leveraging their expertise across our organization, which I view as a highly positive development.

For companies, it is crucial to foster a culture where employees are motivated to challenge themselves and experience growth. In FY2025.3, we introduced several career support initiatives, including the employee-supervisor consultations that reference senior colleagues' career paths, an internal internship program, and an internal side job system. In FY2026.3, we are focused on creating an environment that encourages employees to tackle challenges and pursue growth. We have established a system for promptly evaluating performance and linking it to compensation, which enhances employee ambition and contributions to our business. We are also gradually raising the retirement age to 65, enabling employees to thrive without age-related limitations. We remain committed to strengthening our efforts to secure and develop talent that supports the growth of the Group.

Expanding the DX promotion structure developed in the residential sector to accelerate business transformation across the entire Group.

The third commitment is to evolve our business foundation by driving business model transformation through DX. In the residential sector, the business and digital divisions are collaborating to create a robust framework for advancing DX. We are restructuring our system for residential customers, leveraging customer data to shift from conventional household-based service proposals to personalized offerings. This strategy allows us to focus on individual needs within each household, delivering tailored services at optimal times. Going forward, we plan to extend this initiative to the commercial, industrial, and network sectors, accelerating business transformation across the entire Group.

In addition, at the Senri Power Storage Plant, set to commence operations in FY2026.3, we will implement an optimization system that automatically determines the optimal timing for discharging and charging the power storage. This initiative aims to maximize profit margins from both sales and procurement in the wholesale power market.

Furthermore, we will also focus on strengthening the capabilities of our DX core staff to effectively support these initiatives.

Ensuring strict compliance, an ongoing challenge despite strengthened governance through enhanced oversight and agile responses to key issues

In FY2025.3, we transitioned to a Company with an Audit and Supervisory Committee to enhance oversight on key issues and facilitate flexible decision-making. The Board of Directors is responsible for overseeing the execution of the key strategies of the Medium-Term Management Plan 2026 and monitoring the progress of sustainability indicators.* Additionally, the Board addresses challenges related to advancing ROIC-focused management and enhancing capital efficiency. Furthermore, we established a company-wide Risk Management Committee to oversee and manage preventive measures for key risks that affect the entire Group. This committee develops preventive maintenance plans for key risks and centrally manages their progress to strengthen group-wide governance.

It is with deep regret that we acknowledge an incident involving misleading claims made by members of Osaka Gas Marketing Co., Ltd. in the marketing of the ENE-FARM residential fuel cell CHP system, which violated the Act against Unjustifiable Premiums and Misleading Representations. We sincerely apologize for breaching the trust of our stakeholders and for inconvenience and concern this may have caused. We are committed to fully cooperating with the Consumer Affairs Agency's investigation and will take decisive measures to prevent a recurrence within Osaka Gas Marketing Co., Ltd. and throughout our Group. We strive to reinforce compliance awareness and restore the trust of our stakeholders.

* In FY2026.3, the term "ESG indicators" was changed to "sustainability indicators."

FY2026.3 Business Plan and Outlook

Prioritizing safety while advancing our business to meet the targets of our medium-term management plan

FY2026.3 marks the 120th anniversary of Osaka Gas, which began operations in 1905. Since its inception, the Group has diversified the use of gas, expanding from lighting to cooking, space heating, water heating, air conditioning and power generation. We have broadened our market presence from the residential sector to include the commercial and industrial sectors, extending our reach beyond the Kansai region to all of Japan and into international markets, evolving and adapting to the changing landscape. Embracing our 120-year commemorative catchphrase "Dynamic Daigas Group," which reflects our commitment to innovation and progress, we will engage with our customers with integrity and respond dynamically to the evolving needs of society and the times.

120th anniversary logo

FY2026.3 will usher in new developments and challenges. The Himeji Natural Gas Power Plant is set to begin operations. This major project, initiated approximately a decade ago with an environmental assessment, will see Unit 1 commence operations in January 2026, followed by Unit 2 in May of the same year. This increase in power generation capacity will allow us to meet the growing electricity demand, and we will leverage our strengths across the power value chain to broaden our business scope. We are also focused on creating opportunities to generate profits by optimizing the gas and electricity markets through LNG storage and power storage.

Additionally, all eight biomass power plants currently under development and construction will start operations. We aim to achieve a total capacity of 450 MW from stable FIT power sources, contributing to the realization of a CN society through the sale of renewable energy.

Furthermore, we have launched e-methane demonstration projects. As mentioned earlier, this initiative includes a demonstration at the Expo 2025, Osaka, Kansai, Japan, and the operation of the world's largest-scale Sabatier methanation facility in Nagaoka City, Niigata Prefecture.

At the Daigas Group, our top priority is to ensure safety and security, along with a stable energy supply, as the cornerstone of our corporate identity. Regardless of how innovative our initiatives may be, any neglect of safety and security would undermine the company's foundation. We remain dedicated to enhancing safety measures even thirty years after the 1995 Great Hanshin-Awaji Earthquake, which devasted areas within our gas supply region. This commitment encompasses both physical improvements, including infrastructure investments, and organizational enhancements, such as the refinement of operational processes, education, and training.

While advancing these initiatives, we pursue sustainability management that focuses on the environment, human rights, and other social and governance issues. To realize our corporate philosophy, we are committed to upholding the Daigas Group Charter of Business Conduct, which articulates our corporate stance, and the Daigas Group Code of Business Conduct, which specifies behavioral standards for our executives and employees. Additionally, in 2007, we became the first Japanese public utility company to participate in the United Nations Global Compact, endorsing the principles that guide companies in their contributions to sustainability as responsible members of the international community.

To achieve the objectives of the Medium-Term Management Plan 2026, we are dedicated to making further progress in FY2026.3, inspired by our aspiration to "secure peace of mind today and build sustainable lifestyles for tomorrow."

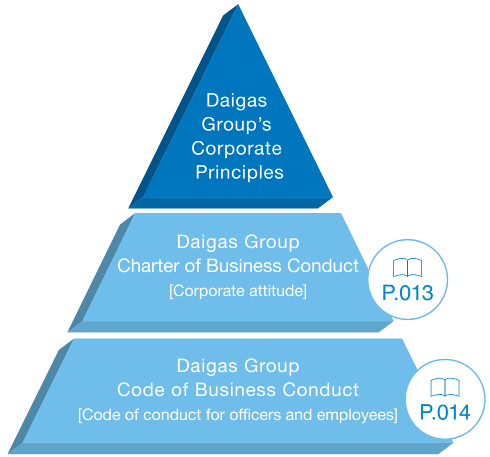
■ **The Ten Principles of the UN Global Compact**

Human Rights	Principle 1	: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2	: make sure that they are not complicit in human rights abuses.
Labour	Principle 3	: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4	: the elimination of all forms of forced and compulsory labour;
	Principle 5	: the effective abolition of child labour; and
	Principle 6	: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7	: Businesses should support a precautionary approach to environmental challenges;
	Principle 8	: undertake initiatives to promote greater environmental responsibility; and
	Principle 9	: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10	: Businesses should work against corruption in all its forms, including extortion and bribery.

Daigas Group's Values

Daigas Group Philosophy

The Daigas Group has established the Daigas Group Corporate Principles, the Daigas Group Charter of Business Conduct, and the Daigas Group Code of Business Conduct. The Daigas Group Corporate Principles consist of What We Aim To Be, Our Commitment, and Our Corporate Motto. The Group believes that the creation of four types of value is the fulfillment of its social responsibility by creating value primarily for customers, as well as for society, shareholders, and employees, aiming to become a corporate group that powers continuous advancement in customers' lives and businesses. We have also established the Daigas Group Charter of Business Conduct as a statement of our corporate stance and the Daigas Group Code of Business Conduct as a specific code of conduct to be followed by our officers and employees, and we conduct our business activities based on them.



Daigas Group's Corporate Principles

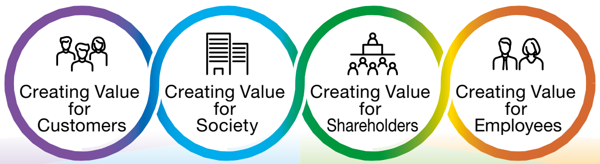
▶ Daigas Group's Corporate Principles

–What the Daigas Group Aims To Be–

A corporate group that powers continuous advancement in customer's lives and businesses.

–Daigas Group's Commitment–

We create four types of value.



–Our Corporate Motto–

Service First

■ Realization of Value Creation

Value for Customers

We provide services that meet customer expectations for comfort, convenience and reliability in diverse fields.

- Promotion of development and provision of new products and services in the energy business
- Continuation of zero serious accidents in energy production and supply
- Expansion into the real estate, telecommunications, and new materials businesses
- Contribution to the creation of new services and the elimination of the labor shortage through DX and other means
- Customer accounts: 10.71 million (FY2025.3)
- Customer satisfaction rate of 90% or higher for 13 consecutive years (FY2025.3)

*Results of a satisfaction survey on five operations: opening of gas lines, repair of gas appliances, sales and installation of appliances, regular security patrols (gas equipment inspection), and response to telephone inquiries (at the customer center).

Value for Society

We conduct fair and transparent business operations and contribute to the sustainable development of society and the improvement of the global environment.

- Ongoing maintenance of stable and safe supply of energy
- Promotion of earthquake countermeasures: Extension of polyethylene (PE) pipes to 18,600 km (FY2025.3)
- Contribution to the realization of a carbon neutral society through the advanced use of natural gas, the provision of carbon neutral gaseous energy, and the widespread use of renewable energies Avoided emissions: 6.29 million tons (FY2025.3)
- Promotion of co-creation with local communities
- Initiatives to promote fair and transparent business with suppliers

Value for Shareholders

We strive to achieve stable long-term growth and maximize corporate value while maintaining a sound financial foundation.

- Introduction and deepening of ROIC-focused management
- Shareholder returns in line with profit growth
- Promotion of understanding of company through dialogue with capital markets
- Implementation of transition finance Funds procured: Over 150.0 billion yen (FY2023.3 - FY2025.3)

Value for Employees

We respect the individuality of each employee and provide support for their personal growth and professional fulfillment.

- Promoting diversity, equity and inclusion (DE&I) Ratio of female directors: 26.7% (FY2025.3)
- Enhancement of skills development programs and development of training systems that will enable anyone to take on challenges
- Common training hours to strengthen the management foundation 14.1 hours/person (FY2025.3)
- Employee engagement Maintained at appropriate levels The "overall satisfaction" score, which shows employees' current satisfaction level with the Company, was used as a compressive indicator to evaluate employee engagement (FY2025.3).

Daigas Group Charter of Business Conduct

▶ Daigas Group Charter of Business Conduct

The Daigas Group places the highest priority on creating value for customers and aims to lead creating value for customers to creating value for society, for shareholders, and for employees through its business activities. We believe that our social responsibility lies in creating value for all these stakeholders through fair and transparent business activities.

We have established the Daigas Group Charter of Business Conduct in order to demonstrate our determination to match our stakeholders' expectations and fulfill our corporate social responsibility toward our Group's sustainable development. This Charter serves as the Group's fundamental guide to achieving sustainable economic growth and resolving social issues through its business activities in cooperation with customers, society, shareholders, and employees.

The Daigas Group's management members are expected to be role models in acting in accordance with the Charter. They will take strict corrective action in case of any infringement of the Charter.

Daigas Group Charter of Business Conduct

I. Creating Value for Customers

The Daigas Group aims to enhance energy resilience through a reliable and safe supply of energy, including natural gas, electricity, and LPG, while ensuring safety and providing services. The Daigas Group strives to create value through the development of various businesses and innovation for customers' comfortable lifestyles and sustainable business development.

II. Contributing to the Sustainability of the Environment and Society

The Daigas Group addresses the environmental issues both at regional and global levels as a matter of paramount importance in its business centered on energy supply. In light of the impacts of its business activities on the environment, the Daigas Group strives to tackle climate change and other environmental issues, develop innovative technologies and promote their wider use, and support the advanced use of resources and materials.

III. Engaging With and Contributing to Society

The Daigas Group ensures the transparency of its business operations and discloses information for the public's better understanding of its corporate activities. The Daigas Group promotes cooperation with various stakeholders through productive dialogue and makes positive contribution to the local community as a good corporate citizen.

IV. Respecting Human Rights

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.

V. Complying with Laws and Regulations

The Daigas Group strives to earn the trust of society through its compliance with laws and regulations on all levels, including the management and employees. The Group's compliance is not limited to observing laws and regulations but includes acting sensibly as a member of society. The Group conducts business activities with fairness and integrity, respecting the culture and customs of each country and region where it operates.

VI. Providing Work Environment That Supports Employees' Personal Growth

The Daigas Group provides a safe and healthy working environment for its employees while securing employment opportunities. The Group values its employees' individual uniqueness, respects their independence as individuals, supports their personal growth, and promote DE&I (Diversity, Equity, and Inclusion) at the workplace.

Daigas Group Policies

▶ Daigas Group Policies

The Daigas Group has established policies to demonstrate its corporate attitude in each field.
The policies, including those related to sustainability, and declarations are as follows:

- Daigas Group Human Rights Policy
- Daigas Group Diversity Promotion Policy
- Daigas Group Tax Policy
- Daigas Group Procurement Policy
- Daigas Group Procurement Policy for Suppliers (the Daigas Group Procurement Guidelines for Suppliers)
- Daigas Group Environmental Policy
- Daigas Group Biodiversity Promotion Policy
- Daigas Group Basic Policy on Customer Harassment
- Daigas Group Multi-Stakeholder Policy
- Green Purchasing Guidelines
- Privacy Policy
- Product Safety Voluntary Action Plan
- Declaration of Health and Productivity Management

Daigas Group Code of Business Conduct

▶ Daigas Group Code of Business Conduct

The Daigas Group's corporate social responsibility is to create new value through fair competition and thereby contribute to society. In fulfilling its corporate social responsibility, compliance is of utmost importance for the Daigas Group.

The Daigas Group Code of Business Conduct ("the Code") sets forth the standards of conduct that all officers and employees of the Daigas Group are required to follow in order to achieve compliance management.

As we operate business in accordance with the Code, which also forms the basis of the Group's other internal rules, we should always adhere to the spirit and intent of the Code even in face of any circumstances that fall outside its expected situations, which we might encounter in the rapidly changing business environment.

Daigas Group Code of Business Conduct

1. **Respecting human rights**
2. **Providing a safe and secure workplace**
3. **Complying with laws and regulations**
4. **Avoiding the use of professional positions and company property for personal reasons**
5. **Complying with laws in each country and region, and respecting international standards, including those on human rights**
6. **Contributing to environmental conservation**
7. **Complying with antimonopoly laws and regulations, and conducting fair transactions**
8. **Providing products and services**
9. **Ensuring the safety of products and services**
10. **Interacting with customers appropriately**
11. **Engaging with and contributing to society**
12. **Building and maintaining sound relationships with business partners**
13. **Engaging business partners in adhering to the Daigas Group Code of Business Conduct**
14. **Managing the proper use of information and systems**
15. **Disclosing information and engaging with stakeholders**
16. **Properly handling intellectual property**
17. **Avoiding association with anti-social groups and individuals**
18. **Making tax payments and performing accounting practices properly Daigas Group Code of Business Conduct**

To make the Daigas Group Code of Business Conduct easier to understand for officers and employees working for the Group, we have extracted the essence of the 18 items in the Code to create "Our Declaration" (10 items).

"Our Declaration," Summarizing the Daigas Group Code of Conduct

▶ "Our Declaration," Summarizing the Daigas Group Code of Conduct

I. We will achieve a workplace where human rights are respected and employees can work in comfort and with peace of mind.
II. We will conduct business activities with legal compliance and decency.
III. In conducting global business activities, we will comply with all local laws and regulations, and will respect international norms including those concerning human rights.
IV. We will properly consider the global environment in all of our actions.
V. We will conduct fair business transactions and competitions.
Vi. We will provide safe and high-quality products and services at reasonable prices, with the aim of enhancing customer satisfaction.
VII. We will act modestly and sensibly in our relationships with those with whom we do business.
VIII. We will appropriately handle and disclose information with proper recognition of its value and importance.
IX. We will prohibit any association with anti-social forces.
X. We will make appropriate tax payments and properly handle our financial accounts.

Activities for dissemination of the Corporate Principles

In its Long-Term Management Vision 2030, the Daigas Group has set its sights on evolving into an innovative energy & service company that continues to be the first choice of customers. In addition, the Medium-Term Management Plan 2026 presents the Group's aspiration, "secure peace of mind today, build sustainable lifestyles for tomorrow."

These plans have been formulated based on the Daigas Group Corporate Principles ("Principles"), which the Group has valued since its founding. Based on the belief that it is important for each and every employee to understand the Principles in order to realize value creation, we designated October, which is the anniversary of our founding, as "Group Corporate Principles Month" in FY2022.3, and we have provided e-learning and workshops in continuous efforts to promote familiarization of the Principles among Group employees.

Setting up opportunities for direct dialogue between the President and Group employees

With the aim of fostering a sense of unity among employees, the Daigas Group provides opportunities for the President to visit workplaces and engage in direct dialogue with employees.

The President communicates his thoughts on "a corporate group that powers continuous advancement in customers' lives and businesses," which is clearly stated in the Daigas Group Corporate Principles as what the Group aims to be, and engages in a frank exchange of opinions with the members at each workplace, thereby working to foster a sense of unity within the Group.

In FY2025.3, a total of eight dialogues took place with employees of Osaka Gas Network Co., Ltd., OGIS-RI Co., Ltd., Osaka Gas Urban Development Co., Ltd., Osaka Gas Chemicals Co., Ltd., and other organizations. Also, meetings with junior staff were held three times.

Revision of the Daigas Group Code of Business Conduct in line with the 10 principles of the UN Global Compact and ISO 26000

We fully embrace the UN Global Compact, and in June 2007, we became the first utility in Japan to join. We uphold the 10 principles for enterprises to follow (supporting and respecting the protection of human rights, not being complicit in human rights abuses, upholding the freedom of association and recognizing the right to collective bargaining, eliminating forced labor, effectively abolishing child labor, eliminating discrimination in respect of employment and occupation, supporting a precautionary approach to environmental challenges, undertaking initiatives for environmental responsibility, developing and diffusing environmentally friendly technologies, and working against corruption in all its forms, including extortion and bribery) in the four fields of human rights, labor, environment, and anti-corruption.

In May 2008, the Daigas Group revised its Code of Business Conduct to incorporate the 10 principles of the UN Global Compact and in doing so clearly prohibited activities such as bribes to foreign officials and the use of child labor (currently, details are described in the internal guide for understanding the Code). Because these principles also relate to the dealings that the Group has with its business partners, in June 2009 the "Policy for Purchasing" (currently the "Daigas Group Procurement Policy" and the "Daigas Group Procurement Policy for Suppliers (Daigas Group Procurement Guidelines for Suppliers)") were also revised to stipulate adherence to the UN Global Compact.

In FY2024.3, we prepared the Daigas Group Anti-Bribery Guidebook, which prohibits the following acts and items:

Major items ・Bribes to Japanese and foreign officials ・Inappropriate entertainment and gifts ・Small facilitation payments, etc.

Familiarization of the Daigas Group Code of Business Conduct

To promote understanding of the Daigas Group Code of Business Conduct, we have prepared Our Declaration (10 items) as a summary version extracting the essence of the Code and have made it known to all employees by distributing a portable card and posting it on the intranet. In addition, an annual survey is conducted to see the degree of awareness toward compliance among the Group employees, as well as the degree of its penetration at workplace. In FY2025.3, about 90% of approximately 21,400 employees (including temporary employees and part-time workers) responded to the survey, and their answers indicated that the level of understanding on the Daigas Group Code of Business Conduct remained high. We also reflected issues recognized through the survey to organizational countermeasures and took other measures to raise Group employees' awareness.

Sustainability Management

Principle and Outline

The Daigas Group aims to become a corporate group that helps further the evolution of customers' livelihoods and businesses. To this end, the management and employees act based on the "Daigas Group Charter of Business Conduct ("the Charter")," which stipulates the basic concept of our CSR. As the Group's business field expands, the range of stakeholders that our business affects will further expand, including customers, local communities, shareholders and investors, and employees.

In order to recognize the impact our business activities may have on society and the environment, and conduct business while taking such impact into account, the Daigas Group has been promoting CSR activities. Specifically, in 2009, the Group introduced indicators to promote CSR activities and visualize their processes. In FY2015.3, we identified important aspects for the Group (materiality) for the first time by turning to the opinions of outside knowledgeable people. In light of expectations from society and changes in the business environment, materiality is reviewed when a Medium-Term Management Plan is formulated and on other occasions.

We are promoting sustainability activities to achieve sustainable economic growth and solve social issues by addressing the Sustainable Development Goals (SDGs), including climate change and human rights issues.

Sustainability Promotion System

The Daigas Group has a Sustainability Committee, chaired by the Head of Sustainability* Promotion (Director and Senior Executive Officer), who supervises the Group's sustainability activities, and consisting of the heads of related organizations and other members.

In principle, the Sustainability Committee meets three times a year for cross-organizational deliberation and coordination of sustainability activities. In principle, the Management Meeting, chaired by the President and Executive Officer, is held three times per year as the Sustainability Council, which deliberates on established key issues (materiality), indicators and targets in sustainability management, and their progress. The Board of Directors is then consulted on important matters related to sustainability activities (including risks concerning ESG) and is responsible for decision-making and supervision.

The Group has also established the Environment Subcommittee, Social Contribution Subcommittee, and Compliance/Risk Management Subcommittee, and works closely with the subcommittees in promoting sustainability activities.

In addition, in order to enhance governance over our overall sustainability activities, we appoint Outside Directors with expertise in the fields of environmental accounting and sociology, as well as a wealth of experience and broad insight in corporate and organizational management.
(Please see P.126 for the skills matrix of our directors.)

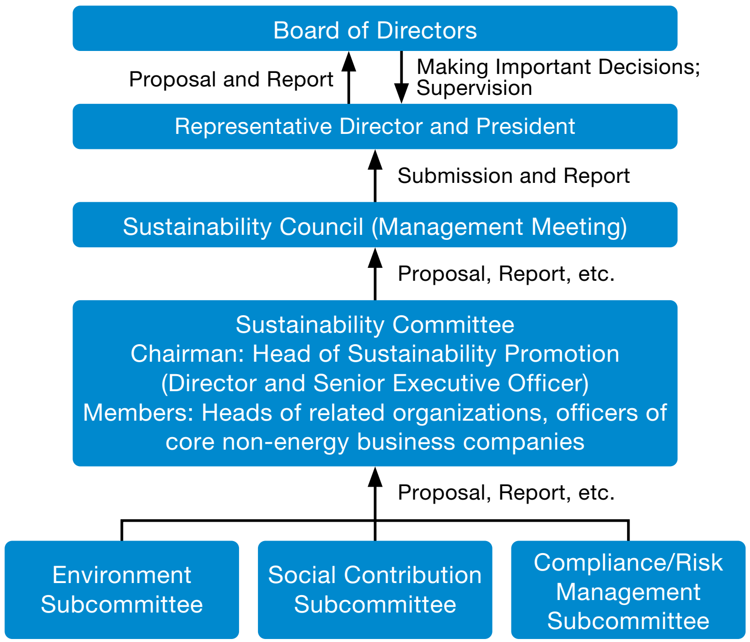
All these moves represent the Group's efforts to strengthen sustainability activities to live up to higher social expectations for the Group through communication with internal and external stakeholders.

*Name changed following reorganization effective April 1, 2025.

■ **Main Topics for Sustainability at the FY2025.3 Board of Directors Meetings**

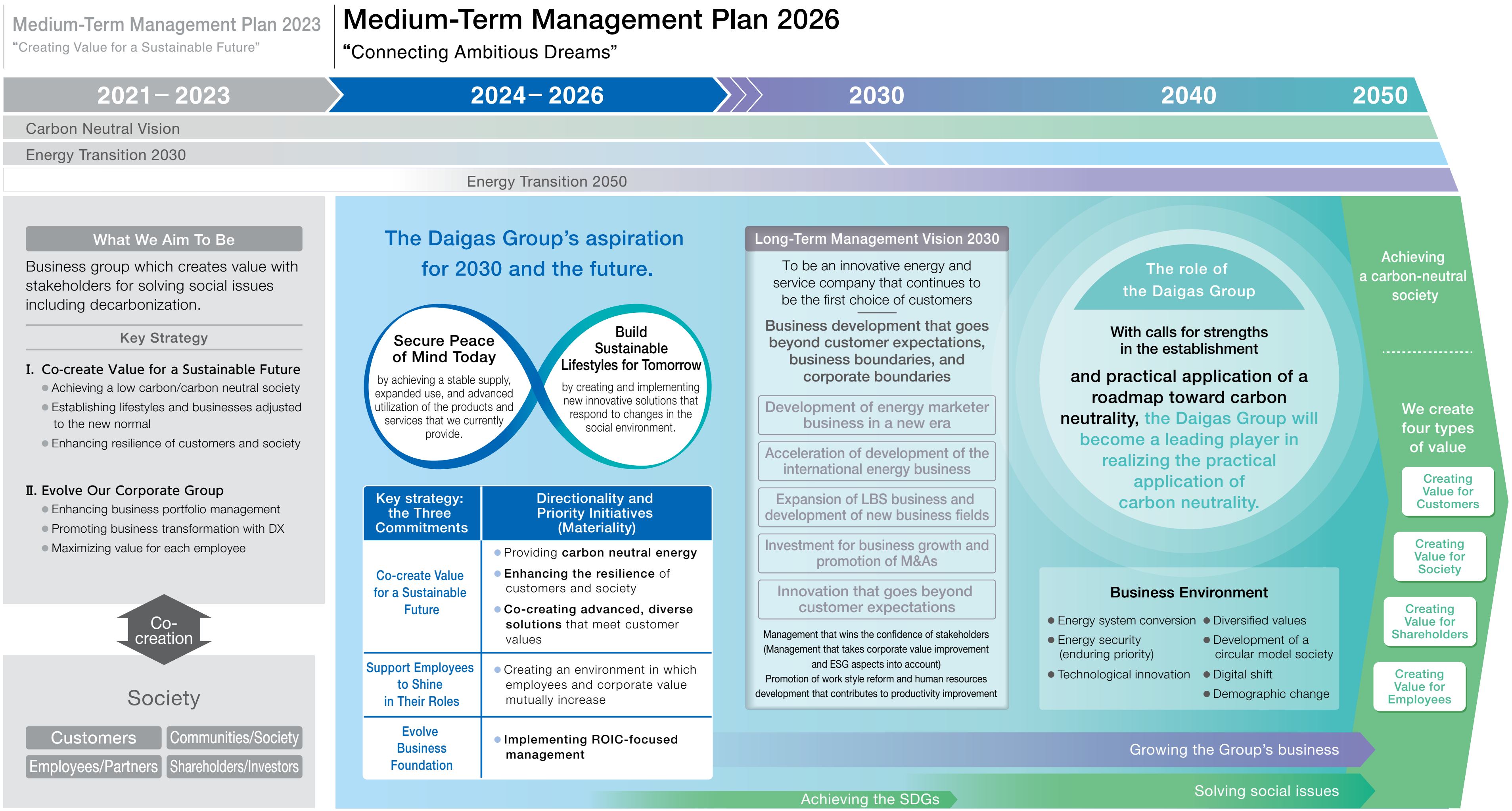
- May 2024: Performance report for FY2024.3 sustainability indicators and human rights due diligence report
- Nov 2024: First-half performance report for FY2025.3 sustainability indicators
- Mar 2025: Performance forecast report for FY2025.3 sustainability indicators, and sustainability indicator targets and sustainability management plans for FY2026.3, revisions to Group regulations and policies, etc.

■ **Sustainability Promotion System (As of April 1, 2025)**



Long-Term Management Vision / Medium-Term Management Plan

In 2017, the Daigas Group formulated a Long-Term Management Vision that looks toward FY2031.3, aiming to be “an innovative energy and service company that continues to be the first choice of customers” and achieve carbon neutrality by 2050. In our Medium-Term Management Plan 2026 announced in 2024, recognizing 2030 as the turning point in which moves to realize a carbon neutral society in 2050 will start to accelerate even further, we have adopted the key strategy of “Co-create Value for a Sustainable Future” “Support Employees to Shine Their Roles,” and “Evolve Business Foundation,” which contribute to solving social issues. We also set targets for our continued contribution to the realization of sustainable society.



Materiality Identification and KPI Performance Evaluation Process

The Daigas Group identifies materiality to understand what impact the Group's activities have on the environment and society, as well as to conduct business while managing the probability of the impact and the impact itself. Materiality was identified for the first time in FY2014.3, and we have been implementing PDCA management since FY2015.3. Every year, we check the progress of each indicator and consider issues, as well as we manage indicators while revising them as necessary. In light of expectations from society, we reviewed and redesigned materiality when formulating a Medium-Term Management Plan and on other occasions.

Identification of Materiality

In formulating the Medium-Term Management Plan 2026, the Daigas Group identified materiality in light of experts' opinions and other factors, taking into account the progress of climate change countermeasures, changes in the business environment, and social trends related to sustainability.

■ Process of Materiality Identification (during the formulation of the Medium-Term Management Plan 2026)

Step 1

light of the progress of the Carbon Neutral Vision and Energy Transition 2030*, we depicted sustainable lifestyles in the 2040s and analyzed the external settings, including the economic, social, and environmental ones.

Step 2

We considered medium- to long-term issues, risks, targets, and initiatives for each business domain.

We considered future financial impacts on the Group.

We asked experts for their opinions in additionto the analysis in STEP 1, and considered howwe should work on human rights due diligenceand respond to the TCFD and TNFD.

We considered impacts on society and the environment.

* Expert's comments

Step 3

We identified materiality based on both types of impacts.

Step 4

The Board of Directors approved and adopted the materiality.

Identified Materiality

1 Provide carbon neutral energy
2 Enhance the resilience of customers and society
3 Co-create advanced, diverse solutions that meet customer values
4 Create a work environment where employees and the company resonate and enhance each other
5 Maintain and improve the soundness and flexibility of management foundation

■ Materiality Identification in the Past

2013 <Identification>

Step 1
Summarized the scope of impact according to the region and type of business
Step 2
Analyzed the level of importance and set temporary priorities (from the Group's perspective)
Step 3
Had the appropriateness checked by and engaged in dialogue with outside knowledgeable people
Step 4
Finalized the priorities and materiality
Step 5
Approved and decided by the CSR Promotion Council, the decision-making body for CSR matters
(Considered in accordance with the identification process in the fourth edition of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI))

2017 <Review>

Step 1
Evaluated the progress of materiality activities between FY2014.3 and FY2017.3
Step 2
Added priority items and considered the boundary
Step 3
Had the appropriateness checked by and engaged in dialogue with outside knowledgeable people
Step 4
Identified new materiality
Step 5
Approved and decided by the CSR Promotion Council, the decision-making body for CSR matters
(Referred to the GRI Standards in light of social trends, including the implementation of the Paris Agreement and the adoption of the SDGs)

2021 <Redesigning>

Step 1
Analyzed the external environment in 2030 in areas such as economy, society, and the environment
Step 2
Envisioned what each business domain aims to be in 2030 and considered risks→Considered future financial impacts on the Group
In addition to the analysis in Step 1, held interviews with external experts→Considered impacts on society and the environment
Step 3
Identified materiality based on both types of impacts
Step 4
Approved and decided at the Board of Directors
(In light of measures against global risks, contribution to the SDGs, and changes in the business environment and lifestyles due to the COVID-19 pandemic, considered the items of impacts on society and the environment and future financial impacts on the Group, using the GRI Standards as a reference)

KPI Performance Evaluation Processes

Outcomes of the initiatives related to sustainability indicators are reported and followed up on three times a year at each meeting within the sustainability promotion system, and are evaluated and supervised by the Board of Directors. At Board of Directors meetings, discussions are held on whether medium- to long-term targets set for initiatives that are progressing smoothly are appropriate. In addition, regarding indicators whose targets are difficult to achieve, discussions are held on causes and solutions. These evaluation processes are used to improve initiatives and review plans for each business related to materiality.

*Please see P.016 for the sustainability promotion system.

Recognition of Risks and Opportunities and Materiality in Sustainability Management

In formulating the Medium-Term Management Plan 2026(FY2025.3-FY2027.3), the Daigas Group recognized changes in the business environment and new challenges, and reviewed materiality.

■ Recognition of Risks and Opportunities

Changes in the business environment and the associated issues that need to be addressed	Risks	Opportunities	Materiality
●Climate change ▶Acceleration of the decarbonization trend ▶Stronger position of natural gas as transition energy ▶CO_2 reduction ▶Energy system transition ▶Technological innovation ▶Response to the TNFD	• Impact on business plans stemming from international rules and regulations related to carbon neutrality • Intensifying competition to secure suitable business sites	• Promotion of widespread use and advanced utilization of natural gas across the globe • Development of e-methane, hydrogen, and other new energy sources • Promotion of business that provides carbon neutral energy seamlessly by utilizing established equipment and infrastructures • Development of carbon neutral technologies and services	**Provide carbon neutral energy**
●Energy security ▶Preparation for heightened geopolitical risks ▶Safe and secure management and operation of energy production and supply facilities	• Difficulty in procuring fuels and materials • Increase in spending on facility repair and countermeasures associated with natural disasters • Supply disruption due to disasters and accidents	• Increased demand due to the development of disasterresistant infrastructures and products • Maintenance of sustainable business foundations through know-how sharing and cooperation with local communities in taking measures against disasters	**Enhance the resilience of customers and society**
●Diversification of values ▶Transition to a digital society ▶Creation of customer contact points through diverse methods	• Changes in customer mindset • Delay in the advancement of digital transformation • Obsolescence of existing business models • Intensifying competition due to productivity improvement and new entrants to the market	• Improved operational efficiency and productivity due to the advancement of digital transformation • Enhancement of business creation capabilities through operational reform and behavioral change • Enhancement of organizational culture and structure to create new businesses and services	**Co-create advanced, diverse solutions that meet customer values**
●Demographic changes ▶Multi-pillared and diversified business ▶Labor shortages and diversifying ways of work ▶Human resource development ▶Improved employee satisfaction and motivation	• Shortage of workers • Increased measures to secure and develop the next generation	• Promotion of innovation by taking advantage of diverse human resources • Maximization of output	**Create a work environment where employees and the company resonate and enhance each other**
●Growing interest in and calls for Sustainability management ▶Corporate governance ▶Thorough compliance ▶Human rights due diligence ▶Creation of a recycling-oriented society ▶Contribution to local communities ▶Supply chain management	• Tightening, revision, and abolition of laws and regulations • Loss of trust from stakeholders • Litigation, suspension of transactions, and other obstacles to business continuity • Increased difficulty in fund procurement	• Enhancement of corporate governance • Enhancement of compliance • Stabilization of the Group's business revenue through the development of local communities	**Maintain and improve the soundness and flexibility of management foundation**

Why the Issue Is Material

Materiality	Why the Issue Is Material
Provide carbon neutral energy	• The Group engages in the energy business, which uses natural gas as its main raw material and fuel, and recognizes risks and opportunities associated with climate change. • Significant risks include the possibility that rising sea levels and natural disasters such as typhoons and torrential rains due to localized abnormal weather events, etc. may cause damage to our manufacturing and supply equipment. In addition, it is possible that our businesses may be affected by introduction of the carbon tax or significant increases in the tax rate in Japan, or an increased desire among our customers to switch to non-fossil fuels. • Meanwhile, promotion of the development and spread of renewable energy and technologies for carbon neutrality, with the aim of providing carbon neutral energy, also represents a significant opportunity for the Group. • While the Group's energy business contributes to local job creation, investments, skills development, and economic development, we consider it essential and are working to address social and environmental issues, including the loss of biodiversity; soil, water, and air pollution; respect for human rights; and occupational safety.
Enhance the resilience of customers and society	• Stable energy supply, which allows customers to maintain and continue their lifestyles and various businesses, is a responsibility with the highest priority in the Group's business and is regarded as the very basis of the business. • Inadequate operations and facility troubles caused by heightened geopolitical risks and natural disasters may have a large impact on markets other than the Group's business, as well as on people's lifestyles. • Updating facilities in a planned manner, constructing disaster-resistant infrastructure by continuing to develop pipeline networks, and promoting technological development are considered to enhance the sustainability of local communities.
Co-create advanced, diverse solutions that meet customer values	• For the sustainable growth of the Group's business, we consider it essential to co-create advanced, diverse solutions that meet diversifying customer values and can solve global social issues. • In order to increase our market competitiveness, we consider it necessary to pursue added value with DX and invest in the creation of businesses in new domains. • We also consider it important and therefore work to strengthen the organizational culture and structure that encourage employees to reengineer business processes and change behavior.
Create a work environment where employees and the company resonate and enhance each other	• In a rapidly changing business environment where the working population is decreasing, the labor market is becoming more flexible, and people have diversifying ways of work, the Group is driving forward business portfolio management, envisioning a strategy to keep growing by diversifying its business. • To achieve sustainable growth in the future as well, we recognize the need to further enhance initiatives for human capital. We consider it necessary to acquire and develop diverse talent with high levels of expertise; deploy talent strategically to align with job requirements, deploying employees to serve the purpose of business operations while achieving higher levels of employee satisfaction; create an environment where employees feel more rewarded and motivated. In addition, we consider it necessary to realize maximization of the overall output.
Maintain and improve the soundness and flexibility of management foundation	• Even in an environment where the future is increasingly uncertain and difficult to foresee, we recognize that continuing to meet the trust and expectations from the Group's stakeholders and steadily addressing key issues will lead to the development of supply chains and local communities as a whole. • We consider that a sound and sustainable management foundation will be maintained and upgraded by not only ensuring legal compliance but also respecting human rights, including the safety, health, and employment and working environment of stakeholders involved in the Group's business, and working on the enhancement of the corporate governance system. • To implement the Group's business strategy steadily, reengineer business processes, and further grow in fields other than energy, we consider it necessary to secure core DX staff who drive relevant initiatives.

Materiality Indicators, Targets and Results

We have developed indicators for materiality that are more strongly associated with management approaches. We will thus drive the co-creation of value for a sustainable future, strengthening of human capital, and evolution of the business foundation.

Key issues (materiality)	What we aim to be	Sustainability indicators	Main achievements in FY2025.3	Related pages	FY2027.3 targets	FY2031.3 targets
Provide carbon neutral energy	We will contribute to the achievement of a carbon neutral society through the advanced use of natural gas, the introduction and popularization of e-methane, the expansion of renewable energy, and other efforts to achieve carbon neutral thermal and electrical energy, as well as negative emission initiatives.	Avoided emissions*1	6.29 million tons/year	P.042	7 million tons/year	10 million tons/year
		Renewable energy development contribution	3.7 GW	P.043	4 GW	5 GW
		Percentage of renewables in our power generation portfolio in Japan	30.4%		Approx. 30%	Approx. 50%
		CO_2 emissions of Daigas Group*2	23.44 million tons -8.58 million tons (compared to FY2018.3)		–	27.02 million tons -5 million tons (compared to FY2018.3)
		CO_2 emissions reduction in the Group company offices and vehicles	50%		67%	100%
		Promotion of e-methane practical application	Conducted a detailed FEED study on e-methane supply chain projects	P.063-P.064	Final investment decisions in e-methane supply chain projects	1% e-methane in gas grid
		Promotion of methanation technology development	Completed the first phase of SOEC GI funds business and formulated the second phase implementation plan		Transition to the second phase of SOEC GI funds business	Establishing a pilot-scale (400 Nm3/h class) SOEC technology
Enhance the resilience of customers and society	We will strengthen the safety and stability of the energy supply chain and continue to fulfill our mission of ensuring a stable supply.	Number of serious accidents and serious energy supply disruptions caused by the company	Zero	P.107-P.109	Zero	Zero
		Establishment of resilient facilities	●Ratio of strengthening of earthquake resistance: Approx. 90% ●Number of supply blocks: 738 blocks ●Completed countermeasures for gray cast iron pipes	P.108-P.109	Implementation of measures for disaster prevention and aging pipes	
Co-create advanced, diverse solutions that meet customer values	We will provide cutting-edge and diverse options to realize comfortable living and increased corporate value.	Customer accounts	10.71 million accounts	Integrated report2025 P.35	10.9 million accounts	11.5 million accounts
		Customer satisfaction rate	92%	P.112-P.113	90%	–
		Creation of innovation	Social implementation of new services that contribute to low/decarbonization and efficient infrastructure maintenance	P.076	Creation of new business and services	

Materiality Indicators, Targets and Results

Key issues (materiality)	What we aim to be	Sustainability indicators	Main achievements in FY2025.3	Related pages	FY2027.3 targets	FY2031.3 targets
Create a work environment where employees and the company resonate and enhance each other	By attracting diverse talents and creating an environment where employees can work hard, we will maximize the potential of our employees and build relationships in which both employees and the company can grow.	Percentage of women in members newly promoted to middle management positions	18.2%	P.084-P.085	20% or higher	30% or higher
		Percentage of women in new recruits for career-track positions	39.4%		30% or higher	30% or higher
		Work engagement score*3	52.2	P.079	50 or more	50 or more
		Total number of new graduates and mid-career hires	116 people		Cumulative total of 3 years: 330 people	–
		Reserve ratio of next-generation management personnel	260%		250%	–
Maintain and improve the soundness and flexibility of management foundation	By maintaining and improving the management foundation of the Group, we will steadily address each of our key issues and contribute to the development of the supply chain and the local community as a whole.	Ratio of female directors	26.7%	P.127	25% or higher	30% or higher
		Number of serious violations of laws and regulations	1 case*4	P.140	Zero	Zero
		Recruitment of DX core staff	243 employees	P.072	300 employees	–
		Respect for human rights	Implemented human rights due diligence	P.097-P.098	Implementation of human rights initiatives within the Daigas Group and throughout the supply chain	
		Contribution to local communities	●Provided next-generation education on energy and the environment, disaster prevention, etc. ●Provided support for children in need of social care and employment support for people with disabilities ●Supported various government agencies in implementing global warming countermeasures plans, etc.	P.116-P.119	Engagement with local communities	
		Sustainable growth of LBS business	●Materials business: Reduced environmental impact by introducing power generation equipment that uses waste heat from an activated carbon factory in India ●Information Technology business: Supported employment for people with disabilities and contributed to the environment through PC reuse ●Urban Development business: Implemented initiatives at each company, such as obtaining ZEH-M certification for rental and for-sale apartments, etc.	P.043 P.047 P.117	Implementation of unique sustainability initiatives in LBS business	

*1 Calculate the estimated effect of CO_2 emissions reduction in one year of the target FY by introducing high efficiency facilities and low carbon energy, etc. to customer sites and the company's business activities in and after FY2018.3.
*2 CO_2 emissions in the domestic supply chain (Scope 1, 2 & 3).
*3 Deviation in work engagement results for companies using the Advantage Toughness Survey.
*4 Included in this figure is inappropriate conduct in the sales of ENE-FARM. We voluntarily reported this matter to the Consumer Affairs Agency on March 27, 2025, in accordance with the Act against Unjustifiable Premiums and Misleading Representations. The Agency is currently investigating this matter, and we will respond in a sincere manner (as of June 30, 2025).

Stakeholder Engagement

Dialogue and Cooperation with Stakeholders

The Daigas Group focuses on active engagement with stakeholders through dialogue to recognize various possible issues involved in its business activities and to work toward mutually acceptable solutions to such issues, based on the Daigas Group Charter of Business Conduct and Daigas Group Code of Conduct. For example, the Group has been promoting dialogue with the Kansai Consumers' Association Liaison Commission, the Osaka Voluntary Action Center, and the Osaka Gas Labor Union. Furthermore, the Group shares information and cooperates as a member of the Global Compact Network Japan and actively takes part and makes recommendations in the formulation of various policy measures by the government and municipalities. One of the results of such engagement is that five business associations formed by partner companies undertaking gas-related services established a Code of Ethics in response to the Group's policy. In addition, we are actively pursuing collaborative projects with companies, universities, NPOs and other organizations.

■ Main Opportunities and Tools for Contacts with Stakeholders, and Value Created through the Contacts

Stakeholders	Main contact opportunities and contact tools		Value creation	
Customers	• Business opportunities such as safety check and sale • "Customer Centers" • Service shops • Showrooms	• Corporate PR events • Advertisements via TV and other media • Website • Catalogs for products and services	**Value for Customers** The Group is committed to providing services that meet customer expectations for comfort, convenience and reliability in diverse fields.	For detailed information, please see P.012.
Business partners and suppliers	• Business opportunities • Various regular meetings	• Joint training and drills	**Value for Society** The Group is committed to supporting sustainable development and environmental protection in society through business, mindful of compliance and transparency.	
Consumers groups	• Meetings • Tours	• Seminars, study meetings		
Local communities	• Social contribution activities • Tours	• "Energy and environmental education"		
Students and educational institutions	• Joint study • "Energy and environmental education," "food education," "fire education," "education on disaster prevention"	• Acceptance of interns • Recruitment meetings • Website		
Knowledgeable people	• Joint study	• Meetings		
Administrative authorities	• Submission of various documents • Meetings	• Cooperation for regional development		
NPOs/NGOs	• Joint research • Joint work and cooperation for solving regional issues	• Meetings		
Shareholders/ investors	• Issuance of various reports (Securities Reports, Integrated Reports, etc.)	• Briefings • Website	**Value for Shareholders** The Group is committed to meeting shareholders' expectations for stable, long-term growth and maximized corporate value, while maintaining its sound financial base.	
Employees	• Labor-management meetings • Education and training sessions • Interviews • "Compliance Desks"	• "Human Rights Desk" • "Harassment Desk" • Intranet, in-house publications	**Value for Employees** The Group is committed to respecting the individuality of employees and providing opportunities to pursue their careers and achieve self-development.	

Dialogue with stakeholders (FY2025.3 results of activities)

■ Stakeholders of the Daigas Group

Dialogue with Customers

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.

- Phone calls received by customer centers: approx. 3.60 million
- No. of replies to a survey on customer satisfaction: approx. 32 thousand


Customer Center

Dialogue with Various Groups

The groups with which we held meetings included the Kansai Consumers' Association Liaison Commission, the Osaka Voluntary Action Center, and the Osaka Gas Labor Union.

- Dialogue with consumer groups and other private organizations, etc. 903 times


Kansai Consumers' Association Liaison Commission

Dialogue with Local Communities

To realize vibrant local communities, we engage in dialog with local governments, NPOs, corporations, experts, next-generation people, and other stakeholders.

Through communication with local communities, we help solve social issues and realize a sustainable society.

- Urban development and city planning outreach: 40 cases
- Activities contributing to regional revitalization in collaboration with experts and NPOs: 157 times
- Activities contributing to next-generation education: 1,603 times


Food education

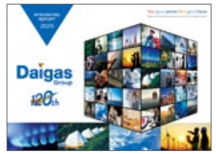
Dialogue with Shareholders and Investors

Osaka Gas strives to build long-term relationships of trust with shareholders and investors by disclosing management and financial information of the Company in a timely and fair manner and appropriately incorporating capital market needs ascertained through constructive dialogue into its management strategies.

In ESG interviews conducted with institutional investors and other parties, we exchanged views on actions against climate change, corporate governance and other topics.

We will continue our efforts to enhance value for shareholders through dialogues with institutional investors and other parties.

- Briefings on financial results; facility tours; Representative Director and Executive Vice President's small meetings; Outside Directors' small meetings; etc.
- Dialog with institutional investors
  (Japan: approx. 80 times, Overseas: approx. 90 times, Sell-side analysts: approx. 20 times)



Integrated Report

Dialogue between Supervisors and Subordinates

Osaka Gas implements an evaluation system that leads to the growth of each and every employee. While enhancing opportunities for meetings between supervisors and subordinates, we clarify each employee's strengths and areas for improvement, which leads to skill development.

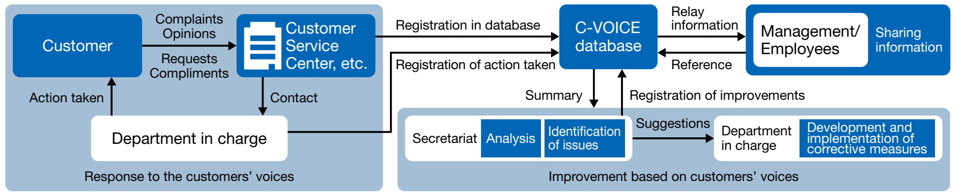
- Meetings based on Management by Objectives (MBO): twice a year
- Interviews based on role expectation evaluation: once a year

System for reflecting the opinions of stakeholders

The Daigas Group considers it a matter of course to listen and respond sincerely to questions/requests regarding our products and services, but we also hear a variety of questions, concerns and comments from numerous stakeholders in the course of conducting our business activities. We believe these opinions to be extremely important to enhancing the quality of the Group's management.

Under these circumstances, we have built the "C-VOICE" database, whereby these customer voices are shared by top-management officials and rank-and-file employees, and are put to good use in improving our business operations and enhancing our service quality. In particular, with regard to complaints, we try to share not only the factual process and the status of our response to customers but also measures to prevent recurrence and improve our systems.

■ Overview of C-VOICE



Mechanism for receiving stakeholder grievances

The Daigas Group responds to the opinions and requests in accordance with the Group's Code of Business Conduct which incorporated international standards such as the Universal Declaration of Human Rights and the United Nations Global Compact, while observing domestic laws such as the Act on the Promotion of Global Warming Countermeasures and the Whistleblower Protection Act.

To deal with voices on the environment, Osaka Gas operates a company-wide Environmental Management System (EMS) according to the ISO 14001. As for the voices of local people who are concerned about the possible effects on local communities of our operations, we set up contact desks including "Customer Centers." To address issues associated with human rights and labor practices, we set up "Compliance Desks" at Osaka Gas's headquarters, major affiliated companies and outside law firms representing Osaka Gas, to receive reports and offer consultation regarding the observance of laws and in-house rules. Furthermore, we have also established a "Human Rights Desk" in the Human Resources Department as a contact point for consultations about the human rights of employees, as well as "Harassment Desk" within respective organizations and affiliates as contact points for consultations about harassment from employees. Other systems established for the benefit of employees include the conducting of surveys designed to measure their work-related awareness, periodically holding meetings for the management to hold talks with labor union members, as well as meetings for employees and their superiors.

As for consultations, grievance, etc. received by the contact desks in FY2025.3, measures to remedy the situation and prevent recurrence were appropriately taken as necessary.

Theme	International and domestic standards	In-house policy and standards	Responsibilities
Environment	• ISO 14001 • Act on Basic Policy on the Rationalizing Use of Energy and Shifting to Non-fossil Energy • Act on Promotion of Global Warming Countermeasures • Waste Management and Public Cleansing Law	• Daigas Group Code of Business Conduct • Daigas Group Environmental Policy • Daigas Group Procurement Policy • Rules for Environment Management Systems • Customer Service Rules	Osaka Gas operates a unified ISO 14001-registered environmental management system (EMS) across the Company under the supervision of the Head of Sustainability Promotion (Director and Senior Executive Officer), and all employees work to reduce the environmental impact of business activities and ensure compliance with environmental laws and regulations. In addition, the Daigas Group's domestic affiliates operate their own EMSs, such as ISO 14001-registered systems, Eco Action 21, and the Daigas Group Environmental Management System (OGEMS).
Local communities	• ISO 26000 • Basic Act on Consumer Policies	• Daigas Group Code of Business Conduct • Customer Service Rules	We have improved systems that directly deal with customers, including "Customer Centers," to enable our customers to express their opinions of our services more expeditiously. We utilize the "C-VOICE" system to share customer opinions and requests throughout the company for use in business improvement measures, product development, and other activities.
Human rights	• Universal Declaration of Human Rights • U.N. Global Compact • Whistleblower Protection Act	• Daigas Group Human Rights Policy • Daigas Group Code of Business Conduct • Customer Service Rules • Rules for the systems of consultation and reporting on legal compliance	For the protection of human rights we have set up "Customer Centers," which are open to stakeholders such as customers and local community members. We have also established the "Human Rights Desk" at the Human Resources Department, and posted "Human Rights Awareness Promotion Leaders" at each Business Unit and major affiliated companies. In addition, we have also set up "Compliance Desks" at Osaka Gas's headquarters, major affiliated companies and outside law firms representing Osaka Gas to receive reports and offer consultations regarding the observance of laws and in-house rules.
Labor practices	• Universal Declaration of Human Rights • U.N. Global Compact • Whistleblower Protection Act	• Daigas Group Human Rights Policy • Daigas Group Code of Business Conduct • Rules for the systems of consultation and reporting on legal compliance	We have established "Compliance Desks" at Osaka Gas's headquarters, major affiliated companies and outside law firms representing Osaka Gas in order to receive reports and offer consultations regarding the observance of laws and in-house rules. Furthermore, the "Harassment Desk" has been set up at each in-house organization and each affiliated company to assist employees facing harassment-related problems in their work. Others systems established for the betterment of employees include the conducting of surveys designed to measure their work-related awareness, periodically holding meetings for the management to hold talks with labor union members, as well as meetings for employees and their superiors.

Initiatives and Organizations the Daigas Group Participates In

We fully embrace the United Nations Global Compact, and in June 2007, we became the first utility in Japan to join. Furthermore, we actively take part and make recommendations in the formulation of various policy measures by the government and municipalities. Through our participation in sustainability initiatives, we will fulfill our role toward the achievement of a sustainable society.

■ Initiatives and Organizations the Daigas Group Participates In

Name	Activity
UN Global Compact	The Global Compact encompasses 10 principles for enterprises to follow in the four fields of human rights, labor standards, the environment, and anti-corruption. Osaka Gas signed and joined the Global Compact in June 2007. We report the progress of our initiatives under the 10 principles of the UN Global Compact on an annual basis.
Women's Empowerment Principles (WEPs)	The Women's Empowerment Principles (WEPs), a partnership initiative of UN Women and UN Global Compact, are a set of seven principles offering practical guidance to companies and private organizations in advancing women's empowerment in the workplace, in the market, and in the community. The seven Women's Empowerment Principles are as follows: Establish high-level corporate leadership for gender equality; Treat all women and men fairly at work - respect and support human rights and nondiscrimination; Ensure the health, safety and well-being of all women and men workers; Promote education, training and professional development for women; Implement enterprise development, supply chain and marketing practices that empower women; Promote equality through community initiatives and advocacy; and Measure and publicly report on progress to achieve gender equality. The Daigas Group endorsed the objective of the Principles and expressed its support in September 2010.
Task Force on Climate-Related Financial Disclosures (TCFD)	The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) encourage companies to disclose climate change-related financial information to promote appropriate investment decisions by investors. Osaka Gas endorsed the TCFD recommendations in May 2019, and utilize them as indicators to validate our climate change response. We also participate in the TCFD Consortium, where discussions take place on efforts toward information disclosure on responses to climate change based on the TCFD recommendations.
World Wide Fund for Nature Japan (WWF Japan)	The World Wide Fund for Nature is a conservation organization active in approximately 100 countries. It aims to build a future in which humans live in harmony with nature by reducing the human impact on the environment and wildlife. Osaka Gas has been supporting WWF Japan as a corporate member since 1983.
Japan Business Initiative for Biodiversity (JBIB)	The initiative was launched in 2008 with the aim of truly contributing to the conservation of biological diversity within and outside Japan through joint research by a wide range of companies, thus generating results that cannot be achieved when a company acts alone. Osaka Gas participated in the initiative as a regular member from 2011 and has been an associate member since FY2025.3.
Keidanren (Japan Business Federation)	As a member company of Keidanren, we respect and practice the spirit of its Charter of Corporate Behavior.
Committee on Nature Conservation	The Committee on Nature Conservation is an organization affiliated with Keidanren. It provides its members information on donations and social contribution activities, as well as conducting projects aimed at deepening the general public's understanding of companies' nature conservation activities. Osaka Gas has participated in the committee as a member company since 2003.
Keidanren Initiative for Biodiversity Conservation	The Keidanren Initiative for Biodiversity Conservation is open to companies and organizations that are committed to more than one of the seven items listed in the Declaration of Biodiversity by Keidanren (Revised Edition) or that agree with the overall objectives of the Initiative. Osaka Gas has been participating in it since 2023.

External Evaluation

Inclusion in SRI Indices

Osaka Gas was included in the following socially responsible investment (SRI) indices, Morningstar Japan ex-REIT Gender Diversity Tilt Index as of June 30, 2025.
Osaka Gas has been selected as a constituent of all six ESG indices for Japanese equities used by the Government Pension Investment Fund (GPIF).

FTSE Blossom Japan Sector Relative Index*1

FTSE Blossom Japan Index

FTSE4Good Index Series

ECPI World ESG Equity

MSCI SELECTION INDEXES*2

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan ESG Select Leaders Index*2

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Nihonkabu ESG Select Leaders Index*2

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index*2

S&P/JPX Carbon Efficient Index

Sompo Sustainability Index

*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Osaka Gas has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.
The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2 The inclusion of Osaka Gas Co., Ltd. in any MSCI Index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of Osaka Gas Co., Ltd. by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Indexes names and logos are trademarks or service marks of MSCI or its affiliates.

External Evaluation of Sustainability Activities

Third-party organization	Evaluation of our company
CDP Climate Change Report 2024	• Leadership A- • Supplier Engagement Assessment 2024 Score A
Ministry of the Environment Eco-First Program	Certified as an Eco-First Company Press release Press release
Ministry of Economy, Trade and Industry and Tokyo Stock Exchange Health & Productivity Stock Selection Program	Selected as a 2025 Health & Productivity Stock Selection Brand
Ministry of Economy, Trade and Industry FY2024 Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting	Selected as Next Nadeshiko
Toyo Keizai Japan CSR Ranking 2025	40th (of about 1,400 companies)
Ministry of the Environment ESG Finance Awards Japan	• Gold Prize in the Fundraisers Category • Selected as an Environmentally Sustainable Company
Ministry of the Environment The second half of the FY 2024. Nationally Certified Sustainably Managed Natural Sites	The Senboku Terminal has been certified as a Nationally Certified Sustainably Managed Natural Sites

Environmental

Environmental

Environmental

Environment Summary

Basic approach

Contributing to regional and global environmental conservation is a pivotal mission of the Daigas Group, which conducts business mainly in the field of energy. Being seriously aware of the close linkage between all its activities and the environment, the Daigas Group will respond to environmental issues, including climate change, develop and promote innovative technologies, address the most critical challenge of working out low-carbon/carbon-neutral energy solutions, achieve more efficient use of energy, raw materials, and other resources, and avoid and reduce any impact on biodiversity.

As for our climate change countermeasures, we announced our commitment to achieving carbon neutrality by 2050 through the publication of our "Carbon Neutral Vision" in January 2021 and "Energy Transition 2030" in March 2023, and based on knowledge we have gained from our new initiatives, we outlined our approaches and specific strategies for the energy transition by 2030.

Since then, we have actively pursued future-focused initiatives by developing various renewable energy power sources, launching and promoting multiple e-methane* production projects, and advancing innovative technologies to facilitate decarbonization efforts.

At the same time, due to rising international geopolitical risks, such as Russia's invasion of Ukraine and escalating tensions in the Middle East, we are facing a growing demand for achieving both energy supply stability and carbon neutrality. In light of the acceleration of our future-oriented activities and the evolving landscape of the energy business, we have formulated Energy Transition 2050 in February 2025, which presents more detailed energy transition roadmap for achieving carbon neutrality by 2050 and outlines solutions for co-creating value for a sustainable future with stakeholders.

Furthermore, in our Medium-Term Management Plan 2026, we have positioned providing carbon neutral energy as one of our material issues, and we will accelerate our efforts to achieve carbon neutrality.

*Synthetic methane produced from hydrogen and CO_2

Specific initiatives

Policy and promotion system

To achieve our medium- to long-term vision, measures, and targets in the environmental field and in line with the Daigas Group Environmental Policy and other bylaws, important environmental matters are monitored by the Environment Subcommittee and the Sustainability Committee, reported to and deliberated by the Sustainability Council (Management Meeting), and submitted to the Board of Directors.

Theme	Items to be addressed	Specific initiatives
Environmental management P.031 Environmental targets P.037	• Strengthening environmental governance • Maintenance and continuation of the environmental management system • Follow-up and raising awareness toward achievement of environmental targets • Enhancing environmental compliance	**Initiatives undertaken in FY2025.3** • Continued operation of the environmental management system • Monitored the environmental impacts in the value chain • Developed environmental human resources through e-learning (5,882 people)
Climate change measures P.038 Disclosure based on the TCFD Recommendations P.049 Contribution by development of technologies P.063	• Contribution to carbon neutrality • Reduction of CO_2 emissions from the Group's own business activities • Reduction of CO_2 emissions from customers' activities and their value chains • Contribution to CO_2 emissions reduction in society as a whole • Utilization of unused energy **Materiality** Provide carbon neutral energy	**Initiatives undertaken in FY2025.3** • Operating LNG carriers efficiently and increasing the use of low-emission vehicles • Accelerating low-carbon/carbon-neutral solutions by using natural gas and facilitating more widespread use of highly energy efficient and high-value-added equipment • Providing environmental value by disseminating high-quality solutions in the fields of information, real estate, and materials • Response to CDP's climate change

Environmental targets

KPIs based on the materiality	FY2025.3 materiality results
CO_2 emissions of the Daigas Group	23.44 million t (8.58 million t less than FY2018.3)*1
Avoided emissions*2	6.29 million t
Contribution to developing renewables capacity on a global basis	3.70 GW
Percentages of renewables in our power generation portfolio in Japan	30.4%
CO_2 emissions reduction in the Group company offices and vehicles	50%
Promotion of e-methane practical application	Conducting a detailed FEED study in the e-methane supply chain projects
Promotion of methanation technology development	The first phase of SOEC GI funds business completed and the second phase implementation plan formulated

*1 CO_2 emissions in the domestic supply chain (Scope 1, 2 and 3).
*2 Calculate the estimated effect of CO_2 emissions reduction in one year of the target FY by introducing high efficiency facilities and low carbon energy, etc. to customer side and the company's business activities in and after FY2018.3.

Theme	Items to be addressed	Specific initiatives
Contributing to creating a resource recycling society P.052	• Promoting 3R efforts in business activities • Promoting 3R efforts in the value chain • Plastic resource recycling activities • Chemical substance management in business activities	**Environmental targets** • Osaka Gas (including Network Company and core energy business companies) (1) Recycling rate of industrial and general waste: 98% or higher, (2) PE pipe recycling rate: 100%, (3) Gas meter recycling rate: 100% • Affiliates (1) Recycling rate of industrial and general waste: 92%* or higher • Promoting 3R efforts concerning used equipment collected from customers or business activities * Due to changes in the boundary, the target was revised in April 2025. **Initiatives undertaken in FY2025.3** • Osaka Gas (including Network Company and core energy business companies) (1) 98.5%, (2) 100%, (3)100% • Affiliates (1) 96.4%
Biodiversity P.055	• Promoting ecosystem conservation efforts • Efforts to minimize impact on natural capital • TNFD response	**Environmental targets** • Identifying risks and promoting conservation initiatives through biodiversity impact assessments • Conserving the environment by promoting reuse of soil excavated during gas piping works: Recycling rate of soil excavated during piping works 99% or higher **Initiatives undertaken in FY2025.3** Continued efforts to avoid or reduce impacts on biodiversity in the value chain • Management of ballast water • Conservation of native seeds, seedlings, and rare species • Utilization of native seeds and seedlings in urban development business • Recycling rate of soil excavated during piping works: 99.7% • Education and training on biodiversity provided for local communities and customers
Water resources P.062	• Efforts to minimize impact on natural capital • Response to water risks	**Environmental targets** • Identifying water risks through water stress impact assessments and promoting water resources conservation • Preventing water pollution: Violation of environmental regulations related to water pollution: 0 **Initiatives undertaken in FY2025.3** • Water usage reduced through water saving in operations • Violation of environmental regulations related to water pollution: 0
Green procurement and purchase P.104	• Promotion of green procurement and purchase	**Initiatives undertaken in FY2025.3** • 81 suppliers registered with the Green Partner Initiative

Environmental Management

Principle and Outline

The Daigas Group has established and operated an environmental management system (EMS) in line with the Daigas Group Environmental Policy, aiming for its achievement. The Policy declares our commitment to addressing climate change and other environmental issues, stating that we will work to further reduce environmental impact, prevent pollution, and protect the environment including biodiversity.

▶ Daigas Group Environmental Policy

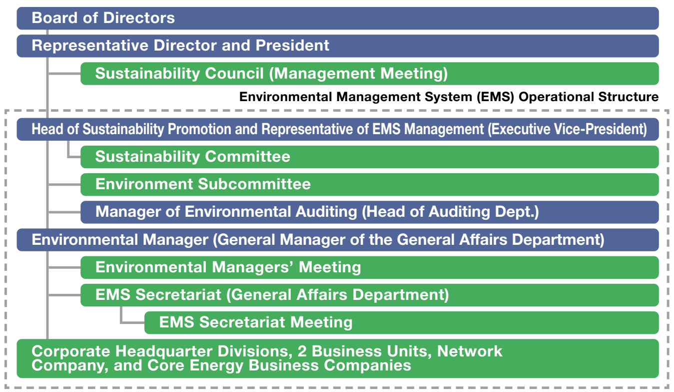
Environmental Governance Promotion Structure

To carry out appropriate and robust activities toward sustainability under the leadership of the Representative Director and President, the Daigas Group has established the Sustainability Council, which comprises executives and deliberates sustainability action plans and reports, and the Sustainability Committee chaired by the Head of Sustainability Promotion (Director and Senior Executive Officer), who supervises the Group's sustainability activities. The Sustainability Committee meets three times a year to discuss and report to the Board of Directors on important matters, including the status of performance against sustainability management targets and business plans that are expected to have a significant financial impact due to climate change.

In addition, the Environment Subcommittee has been set up to advance environmental management in coordination with the Sustainability Committee. Under the supervision of the Head of Sustainability Promotion, Osaka Gas operates a company-wide integrated environmental management system (EMS) based on ISO 14001 to ensure that all employees reduce the environmental impact of our business activities and comply with environmental laws and regulations.

Domestic Daigas Group companies also operate under EMS standards, such as ISO 14001 and the Daigas Group Environmental Management System "OGEMS" and others.

■ Environmental Management Promotion Structure

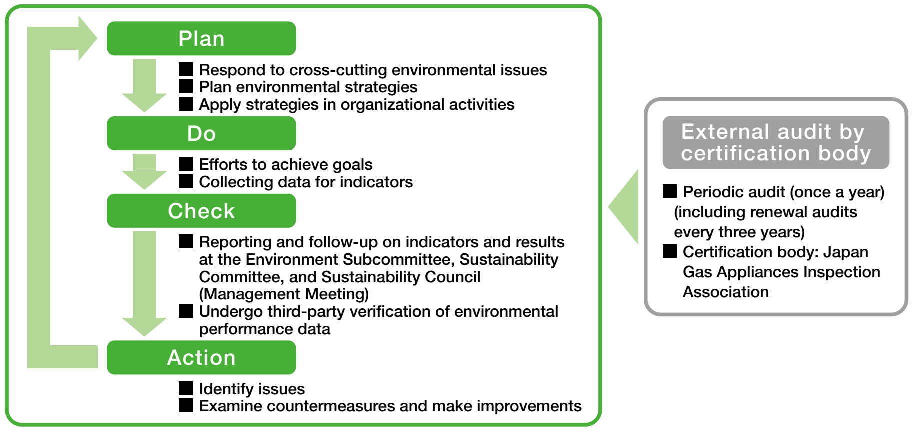


How the Daigas Group's Environmental Management System Works

To reduce the environmental impact of its Group-wide business activities, the Daigas Group has set medium-term environmental targets in its Long-Term Management Vision 2030 and other plans and manages progress in achieving the targets. The environmental targets include those for CO_2 emissions reduction, more widespread use of renewable energy, waste reduction and recycling, and promotion of the recycling of excavated soil. We also annually calculate GHG emissions that affect climate change from the activities throughout our Group's value chain and use that data to advance our efforts to reduce GHG emissions. These targets and the results of our efforts to achieve the targets are managed by following a PDCA (plan-do-check-act) cycle, which utilizes the mechanism of the EMS.

Please see P.049 for information on the climate change-related framework.

■ PDCA Cycle Utilizing the Mechanism of EMS



Remuneration system for executives with environmental value taken into account

Osaka Gas at its Board of Directors meeting held on December 23, 2021 resolved that remuneration for the executives would reflect the sustainability indicators* achievement coefficient of the previous fiscal year in order to help short- and medium- to long-term improvements in corporate value. The resolution took effect with remuneration for July 2023 and thereafter, paid based on the results for FY2023.3.

From FY2025.3 onward, the sustainability indicators achievement coefficient includes the achievement of the target for providing carbon neutral energy and other non-financial (materiality) indicators included in the Medium-Term Management Plan 2026. Please see P.129-P.130 for officer remuneration system.

* ESG indicators was renamed to the sustainability indicators in FY2026.3.

ISO 14001 Certification Acquisition Status

In FY1998.3, Osaka Gas launched efforts to acquire certification of each business unit's compliance with ISO 14001, a set of international standards for EMSs, resulting in seven business-unit-specific EMSs covering the entire Company by FY2006.3. In FY2007.3, the Company began to work to integrate all the different EMSs into a unified one and obtained certification of its Company-wide compliance with ISO 14001 in December 2007. Since 2009, the Company has undergone triennial ISO 14001 renewal audit and has continued to obtain integrated certification in response to organizational restructuring, including the transfer of functions to three Core Energy Business Companies in 2020 and Osaka Gas Network Co., Ltd. in 2022.

Certificate of Registration for ISO14001


External audit meeting for renewal of ISO 14001 certification

All affiliates in Japan completed EMS building and certification

As a general rule, all affiliates in Japan have constructed and operate an EMS, and these efforts are based on the Group common rules "Environmental Management Rules."

The EMSs introduced by affiliate companies include ISO 14001 and an EMS established under the leadership of local governments as well as the Daigas Group Environmental Management System (OGEMS), a voluntary EMS that functions in a similar way to such an EMS.

Violations of Laws and Fines

Osaka Gas was not subject to any administrative sanctions during FY2025.3 for violations of environmental laws and regulations.

Environmental Communication

Environmental education

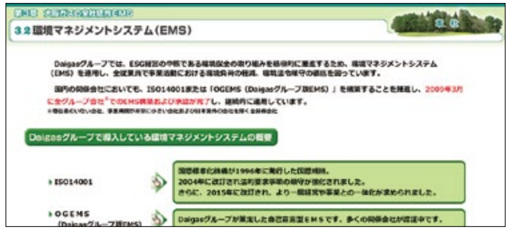
Various events during the Environment Month

Every year in June, designated as Environment Month, employees of the Daigas Group engage in various environmental activities. Among them are energy-saving efforts at offices, environmental preservation activities, environmental education both inside and outside the Company, and participation in regional environmental events such as cleaning activities. By participating in these activities, each and every employee comes to recognize the great connection existing between his or her activities, and their impact on the environment. Such activities provide the Group with opportunities to continue efforts to build an environmentally harmonious society.

E-learning and collective training programs for employees

The Daigas Group provides e-learning and collective training programs as part of operating the environmental management system to ensure that employees are capable of keeping up with the environmental initiatives.

In the ISO Environmental Education Course via e-learning, employees learn basic knowledge about the environment, details of group initiatives, and knowledge of environmental laws and regulations.



E-learning

In addition, in collective training programs, employees learn about the latest trends in environmental issues and practical examples of initiatives, increasing their awareness of the environment.

Environmental awareness-raising activities

Environmental communication based on expertise we have accumulated through business activities

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. In addition to disseminating knowledge on energy conservation and information useful for familiar energy conservation activities through media such as the "My Osaka Gas" membership site, we are also striving to foster the next generation through "energy and environmental education" and other programs that leverage expertise the Group has cultivated through its business activities.

Verified by a third party A third-party verification has been conducted by Bureau Veritas Japan Co., Ltd.

Environmental Impact throughout the Daigas Group Value Chain

Main materials and fuels

Amount of LNG procured	6,051 thousand tons The figure above includes the amounts of the items listed below: ● Materials of city gas ● Fuels at LNG terminals ● Fuels for power generation by Group companies
LPG used for calorific adjustment of city gas	217 thousand tons

Amount of energy used

City gas	1,432 million m³ (including gas whose calorific value has yet to be adjusted)
Purchased electricity	509 million kWh
Other energy sources	13,849 TJ

Amount of vehicle fuel used

Gasoline	1,302 kl
City gas	27 thousand m³
Diesel	790 kl

Sales volume of main products

Gas	6,650 million m³
Electricity	16,982 million kWh

Procurement of materials and fuels
(Business activities by companies outside the Group)

- LNG, natural gas — City gas use/power generation use/marketing use
- LPG — City gas use/marketing use
- Coal, biomass — Power generation use
- Other purchased goods — Materials/consumable goods/capital goods/gas equipment for sale/electricity/gasoline and others

Business activities by Osaka Gas

- City gas production/supply
- Business office
- Power generation
- Heat supply
- LBS business
- Others*

* Engineering/energy services/renovation/maintenance service/R&D etc.

Sales, waste disposal
(Business activities by companies outside the Group)

- Commuting, business trips
- Waste disposal
- Product shipment
- Leasing of assets
- Outlets providing sales support to Osaka Gas

Use at customer site

- City gas
- Gas appliances
- Electricity
- Chemical products
- LNG
- Services

GHG (scope 3*1)

	Emissions (1,000 t-CO_2e)
LNG, natural gas	3,386
LPG, coal, biomass	260
Other procurement items	1,047
Total	4,693

GHG (scope 1 and 2)

	Emissions (1,000 t-CO_2e)	
	Scope 1	Scope 2
City gas production/ Business office (including supply)	45	107
Power generation	4,056	22
Heat supply	57	31
LBS and others	281	175
Total	4,440	335

GHG (scope 3*2)

Emissions (1,000 t-CO_2e)
100

GHG emissions due to energy consumption arising from various activities, including commuting of employees, business trips, transportation of products, business activities at outlets that provide sales support to Osaka Gas, disposal of own waste, disposal of product waste, and leasing of assets.

GHG (scope 3*3)

	Emissions (1,000 t-CO_2e)
Combustion of city gas	13,899
Combustion of LNG	954
Total	14,853

Waste

	Generated	Recycled
General waste	906 t	96%
Industrial waste	92,392 t	96%
Excavated soil	574,000 t	100%
PE pipe	119 t	100%
Used gas appliances recovered	1,320 t	91%

Amount of water intake and water discharge Stated on P.062

Breakdown of Scope 3 categories
*1 Category 1–4 (purchased products, capital goods, fuel procurement, upstream transportation)
*2 Category 5-7, 9, 12–14 (waste, business trips, commuting, leased assets, product shipment, end-of-life treatment of sold products, franchises)
*3 Category 11 (use of sold products)

Companies subject to the calculation of GHG emissions: 68 companies in total, including Osaka Gas Co., Ltd., 2 overseas subsidiaries and 67 companies among 163 consolidated subsidiaries, are subject to calculation of GHG emissions. Those housed in office buildings as tenants and whose environmental data are difficult to grasp and whose environmental effects are minimal and overseas companies, except two companies, are not subject to such calculation.

Please refer to P.034 for CO_2 emission factors used.

Calculation of environmental impacts in the value chain on P.033

■ CO_2 emission factors used (GHG scopes 1 and 2)

- Electricity: 0.65 kg-CO_2/kWh (Average emission factor of thermal power plants in FY2014.3, stipulated in the Plan for Global Warming Countermeasures issued by the government in 2025)
- City gas: 2.09 kg-CO_2/m^3 (based on Osaka Gas data)
- Others: Factors listed under the Law Concerning the Promotion of Measures to Cope with Global Warming

■ Sources of emission factors used for calculating CO_2 emissions (GHG scope 3)

- Production and transmission of city gas: “Life cycle evaluation of city gas” on the website of the Japan Gas Association
- Production and shipment of LNG: Calculation of life cycle greenhouse gas emissions of LNG and City Gas 13A (papers presented at research presentation meetings of the 35th Meeting of the Japan Society of Energy and Resources, June 2016)
- Production and shipment of LPG and coal: Future forecast for life cycle greenhouse gas emissions of LNG and City Gas 13A (Energy and Resources, Vol. 28, No. 2, March 2007)
- Other main emission factors: Emission factors for calculating supply-chain greenhouse gas emissions, etc. (Database Ver. 3.5) published in March 2025 by the Ministry of Environment

LCA comparison of GHG emissions by fossil fuel (CO_2 equivalents)

The chart below uses life cycle assessment (LCA*[1]) to show a comparison of fossil fuel greenhouse gas emissions (as carbon dioxide equivalents), covering all processes from production to combustion. LNG is the cleanest energy of all fossil fuels in terms of GHG emissions.

■ Greenhouse Gas Emissions Comparison (g-CO_2/MJ, Total Calorific Value)

	Coal*[2]	Oil*[2]	LPG*[2]	LNG*[2]	City gas 13A*[3]
Production	4.58	4.06	4.94	8.62	7.63
Transport	1.71	0.79	1.80	1.83	1.48
Domestic manufacturing	–	–	–	–	0.50
Infrastructure	0.11	0.08	0.11	0.05	0.34
Combustion	88.53	68.33	59.85	49.40	50.96
Total	94.93	73.26	66.70	59.90	60.91
Ratio	160	122	111	100	

*1 LCA
Life Cycle Assessment. A comprehensive quantitative method of survey, analysis, and evaluation for best assessing the amount of environmental impact of products and services. The assessment covers all processes related to products and services from resource extraction to waste disposal including production, transportation, consumption, recycling, and disposal.

*2 Source
Future Forecast for Life Cycle Greenhouse Gas Emissions of LNG and City Gas 13A (Energy and Resources, Vol. 28, No. 2, March, 2007)

*3 Source
Emission factors related to the production and transportation of city gas: “City Gas’s Life Cycle Assessment” on the Japan Gas Association’s website. However, for domestic manufacturing, the figures are based on the Company’s emissions in FY2025.3.

Environmental Accounting

FY2025.3 results of environmental accounting

In FY2001.3, we introduced environmental accounting, which we see as an important tool for quantifying environmental costs and economic benefits toward more efficient environmental activities and continuous enhancement of our environmental performance. Regarding environmental conservation costs for FY2025.3, environmental investment increased from the previous fiscal year mainly due to an increase in environmental R&D-related investment, while expenses decreased from the previous fiscal year mainly due to a decrease in the amount of green purchasing. In terms of internal economic effects, cost reduction progressed due to reducing and recycling excavated soil.

We will continue to follow up on our environmental initiatives in monetary terms to ensure efficient environmental investment and expenses.

(1) Environmental conservation costs

Environmental conservation costs item			Investment (million yen)			Expense (million yen)		
Details			FY2023.3	FY2024.3	FY2025.3	FY2023.3	FY2024.3	FY2025.3
In-house activities	Global environment	Capital investment in and management and labor costs incurred by energy conservation, efficient energy use, the protection of the ozone layer, etc.	48	68	761	597	493	905
	Pollution prevention	Capital Investment in and management and labor costs incurred by the prevention of air, water, and noise pollution	6	5	72	31	33	36
	Resource recycling	Capital investment in and management and labor costs incurred by the reduction and recycling of excavated soil, waste management, etc.	2	0	4	20	21	31
	Environmental management	Costs of green purchasing, environmental education, the development of environmental management systems, the operation of environmental organizations, etc.	0	0	0	4,320	4,265	5,497
	Other	Greening at plants, environmental preservation grants, etc.	2	7	2	15	18	22
Environmental impact reduction at customers' sites	Environmental R&D	Cost of researching and developing technologies for environmental impact reduction, environmentally sustainable products, etc.	128	174	185	156	136	187
Environmental impact reduction by recycling	Recycling of used gas appliances	Cost of collecting and recycling sold gas appliances, their packaging, etc.	0	0	0	37	16	36
Social contribution activities		Costs of voluntary greening, environmental advertising, the disclosure of environmental information, etc.	22	0	0	115	138	119
Total			208	253	1,025	5,291	5,119	6,833

(2) Internal economic benefits

	Economic benefits (million yen)		
	FY2023.3	FY2024.3	FY2025.3
Saving from reducing and recycling excavated soil	1,836	2,585	2,563
Sales of valuable resources (LNG cold heat)	195	218	564
Saving from conserving energy, resources, etc.	−940	−69	254
Total	1,091	2,734	3,382

(3) Environmental conservation results

	Impact per output			Total amount			Reduction		
	Unit	FY2024.3	FY2025.3	Unit	FY2024.3	FY2025.3	Unit	FY2024.3	FY2025.3
NOx emissions from LNG terminals in the city gas business	mg/m^3	2.53	1.66	t	16.55	11.02	t	101.05	72.25
COD at all LNG terminals	mg/m^3	0.40	0.39	t	2.60	2.62	t	8.66	9.09
CO_2 emissions from LNG terminals	g-CO_2/m^3	17.37	18.44	1,000 t-CO_2	115.43	122.63	1,000 t-CO_2	0.00	0.00
CO_2 emissions from other sites	g-CO_2/m^3	4.68	4.44	1,000 t-CO_2	31.07	29.55	1,000 t-CO_2	29.80	31.36
Excavated soil for final disposal	t/km	0.00	0.00	1,000 t	0.63	0.15	1,000 t	39.90	38.42
General waste for disposal	g/m^3	0.00	0.00	t	11.11	13.63	t	985.79	983.87
Industrial waste for disposal (including used gas appliances)	g/m^3	0.03	0.02	t	218.67	134.48	t	1,213.28	–5,450.24

(4) Social benefits of environmental conservation efforts (monetary value)

	FY2023.3 monetary value (million yen)	FY2024.3 monetary value (million yen)	FY2025.3 monetary value (million yen)
NOx emissions from LNG terminals in the city gas business	34	36	26
COD at all LNG terminals	14	13	14
CO_2 emissions from LNG terminals[2]	0	0	0
CO_2 emissions from other sites	121	105	110
Excavated soil for final disposal	491	883	850
General waste for disposal	3	3	3
Industrial waste for disposal (including used gas appliances)	38	37	–167
Total	702	1,077	836

Environmental Targets

Principle and Outline

In March 2024, the Daigas Group announced Medium-Term Management Plan 2026, in which we presented our key strategy, positioning the 2024-2026 period as a period to be focused on contributing to the energy transition toward achieving carbon neutrality in 2050 and building a foundation to accelerate our initiatives for a carbon neutral society.

In addition, we revised the Daigas Group Biodiversity Promotion Policy and the Daigas Group Environmental Policy in April 2024, with reference to the National Biodiversity Strategy and Action Plan of Japan 2023-2030 formulated based on the launch of the Taskforce on Nature-related Financial Disclosures (TNFD) in June 2021 and Kunming-Montreal Global Biodiversity Framework, which was adopted at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) held in December 2022.

Based on these policies, we have established environmental targets. The results of initiatives undertaken in FY2025.3 are presented below.

■ **The Daigas Group Environmental Targets and Results Osaka Gas underwent a third-party verification by Bureau Veritas Japan Co., Ltd.** (Verified items are indicated with an asterisk [*].)

Field		Indicators		Targets	Target fiscal year	FY2025.3 results
Climate change		CO_2 emissions of Daigas Group*		Net-zero CO_2 emissions	2051.3	24.42 million tons
				27.02 million tons*1 Domestic: 5 million tons less than FY2018.3.	2031.3	Domestic: 23.44 million tons (8.58 million tons less than FY2018.3)
	Contribution to CO_2 emissions reductions across society	Avoided emissions*2*		10 million tons	2031.3	6.29 million tons
				7 million tons	2027.3	
	CO_2 emissions reductions from our own business activities	Renewable energy development contribution		5 GW	2031.3	3.70 GW
				4 GW	2027.3	
		Percentage of renewables in our power generation portfolio in Japan		Nearly 50%	2031.3	30.4%
				Nearly 30%	2027.3	
		CO_2 emissions reduction in the Group company offices and vehicles		100%	2031.3	50%
				67%	2027.3	
	Contribution by development of technologies	Promotion of e-methane practical application		1% e-methane in gas grid	2031.3	Conducting a detailed FEED study in the e-methane supply chain projects
				Final investment decisions in e-methane supply chain PJ	2027.3	
		Promotion of methanation technology development		Establishing a pilot-scale (400 Nm³/h class) SOEC technology	2031.3	The first phase of SOEC GI funds business completed and the second phase implementation plan formulated
				Transition to the second phase of SOEC GI funds business	2027.3	
Resource recycling		Osaka Gas, core energy business companies, and Osaka Gas Network	Industrial and general waste*	Recycling rate: 98% or higher	Every year until 2031.3	98.5%
			Polyethylene (PE) pipes*	Recycling rate: 100%		100%
			Gas meters*	Recycling rate: 100%		100%
		Affiliates	Industrial and general waste*	Recycling rate: 92% or higher*3		96.4%
		Value chain		Promoting 3R efforts concerning used equipment collected from customers or business activities		Continuously implementing 3R promotion
Biodiversity		Identifying risks and promoting conservation initiatives through biodiversity impact assessments			Every year until 2031.3	Conducting an analysis and assessment in line with the LEAP approach recommended by the TNFD
		Conserving the environment by promoting reuse of soil excavated during gas piping works*		Recycling rate of soil excavated during piping works: 99% or higher		99.7%
Water resources		Identifying water risks through water stress impact assessments and promoting water resources conservation			Every year until 2031.3	Conducting an analysis and assessment in line with the LEAP approach recommended by the TNFD.
		Preventing water pollution		Violation of environmental regulations related to water pollution: 0		Violation of environmental regulations related to water pollution: 0

*1 Emissions in domestic supply chain (Scopes 1, 2 and 3)
*2 Calculate the estimated effect of CO_2 emissions reduction in one year of the calculation FY by introducing high efficiency facilities and low carbon energy, etc. to customer side and the company's business activities in and after FY2018.3.
*3 Due to changes in the boundary, the target was revised in April 2025.

Actions for Climate Change

Principle and Outline

The Daigas Group believes that climate change represents an important management challenge, and that initiatives to reduce CO_2 emissions are a crucial mission. In January 2021, we established and announced the “Daigas Group Carbon Neutral Vision,” indicating our vision of how we strive to become carbon neutral by 2050. In light of the global trend to address climate change, we aim to become carbon neutral by 2050 by reducing CO_2 emissions at the Group, customers, and their value chains, to contribute to achieving a carbon neutral society.

Daigas Group Energy Transition 2050

The Daigas Group has announced its ambition to achieve carbon neutrality (“CN”) by 2050 through publication of its “Carbon Neutral Vision” (January 2021), and has outlined its approaches and specific strategies for the energy transition by 2030 in “Energy Transition 2030” (March 2023).

Since then, we have deepened our activities, while being faced with increasing international geopolitical risks, such as Russia’s invasion of Ukraine, as well as even greater demands to achieve both carbon neutrality and energy supply stability. In light of this situation, we formulated “Energy Transition 2050” in February 2025, which clarifies our energy transition roadmap for achieving carbon neutrality by 2050.

Energy Transition 2050 summarizes the “Comprehensive Overview of Carbon-Neutral Strategy,” “Low-Carbon and Carbon-Neutral Energy Initiatives,” and “Daigas Group’s Solutions for Customers,” and outlines our approaches, initiatives, and co-creation with our customers.

▶ Carbon Neutral Vision (released in January 2021) ▶ Energy Transition 2030 (released in March 2023) ▶ Energy Transition 2050 (released in February 2025)

Challenges Regarding Energy Supply and the Daigas Group’s Principle

Our basic approach to energy supply is S+3E*1, in which balancing the three Es is essential for the transition to low-carbon and decarbonized energy.

However, switching to environmentally friendly energy currently leads to increased costs and reduced supply stability when the supply chain is not yet established. This relationship is referred to as the “3E trilemma,” and the Daigas Group will challenge itself to satisfy all three Es simultaneously. In particular, because Japan is not blessed with natural resources and has a low energy self-sufficiency rate of 12.6%, it relies on energy imports from overseas. As a result, it is necessary to pay close attention to changes in the international situation and global energy policies.

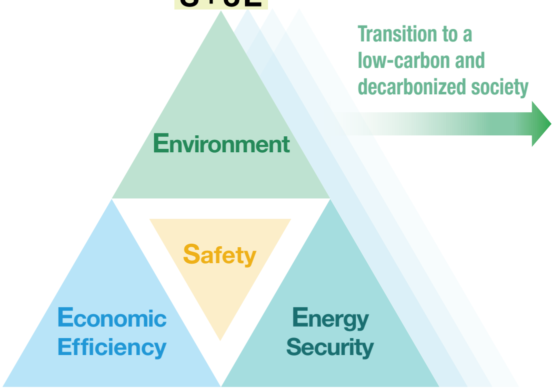
In light of this background, the Group’s fundamental principle is to prioritize supply stability while ensuring safety as a cornerstone, and to offer our customers a variety of environmentally and economically friendly options.

■ Japan’s energy Policy

Achieving S+3E is considered important in Japan’s energy policy. The Seventh Strategic Energy Plan, approved by the Cabinet in February 2025, outlines a new policy direction for 2040, placing emphasis on natural gas in a balanced manner with the country’s basic policy of S+3E, and indicating a policy of prioritizing a stable supply of energy on the premise of safety.

Fundamental Principle for Energy Supply

S+3E



3E trilemma in energy supply

Addressing the challenge of simultaneously fulfilling all the three Es through the Daigas Group’s initiatives

Environment ⬆	Economic efficiency ⬇	(High-cost CN energy)
	Energy security ⬇	(Unevenly-located CN energy plants)
Economic Efficiency ⬆	Environment ⬇	(Conventional energy less costly, emitting more CO_2)
	Energy security ⬇	(Conventional energy more stable in supply)
Energy Security ⬆	Economic efficiency ⬇	(Increased costs due to multiplexing and decentralization)
	Environment ⬇	(Weather-dependent renewable energy)

Risks to consider in energy supply

- International affairs (international conflicts)
- Geopolitics (low energy self-sufficiency)
- Natural disaster (earthquakes, typhoons)
- Pandemic (COVID-19)
- Regulation (carbon pricing)
- Foreign exchange (yen depreciation)

⋮

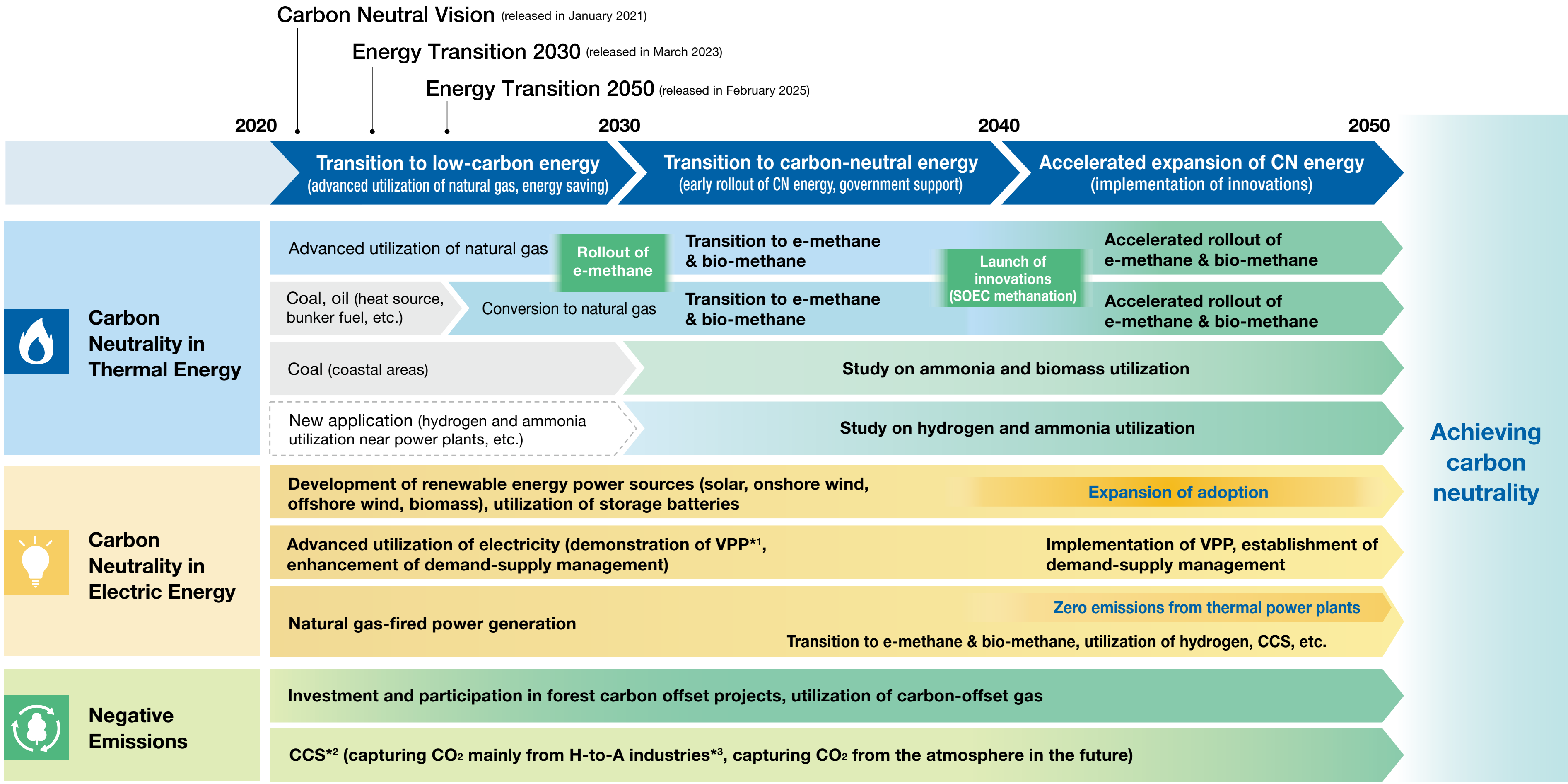
Japan’s energy self-sufficiency: 12.6%*2
→Reliance on energy imports

*1 S+3E: Safety, Energy Security, Economic Efficiency, and Environment *2 FY2023.3 Energy Supply and Demand Results (confirmed report)

Roadmap to Low-Carbon and Carbon-Neutral Energy

As carbon-neutral (CN) energy remains relatively expensive at the current stage, we believe a phased transition is essential to minimizing social costs.

In line with this approach, we will drive the energy transition by reducing carbon emissions through energy savings and existing technologies until 2030, shifting to carbon neutrality with CN energy from 2030, and accelerating the growth of CN energy through innovation from 2040. Through these efforts, we will fulfill our role as a comprehensive energy company in achieving carbon neutrality with stakeholders while delivering optimal solutions in light of S+3E.



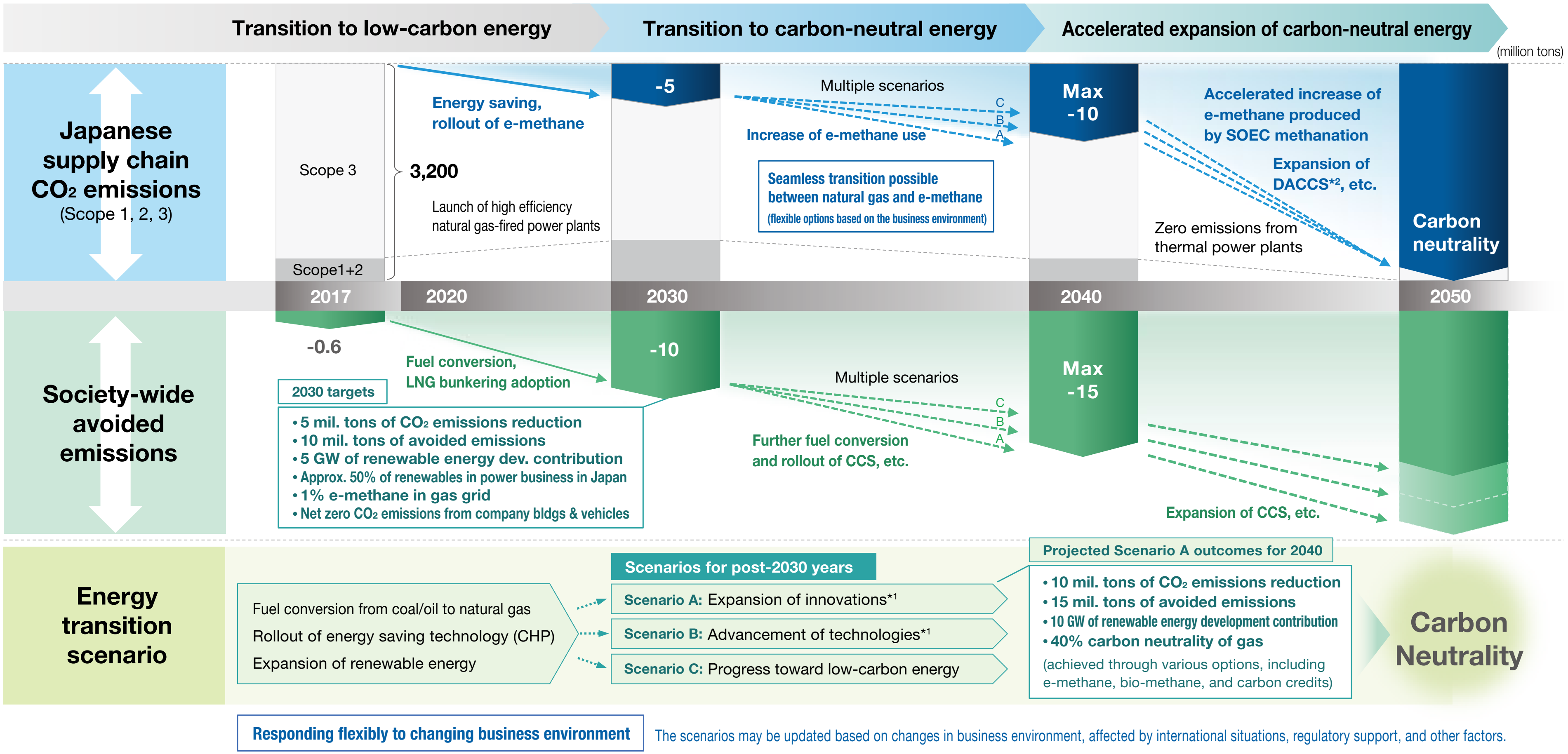
*1 Virtual Power Plant: Operating as a single power generation facility by integrating and controlling distributed energy sources through an aggregator, utilizing information and communication technology.
*2 Carbon dioxide Capture and Storage
*3 H-to-A (Hard-to-Abate) industry: Sectors in which CO_2 emissions reduction is challenging

Roadmap to CO_2 Emissions Reduction

The Daigas Group has formulated a CO_2 reduction roadmap to achieve a CN society in 2050.

With the current emphasis on energy security, the country's energy supply and demand outlook for 2040 requires a variety of scenarios, including risk cases.

Based on this, the Group had considered multiple scenarios for 2040, including the scenario assumed by the government. Below are the estimated values based on the scenario of "Expansion of innovations," which assumes the maximum progress toward carbon neutrality. This is merely one scenario, and we intend to determine its feasibility by around 2030, and to review the scenario, taking into account international situations and trends in regulatory changes.



*1 Energy demand and supply outlook scenarios from Japan's Seventh Strategic Energy Plan.

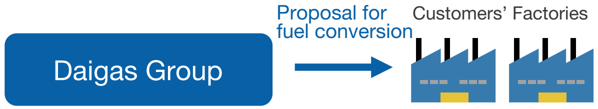
*2 Direct Air Carbon Capture and Storage: Technology that combines DAC for separating and capturing CO_2 with CCS for underground storage.

Approach to Avoided Emissions in Society

As we move toward providing carbon neutral thermal energy, one effective measure during the transition period is fuel conversion from coal and oil to natural gas, which leads to certain reduction of carbon. For example, simply switching from coal to natural gas can reduce CO_2 emissions per unit of heat by about 45%. By switching our fuel to natural gas, the Daigas Group aims to achieve significant regional low carbonization together with our customers and reduce CO_2 emissions throughout society.

Meanwhile, although society's overall CO_2 emissions will decrease significantly, this fuel conversion will increase the use of natural gas, which appears to increase CO_2 emissions throughout the Group's supply chain. This reduction in CO_2 emissions throughout society can be measured with an indicator known as "avoided emissions." It quantifies the extent to which a company's products and services have contributed to reducing CO_2 emissions for others, and the Group will actively promote it as an important indicator.

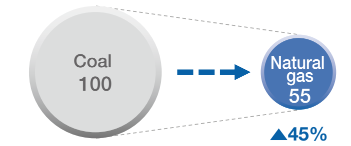
Case Fuel conversion by the Daigas Group (coal to natural gas)



- Fuel conversion substantially reduces customers' CO_2 emissions
  → **Reducing society-wide CO_2 emissions**
- Customers' consumption of natural gas supplied by the Daigas Group will lead to an increase in the Daigas Group's CO_2 emissions

Using the indicator of Avoided Emissions

■ CO_2 Emissions Per Same Calorific Value*2



Avoided emissions: Reduced by 45% through conversion to natural gas

■ What is "Avoided Emissions"?

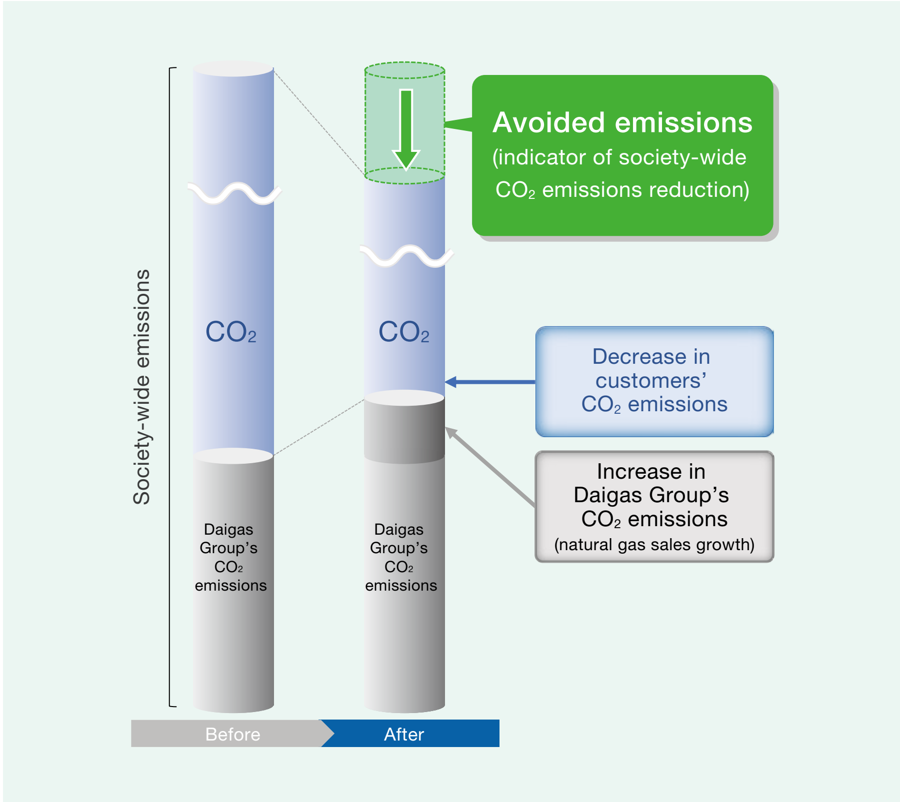
Quantified CO_2 emissions reduction through products and services provided to others

Calculated based on the "Guidelines for Quantifying GHG emission reductions of goods or services through Global Value Chain" (Ministry of Economy, Trade and Industry, March 2018)

Indicator of society-wide avoided emissions through contribution to other companies' emissions reduction

*Prepared based on the "Ordinance Concerning Calculation of GHG Emissions from Business Activities of Specified Emitters" issued by METI and the Ministry of the Environment

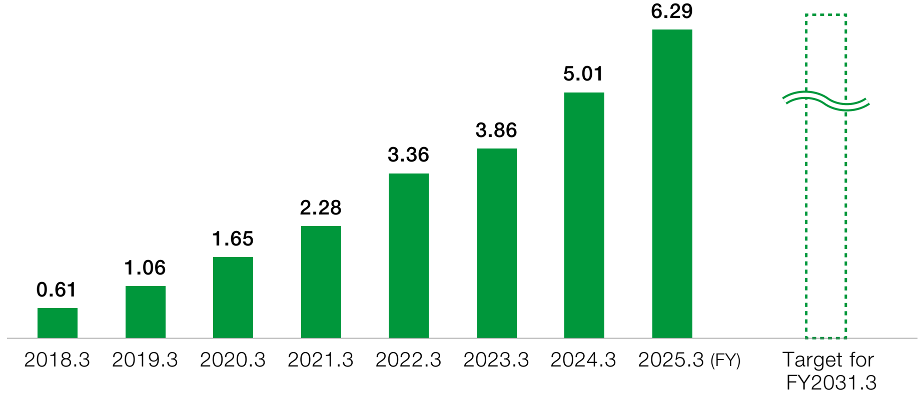
■ Conceptual Diagram of Avoided Emissions



Daigas Group’s Avoided Emissions

The Daigas Group is working to introduce various low-carbon or decarbonized systems both domestically and internationally at our customers’ sites and in our own business activities. The avoided CO_2 emission is calculated for such systems that contribute to the reduction of CO_2 emissions in society as a whole.
The Daigas Group contributed to a 6.29-million-ton CO_2 emissions reduction, as revealed by the results of calculations of the effect of reducing CO_2 emissions in FY2025.3 (FY2025.3 results) achieved by using the systems listed below that the Daigas Group has introduced since FY2018.3 at customer sites and in its own business activities.
The results were calculated using the stock-based approach, based on the “Guidelines for Quantifying GHG Emission Reductions of Goods or Services through Global Value Chain” (published by the Ministry of Economy, Trade and Industry in March 2018), assuming the calculation method and baseline concept shown in the table below. The calculation results were validated by a third-party review by Bureau Veritas Japan Co., Ltd.

■ Avoided Emissions Results (million t)



■ Calculation Method

	Low-carbon/ carbon-neutral system	Reduction effect calculation method	Baseline concept
Reduction of CO_2 emissions from business activities	Renewable energy sources  Wind farm  Solar power plant  Biomass power plant etc.	Amount of electricity generated or procured × Average electricity emission factor of thermal power*	Substitution for thermal power generation
	High-efficiency thermal power generation  High-efficiency thermal power plant	Amount of electricity generated × Difference in CO_2 emission factor between high-efficiency and existing thermal power	Comparison with emission factor of existing thermal power generation
	Cryogenic power generation facilities using cold heat generated in the manufacturing process of city gas	Amount of electricity generated × Average electricity emission factor of thermal power	Substitution for thermal power generation

	Low-carbon/ carbon-neutral system	Reduction effect calculation method	Baseline concept
Reduction of CO_2 emissions at customer sites	High-efficiency distributed system  Household fuel cell system  Cogeneration system	Household fuel cell system: Number of installed units × Reduction per unit	Substitution for conventional water heaters (boilers) and purchased electricity
		Cogeneration system: Installed capacity × Reduction per unit capacity	
	Expanded and advanced use of natural gas  Fuel conversion  High-efficiency water heater  Gas-powered air conditioning	Fuel conversion: Amount developed × Difference in CO_2 emission factor	Emissions comparison with other fuels
		Gas-powered air conditioning: Capacity sold × Reduction per unit capacity	Substitution for conventional air conditioners
		High-efficiency water heater: Number of installed units × Reduction per unit	Substitution for conventional water heaters
	Proposals for energy saving (Photovoltaic power generation systems/Conversion to LED lighting)	Amount of electricity generated or saved × Average electricity emission factor of thermal power*	Substitution for thermal power generation

* Calculated using the average electricity emission factor of thermal power given in the Plan for Global Warming Countermeasures (2025): 0.65 kg-CO_2/kWh (FY2014.3)

Efforts to achieve net zero emissions regarding the Group's CO_2 emissions (environmental impact throughout the Daigas Group value chain)

The Daigas Group calculated the amount of greenhouse gas (GHG) emissions from companies that constitute the Daigas Group's value chain network, based on the GHG Protocol, an international emission accounting standard. The methodology of the calculation and its results have been certified by an independent organization to verify their reliability and accuracy.

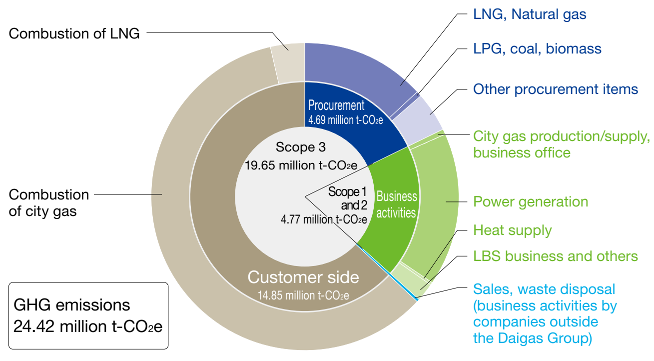
Combined GHG emissions by the Daigas Group and value chain companies, measured by CO_2, totaled about 24.42 million tons in FY2025.3. The sum breaks down into about 4.77 million tons, or about 20%, for GHG emitted through business activities by the Daigas Group (Scope 1 and Scope 2), and about 19.65 million tons, or about 80%, emitted by others in our value chain (Scope 3). GHG emissions from city gas and LNG combustion on the customer side amounted to 14.85 million tons in the reporting year in terms of CO_2, accounting for about 61% of the total. GHG emissions through electricity generation, as measured in terms of CO_2 in the year, amounted to 4.08 million tons, accounting for about 17% of the total emissions, which represented the majority of GHG emissions from the Group's own business activities. As a way of reducing GHG emissions from power generation, the Group will continue to actively introduce highly advanced energy-efficient power generation facilities and use renewable energy sources.

GHG emissions from material and fuel procurement totaled 4.69 million tons, as measured in terms of CO_2 in the year, accounting for about 19% of the total emissions. The procurement of energy sources, especially LNG, accounted for over 80% of that amount. Under these circumstances, we will continue our efforts to improve fuel efficiency regarding the operation of LNG tankers in collaboration with resource suppliers.

* CO_2 emissions in the domestic supply chain (Scope 1, 2 and 3) amounted to 23.44 million tons.

■ GHG Emissions from the Value Chain (FY2025.3 results)

Please see P.033 for detailed data.



Companies subject to the calculation of GHG emissions:
68 companies in total, including Osaka Gas Co., Ltd. and 67 companies among 163 consolidated subsidiaries are subject to calculation of GHG emissions. Those housed in office buildings as tenants and whose environmental data are difficult to grasp and whose environmental effects are minimal are not subject to such calculation. Also excluded from the calculation are overseas companies, except two companies.

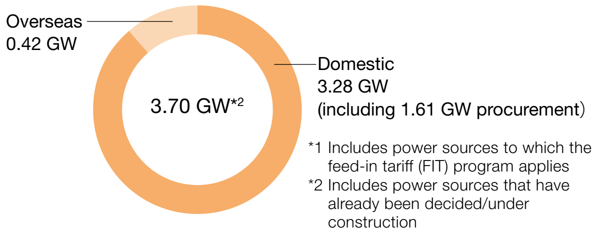
Reduction of CO_2 Emissions from the Group's Own Business Activities—Facilitating the Development of Renewable Energy Sources

The Daigas Group aims to raise by FY2031.3 the percentage of renewables in its power portfolio in Japan to about 50% and renewables development contribution on a global basis to 5 GW. To achieve these targets, it is engaged in renewable energy businesses such as wind, solar, and biomass.

In FY2025.3, the percentage of renewables in our power portfolio was 30.4%, and renewable power development contribution was 3.7 GW.

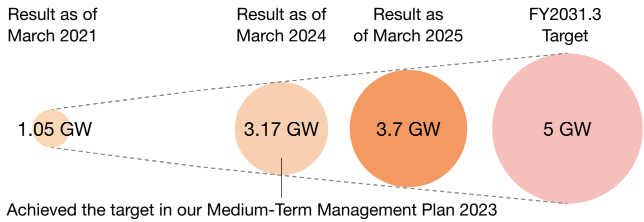
The Hyuga Biomass Power Plant started commercial operation in October 2024, followed by the Aichi Tahara Biomass Power Plant in November. In addition, in July 2024, we joined Floating Offshore Wind Technology Research Association "FLOWRA," a group of power generation companies working on technology development to achieve large-scale commercialization of floating offshore wind power generation. Furthermore, in November 2024, we joined the "24/7 Carbon-free Energy Compact," an international initiative aiming to popularize carbon-free electricity supply at all times, and will continue to contribute to further popularization in the future.

■ Contribution to Developing Renewables Capacity on a Global Basis*1 (FY2025.3)



*1 Includes power sources to which the feed-in tariff (FIT) program applies
*2 Includes power sources that have already been decided/under construction

■ Contribution to Developing Renewables Capacity on a Global basis: Targets and Results



Reducing CO_2 Emissions from the Group's Own Business Activities—Improving Energy Consumption Management and Operational Efficiency

Within the framework of the Energy Efficiency Act, the Group has energy-saving goals and action plans for each company covered by the Act and regularly monitors energy flows that are important to overall energy efficiency. Each company reviews its energy consumption every year and evaluates progress toward its energy goals and action plans. Initiatives to reduce energy consumption include providing energy management training to employees and suppliers and promoting the adoption of cutting-edge energy management technologies and energy-saving systems.

The Group is also working to reduce CO_2 emissions within the Group with measures such as reducing the CO_2 emissions from our offices and company vehicles and adopting cryogenic power generation at our LNG terminals. In FY2025.3, the Materials Business also advanced efforts to reduce CO_2 emissions by installing power generation equipment that utilizes waste heat at its activated carbon factory in India.

CO_2 Reduction Initiatives at Customers and in the Value Chain

The Daigas Group believes that it is important to reduce not only GHG emissions from its own business activities but also CO_2 emissions at customers' sites. We are seeking to assist customers in reducing their CO_2 emissions by popularizing the use of natural gas and developing and proposing highly energy-efficient equipment. We are also cooperating with our business partners and affiliated companies to reduce CO_2 emissions from logistics.

Efforts to reduce CO_2 emissions in LNG transportation

Heavy fuel oil is mainly used for marine fuel, and the International Maritime Organization (IMO) has set a goal of zero GHG emissions by around 2050. Osaka Gas became the first city gas company to start a Shore-to-Ship*1 LNG fuel supply business for ships in April 2025, aiming to reduce the carbon footprint of marine fuel.

Since 2019, the Company has been supplying LNG fuel to ships using the Truck-to-Ship method*2, and with the launch of the Shore-to-Ship supply business, we are now able to supply LNG fuel with two methods. In addition, we plan to start a Ship to Ship*3 LNG fuel supply business for ships in the Osaka Bay and Setouchi area in FY2027.3. This will enable LNG fuel supply in a variety of ways, contributing to a stable and flexible LNG fuel supply. In the future, we aim to decarbonize marine fuel by replacing LNG supplied as marine fuel with e-methane.

*1 A method in which LNG is supplied from an onshore LNG terminal to LNG-fueled ships moored at a quay or pier.
*2 A method in which LNG is supplied to an LNG-fueled ship moored at a quay from an LNG tanker truck parked at the pier.
*3 A method in which a bunkering vessel comes alongside an LNG-fueled ship moored at a quay or anchored at an anchorage to supply LNG.

■ LNG bunkering methods

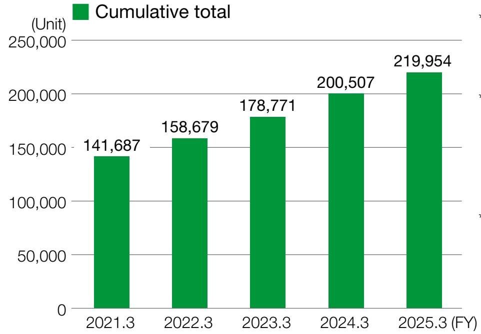
Approaches at customer sites to reduce CO_2 emissions through the introduction of high-efficiency decentralized system

To help realize a low-carbon society, Osaka Gas is striving to sell and disseminate "ENE-FARM" as a co-generation system for household use that helps conserve energy and reduce CO_2 emissions, which generates electricity through chemical reactions between the hydrogen extracted from city gas and oxygen in the air. "ENE-FARM" is a high-efficiency energy system that makes effective use of the heat generated alongside electricity to supply hot water.

"ENE-FARM type S," launched in April 2020, attains the highest power generation efficiency in the world*1 of 55%*2. Moreover, the main unit has improved in durability and has been significantly downsized. It is equipped with the industry's first electric water-heating mode, which allows customers to use hot water heated by a built-in electric heater even when the supply of city gas is interrupted. As these features were highly regarded, "ENE-FARM type S" won the 7th Japan Resilience Award (2021)*3 and other awards. In addition, with our IoT connection services, which provide even greater convenience and security, we have developed the "EF Failure Sign Monitoring System." This system can monitor for signs of failure in a timely manner using "ENE-FARM" operating data, and it won a grand prize in FY2025.3 Japan Gas Association Technology Award.

Furthermore, we offer various enhanced services, which have been chosen by many customers, including the surplus power purchase service "E-Share," designed to improve ENE-FARM's environmental friendliness and economic efficiency even more.

■ Cumulative Sales Total of the Fuel Cell Systems



*1 Household fuel cell system whose rated output is 1 kW or less in Lower Heating Value (LHV). (based on a survey conducted by Osaka Gas as of the end of January 2020)
*2 Power generation efficiency when rated power generation is continued for at least three hours (e.g. under the surplus electricity purchase system). In the cases other than the above, the rated power generation efficiency is 54% (overall efficiency: 87%) in Lower Heating Value (LHV).
*3 A system organized by the Association for Resilience Japan that discovers, evaluates, and awards advanced activities related to resilience which are being developed throughout Japan in order to build a resilient society for the next generation. The award was held for the seventh time in FY2022.3.

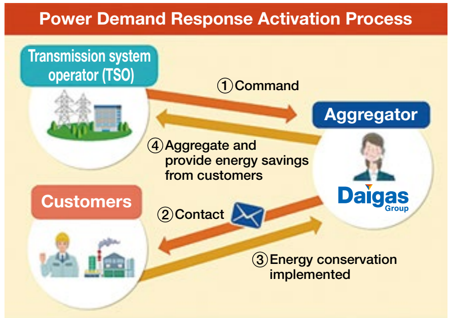
Initiatives to Reduce Future Energy Consumption

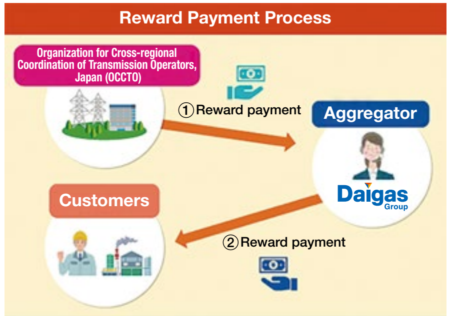
The Daigas Group has been offering "D-Response," a demand-response service that allows customers to control their power load equipment and private power generation equipment (load equipment and the like), as an aggregator in the capacity market* operated by the Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO). This service enables customers to receive rewards by reducing their electricity demand. As of the end of FY2025.3, this service has been implemented at approximately 243 locations.

* In the capacity market, future supply capacity (kW) is traded, rather than electricity volume (kWh).

■ D-Response

When power supply is tight, demand response is activated at the discretion of the transmission system operator.





Initiatives for Carbon Dioxide Capture, Utilization, and Storage (CCUS)

Osaka Gas is cooperating with partners to explore and collaborate on carbon dioxide capture and utilization (CCU) and carbon dioxide capture and storage (CCS), applying the expertise of both companies.

In May 2023, Osaka Gas started conceptual design and economic feasibility studies in collaboration with Mitsui Chemicals, Inc., applying our expertise in e-methane and CO_2 storage. Our goal is to separate and capture CO_2 from exhaust gas emitted from the manufacturing plants and utility facilities of Mitsui Chemicals, Inc.'s Osaka Works, with the aim of utilizing CO_2 (CCU) both domestically and internationally and storing it underground (CCS). Furthermore, also in May 2023, we signed a joint study agreement with Shell Singapore Pte. Ltd. ("Shell") to combine our knowledge of CO_2 emissions from factories with Shell's global network and expertise relating to CO_2 liquefaction and transportation and CCS to conduct a feasibility study of a CCS value chain that envisions collecting and liquefying captured CO_2, transporting it by ship to a storage site in the Asia-Pacific region, and injecting and storing it underground.

Starting in March 2024, we have been working with Mitsubishi UBE Cement Corporation, drawing on our knowledge of e-methane and CO_2 storage, to design a CCUS value chain and assess its economic feasibility, consisting of CCS, including capturing CO_2 derived from thermal energy emitted from cement calcination kilns and cement raw materials at Mitsubishi UBE Cement Corporation's Kyushu Plant and injecting and storing it underground, as well as reusing it using e-methane.

Furthermore, by combining Mitsubishi Heavy Industries, Ltd. and Osaka Gas's expertise in e-methane and CO_2 storage with Mitsubishi Heavy Industries, Ltd.'s expertise in CO_2 capture, liquefied CO_2 transportation, and CO_2 management (CO_2NNEX®*), we are conducting a business feasibility assessment of CCUS, consisting of CCS, including CO_2 capture measures, CO_2 transportation by ship, and underground storage, as well as reusing it as e-methane.

Through these initiatives, we aim to build a CO_2 value chain and promote the expansion of carbon recycled fuel applications.

* CO_2NNEX: trademark owned by Mitsubishi Heavy Industries, Ltd.

A business aiming to achieve local production for local consumption of biomass fuel and a stable supply system using fast-growing trees

In March 2019, Osaka Gas established Green Power Fuel Corporation (hereinafter, "GPF"), a joint venture company that procures and sells domestically grown woody biomass for biomass power plants, in cooperation with Seishin Shinrin Shigen Co., Ltd. and Nippon Paper Lumber Co., Ltd.

In cooperation with Seishin Shinrin Shigen, which has abundant knowledge about forestry, and Nippon Paper Lumber, which has a long track record in dealing in domestically grown woody biomass, GPF procures and transports unused wood from woodlands in Japan as power generation fuel to ensure stable, long-term biomass supply for several biomass power plants, such as Hirohata Biomass Power Plant and Hyuga Biomass Power Plant owned by the Group.

Furthermore, in December 2021, we signed a cooperation agreement with Shiso City, Hyogo Prefecture, regarding the utilization of fast growing trees for fuel applications, with the aim of local production and local consumption of biomass fuel and sustainable growth of Japan's forestry. We also signed a comprehensive agreement with Himeji City, Hyogo Prefecture in March 2025 regarding efforts to decarbonize through the use of wood resources for energy.

Both agreements focus on "fast growing trees*1," which are expected to have shorter growth and logging cycles than those of general tree species, from the perspective of further increasing its biomass procurement volume and ensuring procurement stability. We will work to build a stable biomass fuel supply system and develop a sustainable business model for forestry in Japan through the utilization of fast growing trees, and will use the results to realize the independent operation*2 of biomass power plants after the purchase period under the FIT scheme expires.

*1 A general term for trees that grow faster than the commonly planted tree species. Some representative species include Chinaberry and Chinese Fir.
*2 Under the feed-in tariff (FIT) scheme, renewable electricity is purchased at fixed prices for 20 years at maximum. After this period, the generated electricity must be sold at market prices. For this reason, GPF aims to substantially reduce mainly transportation costs by using domestically produced fuels, thereby realizing sustainable fuel costs.

Building a system to evaluate carbon credit quality using generative AI

The Daigas Group is working to realize a carbon-neutral society with a wide range of initiatives, including expanding the use of renewable energy, improving energy efficiency, and introducing new technologies. We also believe that contributing to stakeholders' decarbonization efforts with carbon credits tailored to customer needs is an important initiative.

Carbon credits are gaining attention both in Japan and abroad as a means to offset carbon dioxide emissions that cannot be fully reduced through renewable energy use and energy-saving efforts. Osaka Gas promotes the acquisition and utilization of carbon credits through investments in domestic and international projects.

In FY2025.3, we developed a carbon credit quality assessment system using generative AI with the aim of significantly improving the transparency and reliability of the carbon credit market. With this system, companies and investors can select high-quality credits and achieve effective emission reductions. It also helps avoid the risk of greenwashing and improve corporate environmental performance.

This system uses generative AI to analyze carbon credit creation project plans and assess their quality by assessing the consistency between the standards established for actual credit certification and those set by initiatives and rating agencies. We have confirmed that the system's accuracy is high when compared with past assessments by rating agencies and other organizations. By utilizing AI, we are able to comprehensively assess a huge number of carbon credit creation projects, enabling us to compare the quality of projects, and we have obtained a patent for this system.

We will pursue all possibilities in collaboration with partners, such as licensing this system and utilizing it within the formation of a credit trading platform.

Furthermore, in March 2025, we launched the system as a web-based service called "GreenChecker." This is the first service in the world to evaluate the quality of carbon credits using generative AI. By launching this web service on a preliminary basis, we further refined it based on feedback, and made it generally available in August 2025.

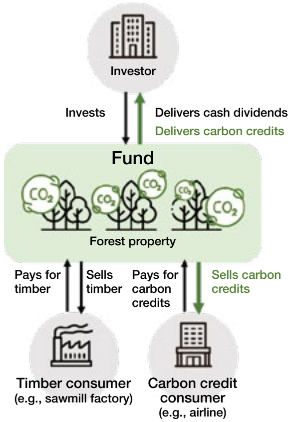
Involvement in a forestry fund formed by the Sumitomo Forestry Group

In July 2023, Osaka Gas announced its joint investment, along with nine other Japanese companies, in the Eastwood Climate Smart Forestry Fund I ("the Fund") established by the Sumitomo Forestry Group.

The size of this fund is approximately 600 million yen, and the investment period is planned for 15 years. By 2027, the pooled capital will have been invested in the acquisition and management of 130 thousand hectares of forest, primarily in North America. The Fund will contribute to the realization of a carbon-neutral society by generating new absorption of CO_2 and the production and trading of high-integrity carbon credits. (Approx. 90 thousand hectares of forest assets acquired as of February 2025.) The value of forests as natural capital will also be enhanced, such as by maintaining biodiversity and conserving water resources. the Fund will deliver global climate benefits by supporting responsible forest management at an area and financial scale beyond that which individual companies could achieve on their own.

An example of forests purchased by the fund
(Courtesy of Eastwood Forests, LLC)

■ Structure of forestry fund



Osaka Gas Urban Development Co., Ltd. completed construction of its first logistics facility “MFLP•OGUD Osaka-Torishima” —environmentally friendly facility, including ZEB certification—

Osaka Gas Urban Development Co., Ltd. completed construction of “MFLP･OGUD Osaka-Torishima” (Konohana-ku, Osaka), a joint project with Mitsui Fudosan Co., Ltd., in February 2024. “MFLP･OGUD Osaka-Torishima” is the first logistics facility project by Osaka Gas Urban Development, with solar panels installed on its rooftop that generate approximately 650,000 kWh of electricity through a corporate PPA project*[1] with Daigas Energy Co., Ltd. In addition, it supports carbon neutrality, including provision of LED lighting for indoor lighting in common and private areas and RE100-compliant green power to meet customer needs.

These environmentally friendly efforts were highly regarded, and it received the A rank of the CASBEE Osaka Mirai (Comprehensive Assessment System for Built Environment Efficiency in Osaka City) and the highest rank of ZEB certification.

DBJ Green Building Certification*[2] was also obtained.

*1 Corporate PPA project
Long-term contracts for the purchase of renewable energy power between companies as consumers of electricity and power producers.

*2 DBJ Green Building Certification
DBJ Green Building Certification is a certification system for real estate that takes environmental and social considerations into account.
Real estate sustainability is certified on a five-star scale from ★ to ★★★★★ based on a comprehensive assessment of five criteria, including the building’s environmental performance and consideration for the surrounding environment and community.

Osaka Gas Urban Development Co., Ltd. has adopted ZEH-M Oriented as standard features of its condominium

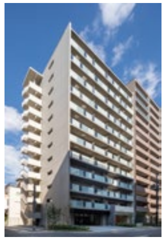
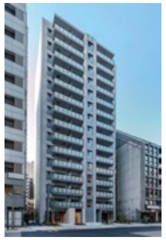
Osaka Gas Urban Development Co., Ltd. obtained ZEH developer certification in April 2022, and has since adopted ZEH-M Oriented as standard features for its new condominium brand “Scenes.” For Scenes, efforts have been made to obtain Comprehensive Assessment System for Built Environment Efficiency (CASBEE) rank A certified, and certification as a low-carbon building (a building that contributes to the reduction of carbon dioxide emissions). In addition, the company is actively adopting energy-saving equipment such as household fuel cell system ENE-FARM, low-E double glazing, heated bathtubs, water-saving toilets, and LED lighting. Seven new condominiums have been offered with ZEH-M as standard features by FY2025.3 (Ready: 3 and Oriented: 4).

Rental apartment series “Urbanex” of Osaka Gas Urban Development Co., Ltd. obtained certification for ZEH-M Oriented certification

Osaka Gas Urban Development Co., Ltd. develops urban-type rental apartment series “Urbanex.” Urbanex Hommachi II, Urbanex Temmabashi South, and Urbanex Tsukaguchi obtained ZEH-M Oriented certification*[1].

In addition to obtaining ZEH-M Oriented certifications for its rented apartments, the company also works to introduce renewable energy through Style Plan E-ZERO*[2], and to obtain environmental certifications, such as CASBEE for Real Estate*[3] and DBJ Green Building Certification.

■ Rented apartments with ZEH-M Oriented certification and renewable energy

Name	Urbanex Hommachi Ⅱ	Urbanex Temmabashi South	Urbanex Tsukaguchi
Exterior view			
Outline	Completed in 2024 Total number of units: 76	Completed in 2025 Total number of units: 42	Completed in 2025 Total number of units: 40

*1 ZEH-M Oriented certification
ZEH is an abbreviation for “net Zero Energy House.” ZEH-M Oriented certification is obtained by reducing annual primary energy consumption by 20% or higher by achieving substantial energy conservation while maintaining the indoor environment through measures such as improving insulation performance and introducing efficient equipment, etc. in ZEH-M, the housing complex version.

*2 Style Plan E-ZERO
Electricity price menu offered by Osaka Gas, with zero CO_2 emissions and consisting of 100% renewable energy.

*3 CASBEE for Real Estate
CASBEE evaluates and rates the building’s environmental performance. It is a system that comprehensively assesses the building’s environmental performance including indoor comfort and consideration for the landscape, in addition to aspects of reducing environmental impact such as energy conservation, resource conservation, and recycling performance. CASBEE for Real Estate was developed to utilize the environmental assessment results of buildings in CASBEE for real estate assessment. The assessment is conducted on existing buildings that have been completed for at least one year, and buildings are scored in five categories of energy/greenhouse gases, water, resource use/safety, biodiversity/site, and indoor environment, and rated on four levels: “rank S★★★★★,” “rank A★★★★,” “rank B+★★★,” and “rank B★★.”

Support and Participation in Climate Change Prevention

Participated in the “Keidanren Carbon Neutrality Action Plan” (formerly titled “Commitment to a Low Carbon Society”)

Recognizing that global warming is a global long-term issue to be solved, the Japan Business Federation (Keidanren) formulated a plan titled “Keidanren’s Commitment to a Low Carbon Society” in 2013 (revised in 2017), presenting a vision common to the Japanese industries of leveraging their technological prowess to play a central role in achieving the target of reducing global GHG emissions by half by 2050. This plan envisions that each member industry should work to reduce CO_2 emissions from business activities and people’s lives in Japan by introducing the best available technologies (BAT) to the maximum and that aspiring initiatives to stop global warming should be actively encouraged abroad. The plan also sets targets for strategically developing innovative technologies that will help achieve a breakthrough for the reduction of CO_2 emissions by half by 2050.

Among the industrial organizations participating in this plan, the Japan Gas Association and the Electric Power Council for a Low Carbon Society have established their own action plans to achieve a low-carbon society in the city gas industry and the electricity industry, respectively. Osaka Gas, a member of both organizations, participates in those plans for both industries, cooperates in annual surveys of progress in reducing CO_2 emissions and energy-saving measures, and promotes initiatives to address global warming (climate change).

In June 2021, this plan was renewed as the “Keidanren Carbon Neutrality Action Plan.” From now on, we will formulate a plan to achieve carbon neutrality by 2050 and promote initiatives to serve that purpose.

Support for the “GX Acceleration Declaration”

In December 2024, Osaka Gas issued a declaration of intent regarding corporate procurement and initiatives for GX products*1, titled the “GX Acceleration Declaration”*2.

As early implementation in society of GX products is crucial to accelerating green transformation throughout society, the Company will promote GX throughout our supply chain by actively contributing to the social implementation of GX products through the evaluation of the GX value of our products and services, in addition to our Scope 1 and 2 reduction efforts.

*1 Products that significantly reduce emissions during the manufacturing process or contribute to reducing the emissions of others.
*2 A framework established in December 2024 following the discussion within the GX League, a consortium in which a group of internationally competitive companies that boldly take on the challenge of transitioning to carbon neutrality will drive GX.

Together with Kobe City, Osaka Gas was selected as a “Decarbonization Leading Area” by the Ministry of the Environment

Osaka Gas supports regional decarbonization policies promoted by the government and is working with local governments and other stakeholders to advance decarbonization initiatives tailored to the region’s characteristics.

In 2024, together with Kobe City and five other companies, we applied and were selected as part of the Ministry of the Environment’s “Decarbonization Leading Areas*(fifth round)” program with our plan aimed at evolving the post-earthquake reconstruction project, the “Kobe Biomedical Innovation Cluster,” into a decarbonized city that protects lives on the occasion of 30 years since the Great Hanshin-Awaji Earthquake. To promote this project, we concluded a partnership agreement with Kobe City for mutual partnership and cooperation.

The Company will promote urban development of decarbonized communities by providing a variety of solutions, including support for the introduction of renewable energy and energy-saving equipment and renewable energy supply.

* “Decarbonization Leading Areas” are regions that aim to achieve net-zero CO_2 emissions from electricity consumption in households and business sectors by 2030 and also make efforts to achieve reductions in other greenhouse gas emissions by utilizing local characteristics.

Signing ceremony for the partnership agreement with Kobe City

From left: Shinichi Ueda, Senior Executive Officer of Osaka Gas; Masao Imanishi, Deputy Mayor of Kobe City

Participating in the creation of guidelines for avoided greenhouse gas emissions

Osaka Gas participated in the formulation of “Guidelines for Calculating and Disclosing Avoided Organizational Greenhouse Gas Emissions,” published by the avoided environmental emission assessment study group of the Institute of Life Cycle Assessment, Japan in December 2024, as a member of the study group. These guidelines were made to enable organizations to understand the scale of their contribution to society by calculating their avoided emissions, and to use the results in organizational management and decision-making toward future decarbonization, as well as to communicate with society through disclosure. Osaka Gas was also involved in the production of the “Guidelines for Calculating Avoided Greenhouse Gas Emissions in the City Gas Industry,” published by the Japan Gas Association in March 2024. The project contributed to encouraging city gas business operators to quantify the amount of avoided emissions by their own businesses and services both at home and abroad, to appropriately communicate this information to stakeholders, and to utilize the results in management indicators.

Disclosure Based on the TCFD Recommendations: Recognition of and Action on Risks and Opportunities

Principle and Outline

Tackling climate change is seen as one of the Sustainable Development Goals (SDGs) adopted by the United Nations. Since the Paris Agreement came into force in November 2016, initiatives to tackle climate change are being undertaken around the world. In Japan, the country declared carbon neutral by 2050 in October 2020, making it even more important to address climate change.

For the Daigas Group, which is engaged primarily in the energy business, climate change represents an important management challenge, and initiatives to reduce CO_2 emissions are a crucial mission. In January 2021, the Daigas Group established and announced the “Daigas Group Carbon Neutral Vision,” indicating its vision of how it strives to become carbon neutral by 2050.

In March 2023, we released “Energy Transition 2030 (ET2030),” which outlines the overall roadmap for the transition to carbon neutral energy, as well as our Group’s specific initiatives and solutions we can offer our customers toward 2030, and presented it to stakeholders. In the Daigas Group Medium-Term Management Plan 2026, announced in March 2024, we position providing carbon neutral energy as one of our key initiatives. In February 2025, we announced “Energy Transition 2050 (ET2050),” which clearly showed our energy transition roadmap toward achieving carbon neutrality by 2050 and presented solutions for co-creating “value for a sustainable future” with stakeholders.

The recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) announced in June 2017 (the “TCFD recommendations”) encourage companies to disclose climate change related financial information to promote appropriate investment decisions by investors.

Osaka Gas supports the TCFD recommendations, and utilizes them as indicators to validate its climate change response. We also participate in the TCFD Consortium*, where discussions take place on efforts toward information disclosure on responses to climate change based on the TCFD recommendations.

* TCFD Consortium
The TCFD Consortium was established on May 27, 2019, whose members from the Japanese private sector discuss how companies can effectively disclose information on tackling climate change and how financial institutions can use the disclosed information to make appropriate investment decisions. From the Japanese government, the Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate as observers in the consortium.

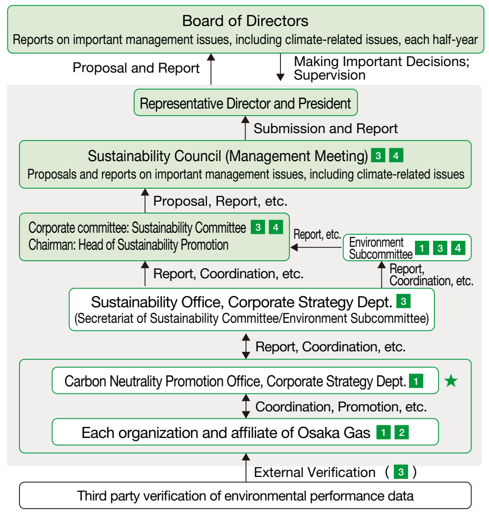
Climate Change Governance

The Daigas Group regards tackling climate change as a key management issue. Just as with other important business activities across the Group, the Board of Directors is responsible for making decisions on and supervising activities aimed at tackling climate change and other environmental issues. At the Sustainability Council (Management Meeting), which is held three times a year, executives discuss activity plans and activity reports related to ESG issues, including climate change issues, and submit reports to the Representative Director and President.

The Group also has the Sustainability Committee, chaired by the Head of Sustainability Promotion (Director and Senior Executive Officer), an executive who supervises the Group’s sustainability activities, and consisting of the heads of related organizations. The Sustainability Committee meets three times a year for cross-organizational deliberation, coordination, and supervision of climate-change-related issues, including the planning and promotion of related business activities, progress in achieving relevant targets, and risk management and countermeasures. The committee submits to the Board of Directors deliberation proposals and reports on important agenda items, such as the status of achievement of sustainability-related Sustainability management targets and business projects expected to sustain a major financial impact due to climate change.

Directors other than Outside Directors are paid performance-linked remuneration, and the coefficient of Sustainability indicators achievement is used as one of the performance indicators. Sustainability indicators include CO_2 emissions and other climate change-related indicators toward achieving carbon neutrality.

■ Governance/Risk Management System for Climate Change



1 Plan formulation
- Response to cross-cutting issues relating to climate change*2
- Formulation of strategies relating to climate change*2
- Reflection in activities of each organization

*2 Including risks and opportunities associated with climate change

2 Implementation/Operation
- Actions for each target
- Performance tracking for each indicator

3 Checking
- Report and follow-up for each target and performance at the Environment Subcommittee, Sustainability Committee, and Sustainability Council (Management Meeting); third party verification of environmental performance data

4 Review
- Identification of issues
- Evaluation and implementation of countermeasures

★ Establishment of Carbon Neutrality Promotion Office (April 2022)
Oversight of establishment and promotion of strategies to achieve carbon neutrality; coordination, planning promotion and follow-up with each organization and affiliate.

Strategy

Scenario analysis

The Group has been working on climate change scenario analysis using scenarios published by an external organization (International Energy Agency, IEA) with the aim of understanding the impact of climate change on the Group’s business on a medium- and long-term basis and using its results as reference material for evaluating and preparing countermeasures.

We assessed our energy businesses (gas, electricity and related businesses in Japan and overseas) which are expected to experience the greatest impact from climate change among the Group’s businesses, assuming the scenarios that take into account the progress of energy conservation and changes in the composition of power sources, etc. (1.5℃ Scenario (NZE2050) and 2.6℃ Scenario (STEPS)*2).

We steadily implement initiatives to increase the resilience of the Group’s businesses, while applying the suggestions gained from scenario analysis to our evaluation of medium- and long-term business strategies. Moreover, as the global response to climate change continues to progress, the scenario’s preconditions may also change in the future. We will continue to deepen our scenario analysis, renewing our assumptions in line with the latest conditions as necessary, taking into account scenarios established by external authorities.

*2 Authority: IEA “World Energy Outlook 2021”

Recognition of risks and opportunities

Using a multi-track scenario analysis, the Daigas Group identified anticipated risks and opportunities, based on the environment surrounding its domestic and overseas energy businesses, evaluated them, and examined countermeasures in the short- to medium-term toward 2030 and the long-term toward 2050.

The Group is engaged in gas and electricity businesses, primarily in the Kansai region, which use natural gas as their main raw material and fuel. The external environment is undergoing various changes due to climate change. We have classified the major factors associated with these changes into “transition risks” and “physical risks,” and identified the major risks and opportunities. Significant risks for the Group related to climate change include the possibility that rising sea levels and natural disasters such as typhoons and torrential rains due to localized abnormal weather events, etc. may cause damage to our manufacturing/distribution equipment. In addition, it is possible that our businesses may be affected by significant increases in the carbon tax rate in Japan, or an increased desire among our customers to switch to non-fossil fuels. However, promotion of the development and spread of renewable energy and technologies for carbon neutrality also represents a significant opportunity for the Group.

The Group will pursue sustainable growth by promoting portfolio management through diverse businesses in order to respond appropriately to the identified risks and opportunities.

■ Evaluation of Risks and Opportunities

			Scenario	Impact	Impact on Business: Short- and Medium-Term	Impact on Business: Long-Term
Risks	Physical	Physical risks	2.6℃	Damage to facilities arising from meteorological disasters	Increase in capital investment costs and insurance premiums	Increase in facilities countermeasure costs
Risks	Transition	Market	2.6℃	Switch to natural gas	Increase in prices due to greater competition in LNG procurement	Further price hikes and impediments to procurement, due to increasing competition in LNG procurement
Risks	Transition	Market	1.5℃	Switch to non-fossil fuel energy	Fall in sales of gas and thermal power	Fall in sales of gas and thermal power
Risks	Transition	Reputation	1.5℃	Focus of investment criteria on low-carbon or decarbonized businesses	Diminished capital procurement power in gas-related businesses	Declining investment in fossil fuels businesses
Risks	Transition	Policy and legal	1.5℃ / 2.6℃	Introduction of a carbon tax	Carbon tax burden on gas and thermal power businesses	Increasing burden with rising carbon tax rates
Opportunities	Physical	Physical Opportunities	2.6℃	Increase in awareness and support measures for weather disaster countermeasures	Increase in sales of products /services with disaster response function	Expansion of decentralized energy systems
Opportunities	Transition	Market	2.6℃	Switch to natural gas	Switch to LNG in Japan; Expansion of LNG business overseas	Switch to LNG and expansion of sales of high-efficiency equipment abroad
Opportunities	Transition	Technology	1.5℃	Development of renewable energy and CCUS technologies	Expansion of development of renewable energy sources	Introduction of "e-methane," expansion of renewable energy sources, utilization of thermal power generation with CCS
Opportunities	Transition	Policy and legal	1.5℃ / 2.6℃	Implementation of a national policy for the mass introduction of renewable energy sources	Expansion of sales of electricity from renewable energy sources	Expansion of sales of electricity from renewable energy sources
Opportunities	Transition	Technology	1.5℃ / 2.6℃	Development of AI/IoT	Participation in decentralized power sources aggregation business	Expansion of decentralized power sources aggregation business

Financial impact : Small　　Financial impact : Large

■ Strategies/Countermeasures for Risks and Opportunities

		Short- and Medium-Term	Long-Term
Risks	Physical	● Implement disaster countermeasures for facilities	
Risks	Transition	● Diversify procurement sources ● Develop and expand sales of renewable energy power sources in Japan and abroad ● Engage in dialogue with investors Please see the following material for our major initiatives*	
Risks	Transition	● Investigate, develop, and verify CCUS/"e-methane" technologies	● Full-scale introduction of CCUS/ "e-methane," hydrogen, etc. and establishment of supply chains
Opportunities	Physical	● Development and sale of equipment with disaster response functions	
Opportunities	Transition	● Develop and expand sales of renewable energy power sources in Japan and abroad ● Develop and sell high efficiency, compact decentralized power sources (CHP, fuel cells) ● Expand fuel switching, sales of high efficiency equipment in Japan and abroad ● Verify and participate in the decentralized power sources aggregation business Please see the following material for our major initiatives*	
Opportunities	Transition	● Further develop energy-saving technologies	● Full-scale introduction of CCUS/ "e-methane," hydrogen, etc. and establishment of supply chains

* ▶ Carbon Neutral Vision　▶ ET2030　▶ ET2050

Financial Impact of Climate Change Risks and Opportunities

In its Medium-Term Management Plan 2026, the Daigas Group expects to invest 100.0 billion yen in the carbon neutral field (renewable energy, e-methane, etc.) for a future earnings structure as investment for growth from FY2025.3 to FY2027.3.The Daigas Group is actively contributing to the spread of renewable energy, and estimates that the sales impact of expanding its renewable energy business in FY2031.3 will be on the order of 100 billion yen.It should be noted that there are uncertainties and assumptions in the above estimation of financial impact. In practice, the impact may vary significantly as a result of changes in key factors.

Initiatives to Reduce Greenhouse Gas Emissions

Initiatives to reduce greenhouse gas emissions are a crucial mission for the Daigas Group. We focus on reducing CO_2 emissions, not only from our own business activities, but also from customers who use the energy we provide. In the Daigas Group Energy Transition 2030 (ET2030), we have set a target of reducing CO_2 emissions in our domestic supply chain by 5 million tons by FY2031.3 compared to FY2018.3, and we are taking various initiatives to reduce CO_2 emissions.

Under the Daigas Group Carbon Neutral Vision, we have established the goal of contributing 10 million tons per year of CO_2 emissions reductions in FY2031.3. This indicator will enable us to contribute to reductions throughout society, and we therefore use it as a management target linked to the Group's business initiatives.

In February 2025, we formulated "Energy Transition 2050 (ET2050)." Taking into account uncertainties beyond 2030, we have formulated multiple scenarios based on the energy supply and demand outlook presented in Japan's Seventh Strategic Energy Plan and will respond to them flexibly. Please see P.037-P.048 for each initiative.

Initiatives Ensuring Resiliency for a Carbon Neutral Society

Securing a stable supply of energy, a core social infrastructure, is one of the major climate change-driven challenges facing society as a whole. By continuing to provide a range of services, including multiple sources of clean energy such as gas and electricity utilizing technologies for carbon neutrality, disaster response equipment, and the widespread and advanced use of energy, the Daigas Group will strive to contribute to society in terms of stable supply and resilience toward a carbon neutral society.

The Daigas Group will aim to achieve both business growth and stable social infrastructure, and promote activities that contribute to reducing CO_2 emissions throughout society, promote the advanced use of gas, and develop technologies for carbon neutrality, in response to the growing global trend toward carbon neutrality.

Please see P.039 for an overall picture of the Daigas Group's efforts to provide carbon neutral energy.

Risk Management

When deciding on the Daigas Group's business plan and investment plan, the internal organizations responsible for the gas, electricity and other businesses analyze the risk factors and their impact on each business, distill and identify risks, and submit these together with other business risks, etc. to the Management Meeting for deliberation. Climate change risks in the formulated plans are managed through a PDCA cycle, and are reported and followed up at the Environment Subcommittee, Sustainability Committee, and Sustainability Council (Management Meeting).

Decisions on climate-related risks and sustainability, including investment decisions, are made by the Board of Directors and the Management Meeting. Matters related to climate change that were proposed or reported by March 31, 2025, included those listed below.

Please see P.049 for the risk management system for climate change

- Resolutions for collaboration and participation in projects for a carbon neutral society, based on the Carbon Neutral Vision
- Formulation and disclosure of Energy Transition 2050
- Monitoring of the results for indicators used to manage climate change response, etc.

Introduction of ICP

The Daigas Group introduced the concept of "Environmental Management Efficiency" in 2003, which is used to quantify the environmental impact of business activities by converting environmental impacts per volume of gas produced into monetary values. From 2023, we have adopted internal carbon pricing (ICP) to conduct scenario analysis when evaluating investments with a large carbon impact, which we reference as one of tools when making decisions, including the degree of risk and the existence and effectiveness of countermeasures.

Prices are set according to investment target countries/timeframes with reference to carbon price trend forecasts by the International Energy Agency (IEA), etc.

■ Example: ICP Applied to Domestic Investment Projects
(as of June 2025)

2030	US$ 60/t-CO_2
2040	US$ 70/t-CO_2
2050	US$ 90/t-CO_2

Indicators and Targets

The Daigas Group will proceed to contribute to radically reducing CO_2 emissions and realizing a carbon neutral society, through initiatives such as energy conservation, the advanced use of natural gas, and the widespread use of renewable energies.

Field		Indicators	Targets	Target FY
Climate Change		CO_2 emissions of Daigas Group	Net-zero CO_2 emissions	2051.3
			27.02 million tons*1 Domestic: 5 million tons less than FY18.3	2031.3
	Contribution to CO_2 emissions reductions across society	Avoided emissions*2	10 million tons	2031.3
			7 million tons	2027.3
	CO_2 emissions reductions from our own business activities	Renewable energy development contribution	5 GW	2031.3
			4 GW	2027.3
		Percentage of renewables in our power generation portfolio in Japan	Approx. 50%	2031.3
			Approx. 30%	2027.3
		CO_2 emissions reduction in the Group company offices and vehicles	100%	2031.3
			67%	2027.3
	Contribution by development of technologies	Promotion of e-methane practical application	1% e-methane in gas grid	2031.3
			Final investment decisions in e-methane supply chain PJ	2027.3
		Promotion of methanation technology development	Establishing a pilot-scale (400 Nm^3/h class) SOEC technology	2031.3
			Transition to the second phase of SOEC GI funds business	2027.3

*1 Emissions in domestic supply chain (Scopes 1, 2 and 3)
*2 Calculate the estimated effect of CO_2 emissions reduction in one year of the target FY by introducing high efficiency facilities and low carbon energy, etc. to customer side and the company's business activities in and after FY2018.3.

Contributing to the Resource-Recycling Society

Principle and Outline

With the aim of creating a recycling-oriented society, the Daigas Group strives to minimize waste emissions through efficient use of resources throughout its business activity value chain and through resource recycling by means of promoting the 3R + Renewable efforts. The Group also strives to conserve water through appropriate use of water and wastewater management.

More Specifically, Daigas Group is thoroughly implementing the 3Rs (reduce, reuse, recycle), cutting its resource consumption and waste generation, and endeavoring to reuse and recycle used resources. We are recycling resources throughout our business activity value chain by such means as striving for zero emissions at LNG terminals, reusing gas meters, recycling gas pipe materials, reusing excavated soil from gas pipe installation, and recycling used gas equipment.

Consumption of Resources by Daigas Group

Recycling of used gas pipes

The polyethylene (PE) pipes waste material generated at work sites is mainly used as covers to protect gas pipes and as post markers to indicate the location of supply pipes. In FY2025.3, 119 tons of polyethylene (PE) pipe waste was generated and all was reused. Metal pipes, such as steel and cast-iron pipes, are sold to electric furnace manufacturers and recycling companies, who use them as raw materials for products.

Reusing of gas meters

To measure the amount of gas used by customers, Osaka Gas has installed approximately 7.4 million gas meters. Under the Japanese Measurement Law, these devices must be replaced every 10 years.*1

After 10 years in use, gas meters are repaired (taken apart, inspected, and fixed) to make them perform as well as new ones. They are then installed at customer sites. In the past, this type of repair was conducted a third time to give the gas meters a total lifespan of 40 years. After conducting evaluations including durability tests*2 jointly with the gas meter manufacturers, we came to a decision that these gas meters can be used another 20 years if twice of additional repairs are conducted. Based on the result, the Company has decided to increase the maintenance of gas meters by two times since FY2010.3, and to use them for 60 years.

As a component material, around 2 kg*3 of aluminum is used in each gas meter body. Reusing gas meter reduce 80%*4 of CO_2 emissions, that includes CO_2 emission that would have been emitted in the process of casting a new gas meter body, giving a cumulative total reduction of 85,000 tons over the next 20 years, compared with producing new meters.

*1 Replacement of meters: Some exceptions apply. (Meters from #25 or higher need to be replaced every seven years)
*2 Durability test: Cyclic tests, accelerated temperature tests, etc.
*3 Calculation of aluminum use: A body of gas meter contains approximately 2 kg (average of from #2.5 to #6) of aluminum.
*4 Calculation of CO_2 emissions: Calculated with new meters also using regenerated aluminum.

Electronic issuance of a manifest certifying waste disposal via the Daigas Group's e-Cycle system

The Daigas Group operates a proprietary "e-Cycle" system that links appliance sales agents, collection and transportation companies, and disposal companies via the Internet. This system enables prompt confirmation of "manifests," which certify that used equipment collected by sales agents has been appropriately handled by the shipping companies and the disposal companies.

The manifest is electronically issued, as the Daigas Group's e-Cycle system is connected to the Japan Industrial Waste Information Center (JWNET) through the EDI.*

* EDI
EDI stands for electronic data interchange. Electronic data are exchanged between the JWNET and Osaka Gas's e-Cycle system.

Compliance with the Home Appliance Recycling Law

The Daigas Group appropriately disposes of gas air conditioners for household use and clothes dryers, covered by the Home Appliance Recycling Law, in line with the law. In FY2025.3, about 87 tons of gas air conditioners for household use were collected, and 91% of them were recycled, higher than the minimum mandatory recycling rate of 80%. The amount of clothes dryers collected during the same year came to about 18 tons, 91% of which was recycled, far above the mandatory recycling rate of 82%.

■ Air Conditioners

	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Number of units recycled (units)	3,656	2,921	2,755	2,645	2,180
Gross weight recovered (t)	147	118	111	106	87
Weight recycled (t)	134	107	101	97	76
Recycling rate (%)	90	90	91	91	91

■ Clothes Dryers

	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Number of units recycled (units)	523	393	445	408	425
Gross weight recovered (t)	21	16	19	17	18
Weight recycled (t)	19	15	17	15	16
Recycling rate (%)	89	90	90	91	91

Chemical substance management

Legal compliance and proper management

There are very few hazardous chemicals handled by the Daigas Group during the processing and supply of natural gas. The Group will continue to manage and reduce the amount of chemicals it uses under the policies shown below.

■ Daigas Group Chemical Substance Management Principles

1. We comply with laws and environmental regulations concerning the use of chemical substances.
2. We use ISO 14001-compliant and other environmental management activities to step up management and decrease emissions of chemical substances.
3. We disclose information on chemical substance management mainly on our website.

Soil and groundwater conservation

Information Disclosure on the Inspection Results of the Former Plant Sites

Inspecting soil and groundwater on former coal gas production sites

In compliance with relevant laws and regulations, Osaka Gas has checked the possibility of soil pollution at former coal gas production sites by measuring the amount of specified chemical substances contained in the soil and groundwater taken from the sites and assessing their impact on the sites and surrounding areas. The results of the surveys have been disclosed and response measures have been implemented where necessary. For example, when chemical substances (mainly cyanide compounds and benzene) in excess of the maximum amount allowed under the Soil Contamination Countermeasures Law were found, the incidents were reported to administrative authorities and adequate measures, including removal and cleaning the problematic soil, were taken promptly. Before changing the form of land, we conducted surveys based on relevant laws and regulations, followed by implementing appropriate response measures, including disposing of the contaminated soil and on-site containment of the soil. We have issued press releases regarding the results of investigations and the response measures, all of which have already been implemented. We will continue to take necessary measures based on the Soil Contamination Countermeasures Law.

Management of asbestos

The status of asbestos use at major facilities and buildings of the Group, and in its gas equipment, is given below.

Gas manufacturing and supply facilities	Gas equipment, combustion equipment	Daigas Group's buildings
Asbestos is not used in new facilities. The asbestos used in existing facilities as installed does not disperse into the air. When these facilities are serviced or reclaimed, nonasbestos material will be used in place of asbestos.	Asbestos is not used in new gas equipment or combustion equipment. Some of the gas equipment sold in the past used asbestos in gaskets or the like, which does not disperse into the air under ordinary conditions of use.	Measures to systematically eliminate spray-on asbestos insulation in buildings have been completed. Showrooms and other open spaces visited by customers do not use spray-on asbestos.

Management of waste containing PCBs

Proper management and disposal of PCBs in line with government policy

Every company in the Daigas Group manages and disposes of waste containing PCBs in accordance with Japan's Act on Special Measures for Promotion of Proper Treatment of Polychlorinated Biphenyl (PCB) (PCB Special Measures Act). All capacitors and transformers with a high density of PCBs over 10 kg were disposed of by FY2013.3. All ballasts and other equipment that contain PCBs were also disposed of by the statutory processing deadline. Low-density PCBs have been consigned to approved decontamination facilities since FY2014.3 in a systematic process of disposal.

Going forward, we will continue to store and dispose of PCBs properly, in accordance with the government's disposal schedule and policies.

Gas appliance eco-design

Conform with all laws and take the environment into consideration, such as by restricting the use of chemical substances

July 2006 was the start of the RoHS Directive, which restricts the use of specified substances, such as lead and cadmium, in appliances. Also in July 2006, in Japan the revised Law for the Promotion of Effective Utilization of Resources went into effect, obligating companies to label products as containing the six specific hazardous substances of the RoHS Directive according to J-MOSS, the JIS standard for the labeling of electrical and electronic products containing chemical substances.

In line with the measures propelled in the automobiles and home appliances sectors, we are working together with gas appliance manufacturers on the development of environmentally-friendly gas appliances and its labeling. The Group abides by Japanese regulations on chemical substances (the Act on the Regulation of Manufacture and Evaluation of Chemical Substances, and the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement). We also engage in independent evaluations of chemical management according to the RoHS Directive and are working to reduce chemical substances outlined therein.

Compliance with the Act on Promotion of Recycling of Plastic Resources

The Daigas Group promotes resource recycling efforts through the promotion of the 3Rs (reduce, reuse, and recycle) plus renewable with the aim of creating a recycling-oriented society.

With regard to plastic resources, we are actively implementing material recycling in our business supply chain, including 100% recycling of waste polyethylene (PE) pipes, which are gas pipe materials, and recycling of resin used for gas alarms.

We will also continue our efforts to minimize the amount of landfill waste and other waste finally disposed of by effectively utilizing waste from other plastic products as thermal energy by, for example, converting it into refuse paper & plastic fuel (RPF).

Collaborating with Other Companies to Reduce Waste and Resource Use and Prevent Pollution

Environmentally Conscious Procurement

The Daigas Group aims to contribute to the development of a sustainable society and believes that environmental and social consideration is important in procurement. We have established the Daigas Group Procurement Policy, and are promoting purchasing activities based on the Daigas Group Environmental Policy.

Considering the balance between economic conditions and the reduction of environmental impact, we are promoting green purchasing that prioritizes the purchase of products and services with the lowest possible environmental impact throughout their product life cycle, from resource extraction to waste disposal, from business operators who strive to reduce their environmental impact.

■ **Main examples**

By replacing the plastic folder opening packs (distributed 557,500 packs/year) that are provided when gas is opened at customers' homes with paper folders, we have reduced approximately 13 tons of plastic.

Before change

After change

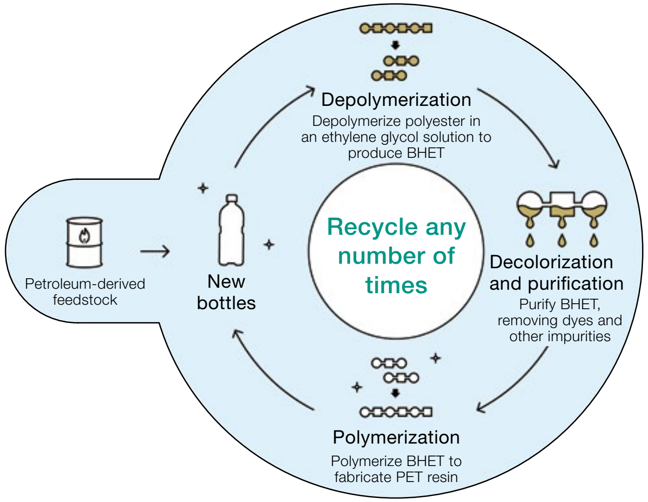
Developing new circular economy-related businesses with a partner

In December 2023, Osaka Gas entered into a capital and business alliance with JEPLAN, INC., which engages in businesses related to technologies for chemically recycling polyethylene terephthalate, a raw material for plastic bottles and other goods.

JEPLAN, INC. is one of the few companies in the world that has commercialized the horizontal recycling of plastic bottles to plastic bottles and polyester clothing to polyester clothing, using its proprietary PET chemical recycling technologies.

The Daigas Group will take advantage of its strong network and work to promote the recycling of plastic bottles and clothing in the Kansai area. The Group will also work on the reduction of costs and CO_2 emissions in the chemical recycling process with its energy-related solutions. Both companies will take advantage of their respective strengths and aim to contribute to the creation of new value and the promotion of a circular economy.

■ **Recycling to make bottles from bottles**



Source: "Making bottles from bottles" from JEPLAN, INC.'s website

Biodiversity

Principle and Outline

▶ Daigas Group Biodiversity Policy

Believing that the many blessings of biodiversity are essential for the promotion of the Group's business, the Daigas Group in April 2010 established the "Osaka Gas Group Biodiversity Promotion Policy," which was revised to the Daigas Group Biodiversity Promotion Policy in March 2018. Subsequently, we made revisions to the Daigas Group Biodiversity Promotion Policy in April 2024 to clearly state that we will work to "understand our dependence and impact on biodiversity, as well as the risks and opportunities that come with them," and to "avoid or minimize our impact on biodiversity." Prior to the revisions, we referred to Japan's National Biodiversity Strategy 2023-2030 formulated based on the launch of the Taskforce on Nature-related Financial Disclosures (TNFD)* in June 2021 and Kunming-Montreal Global Biodiversity Framework, which was adopted at the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) held in December 2022. The Group has begun to identify the relevance (dependencies/impacts) between nature and our business as recommended by the TNFD and to study our response, in line with the Policy. Through its business activities, the Group intends to offset its negative impacts on biodiversity and aims to build a nature-positive society.

* An international organization, originally conceived at the Annual Meeting of the World Economic Forum (known as the Davos Meeting) in 2019. It requires companies to disclose and act on their nature-related dependencies and impacts, and risks and opportunities.

Start of Study for TNFD Response

The recognition that natural capital is in crisis has been shared globally, as it was reported at the World Economic Forum that more than half of the world's GDP has been potentially threatened by the loss of nature.

In response to this situation, "nature positive," a global societal goal to halt the loss of nature and put it on a recovery track by 2030, and achieve a society in harmony with nature by 2050, was established. Recognizing that companies are required to make efforts to contribute to achieving that goal, the Daigas Group has embarked on an analysis and assessment in line with the LEAP approach*, recommended by the TNFD, in studying nature-related dependencies, impacts, risks and opportunities.

* A methodology developed by the TNFD to enable assessment of nature-related issues in corporate activities such as interfaces with nature, dependencies and impacts on nature, and nature-related risks and opportunities.

TNFD and LEAP approach

Taking into consideration the Group's business scale and the degree of its dependencies and impacts on biodiversity, we included the direct operations of the Group's domestic and international energy (LNG utilization) business in the scope of analysis under the LEAP approach. In the analysis, items related to Locate (interface with nature) and Evaluate (dependencies & impacts) were pilot tested within the scope of the LEAP approach. In FY2025.3, we conducted detailed analysis based on data obtained from the analysis results, and worked on initiatives related to our environmental targets.

As for governance, our biodiversity-related initiatives are managed and supervised under the same system as for climate change. Please see "Disclosure based on the TCFD Recommendations" (P.049) for details.

■ Pilot Test Process Using the LEAP Approach

Scoping
✓ Selecting businesses to be analyzed

L Locate: interface with nature	E Evaluate: dependencies & impacts	A Assess: risks & opportunities	P Prepare: respond & report
✓ Locate the interfaces between the business and nature in terms of business processes and operation sites	✓ Identify dependencies and impacts of the business on nature	✓ Identify and assess nature-related risks and opportunities based on dependencies and impacts identified	✓ Establish response measures and goals to identify or address nature-related issues

* L (Locate) and E (Evaluate) processes were analyzed and assessed this time.

Analysis result 1 Dependencies and impacts on nature

Under the LEAP approach, we used ENCORE,* one of the analysis tools recommended by the TNFD, to analyze the ecosystem services of the business analyzed and their relationship to natural capital in terms of potential dependencies and impacts. We also created a heat map showing the dependencies and impacts relationship between the business analyzed and nature, based on the results of the ENCORE analysis.

As a result of the ENCORE analysis, in the nature impacts category, the impact on nature through GHG emissions was assessed as high, in common except for the storage process in the gas business. For the production process, the impact was assessed as high in the category of impacts on nature through input such as the use of terrestrial and freshwater biological systems.

In the category of dependencies on nature, it was assessed that the businesses analyzed were commonly dependent on the supply service of surface water and underground water. The transportation process was also assessed as being dependent on the climate control services through ocean currents and wind. The ENCORE data used in the analysis (as of April 2024) did not include the impacts by invasive species in the assessment metrics. However, we are aware of their impacts on nature in the Group's businesses, and will continue our existing initiatives.

* A tool jointly developed by UNEP-FI, UNEP-WCMC, and Global Canopy that can be used to identify the general dependencies and impacts of each business process relevant to a company.

■ Heat Map Showing Dependencies and Impacts of the Business on Nature*1

Business category		Dependencies on nature								
		Supply services		Adjustment and maintenance services						
		Water		Removal/mitigation of hazardous substance		Atmosphere-related	Water-related		Land-related	Other
Name of business	Category	Surface water	Underground water	Decomposition function	Filtration	Climate control	Water quality	Water flow maintenance	Slope stabilization and erosion control	Flood and storm prevention
Gas business	Transportation*2	H	H	–	–	VH	M	M	M	H
	Storage	–	–	–	–	VL	–	–	L	M
	Production	H	VH	M	M	M	H	–	M	H
	Supply	–	–	VL	VL	M	VL	VL	H	M
Electricity business	Power supply	VH	M	VL	L	VL	L	M	L	M

Business category		Impacts on nature									
		Input				Output					
Name of business	Category	Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	Use of water	GHG emissions	Non-GHG air pollutants	Water pollutants	Soil contaminants	Solid wastes	Disturbance (disturbance to life)
Gas business	Transportation*2	H	VH	VH	–	VH	H	H	H	M	H
	Storage	H	–	–	–	–	–	L	L	–	–
	Production	VH	VH	VH	VH	VH	VH	H	H	H	H
	Supply	H	H	H	H	VH	M	H	H	M	–
Electricity business	Power supply	–	H	–	VH	VH	H	H	H	H	H

■ Relationship between the Daigas Group's Businesses and Nature Based on the LEAP Approach (Conceptual Diagram)

Procurement → Gas production (including storage) and power generation → Supply → Sale

Ecosystem services we depend on
- Water resources
- Climate control functions
- Slope stabilization and erosion prevention functions
- Flood and storm prevention functions

Impact drivers on nature
- Use of terrestrial, marine, and freshwater ecosystems
- GHG and non-GHG emissions
- Water use
- Water pollution
- Soil contamination
- Solid wastes
- Disturbance
- Invasive species

VH	… Very High
H	… High
M	… Medium
L	… Low
VL	… Very Low
–	… Not Detected

*1 Created in April 2024 using ENCORE. A heat map is created for each business and supply chain (if multiple processes can be considered, the assessment with higher impact is adopted as the result.) [Example of integration]: If there are two processes upstream of Business A, and L and VH are shown in impacts category A, then assessment is determined to be VH. Items that were assessed as ND in all categories of dependencies and impacts were excluded.
*2 Since the same process and assessment results apply to those for electricity business, they are omitted in its section.

Analysis result 2 Interface with important areas in relation to natural capital

In addition to identifying dependencies and impacts on natural capital in the Group's businesses, we identified areas requiring attention*2 in the Group by using a tool*1 recommended as an assessment perspective in the TNFD, with the aim of understanding the relationship between the Group's operation sites and the surrounding natural environment.

The results of the analysis showed that five of our domestic and overseas sites (overseas offices and domestic LNG terminals and power plants) are located in protected areas and areas of biodiversity importance, and we have identified them as falling under areas requiring attention.

As for water stress assessment of our business sites, Osaka Gas has been compliant with CDP,*3 a global environmental protection organization that evaluates environment-related strategies and initiatives of companies and other organizations, and we conducted water stress assessment using Aqueduct at our sites, including office sites not covered by the LEAP approach. As a result, business sites covered by the LEAP approach were not located in areas of high water stress. We found that several business sites not covered by the LEAP approach were located in areas of high water stress, mainly overseas sites. Since businesses at these sites do not use a large amount of freshwater, the Group considers them to be areas of low priority for response while identifying them as areas requiring attention.

Furthermore, we studied trends in the state of the natural environment at our business sites using Biodiversity Risk Filter of WWF, and found that tree cover is on a decreasing trend in the surrounding areas at our overseas sites. The study results suggested that the ecosystem condition tends to deteriorate in the surrounding area of sites in Japan. We will analyze these trends to see how they relate to our business and assess the effectiveness of environmental impact reduction measures through our various existing initiatives.

*1 Area where activities in the organization's direct operations (or in the entire value chain) interface with environments assessed as requiring attention based on each standard. Standards defined by the TNFD are "biodiversity importance," "ecosystem integrity," "water stress," and "importance of ecosystem services supply."
*2 We used four tools: IBAT (Integrated Biodiversity Assessment Tool), Global Forest Watch, BRF (Biodiversity Risk Filter), Aqueduct (WRI Aqueduct Water Risk Atlas and Tools). These tools help us to identify areas requiring attention.
*3 Non-governmental organization (NPO) managed by UK charity. It runs the global information disclosure system for investors, companies, states, regions, and cities to manage their environmental impacts.

FY2025.3 TNFD Initiatives

The Daigas Group is gradually proceeding with analysis and assessment in accordance with “Assess” (risks & opportunities) and “Prepare” (respond & report) of the LEAP approach based on “Locate” (interface with nature) and “Evaluate” (dependencies & impacts) obtained from the LEAP approach, as well as the business process specific to the Group’s business and the status of our initiatives.

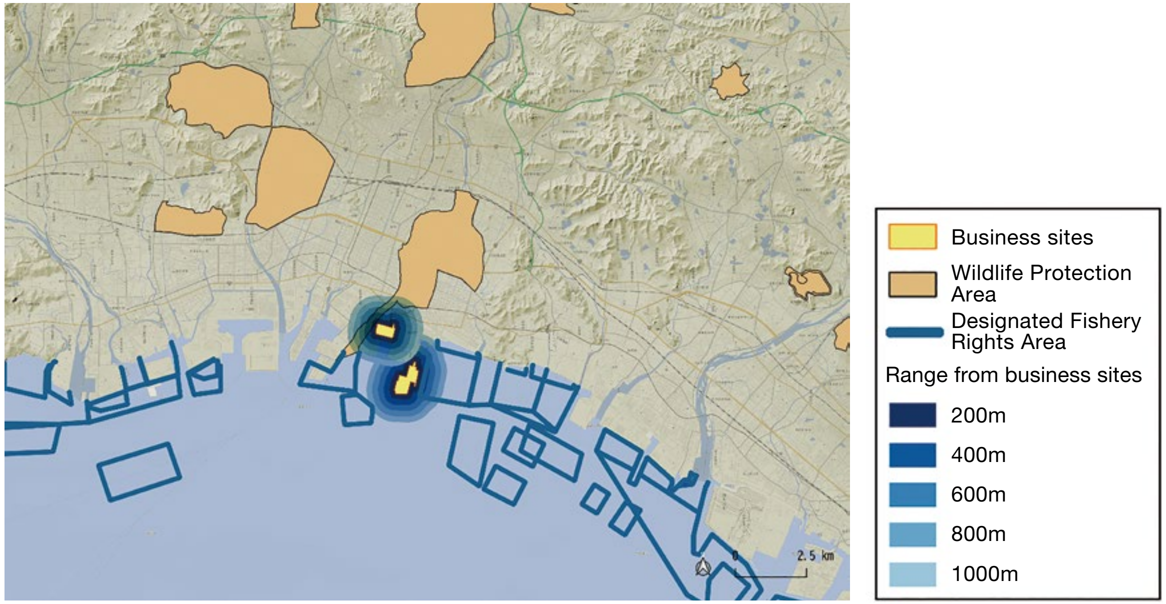
In FY2025.3, we collaborated with environmental impact assessment experts to do a detailed analysis of two of the five sites identified as areas requiring attention: an existing LNG terminal and a power plant. As both of these sites are located in areas adjacent to Category IV and VI protected areas of IUCN Protected Area Management Categories*, we used GIS software to collect information on the sites and their surrounding areas within a maximum radius of 1 km at 200 m intervals. Next, for protected areas that overlap or are adjacent to the Group’s sites, we confirmed the purpose of the protected areas designated by the government and the regulatory standards within the area. As a result of this detailed analysis, we confirmed that the Group’s business processes are being done with appropriate preventative and response measures based on management plans formulated to monitor and manage biodiversity. We plan to conduct similar analyses of all remaining business sites identified as areas requiring attention.

* IUCN Protected Area Management Categories: These categories are developed by the International Union for Conservation of Nature (IUCN) to classify protected areas. They were developed as an international standard for regional classification aimed at preserving the natural environment, and are divided into seven categories based on conservation objectives and management policies.

■ Details of protected areas and responses to points of concern

Sites	Protected Area Management Categories (IUCN)*	Matters related to the analysis target sites	Points of concern	Response to points of concern
A	**Category Ⅳ:** “Habitat/species management area” → Located within 200 m of the site	Designated as a wildlife protection area (under the Wildlife Protection, Control, and Hunting Management Act).	✓ Designated for the protection and propagation of natural wildlife. ✓ Capture of wildlife is prohibited within the designated areas.	✓ Direct relevance to business activities at the Group bases is considered low. ✓ We will continue to comply with environmental laws and regulations to ensure the sustainability of protected wildlife habitats.
A•B	**Category Ⅵ:** “Protected areas with sustainable use of natural resources” → Located within a 400 to 1,000 m radius of the site.	Common fishery rights (Fishery Act) have been established.	✓ Interfering with fishing activities based on fishery rights is prohibited.	✓ The Group sites discharge rainwater and other wastewater. We comply with existing environmental laws and regulations, including those regarding wastewater discharge, and share information with local stakeholders. ✓ We will continue to comply with laws and regulations and share information locally.

■ Target sites and designated areas including protected areas



Created by BO-GA Inc. by processing data from the National Land Numerical Information (Ministry of Land, Infrastructure, Transport and Tourism) for the Wildlife Protection Area and Designated Fishery Rights Area, with the background map from the Geospatial Information Authority of Japan (GSI).

Efforts Live Up to the Policy

The Daigas Group has been striving to conserve biodiversity through various measures, including protecting rare native plants growing on the LNG terminal sites, reusing soil excavated during gas piping works, building multi-level gardens at the experimental residential complex NEXT 21*1, and planting trees in Japan. Since we formulated the "Osaka Gas Group Biodiversity Promotion Policy" in April 2010 (revised to "Daigas Group Biodiversity Promotion Policy" in March, 2018), we have made positive efforts in line with this policy and also actively provided information thereon. Our efforts to conserve biodiversity, have been made under the guidance of government and research institutes, outside experts, and external consultants. Since 2003, Osaka Gas has been participating in the Keidanren Nature Conservation Council as a member company; we also participate in the Keidanren Initiative for Biodiversity Conservation to collaborate with stakeholders, including the government and regulatory bodies. In FY2025.3, the Senboku LNG Terminal was certified as a "Nationally Certified Sustainably Managed Natural Site"*2 certification system run by the Ministry of the Environment as part of measures to achieve 30 by 30 (an international goal to effectively conserve at least 30% of land and ocean as healthy ecosystems by 2030). Based on its Green Purchasing Guidelines (formulated in 2000, revised in 2022), Osaka Gas works with business partners to promote green purchasing: prioritized procurement of biodiversity-friendly goods and construction works that have less impact on the environment.

In the Daigas Group, every new investment and development project, whether in Japan or abroad, follows an environmental impact assessment at the planning stage when required by law. We survey the water environment, animals, plants, ecosystems, etc. to assess the environmental impact, and take necessary measures with consideration for the function of the ecosystem network, such as using native species when planting, with the aim of realizing a sustainable society. We have set environmental targets in line with our environmental management system (EMS) and the Group Medium-Term Management Plan 2026, both of which are aimed at the complete implementation of the Daigas Group Environmental Policy. These environmental targets also include paying due consideration to biodiversity in business activities.

*1 Experimental Residential Complex "NEXT 21"
The "Next 21" was constructed in October 1993 by Osaka Gas, with the goal of demonstrating and proposing an ideal neo-futuristic urban multiple-unit housing from the perspectives of the environment, energy, and lifestyle. Based on themes set in accordance with historical context, with Group employees and their families actually living there, Next 21 is conducting various demonstrative experiments focused on energy saving and CO_2 reduction for the entire building, making green spaces and environmental symbiosis in urban areas, ideal forms of residence that reflect diverse lifestyles, and product development. Also, many proposals and presentations that may lead to ideal multiple-unit housing in the future have been made, and some of the proposals have been commercialized.

*2 Starting in FY2024.3, the Ministry of the Environment has designated areas where biodiversity is conserved through private initiatives or other means, as "Nationally Certified Sustainably Managed Natural Sites." The "Act on Promoting Activities to Enhance Regional Biodiversity" (jointly administered by the Ministry of the Environment; the Ministry of Land, Infrastructure, Transport and Tourism; and the Ministry of Agriculture, Forestry and Fisheries), which legislates Nationally Certified Sustainably Managed Natural Sites, came into effect in April 2025. Areas where implementation plans certified under this new law will also be designated as "Nationally Certified Sustainably Managed Natural Sites."

■ Daigas Group's Biodiversity Efforts in the Value Chain

Transportation	Production	Supply	Office / Customers
Consideration to biodiversity in LNG tanker transportation	**Green space management at LNG terminals using native seeds and seedlings, etc.**	**Reduction in excavated soil from underground gas piping works and promotion of recycling to reduce pit sand extraction**	**Activities to raise awareness toward biodiversity**
・Ballast water management	・Planting native seeds and seedlings and preserving rare species in green spaces ・Network formation with nature in local areas	・Use of Vermeer method to reduce excavated soil ・Recycling of excavated soil and road work waste	・Provision of information on measures taken at our showroom and LNG terminals ・Use of native seeds and seedlings in the urban development business

Biodiversity conservation activities

The Daigas Group is committed to helping build a society harmonious with nature that can conserve biodiversity and enjoy the bounties of nature into the future, and will undertake efforts that promote the conservation of biodiversity and sustainable use, based on the "Daigas Group Biodiversity Promotion Policy." We promoted the following initiatives in FY2025.3.

Transportation	We manage ballast of LNG tankers we use in accordance with regulations of the country where the port of call is located. In addition, our tankers are equipped with water-processing facilities that meet the conditions set under the International Convention for the Control and Management of Ships' Ballast Water and Sediments stipulated by the International Maritime Organization (enacted in September 2017). We have reduced the impact of ballast on ecosystems by, for example, replacing ballast taken on at a Japanese port with water from the open ocean before releasing the ballast in a foreign port.
Production	At our LNG terminals (Senboku LNG Terminals I and II, Himeji LNG Terminal), green areas were managed in a way that contributes to biodiversity through native seeds and seedlings utilization, etc. In addition, biotopes were created, which also serve as refuge for rare species, and biodiversity monitoring studies were conducted at LNG terminals in collaboration with external experts.
Supply	The Daigas Group works to reduce the amount of excavated soil and waste asphalt generated as a result of gas pipe installation, which contributes to reduce impact on the ecosystem. Ways to achieve this include the Vermeer method, which requires soil excavation of only two points, and the shallow pipe installation method. In FY2025.3 these methods allowed us to reduce the amount of excavated soil generated by approx. 384 thousand tons compared to what would have been generated using conventional methods. Our soil and asphalt recycling system promotes the reuse of waste asphalt and excavated soil as either recycled asphalt, regenerated roadbed material, or improved soil. These efforts allowed us to recycle 99.7% of material excavated during gas pipeline construction in FY2025.3 and send to final disposal approx. 300 tons. * Since April 2022, the city gas supply business has been conducted by Osaka Gas Network Co., Ltd.
Business office Customers	We conduct community and environmental communication, as well as environmental education in collaboration with local educational institutions, in approximately 100 m² of rice paddies and 12 m² of fields created on the roof of its own facilities. In addition, our group company engaged in urban development projects is working on planting plants that take biodiversity into consideration at its facilities and the condominiums they develop, encouraging interaction with the local community and creating connections between people and the city.

Certified as a "Nationally Certified Sustainably Managed Natural Site"

Osaka Gas's Senboku LNG Terminal has been certified as a "Nationally Certified Sustainably Managed Natural Site" (second half of FY2025.3).

The "Nationally Certified Sustainably Managed Natural Site" certification system, part of the Ministry of the Environment's efforts to achieve the 30 by 30*1 initiative, recognizes areas where biodiversity conservation efforts are being made through private initiatives or other means, and recognizes those that meet the OECM*2 criteria as "Nationally Certified Sustainably Managed Natural Sites."

The Senboku LNG Terminal is located on reclaimed land along the Seto Inland Sea coast, straddling Takaishi City and Sakai City in Osaka Prefecture. It consists of two plants: Terminal Plant 1 (started operation in 1971) and Terminal Plant 2 (commenced operation in 1977). The terminal is Osaka Gas's largest LNG terminal and is an important base for stable supply, accounting for approximately 70% of our city gas supply.

Since the terminal opened, we have promoted greening with native tree species that are highly compatible with local vegetation, and since 2002 we have introduced locally grown seeds and seedlings*3. The introduced seeds were cultivated by terminal staff from acorns and other seeds collected from nearby satoyama woodlands and planted in collaboration with local elementary schools. Through these activities, the terminal not only cultivates highly diverse vegetation, but also fosters connections with the local community and serves as a venue for environmental education. We believe this certification recognizes these initiatives.

*1 An international goal to effectively conserve at least 30% of land and ocean ecosystems as healthy ecosystems by 2030.
*2 OECM (Other Effective Area-based Conservation Measures): Areas outside protected areas that contribute to biodiversity conservation.
*3 Seeds collected in nearby areas, or seedlings with a clear production process from seed collection.

Initiatives to Improve the Quality of Green Spaces

We are working to improve the quality of green spaces at our major LNG terminals (Senboku LNG Terminal and Himeji LNG Terminal). Since their inception, we have cultivated green spaces using tree species that are compatible with the local vegetation at the Senboku LNG Terminals. In recent years, the terminal has been cultivating highly diverse vegetation by forming green spaces using only locally-sourced seeds.

We have conducted continuous monitoring of flora and fauna, recording the locations of birds, insects (butterflies), and vegetation in the cogon grass lands, as well as recording the presence or absence of invasive species. Monitoring activities have been conducted for 16 years up to FY2025.3. We do monitoring using a line census*1, comparing trends in the species that appear each year and evaluating diversity in terms of butterflies. The monitoring results show that the number of confirmed species increased at the beginning of the initiative and has stabilized since then. Furthermore, the number of confirmed species since the stabilization has remained at a high level when compared to the figures for Hamadera Park, a nearby large green space (surveyed in 2014).

*1 A method of surveying the number of confirmed species along a predetermined route.

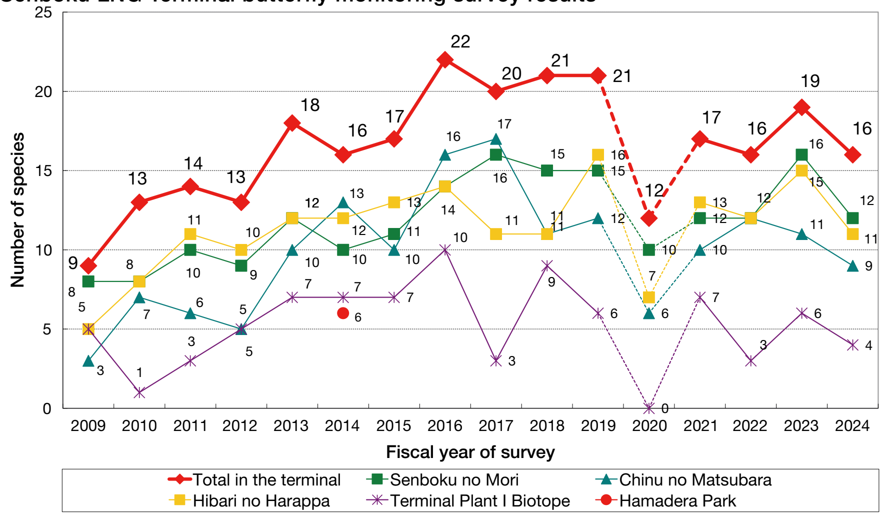
Since 2002, under the guidance of the Museum of Nature and Human Activities, Hyogo Prefecture, the Himeji LNG Terminal has been preserving rare plants native to the area of Nishi Harima, Hyogo Prefecture. We are currently growing rare plants including Gardneria multifolia "CHITOSEKAZURA" and Red-root Lithspermu (both rated level 2 endangered on the Ministry of the Environment's endangered species list). The biotope created in FY2014.3 reproduces satoyama woodlands, grasslands and marshes with plants originating from the area of Nishi Harima, preserving such rare species as the Platycodon or Japanese Bellflower.

LNG terminals are required to form green areas by laws and regulations, and secure a certain amount of greenery. Both LNG terminals believe that the quality of greenery is important, and are striving for the preservation of biodiversity in the local communities by using seedlings of local origin. In addition, the number of insect and bird species visiting the two terminals has increased from when these efforts began in 2009 through to 2012, and we have maintained this increased number since then, which suggests that connections have been formed with the nearby green spaces. Going forward, we will continue to monitor these areas under the guidance and advice of experts.

■ Details of major initiatives

- Development and implementation of green space design and management plans that combine safe and secure business continuity with the creation of a diverse ecosystem
- Eradication of invasive species
- Conservation of rare species
- Experts conduct monitoring surveys of flora and fauna
- Communication with stakeholders

■ Senboku LNG Terminal butterfly monitoring survey results



Note 1: Although surveys have usually been conducted three times a year (spring, summer, and fall), in FY2021.3 they were conducted only twice a year (summer and fall).
In FY2021.3, the number of surveys was reduced due to COVID-19 countermeasures (restrictions on travel between prefectures and reduced contact by refraining from going out).
Note 2: The numbers for the Hamadera Park represent reference value based on data from 2014 as a representative green space in the region.

Systematic Implementation of Certification Systems

■ Participation in and initiatives for biodiversity certification systems and the like

ABINC certification	FY2021.3 Scenes Tsukaguchi (Certification period: February 4, 2021 to February 3, 2024)
Nationally Certified Sustainably Managed Natural Sites certification	FY2025.3 Senboku LNG Terminal FY2026.3 Himeji LNG Terminal (pending)

Biodiversity Education for Children

A rice paddy of about 100m² and a crop field of about 12m² have been created on the rooftop of Osaka Gas's food and housing information center, "hu+g MUSEUM." Since FY2016.3, these fields have been used by local elementary schools as part of community and environmental communication and environmental education activities. About one month after rice planting, a nature observation event was held to observe the growth of the rice and the creatures living in the rice paddy. Elementary school students got a chance to see firsthand how the seedlings they planted were growing and the habitat of water fleas and dragonflies that had naturally flown in.

The program was planned and operated by hu+g MUSEUM staff and Daigas Group employee volunteers, who supported elementary school students' hands-on lessons on rice planting and harvesting, and have been engaged in daily observation and maintenance of the rice paddy.

A scene of the rice planting experience
(left: Rice planting, right: Rice harvesting)

Creation of biodiversity habitats: Development of condominiums introducing the indigenous species in their gardens

Osaka Gas Urban Development Co., Ltd. is a real estate company and is engaged in the development and management of office buildings and condominiums/rented apartments. In addressing “co-existence with the environment,” one of its “five focuses” for urban and property development, Osaka Gas Urban Development Co., Ltd. is pursuing a planting plan that takes biodiversity into consideration.

The planting of native seedlings of “Chimakizasa,” a species of bamboo grass called Sasa, was introduced to the garden of The Urbanex Kyoto Matsugasaki, which was completed in March 2014. Chimakizasa has been recognized as an endangered plant in Kyoto City as a result of excessive eating by wild deer, whose population in the neighboring woodlands has been increasing in recent years. All of the 10 bamboo grass plants that were planted in the garden of The Urbanex Kyoto Matsugasaki were donated by the Chimakizasa revival committee, a local team formed to increase numbers of the plant, with members being mainly residents of Sakyo Ward, Kyoto City and researchers from Kyoto University.

At the “Urbanex Kobe Okurayama” completed in February 2016, Osaka Gas Urban Development has planted Japanese blue oaks, gooseneck loosestrife, and other local seeds/seedlings with support from the Museum of Nature and Human Activities, Hyogo. Signs describing plant names and their characteristics were also installed to help local residents learn about the importance of biodiversity. These combined efforts, including the active use of native seedlings, earned the 2016 Good Design Award.

Osaka Gas Urban Development Co., Ltd. has steadily increased the use of native seedlings in the planting of its properties, and has introduced them to 45 properties as of March 31, 2025. Osaka Gas Urban Development will continue to standardize biodiversity-friendly planting plans as specifications and work on such plans at the condominiums it develops.

As of March 31, 2025, 45 properties have introduced local biodiversity-friendly planting.
(including properties for sale and for rent)

Scenes Amagasaki (Completed in March 2025)

Scenes Tennoji-Karasugatsuji
(Completed in March 2025)

The condominium “Scenes Kanzakigawa” won two awards at the Osaka Excellent Greenery Awards: the Osaka Prefectural Governor’s Award and the Biodiversity Award.

The new condominium “Scenes Kanzakigawa,” sold by Osaka Gas Urban Development Co., Ltd. in Yodogawa Ward, Osaka City, in collaboration with Sumitomo Realty & Development Co., Ltd., won the Osaka Prefectural Governor’s Award and the Biodiversity Award at the 18th Osaka Excellent Greenery Awards*.

The property has a massive green space measuring around 800 m^2, and we have made a planting plan to create a variety of seasonal scenery, with approximately 9,000 flowers and trees representing 30 species. As part of Osaka Gas Urban Development’s ongoing initiative to make a habitat with biodiversity, at this property we also place importance on the three elements of biodiversity: “genetic diversity,” “species diversity,” and “ecosystem diversity.” We have also planted great burnet and indigofera pseudotinctoria, which are native to the surrounding area.

These initiatives were recognized with this award.

*A system in Osaka Prefecture that recognizes building owners who have made particularly outstanding efforts to improve the urban environment and make cities more attractive.

Scenes Kanzakigawa

Appropriate Use and Discharge of Water Resources

Water is not a primary material among the products handled by the Daigas Group. We recognize that the use of water does not pose a major business risk for our Group. However, the Group controls water discharge after using drinking water, industrial-use water, groundwater and seawater. At power plants, core facilities for its electricity business, the Group uses industrial water as a coolant in a steam turbine condenser, and vaporizes it inside the cooling tower. Drinking water, industrial-use water and groundwater are also used at LNG terminals, power plants and offices, and discharged. Seawater is mainly used for vaporization of LNG at city gas plants and for cooling in steam turbine condensers at some power plants. We discharge the seawater to the sea without consuming it or affecting its composition. In discharging water, we have conducted water quality inspections in line with relevant laws, ordinances and agreements with local municipalities. We continued to comply with the effluent standards of the Water Pollution Prevention Act, etc. in FY2025.3, and there were no violations. The Group sees water as a limited natural resource. We will continue to use water adequately, control its discharge strictly, and promote water saving.

■ Amount of Water Intake in FY2025.3

General water, industrial water	13,446 thousand m^3
Underground water	3,597 thousand m^3
Seawater	536,710 thousand m^3

■ Amount of Water Discharge in FY2025.3

Sewer	829 thousand m^3
River	3,155 thousand m^3
Sea	538,232 thousand m^3

Collaboration with Other Companies to Reduce Water Usage

The Daigas Group is working together with business partners and customers to reduce water consumption.

Daigas Energy Co., Ltd., a Group company, uses the technological capabilities it has cultivated in the gas business to provide water treatment consulting services to companies and makes energy-saving proposals, including reducing water usage.

For example, the company proposes the introduction of optimal water treatment programs for cooling water systems to conserve water, and the reduction of water and sewage volumes by treating industrial wastewater and reusing it as service water.

Biodiversity risk assessment

The Daigas Group, being aware of the environmental impact of its value chain, strives to minimize its impact on biodiversity and expand its contribution.

We conduct questionnaires regarding sustainability activities at our LNG suppliers to check on the status of their monitoring activities for local ecosystems and their efforts to conserve the biodiversity of local ecosystems.

In the Group, every new development project, whether in Japan or abroad, follows an environmental impact assessment at the planning stage when required by law. For example, in the process of constructing the Senboku Natural Gas Power Plant, the core facility for the Group's electricity business, between 2002 and 2006, we conducted an environmental impact assessment. It covered the construction work (the impact of transportation of construction materials, such as air pollution, noise, and vibration) and the presence and shared use of land and workpieces (the impact of ground modification and the facility's existence on local flora and fauna and the impact of exhaust gas and wastewater from the facility in operation on the quality of air and water). We also adopted environmental conservation measures against air pollution, noise, vibration, and wastewater, as well as measures to form green areas that foster biodiversity, in order to further reduce the environmental impact of the project.

Also, in the Himeji Natural Gas Power Plant construction project, which Himeji Natural Gas Power Generation Co., Ltd., a wholly owned subsidiary of Osaka Gas, is implementing, an assessment process has been completed in compliance with the Environmental Impact Assessment Act.

Please see the following website for more information about the initiatives in the Himeji Natural Gas Power Plant Construction Project.

▶ Environmental Initiatives of Himeji Natural Gas Power Generation Co., Ltd.

Development of Environmental Technology

Principle and Outline

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. While accelerating low-carbon transitions through development of technologies contributing to the reduction of CO_2 emissions, we take on the challenge of technical research and development for the carbon neutrality of our gas and electricity. We will actively tackle a wide range of subjects, from the advanced use of natural gas to the further utilization of renewable energy and the research and development of carbon-neutral gas technologies such as methanation, to accelerate development of technologies that will contribute to achieving carbon neutrality.

Development of New Technologies that Contribute to Carbon-Neutral Solutions

The Daigas Group believes that e-methane*, which is synthesized from hydrogen produced using renewable energy and CO_2, is the key to making city gas carbon-neutral. The Group is working on establishing a variety of methanation technologies toward full-scale introduction of e-methane in 2030. Moreover, we are promoting development of technologies that contribute to further low-carbon/ carbon-neutral solutions by making use of the gas synthesis/catalyst technology, combustion technology, and material technology that Osaka Gas has developed so far. For example, the Company is now developing hydrogen and ammonia combustion technologies by leveraging the know-how cultivated through the development of a variety of natural gas combustion technologies tailored to our customers' uses. Such efforts include the development of a small ammonia engine system in cooperation with Toyota Industries Corporation. The Company is also working on the development of chemical looping combustion technology as a technique for producing carbon-neutral hydrogen and electricity from biomass. In addition to energy, Osaka Gas also develops and sells SPACECOOL®, a radiative cooling material. The Carbon Neutral Research Hub of Osaka Gas conducts these researches and development projects, disseminates information, and forms business alliances. To further accelerate these efforts, we are establishing a new research and development base in the Torishima district of Osaka City, with full-scale operations scheduled for FY2026.3

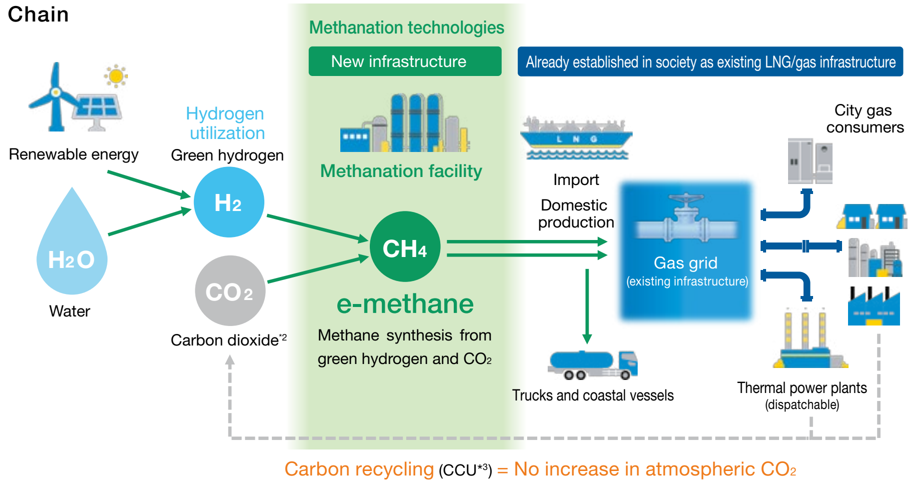
*Synthetic methane produced from non-fossil energy sources, such as green hydrogen, is called "e-methane".

"e-methane"—the key to carbon-neutral solutions created by methanation technology

"e-methane," which is produced by recycling CO_2 otherwise emitted into the atmosphere and synthesizing it with hydrogen, is a carbon-neutral hydrogen carrier*1.

Since "e-methane" has almost the same composition as city gas, existing city gas infrastructure and combustion equipment at customers' sites can be used as is, enabling seamless carbon neutralization during the transition period and advantageously reducing the cost of its social implementation.

■ e-methane Supply Chain



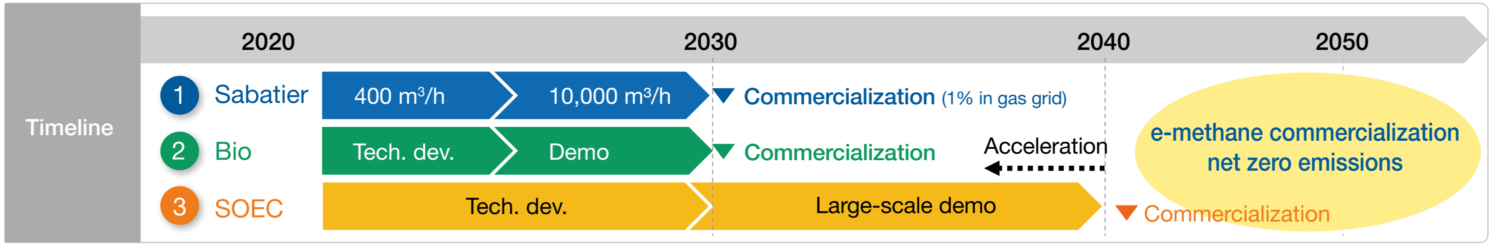
*1 Hydrogen compounds that make it possible to store, transport and use hydrogen efficiently. (Hydrogen is inefficient to store or transport over long distances in its gaseous state.)
*2 Biogenic CO_2 and possibly CO_2 derived from DAC (Direct Air Capture: a technology used to capture and remove CO_2 directly from the atmosphere) might be utilized in the future.
*3 Carbon dioxide Capture and Utilization

Efforts to establish three methanation technologies to enable the introduction of "e-methane"

In addition to working to scale up the existing technology, Sabatier methanation, we aim to commercialize biomethanation, a locally produced and locally consumed energy generation technology, and to achieve early introduction of highly efficient SOEC methanation, an innovative technology.

1. Sabatier methanation*1 (existing technology): Scaled up and implemented in society at an early stage
2. Biomethanation*2 (innovative technology): Produce and use energy locally for local consumption
3. SOEC methanation*3 (Innovative technology): Reduce cost by enhancing energy efficiency

■ Roadmap for Social Implementation of Methanation Technology



*1 CO_2 conversion by a catalytic reaction with hydrogen derived from renewable energy, etc. to synthesize methane.
*2 Technology that uses biological reactions to synthesize methane from CO_2 and hydrogen
*3 Use of SOEC equipment to electrolyze water and CO_2 into hydrogen and carbon monoxide using renewable energy, etc., and then synthesize methane by catalytic reaction of the hydr ogen and carbon monoxide.

Progress in SOEC methanation development

In 2021, Osaka Gas became the first company in Japan to succeed in creating a full-sized cell prototype for metal-supported SOEC, the key to SOEC methanation technology.

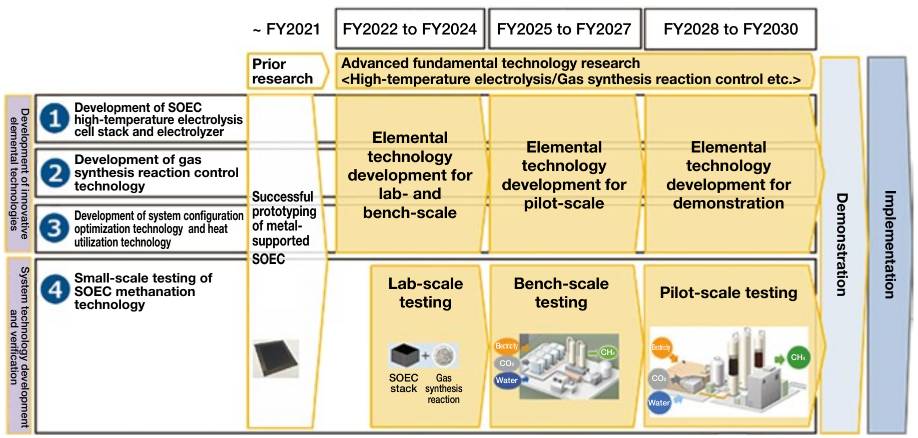
In April 2022, in response to a call for proposals by the National Institute of Advanced Industrial Science and Technology (AIST) and the New Energy and Industrial Technology Development Organization (NEDO), we proposed an SOEC methanation technology innovation project for the “development of innovative technology for the production of synthetic methane,” one of the research and development themes of the Green Innovation Fund Project’s Development of Technology for Producing Fuel Using CO_2, etc. The Group’s proposal was adopted for the project.

The project is expected to take nine years, starting in FY2023.3 and ending in FY2031.3. It will bring together technologies related to SOEC methanation and aims to establish synthetic methane production technologies with the world’s highest levels of energy conversion efficiency.

As a small-scale experiment, from FY2023.3 to FY2025.3, we built a lab-scale pilot facility and confirmed an energy conversion efficiency of 60% or higher.

From FY2026.3 onward, we plan to gradually increase the scale of its experimentation.

■ SOEC Methanation Technology Innovation Project Schedule



Daigas Group's Development of Carbon Neutrality-Related Technologies to Help Achieve the Theme of the Osaka/Kansai Expo: "Designing Future Society For Our Lives"

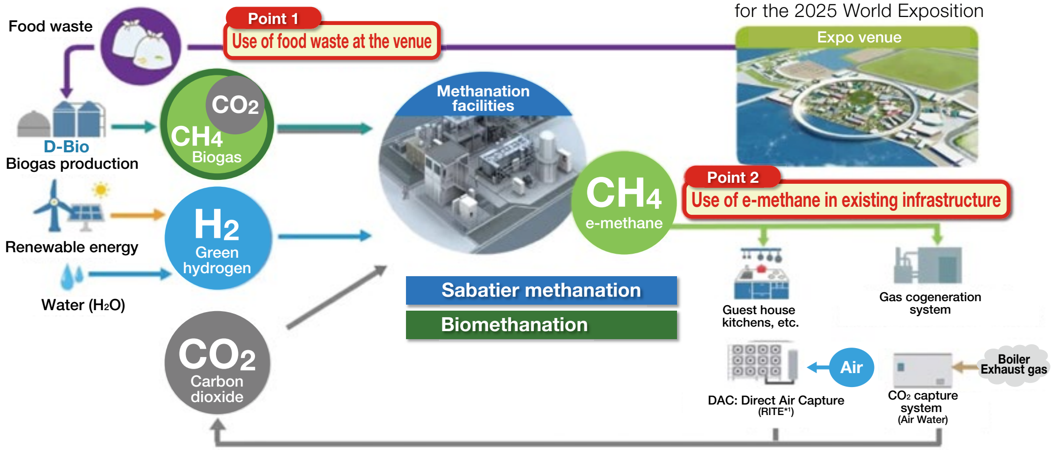
Verification of e-methane production within the Expo site

At the site of the Osaka/Kansai Expo (©Expo2025), a demonstration project is being conducted to create e-methane (enough for 170 typical households) by synthesizing CO_2 produced through the fermentation of food waste and other CO_2 to be reclaimed from the site with green hydrogen produced in the site through the methanation.

The generated e-methane is being supplied to gas-powered equipment and used in gas-fired kitchens in the guest house, gas co-generation within heat supply facilities, and gas-powered air conditioning.

■ Conceptual image of demonstration project

Courtesy of the Japan Association for the 2025 World Exposition



*Research Institute of Innovative Technology for the Earth (RITE)

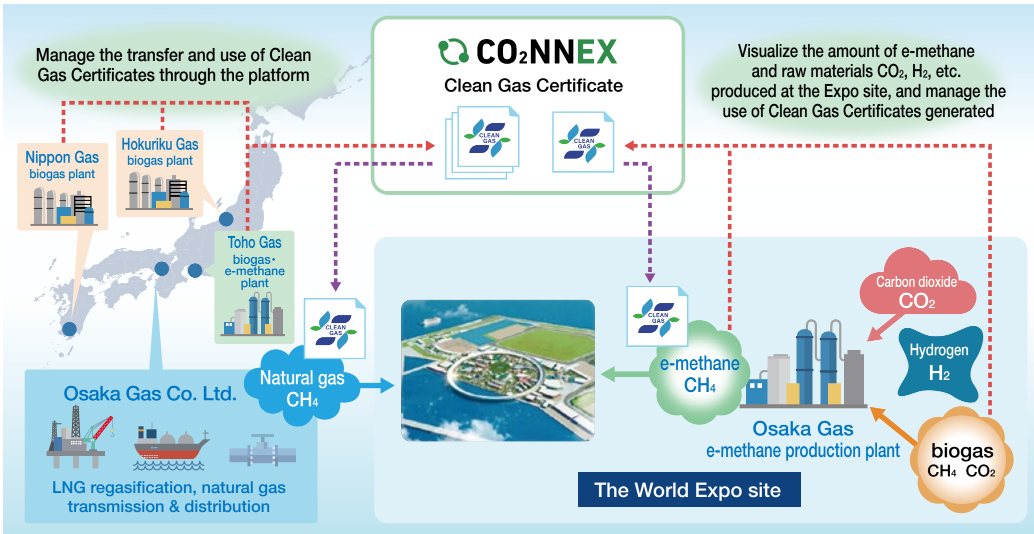
Operation of CO_2 NNEX® that enables the transfer of environmental value of e-methane

As more e-methane is supplied in city gas, private operations have begun for clean gas certificates that can transfer the environmental value of e-methane and biogas, similar to non-fossil certificates for electricity. As the trading volume of e-methane and its environmental value will increase in the future, it will be necessary to have a system for transferring environmental value via clean gas certificates.

Osaka Gas and Mitsubishi Heavy Industries, Ltd., have developed CO_2NNEX®*, the first system in the city gas industry that enables the transfer of the environmental value of e-methane, and is operating this system at the Expo 2025 Osaka, Kansai, Japan. At the Expo, CO_2NNEX® is being used to transfer and use clean gas certificates obtained from e-methane and biogas produced nationwide to natural gas supplied by Osaka Gas, contributing to carbon neutrality within the Expo.

*CO_2NNEX is a registered trademark of Mitsubishi Heavy Industries, Ltd.

■ CO_2NNEX® Clean Gas Certificate Transfer Initiative



Expo site image courtesy of Japan Association for the 2025 World Exposition

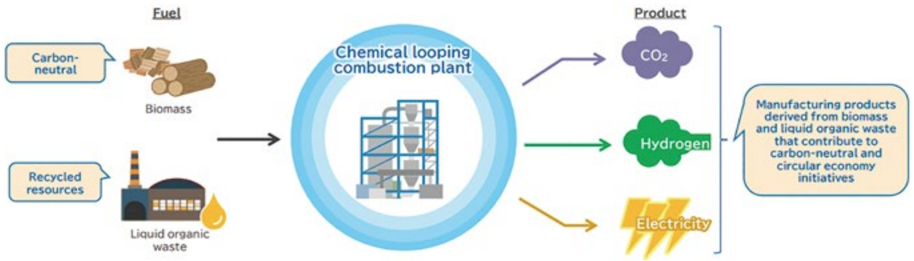
Development of chemical looping combustion technology for simultaneous production of hydrogen, electricity and CO_2

Osaka Gas is working on the development of chemical looping combustion (CLC*1) technology*2, which produces electricity, hydrogen, and CO_2 simultaneously by leveraging the redox action of iron oxide. CLC technology circulates iron oxide to have it react with fuel, water, and air, through which electricity, hydrogen, and CO_2 are produced simultaneously. Biomass and organic waste liquid can be used as fuels. This technology is expected to produce and supply green electricity, hydrogen and biomass-derived CO_2 when carbon-neutral biomass is used as fuel, and electricity, hydrogen, and CO_2 through the recycling of waste materials when organic liquid waste is used as fuel.

Meanwhile, there has been no implementation example of CLC technology aimed at producing hydrogen using biomass or organic waste liquid as fuel. For commercialization, it is necessary to solve technical issues such as elemental technology development toward the establishment of system design technology and process verification. The Daigas Group plans to use this technology to generate electricity, hydrogen, and CO_2 using biomass and organic waste liquid as fuel and to supply them to customers who want to contribute to carbon neutrality and the circular economy.

*1 CLC: Chemical Looping Combustion
*2 NEDO- subsidized project: "Development of Technology for Carbon Recycling and Next-Generation Thermal Power Generation/Development of Fundamental Technologies for Next-generation Thermal Power/ Development of technology for a poly-generation system with CO_2 separation and capture capabilities/ Development of technology for chemical looping combustion poly-generation"

■ Our vision for the practical application of CLC technology



Radiative cooling material SPACECOOL®, a new product by SPACECOOL Inc. —Also contributing to realizing a carbon neutral society with world-class cooling performance—

SPACECOOL®, developed by Osaka Gas and manufactured and sold by SPACECOOL Inc., is a radiative cooling material with zero-energy cooling capability. By releasing heat into space under direct sunlight, it lowers the temperature*1 below the outside temperature without using energy. It has the potential of contributing to carbon-neutral solutions for society as a whole.

A demonstration test confirmed that the temperature inside the structure was up to about 10°C*2 lower than the outside air temperature under direct sunlight, realizing world-class*3 cooling performance.

Courtesy of Japan Gas Association

The material is available in film, magnet sheet, tarpaulins, etc., and is expected to be deployed in products for implementing measures against global warming, achieving energy conservation and ensuring cooling comfort.

It is adopted in the Gas Pavilion exhibited by The Japan Gas Association at the Osaka/ Kansai Expo (©Expo2025), reducing the air conditioning burden in the Gas Pavilion and contributing to lower CO_2 emissions. In the future, we would like to promote the spread of this material both domestically and internationally and contribute to the realization of a carbon neutral society.

*1 This has been achieved by using Osaka Gas's proprietary optical control technology to develop a material design that reduces the solar heat input and increases heat dissipation through thermal radiation.
*2 The temperature was measured at Osaka Gas Energy Technology Laboratories (currently, the Advanced Technology Institute) in Konohana-Ward, Osaka City.
*3 The survey was conducted by the Company, based on published papers.

Development of technology for predicting renewable energy power generation

With an eye on the increasing number of renewable energy power plants such as solar power plants to realize a carbon neutral society, the Daigas Group is working to develop technology to predict renewable energy power generation amounts and improve the accuracy of the prediction.

For example, previously, electricity generated in solar power plants was traded at a fixed price, known as FIT. In recent years, a growing number of solar power plants are using schemes other than FIT, as a new purchase method, FIP, has been implemented. Therefore, power producers are increasingly required to predict power generation with a high level of accuracy, given the risk of needing to pay imbalance costs*. The Group has developed technologies for predicting weather at a level comparable to that of weather companies, based on our long-accumulated knowledge of fluid analysis, and has been implementing highly accurate solar power generation predictions utilizing this technology. In the future, solar power generation will be joined by wind power generation, and we will work to further improve the accuracy of our renewable energy power generation forecasts.

* Imbalance costs: Monetary penalties incurred when there is a discrepancy between the planned and actual amount of electricity generated when operating a power plant.

Initiatives to develop the world's first "ultra-long life" storage batteries that last five times longer than current storage batteries

The storage battery market is expected to continue to expand worldwide for multiple applications, such as automotive and stationary use. In Japan as well, storage batteries are positioned as one of the most crucial technologies to achieve the electrification of automobiles and the utilization of renewable energy as the main power source, with a view to achieving the greenhouse gas emissions reduction target for FY2031.3 and carbon neutrality by 2050.

KRI, Inc., one of the Group companies, is a comprehensive private contract research company with both advanced research and development capabilities and consulting functions. The company supports customer businesses by engaging in contract research and analysis evaluation, primarily focusing on energy, environmental technology, and material technology. It also pursues the excavation of new technological seeds and the creation of new value through its own research. In particular, storage batteries are emphasized as one of its key fields of focus, and the company is actively expanding its contract research and development business related to such products. We have been discussing and developing "ultra-long life" storage batteries from two aspects of "materials, electrodes, and batteries" and "diagnosis and operation" with manufacturers who agree on KRI's "ultra-long life concept," with the aim of achieving "ultra-long life," which is the direction of the storage batteries needed for a 2030 society.

Having had the prospect of completing the basic technology for "ultra-long life" lithium ion batteries (LIB)*1 that last five times longer than current storage batteries and reaching its goal, KRI, Inc. starts supplying 10Ah (around 400 Wh/L)*2 samples for user evaluation in FY2026.3. The above assumes the use of prototyping and demonstration technology of SEI CORPORATION, which became a subsidiary of KRI, Inc in February 2024.

Ultimately, the company aims to increase the life of conventional 30 kWh batteries installed in electric vehicles (e.g. 160,000 km guaranteed) by more than five times.

*1 A type of storage battery that uses an oxide containing lithium for the positive electrode and carbon material for the negative electrode. This battery has high performance and can be miniaturized. It is used in a variety of applications, including batteries for mobile devices and electric vehicles.

*2 Approximately the capacity installed in an electric motorcycle.

Launch of demonstration tests of degradation diagnosis and lifespan prediction model for EV storage batteries

In October 2024, Osaka Gas and KRI, Inc. launched demonstration tests of degradation diagnosis and lifespan prediction model for EV storage batteries, using data acquired from electric vehicles used by the Daigas Group ("Company EVs").

The decarbonization of the transport sector, which accounts for just under 20% of Japan's total CO_2 emissions, will play an important role in realizing carbon neutrality by 2050. Increasing the use of EVs has been positioned as an effective means of achieving this, together with the decarbonization of power sources.

The Daigas Group aims to achieve net zero CO_2 emissions from company vehicles by FY2031.3, and began introducing EVs into its company vehicle fleet from August 2024.

However, as the amount of degradation that occurs in storage batteries used in EVs varies depending on their usage environments (ambient temperature, method and frequency of charging and discharging, driving patterns, etc.), identifying the amount of degradation for individual storage batteries and estimating their remaining lifespans and internal state present a challenge to long-term storage battery use.

In these demonstration tests, we collect and analyze data from the storage batteries used in Company EVs to conduct detailed design and accuracy testing in preparation for the commercialization of these estimation technologies.

This will make it possible to visualize the degradation and predict remaining lifespans of individual EV storage batteries in different states and to provide advice if their operating conditions are not adequate. Doing so will promote the long-term use of EVs based on an accurate understanding of individual EV storage battery degradation and remaining lifespans, which has the potential to extend EV lifecycles.

We aim for the practical application of these technologies within the Group by the end of FY2026.3. Subsequently, we will contribute to the expansion of EV leasing and the growth of the used EV market by developing related commercial services.

Going forward, we will apply these technologies to a wider range of businesses that use storage batteries, including the battery energy storage system sector, such as the grid storage battery business that use reused storage batteries.

Development of degradation diagnosis and lifespan prediction technologies for battery energy storage system

Osaka Gas and KRI, Inc. have used KRI's technologies to develop deterioration diagnosis and forecast technology for battery energy storage system for grid storage batteries*3 and other equipment.

In recent years, renewable energy has come to be used more widely, increasing the need for storage batteries that help mitigate the variability in renewable energy output. The Company decided to enter the grid storage battery business in February 2023, and we are currently working on projects at three locations across Japan.

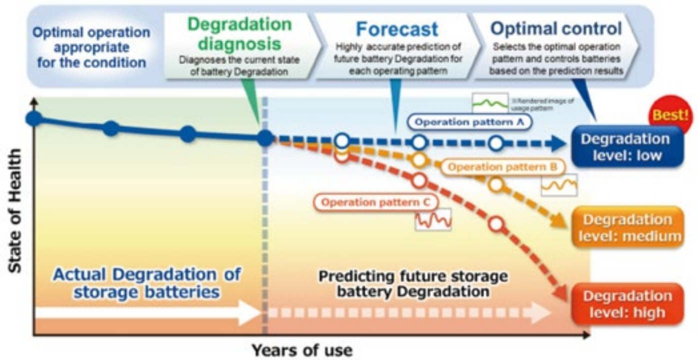
Meanwhile, storage batteries can undergo sudden degradation and become less safe if their charging and recharging is not controlled based on their State of Health. For large-scale battery energy storage system, in particular, there has been a need for the development of operation technologies that enable safe, long-term use.

This technology not only diagnoses the State of Health of storage batteries from monitoring data such as in-service voltage, current, and temperature, but also predicts future deterioration for each operating pattern.. Furthermore, combining theoretical models based on physical phenomena with data makes it possible to select optimal operation methods from a wider range of operation patterns, compared to conventional prediction methods that use only data. This has the potential to slow down degradation and allow storage batteries to be used for long periods of time.

Going forward, we will gradually expand our application of this technology to our own storage battery business, and proceed with detailed design work aimed at their practical application. At the same time, we will use this technology and the power trading know-how we have developed to create a system for determining optimal operation of storage batteries to achieve longer storage battery lifespans and greater safety, as well as the economic efficiency of electricity market transactions.

Furthermore, throughout the storage battery business, we will leverage the comprehensive strengths of the Daigas Group to carry out studies not only in the grid storage battery business, which we are already a part of, but also storage batteries installed with renewable energy facilities, with the aim of becoming one of Japan's top storage battery operation companies.

*3 Large-scale storage batteries directly connected to the power grid



Osaka Gas's experimental residential complex, "NEXT 21" won multiple awards

NEXT 21, Osaka Gas's experimental residential complex, was awarded the "Minister of Land, Infrastructure, Transport and Tourism Award in the 44th Green City Award," "the Organization for Landscape and Urban Green Infrastructure President's Award in the 23rd Innovative Green Tech Awards," and "the Good Design Award 2024."

As a verification model for environmentally symbiotic housing, NEXT 21 is continuing its efforts aimed at developing urban housing in which people live in harmony with nature. These awards are a recognition of the results this housing experiment has produced over the past 30 years.

■ Details of major initiatives

- Energy experiments
  Experiments have been carried out regarding efficient energy systems, healthy and comfortable living spaces, disaster-ready housing, and more.
- Environmental symbiosis activities
  Through planting management and the growth of local vegetables in rooftop gardens by residents, the residential complex is continuing its environmental protection activities.
- Community formation
  NEXT 21 is engaging in community-rooted activities such as building illumination, music events, disaster drills, cooking workshops, and more.

Social

Social

Social

Innovation Management Summary

Basic approach

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.

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.

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.

In the Medium-Term Management Plan 2026, we have positioned maintaining and improving the soundness and flexibility of management foundation and co-creating advanced, diverse solutions that meet customer values as our material issues to accelerate initiatives.

Theme	Items to be addressed	Specific initiatives
Promoting business transformation with DX P.071	• New service development • Operational process innovation • DX promotion structure enhancement Materiality: Maintain and improve the soundness and flexibility of management foundation	**Policy and promotion system** 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 both value provision through new service creation and productivity improvement through operational process innovation. 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. In FY2025.3, we worked on some initiatives, including Daigas X (Daigas Transformation), which reforms how to execute work, as well as an initiative to innovate both customer experience and operational processes in a joint team of business and digital talent. **Initiatives undertaken in FY2025.3** • Created new customer experience • Transformed employee value through Daigas X (Daigas Transformation) • Worked on operational innovation by adopting SaaS and generative AI • Developed DX human resources (DX core staff: 243 employees) **KPIs based on the materiality** / **FY2025.3 materiality result** Recruitment of DX core staff / 243 employees
Research and development/ intellectual property P.074	• 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	**Policy and promotion system** We aim to realize a carbon neutral 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. **Initiatives undertaken in FY2025.3** • 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 • Launched comprehensive collaboration with the Research Center for Advanced Science and Technology, the University of Tokyo, with the aim of solving social issues of the future • Promoted the commercialization of natural material-derived ketone body OKETOA™ and antimicrobial and antivirus agent TioClean™.
Creating new businesses P.075	• Commercialization of the Daigas Group's proprietary technologies • Development of new businesses through cooperation with diverse partners Materiality: Co-create advanced, diverse solutions that meet customer values	**Policy and promotion system** We will commercialize the Daigas Group's proprietary technologies and seek to create new businesses by combining our strengths with other companies' technologies and services. We thus aim to increase the Group's earnings, and contribute to resolving social issues. Starting in FY2025.3, we further strengthened the new business creation functions of the Next-Generation Business HQ and worked to create new businesses through co-creation with various organizations and external stakeholders. **Initiatives undertaken in FY2025.3** • Promoted open innovation activities that actively integrate and utilize Osaka Gas's technologies and needs and external parties' technologies and ideas • Invested in two start-up companies to create new businesses related to carbon neutrality (natural hydrogen, next-generation concentrated solar thermal) • Created new businesses, such as those related to EVs, with partners **KPIs based on the materiality** / **FY2025.3 materiality result** Creation of innovation / Social implementation of new services that contribute to low/decarbonization and efficient infrastructure maintenance

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 2026 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.

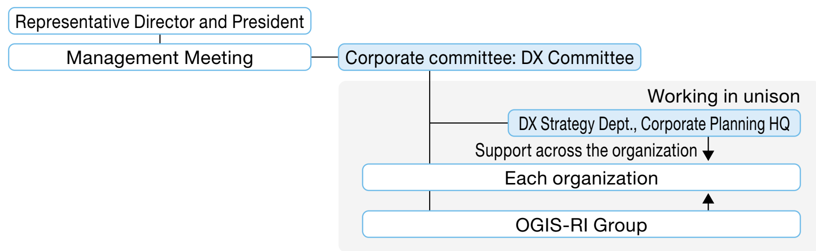
To make a major transformation to realize our vision, we will work on building a promotion system driven by top management, strengthening human resources development, demonstrating the comprehensive strength of the Daigas Group, including OGIS-RI Co.,Ltd., and building alliances with our partner companies.

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

❶ New Service Development

We will offer various services with higher value by incorporating trends and the diverse needs of customers without delay. Services here do not only refer to the new businesses, but also encompass the enhancement of existing businesses that lead to an increase in the number of customer accounts, business opportunities, sales, etc.

To this end, utilizing valuable assets such as data becomes increasingly important. For example, we will make use of customer data and provide 1-to-1 communication that proposes optimal services at optimal timings for customers. In addition, we will accelerate the trial and error cycle and foster Group-wide customs and mindsets that enable the Group to move forward with new initiatives aggressively and quickly.

❷ Operational Process Reform

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.

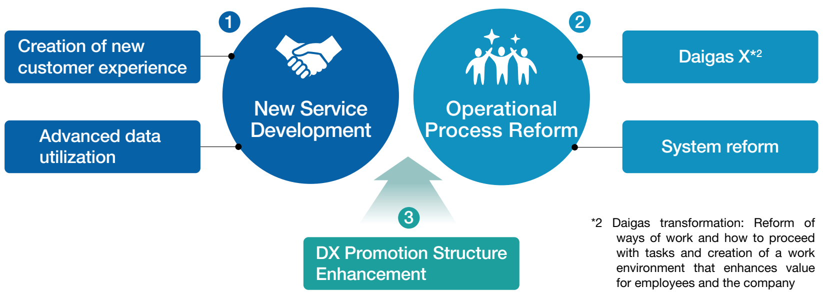
In addition, we will improve operational efficiency by incorporating SaaS*1, generative AI, and other digital technologies into business operations. Simultaneously, we will reform ways of work and how to proceed with tasks through Daigas X. This will make room for deepening highly specialized operations and lead to better value provision to customers.

*1 SaaS: A service that allows users to use software via a network, such as the internet

❸ DX Promotion Structure Enhancement

We established group-wide systems and structures to promote DX, with stronger collaboration with OGIS-RI Co., Ltd. in charge of the IT solution business. In addition, The Group will accelerate DX by demonstrating its collective strength and strengthening its human resources and structures through the development of core personnel who will be responsible for promotion and business transformation.

What We Aim To Be "A Corporate Group Capable of Keeping on Changing"
Daigas Group's DX Strategy



*2 Daigas transformation: Reform of ways of work and how to proceed with tasks and creation of a work environment that enhances value for employees and the company

Key Initiatives

The Daigas Group is driving forward initiatives in line with its DX strategy. In order to promote employee understanding, the progress, results, etc. of specific initiatives are communicated through the internal portal website.

❶ New Service Development

Creation of new customer experience

A project has been launched involving approximately 70 employees from residential business divisions*, which perform customer-facing activities; the DX Strategy Dept., which promotes DX; and OGIS-RI Co., Ltd. The project is restructuring our business operations and systems that support those operations, taking a customer-oriented approach. In FY2025.3, we formulated a system reconstruction roadmap to realize “one-to-one communication” that utilizes customer data to propose the optimal service at the best time for each customer.

We will continue with these initiatives, and define what we aim to be and promote transformation in businesses other than residential as well.

* Please see P.076 for examples of FY2025.3 activities in services for residential customers.

❷ Operational Process Reform

Transforming employee experience through Daigas X (Daigas transformation)

Daigas X, in full-scale operation since FY2024.3, 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. Discussions were also held in each organization on where they aim to be and what actions to take, in light of the situation of each organization and on the frontline. A total of 4,400 employees participated in the discussions. Information was shared on initiatives that are producing results, such as the utilization of IT tools to accumulate knowledge across organizational boundaries. In FY2026.3, we will further promote efforts to expand this practice throughout our entire organization and advance our transformation more.

Aims of “Daigas X” are communicated and shared within the Group

System reform

In FY2025.3, we introduced SaaS in such operations as sales, accounting, and internal communications, promoting operational reforms.

We offered an environment where all employees can use generative AI, with information security guaranteed, and they actually used it. As a result, we confirmed that efficiency improved in such tasks as summarizing documents and drafting answers to inquiries. Moving forward, we will continue to expand the scope of use, such as by linking it with other tools, while paying close attention to the accuracy and security of information, thereby further accelerating the creation of new value and business transformation.

❸ DX Promotion Structure Enhancement

Promotion structure that aims to integrate business with digital

In FY2025.3, a new training program for managers was launched to improve their skills and transform their mindset. This adds to the lectures by and dialogues with external experts in place for the management since FY2023.3. We also enhanced the development of DX core staff, who play a core role in DX promotion. By implementing a development program that includes lectures, OJT, and feedback interviews and taking other measures, we have developed a total of approximately 243 DX core staff members as of March 2025. In addition, we offered a self-learning support program on DX for all employees, and approximately 700 employees took the program.

Furthermore, OGIS-RI Co., Ltd. offers DX Practical Training, which is a service where IT professionals work together with organizations to help resolve issues. More than 100 cases a year were submitted for consultation. There was a case where using IT tools in answering inquiries halved the hours spent on the task. The training also functions as an opportunity to gain experience on DX while implementing the transformation. With these initiatives, we aim to build a system where top-down and bottom-up approaches create synergy.

■ **Development Program by Job Level**

Job level	Development program
Management	• Lectures by and dialogues with external experts (approx. 20 participants)
Managers	• Rollout of videos and textbooks to gain basic knowledge, group training for part of managers
DX core staff	• Development program including lectures, OJT, and interviews (developed a total of approx. 243 employees)
All employees	• E-learning, courses for obtaining qualifications • Share lectures for the management • Offer a self-learning support program that mainly consists of online learning

Key Initiatives

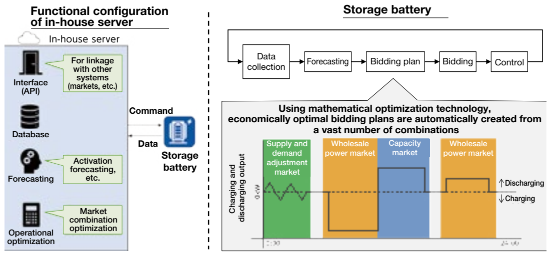
Implementation of Grid Storage Battery Business That Incorporates Operational Optimization Logic

Osaka Gas will begin its grid storage battery business in 2025 with Senri Grid Storage Co., Ltd., which it established jointly with ITOCHU Corporation and Tokyo Century Corporation.

As the introduction of renewable energy accelerates, storage batteries that can compensate for fluctuations in renewable energy output are becoming more important. This business involves installing grid storage batteries (rated output 11,000 kW, rated capacity 23,000 kWh) on vacant land of the Senri Supply Station owned by Osaka Gas Network Co., Ltd. Using the electricity trading expertise we have cultivated, we will make transactions with three electricity markets (the wholesale electricity market,*1 the balancing market,*2 and the capacity market*3), thereby contributing to the stabilization of the grid.

The operation optimization logic that forms the core of our grid storage battery business incorporates bidding optimization and control optimization logic that we have developed using the mathematical analysis capabilities and systems development capabilities that we have cultivated over the years. This logic automatically calculates and makes plans for the timing and amount of charging and discharging in the wholesale electricity market using a mathematical programming optimization algorithm, and we have implemented the system on our in-house server that we built internally.

We will apply the know-how gained from this project to storage batteries installed with renewable energy facilities, EV batteries, and storage batteries installed at customer's sites, with the aim of expanding the scale of the entire storage battery business.



*1 A market operated by Japan Electric Power Exchange to trade electric energy (kWh)
*2 A market where general electricity transmission and distribution operators efficiently procure and operate the regulating reserve (ΔkW) for frequency regulation and supply and demand adjustment services through the market
*3 A market for efficiently securing the overall supply capacity (kW) in Japan into the future

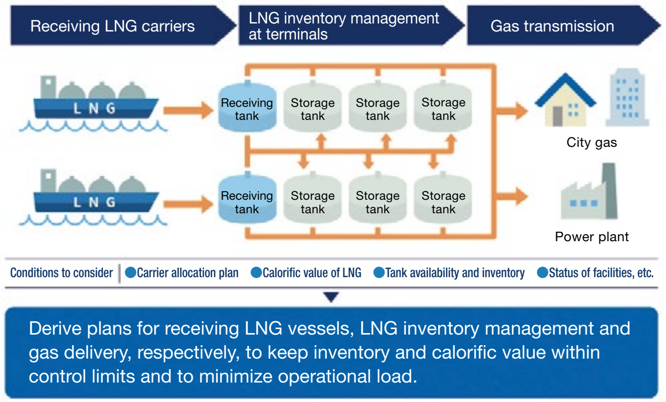
Digital Utilization in Gas Supply Equipment Management

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.

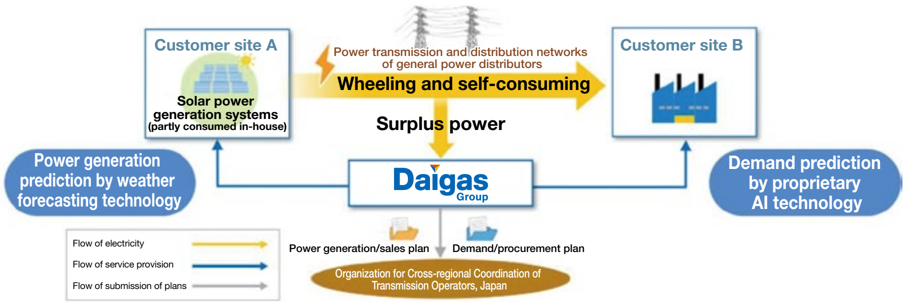
DX in Gas Production Process—Optimization of LNG Tank Operation Planning

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.



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 carbon neutralization 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.



Research and Development/Intellectual Property

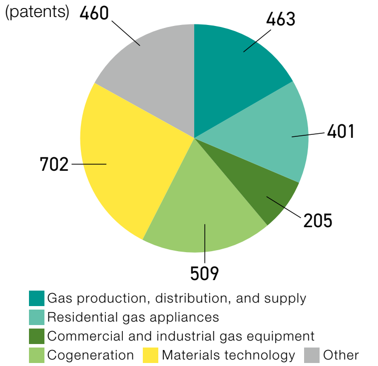
Principle and Outline

The Daigas Group consider research and development to be one of the most important growth strategies for the Group. In addition to ensuring and improving safety, we are conducting research and development aimed at improving operational efficiency and reducing equipment-related costs through the use of digital technology, improving customer convenience, and enhancing the sophistication of existing services. We are also engaged in research and development for the creation of new businesses and research and development that contributes to the realization of carbon neutrality.

Furthermore, we regard intellectual property rights as an important management resource and are actively working to secure and utilize the rights in conjunction with our business and technology development strategies. We are also actively working to promote comprehensive collaboration with universities to create innovation through industry-academia collaboration, and integrate and use the Group's proprietary technologies with those of external parties. By doing so, we are actively promoting "open innovation" activities aimed at accelerating and streamlining development and creating new technologies and products.

■ Patent Portfolio by Business Type (Group)

Fiscal year ended March 31,2025 **2,740** patents



Reward System for Inventors

Osaka Gas has an invention achievement reward system in which inventors who have made significant contributions to its business are rewarded in order to motivate employees to invent and encourage intellectual property activities.

We disclose the results of the review of achievement rewards on the internal portal site, and respond to inquiries and opinions from employees regarding the results of the review, in an effort to operate the system in a fair and transparent manner.

Comprehensive Collaboration with Universities

Osaka Gas believes that it is important to innovate through industry-academia collaboration, and is therefore undertaking comprehensive collaborations with Kyoto University and the Research Center for Advanced Science and Technology, the University of Tokyo.

In March 2022, we concluded an organization-based*1 comprehensive collaboration agreement with Kyoto University aimed at building broader collaboration toward achieving carbon neutrality and training young researchers in the medium to long term. In the following year, we established an Industry-Academia Collaborative Research Department on Kyoto University's Katsura Campus as a hub for industry-academia collaborative research, which does basic research in fields such as methanation technology.

We have concluded a comprehensive collaboration agreement with the Research Center for Advanced Science and Technology, the University of Tokyo,*2 with the aim of solving social issues by creating research and development themes that we could not achieve alone, and by nurturing researchers and building networks through exchanges between the two parties.

*1 The purpose is to promote large-scale collaborative research. It is not limited to specific research fields or researchers, but rather aims to explore new themes of future social value and make new innovations from a variety of research fields, from the humanities and social sciences to the natural sciences.
*2 This is the newest attached research institute at the University of Tokyo. Since it was established in 1987, it has been conducting interdisciplinary research activities that transcend the boundaries between the humanities and sciences under six categories: materials, environment and energy, information, biomedical chemistry, barrier-free access, and social sciences.

Initiatives for Commercialization

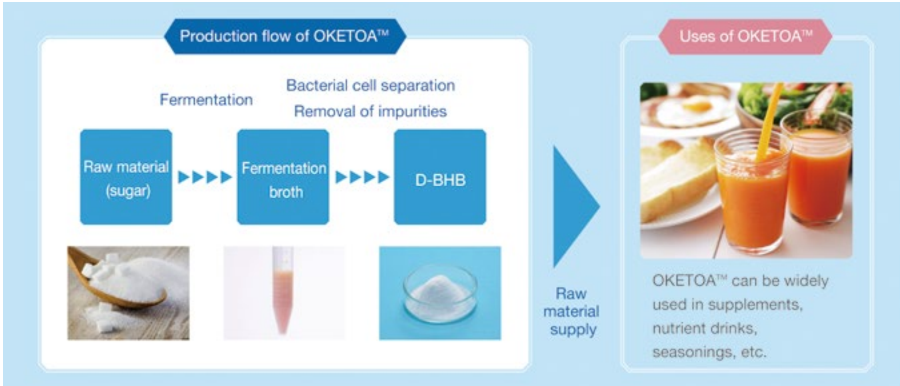
Promoting the commercialization of natural material-derived ketone body OKETOA™ by utilizing it for health foods, etc.

Taking advantage of its proprietary fermentation technology cultivated through biogas manufacturing and development and other businesses, Osaka Gas succeeded in mass-producing ketone body D-β-hydroxybutyric acid (D-BHB) by fermentation for the first time in the world. We worked on the manufacturing and achieved the commercialization of natural material-derived ketone body OKETOA™.

Ketone bodies are produced in the body as an energy source when sugar, utilized as an energy source in the body, becomes depleted (when carbohydrate intake is restricted).

Recently, D-BHB has been shown to be an energy source that elicits various physiological effects superior to sugar and is attracting attention around the world as a raw material for supplements, etc. We are promoting the use of D-BHB for a wide range of products, including cosmetic raw materials, health foods, and supplements.

■ Production flow of natural material-derived ketone body OKETOA™



Promoting the commercialization of antimicrobial and antivirus agent TioClean™

By introducing additives to the Company's proprietary photocatalysts that take advantage of technology developed for solar power generation, we have succeeded in the development of antimicrobial and antivirus agent TioClean™, which demonstrate high antimicrobial and antivirus properties and are easy to use.

There is a strong demand for antimicrobial and antivirus agents that are transparent, well adhere to the base material, and demonstrate antimicrobial and antivirus properties in a wide range of environments. TioClean™ offers all of these properties.

We will roll it out to be used for furniture and other home equipment and public, commercial, and other facilities, where there is demand for antimicrobial and antivirus properties, as well as for medical equipment and hygiene products.

New Businesses Creation

Principle and Outline

The Daigas Group has expanded its business domains to the Urban Development Business, Materials Solutions Business, and Information Solutions Business by taking advantage of technologies and strengths nurtured in the energy business and creating products and services that help resolve issues customers are facing. We will continue to work on the creation of new businesses, aiming to facilitate the Group's sustainable growth and contribute to the resolution of social issues.

Open Innovation Activities

Open Innovation

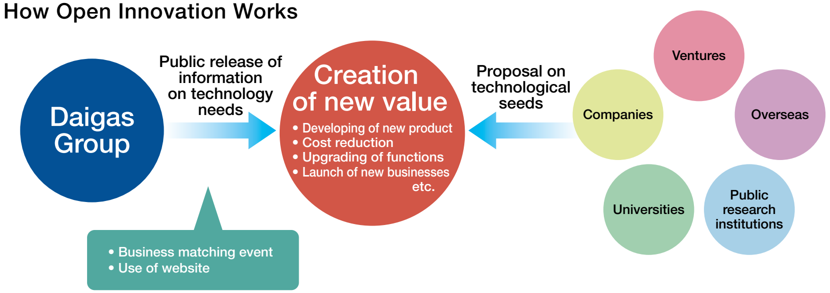
Open innovation refers to an efficient approach used to seek solutions outside the company to the problems that Osaka Gas is unable to solve independently, with the aim of creating new value. Osaka Gas has pioneered this approach since 2009. Our efforts have led to the building and expansion of a network of partnerships (Open Innovation Platform) with universities, public research institutes, small enterprises, large corporations, ventures and overseas companies.

To find outside partners to work with, we have revealed details of our technology to-do list, something we have rarely done in the past, in order to solicit promising technical ideas from outside parties. After we launched full-fledged open innovation activities in FY2010.3, we have achieved many matchmaking opportunities. Some cases have actually led to commercialization and practical applications.

For example, gas pipe patrols using technology that automatically recognizes the part requiring construction with an on-board AI camera, and the use of drone technology in facility inspections are examples of value-added products created by combining our technology with external technologies.

The task ahead is to introduce some of the efficient technologies that we obtained externally, and together with our alliance partners, actively promote the creation of new R&D themes and creation of new businesses through the Open Innovation Platform.

■ How Open Innovation Works



Developing new EV-related businesses with partners

Expanding the use of EVs along with providing carbon neutral power sources is positioned as an effective means to achieve carbon neutrality by 2050. Against such backdrop, Osaka Gas is driving forward new initiatives, including capital and business alliances in the EV-related field with REXEV Co., Ltd., NExT-e Solutions Inc., folofly Inc., and Terra Motors Corporation.

Specifically, we are considering business in a variety of fields through the alliance with these companies, such as utilizing EVs for the adjustment of power supply and demand and car sharing, converting mobility-derived reused storage batteries to grid storage batteries*1, utilizing commercial EVs in the car leasing business, and proposing and developing EV charging infrastructure.

In addition, one of our Group companies, Daigas Energy Co., Ltd., launched in November 2023 the D-Charge service, where the company provides EV charging solutions that combine the installation of EV chargers with energy management*2 to commercial and industrial customers without any initial investment.

D-Charge offers both fast and regular chargers and meets the needs for base charging*3 and destination charging*4. In accordance with customer needs, the service can also incorporate D-Green*5, which supplies electricity from 100% renewable energy sources.

*1 The company renamed to Terra Charge Corporation in February 2024.
*2 Cutting peak power use and shifting peak power loads to reduce the impact of EV charger use on power demand.
*3 Charging at the base for the vehicle, such as home or company parking lots.
*4 Charging at the destination, such as commercial facilities, while staying there.
*5 Tariff for the supply of electricity from 100% renewable energy sources.

Launching "FitDish," a regular delivery service for refrigerated pouched foods

Osaka Gas started in September 2023 the regular home delivery (subscription) service "FitDish," using "Automatic Diagnosis" to deliver refrigerated pouch foods tailored to each customer's needs based on inputs on lifestyle and preferences.

With "Automatic Diagnosis," customers enter information on the Web about their family structure, allergies, and other preferences that match their lifestyle, and receive monthly menus which our proprietary algorithm estimates to be highly satisfying according to their needs. Personalization accuracy is further improved by evaluating the food afterwards. It eliminates the "menu-planning fatigue" of having to think about the menu, such as thinking "What should I cook today?" or "What should I cook for one more dish?"

The dishes we deliver are supervised by Osaka Gas Cooking School Co,. Ltd. In order for our customers to eat with peace of mind, we use as few preservatives and coloring agents as possible and focus on a gentle, home-cooked taste that they will never get tired of. In addition, we also provide arranged recipes so that customers can enjoy the dishes they receive even more. Moreover, by delivering refrigerated pouch foods that do not need to be thawed, not only does it take less time to cook compared to freezing, but it also eliminates "freezer congestion" where the freezer is full and no more space is available, allowing space-saving storage in the refrigerator. Customers can also store the dishes in the refrigerator for about a month, so they can use them whenever they like.

Delivered once a month in a refrigerated pouch

Can be stored in the refrigerator to save space

Creating new business related to carbon neutrality

Osaka gas is promoting technology evaluation and project development in collaboration with overseas startups. In FY2025.3, we invested in Koloma, Inc. ("Koloma"), a U.S. startup engaged in the exploration, development, and production of natural hydrogen.*1

The widespread adoption and utilization of carbon-free hydrogen and its derivatives, such as e-methane and ammonia, are crucial for achieving carbon neutrality by 2050, a goal set by over 120 countries and regions worldwide.

Koloma aims to commercialize natural hydrogen using its own data. We will work with the company to promote the production and use of natural hydrogen, which is expected to be an inexpensive and clean source of hydrogen.

In addition, the Company invested in FPR Energy Limited ("FPR Energy"), an Australian startup engaged in the development of next generation concentrated solar thermal system (CST). Going forward, we will collaborate with FPR Energy to commercialize its technology and aims to contribute to the decarbonization of industrial heat demands. The CST system is being developed as a next-generation clean energy technology that efficiently converts sunlight into thermal energy for storage and supply, using a thermal medium that absorbs solar energy and stores it as heat, and the heat and steam generated from it can be used in various industrial and utility applications. FPR Energy was established in 2023 as a start-up to implement the next generation of concentrating solar thermal technology developed at Australia's leading scientific research organization, the Commonwealth Scientific and Industrial Research Organization (CSIRO), into society.

FPR Energy has already completed a 1 MWt*2 scale demonstration and plans to develop the technology and optimize the operating system to scale up to 50 MWt by the end of 2026.

*1 Natural hydrogen is found in natural deposits (areas where specific resources or minerals are concentrated in underground rocks) located hundreds to thousands of meters underground. Its existence has been confirmed in various parts of the world, and development has been progressing in recent years, mainly in the United States and Australia. Some already established oil and natural gas drilling technologies can be used to extract natural hydrogen, and since greenhouse gas emissions from production are expected to be smaller, natural hydrogen, which is cost-effective and environmentally friendly, is expected to contribute to realizing a carbon-neutral society.

*2 MWt stands for megawatt of thermal energy, which indicates the capacity to collect and store 3,600 MJ of thermal energy per hour.

Creation of Innovation (FY2025.3 Results)

The Daigas Group is working to commercialize technologies it has cultivated, and also aims to create new businesses by combining the technologies and services of other companies with the strengths of the Group.

While working to create new businesses through co-creation with various organizations and external stakeholders, we further strengthened the new business creation functions of the Next-Generation Business Headquarters from FY2025.3.

■ Major social implementation examples

- Achieved faster and less manpower-intensive road surface leak inspections by using vehicles equipped with laser spectroscopic gas detectors and a navigation system that generates and navigates inspection routes.
- We launched an online gas education video service for overseas gas suppliers.
- Launched residential after-sales service centered on periodic visits in the new construction market.
- Introduced the "FAST* Channel" as content for the Sumai LINK TV Stick.
  * "FAST" is an abbreviation for free ad-supported streaming TV, a broadcast-style video streaming service.
- Added an earthquake-sensing breaker that cuts off electricity when there is an earthquake of intensity 5 or higher as an option to "Mirupiko," which monitors gas leaks or failure to turn off the gas.
- Launched "D-Remove," a service with no initial investment to reduce CO_2 emissions from the process of removing and deodorizing volatile organic compounds, which cause air pollution.
- Developed and launched the world's first AI-based carbon credit quality assessment service (Please see P.046 for details).

Social

Human Resources Strategy Summary

Basic approach

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.

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.

We respect the individuality and self-reliance of all employees and actively promote diversity, equity, and inclusion so that they can take on challenging and rewarding work.

In the Medium-Term Management Plan 2026, the creation of a work environment where employees and the company resonate and enhance each other has been positioned as one of our material issues to accelerate initiatives.

Theme	Items to be addressed	Specific initiatives

Human resources management P.079
Human resources strategy targets P.080

Items to be addressed

- 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

Materiality Create a work environment where employees and the company resonate and enhance each other

Policy and promotion system

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.

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.

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.

Each year, we measure employee engagement through the Attitude Survey of Daigas Group employees, reflecting the results in each policy.

Initiatives undertaken in FY2025.3

- 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

KPIs based on the materiality	FY2025.3 materiality result
Work engagement score*	52.2
Total number of new graduates and mid-career hires for career-track positions	116 people
Reserve ratio of next-generation management personnel	260%

* Deviation in work engagement results for companies using a survey provided by Advantage Risk Management Co., Ltd.

Human resources development P.081

Items to be addressed

- 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

Policy and promotion system

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.

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.

Human Resources Department		Leading the development of common elements across the company
Respective organizations		Leading the development of organization-specific elements (operational expertise, acquisition of qualifications, etc.)
	Supervisor	Person responsible for development
	Instructor for new employees	Person promoting the development of new employees' skills during their first three years of employment
	General affairs of the each organization	Confirmation of the development status and support

Initiatives undertaken in FY2025.3

- Common training hours to strengthen the management foundation (/person) 14.1 hours
- 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

Theme	Items to be addressed	Specific initiatives

DE&I (Diversity, Equity, and Inclusion)

P.084

For empowerment of female employees:

- 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 Create a work environment where employees and the company resonate and enhance each other

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.

Initiatives undertaken in FY2025.3

- Implemented self-motivated career development through the mentoring program
- Strengthened cooperation between those engaged in employee development (supervisor, HR departments in the organization and head office), using meeting sheets from pregnancy to return to work
- Held information sessions that introduce a range of actual career paths to clasrify how employees can play active roles after joining the company

KPIs based on the materiality		FY2025.3 materiality result
Percentage of women among:	Newly promoted to middle management positions	18.2%
	New recruits for career-track positions	39.4%

Work-life balance

P.087

- 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 including the DX Committee.

Initiatives undertaken in FY2025.3

- Promoted flexible work styles that are not bound by location or time through the use of telework, flexible work hours, and paid leave by 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

P.089

- Continued implementation of measures to prevent occupational accidents
- Practical implementation of Kenko Keiei*
- Continued support for labor health and safety management at group companies

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

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 FY2025.3

- 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: 15.4% 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. 14,254 employees from 34 companies (total of Osaka Gas and affiliated companies) received regular health checkups at the Osaka Gas Health Development Center.

Communication between employees and company

P.094

- 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 FY2025.3

- Continued to set up opportunities for direct dialogue between Osaka Gas President and group employees (workplace visits and meetings with young 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 annual 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

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.

Human Resources Strategy Targets

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.

…Materiality indicators (key performance indicators)

Strategy to enhance employee success in their roles		Specific initiatives and KPI	FY2025.3 Results	FY2027.3 target
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 the current mid-term period
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

Human Resources Development

Principle and Outline

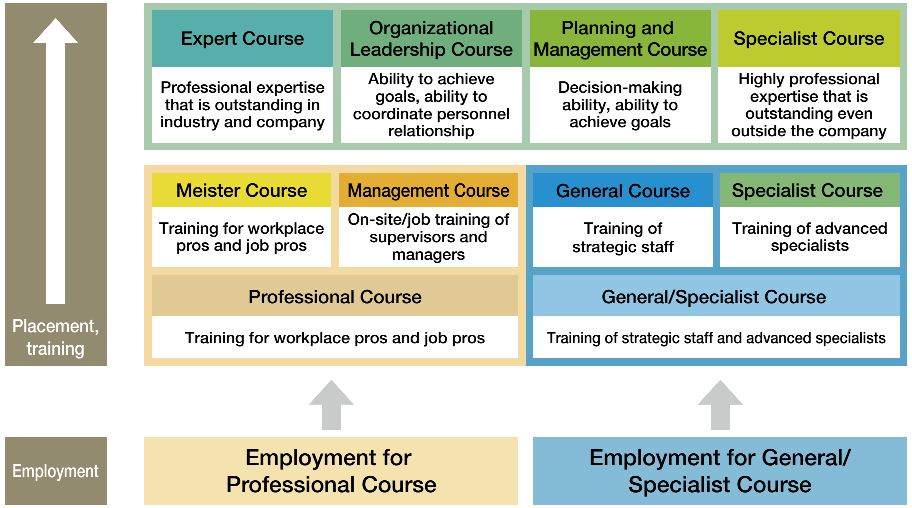
The Daigas Group aims to become a group of companies at which all employees can find personal growth through their work. We have introduced a career-course-specific human resources systems designed to respect and put to full use the individuality and autonomy of employees, and we have been conducting 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, Osaka Gas systematizes training and conducts 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 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
	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

Online study courses | Challenge seminars (self-directed training) | Accounting and financial affairs seminars

Training to develop human resources leading overseas operation

In order to develop a large number of human resources who can play an active role in overseas business, Osaka Gas sends 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.

We also send employees to study at overseas universities in order to have them foster a sense of globalization and acquire management literacy, as well as support language learning to develop personnel who can play an active role in Japan and overseas.

[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.

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

Employee Performance Evaluation and Interviews

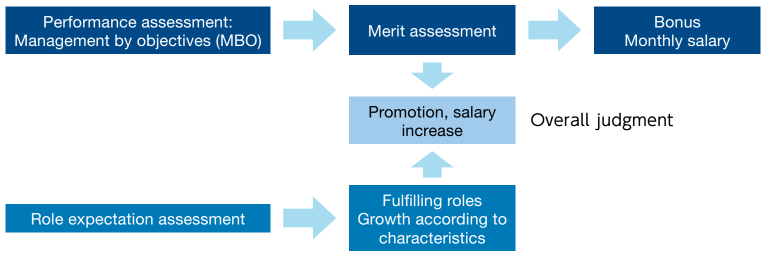
Aiming for evaluations that lead to growth

Osaka Gas is using performance evaluation, which measures the degree of performance based on the Management by Objectives (MBO) method. Starting from FY2026.3, we have introduced a "performance-based pay" system in which remuneration fluctuates annually based on performance evaluations, creating a system that enables more appropriate and timely evaluation of outstanding contributions to business performance. 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.

In addition, we have set attitudes toward compliance effort as one of the evaluation items in the role expectation evaluation. This promotes compliance with laws and regulations and ethical standards.

■ Evaluation System



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

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.

Supporting the improvement of 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.

DE&I (Diversity, Equity, and Inclusion)

Principle and Outline

▶ Daigas Group Diversity Promotion Policy

To sustainably enhance corporate value amid the acceleration of working population decline and industrial structure changes in Japan, the Daigas Group believes that it is essential to promote diversity, equity, and inclusion (DE&I), where companies and organizations consist of members with diverse attributes who demonstrate their full potential. The Group established the Daigas Group Diversity Promotion Policy in 2014 and has been advancing various initiatives to materialize the policy.

To leverage each individual in a diverse workforce, including women, people with disabilities, senior employees, and LGBTQ employees, we are working on the creation of a flexible and comfortable workplace environment, support for career development, and creation of a workplace culture that takes advantage of diversity.

Supporting a More Active Role for Female Employees

Osaka Gas actively promotes initiatives that help female employees play a more active role. We believe that this is an important issue not only for us but in a wider society, and in promoting diversity, leads to the promotion of diverse ways of work and career support for employees with diverse backgrounds other than gender. Under the Daigas Group Diversity Promotion Policy, we have set numerical targets of increasing the percentage of women on the board and the percentage of women among career-track employees promoted to middle management positions* to 30% or higher, respectively, and of maintaining the percentage of women among career-track hires at 30% or higher by FY2031.3. We are advancing initiatives to create a more comfortable and rewarding workplace by enhancing various systems to improve work-life balance and taking measures to encourage career development in an environment where few role models exist. As a result of these endeavors, the percentage of women in managerial positions increased steadily. External awards Osaka Gas has won include the “Eruboshi” (highest level) certification from the Minister of Health, Labour 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. Osaka Gas was also selected for the “Nadeshiko Brand” and “Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting” 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.

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).

Nadeshiko Brand

Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI Japan Empowering Women Index

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

■ Osaka Gas’s progress on empowerment of female employees

- We appointed our first female manager in 2004.
- In FY2022.3, a new indicator was set to attain “30% or higher for the percentage of women among employees promoted to managerial positions by FY2031.3.” We will work on initiatives to achieve the target.

	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Percentage of women among all employees promoted to managerial positions* (%)	6.3	14.3	15.9	18.2
Percentage of female employees in managerial positions (%)	4.2	4.5	4.9	5.1

* The percentage of women promoted to managerial positions among career-track employees promoted to managerial positions in that fiscal year (managerial positions changed to “managerial positions or equivalent,” including Osaka Gas’s loaned employees)

■ Main Actions Taken in FY2025.3

		Specific initiatives in FY2025.3
Recruitment	Holding of diversity seminars to introduce the career paths and work environments of employees who balance work with life events	
	Website	Posting of articles about career plans pursued by female workers, introduction of diversity initiatives
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)*
		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 the Japan Institute for Women's Empowerment & Diversity Management, which is an organization that supports the empowerment of women; Women's Initiative for Leadership (WIL) organized by the Ministry of Economy, Trade and Industry; and other programs
	Training for supervisor	Diversity lectures in training for newly appointed and existing managers/supervisors
		Holding forums for employees raising children and their supervisors
		Attendance of supervisors in various training programs for women
Work environment	Childcare (Male employees are also eligible.)	Offering intranet networking opportunities for workers on leave and returners
		Holding roundtable talks for people taking childcare leave
		Holding seminars and roundtable talks on balancing work and childcare
	Corporate culture	Holding of a Diversity Promotion Forum (lecture by knowledgeable person and workshop)
		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 management with the opportunity to receive direct guidance from experienced mentors to foster networking and career awareness

▶ Action plan for the empowerment of female employees

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

	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Group*	176	163	149	153	145
Osaka Gas	46	36	10	9	11

*Osaka Gas and consolidated companies

■ Number of Participants in Mentoring Program

	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Osaka Gas	17	19	16	21	5*

* Previously we conducted this program for young female employees and management candidates. From FY2025.3, as there are no longer gender-based differences in the working environment for young people, this program is conducted only for candidates for management positions.

Promoting an Understanding of LGBTQ

As an LGBTQ-friendly company, Osaka Gas has created a positive workplace environment and promoted understanding among employees so that employees can be themselves and play a vibrant and active role regardless of gender identity or sexual orientation. From an early stage, we installed consultation desks, held lectures by experts and movie viewings, created manuals for allies*, distributed stickers, and took other measures. As a result, our efforts have been recognized by external entities. In FY2019.3, Osaka Gas became the first gas provider to receive gold in the PRIDE Index introduced by work with Pride. We continued to promote understanding after receiving the award, and rules have been amended to make de facto marriage and same sex partners eligible for internal systems in the same way as spouses from FY2025.3. This is intended to accept diverse family structures regardless of gender so that employees can continue working without undue worries.

*Allies are people who understand and support LGBTQs and other sexual minorities.
Osaka Gas's character "Enemaru" supporting LGBTQs

Osaka Gas mascot "Enemaru" holding a rainbow flag

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 2.88% of our workforce as of June 2025, well above the legal minimum of 2.5%. Of the 36 Group companies subjected to the law, 19 companies including Osaka Gas have the legal minimum numbers of employees with disabilities.

■ Percentage Rate of Disabled Employees at Osaka Gas (as of June each year)

2021	2022	2023	2024	2025
2.34%	2.45%	2.59%	2.71%	2.88%

Supporting Seniors to Play an Active Role

Osaka Gas is building an employment system that encourages the active engagement of senior workers, including gradually raising the retirement age to 65. In addition, we support employees' career development and growth regardless of age.

Extending the retirement age

Osaka Gas will gradually raise the retirement age to 65 starting in FY2026.3, and expects employees to continue working as full-time employees even after they turn 60 years old. We have also abolished the system of honorable retirement from executive roles at a uniform age and is promoting employees to higher positions based on their ability, including early promotion. We continue to apply a reemployment scheme to employees who have reached mandatory retirement age until FY2034.3, when the mandatory retirement age will reach 65. Daigas Group companies also have established employment systems up to the age of 65 that contribute to the active participation of senior human resources.

Career development support

In order to meet the diversifying needs of career development, at Osaka Gas, the Career Development Project Team conducts career guidance (training) and career development interviews for employees at the ages of 30, 40, 50, and 60.

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 design sheet and then attend a one-on-one interview with an in-house career counselor to discuss their career aspirations and growth plans. 376 employees received career development interviews in FY2025.3.

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.

We are working on work-style reform while considering measures to promote highly productive and creative work styles through corporate committees including the DX Committee.

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 94% in FY2025.3. 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 various initiatives one by one.

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.

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

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.

■ Main initiatives

Promotion of flexible work styles	• Expansion of telecommuting (give flexibility in where to work by allowing employees to work from home or satellite offices) • Introduction of hourly paid leave system
Promotion of operational process innovation by promoting DX	• Company-wide rollout of groupware • Streamlining of operations using IT (e.g., information sharing via internal portal site, work support via smartphone, and automation of operations and saving labor using RPA and AI)
Promotion of initiatives to prevent long working hours and overwork	• Visualization of data, such as actual overtime work hours, and implementation of monthly follow-up • Setting and promotion of a weekly "no overtime day," and days to encourage the taking of paid leave

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.

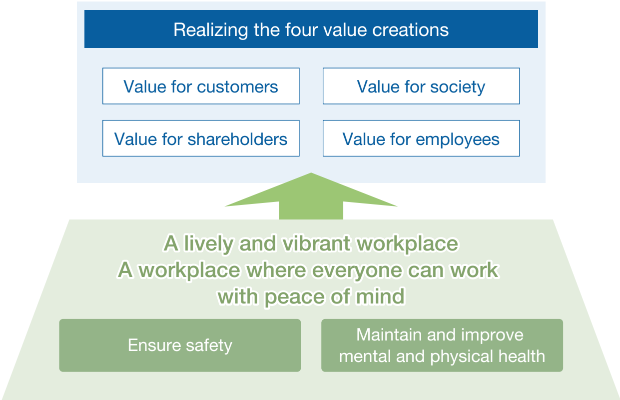
Occupational Health and Safety

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.

March 10, 2021
President, Osaka Gas Co., Ltd.

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. The regulations stipulate that by managing occupational safety and health based on the Industrial Safety and Health Act, the Labor Standards Act, and other safety and health laws, we prevent occupational accidents and maintain and enhance the health of our employees, temporary employees, employees of partners, and others, as well as promote the creation of a comfortable workplace environment. In addition, we have established the Safety & Health Management Regulations and other regulations that cover the safety and health management structure, safety and health education, and the planning and promotion of safety and health measures, as well as work manuals to implement smooth safety and health management. In this way, we work with our Group companies, as well as partners and other 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 Senior 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. In addition, information about safety and health is regularly reported to the Board of Directors, and the Board of Directors oversees safety and health-related initiatives. 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, based on the Guidelines for the Occupational Safety and Health Management System (OSHMS Guidelines)* established by the Ministry of Health, Labour and Welfare. Based on the Osaka Gas Health and Safety Action 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.

*The Ministry of Health, Labour and Welfare's guidelines conform to the OSHMS guidelines established by the International Labour Organization (ILO) (ILO-2001).

■ Goals for FY2025.3

Items		Goals for FY2025.3
Accident causing absence (Osaka Gas, other party)		0
Accident causing no absence	Osaka Gas	Negligence 0
	Other party	0

■ Occurrence of Injury in the Workplace

Items		FY2025.3 Results
Number of fatal accidents	Employees	0
	Partners	1

■ Countermeasures and preventive measures for occupational accidents that occurred in FY2025.3

Major occupational accidents	Countermeasures and preventive measures
Heat stroke	• Heatstroke prevention measures and installation of first aid kits • Installation of spot cooling devices and fans • Use of workwear equipped with fans
Fall accidents	• Conducting health exercises • Conducting physical fitness tests (for seniors) • Using laptop bags
Transportation-related accidents	• Conducting commentary driving • Conducting driving instruction using AI • Using dashboard cameras

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.


Class at an on-site driver training center

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 FY2025.3, a total of 4,259 employees from 61 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.

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 180 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, the Daigas Group has been providing the competency improvement education twice a year since FY2024.3 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 in FY2025.3.

Joint Safety Activities with Partners

Osaka Gas works closely with affiliates and others 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 has 74 member companies, primarily in the manufacturing sector. In accordance with the policy for ensuring the safety of workers including those from partners set forth in the Daigas Group Safety & Health Promotion Regulations, it promotes voluntary safety and health activities, with the goal of zero lost-time injury. Its main activities include the formulation and notification of safety management guidelines, as well as prior screening of partners based on their safety performance and risks.

In addition, 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 companies

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.

We have conducted physical fitness tests for senior employees since FY2025.3. This makes declines in physical fitness and muscle strength visible, in order to raise awareness and prevent falls by maintaining and improving leg muscle strength.

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.

In FY2025.3, 14,254 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 (Healthy 7)."

In FY2025.3, we held the "Healthy 7 Olympics '24", which will cover eight areas, including body weight, diet, exercise, alcohol consumption, quitting smoking, sleep, and stress, as well as oral hygiene. We held seminars and events on exercise and diet, which are the monitoring indicators, to encourage employees to take an active approach. In addition, a walking event was held jointly with the Health Insurance Association. Approximately 5,500 employees from the Group participated in the event.

■ **"Healthy 7" Lifestyle Habit Monitoring Indicator: Total of Osaka Gas, Osaka Gas Network, 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
FY2025.3	33.2	22.6	26.4	28.6	23.5	2.5	67.1
FY2024.3	33.1	22.3	27.4	26.8	24.1	2.0	68.2
FY2023.3	33.5	22.5	26.6	23.6	23.9	2.2	69.2
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])

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 address lack of exercise among young employees and prevent senior employees from tipping over, we also provide physical fitness tests that allow employees to check their physical strength and prompt them to exercise.

■ Trainings by Occupational Safety and Health Staff (FY2025.3)

No. of such events held	No. of participants	Description
14	1,551	Mental health, physical fitness checks, advice, etc.


Easy and quick exercise

Promoting the Creation of a Healthy Workplace

We comply with the Labor Standards Act, the Industrial Safety and Health Act, and other laws and work on the creation of a comfortable work environment, so that employees can work safely and in good health. If there is a violation, improvements will be made promptly.

■ Serious violations of the Labor Standards Act

There were no such violations in FY2025.3.

Osaka Gas was Selected as a Health & Productivity Stock Selection Brand for Two Consecutive Years

In March 2025, Osaka Gas was selected for three consecutive years as one of the brands in the 2025 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 three years in a row.

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

2025
健康経営銘柄
KENKO Investment for Health

2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

Communication Between Employees and Company

Policy and Principle

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 4,000 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.

Social

Human Rights Summary

Basic approach

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 Medium-Term Management Plan 2026, we have positioned maintaining and improving the soundness and flexibility of management foundation as one of our material issues and set respect for human rights as an indicator to accelerate initiatives.

Theme	Items to be addressed	Specific initiatives
Respect for human rights throughout the value chain P.096 Human rights due diligence P.097 Human rights awareness promotion P.100	• Management regarding respect for human rights • Human rights due diligence • Encouragement of suppliers • Promoting human rights awareness activities for Daigas Group officers and employees **Materiality** **Maintain and improve the soundness and flexibility of management foundation**	**Policy and promotion system** 「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. **Initiatives undertaken in FY2025.3** • Informed our suppliers of our procurement policy and conducted a sustainability questionnaire • Provided human rights awareness training to Daigas Group officers and employees **KPIs based on the materiality**: Respect for human rights **FY2025.3 materiality result**: Implemented human rights due diligence

Respect for Human Rights throughout the Value Chain

Policy and Principle

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.

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. It also established the Daigas Group Human Rights Policy in April 2021 and have disseminated the policy since then. 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.

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. The Daigas Group Code of Business Conduct, which incorporates the 10 principles of the UN Global Compact, contains "respecting human rights" and "providing safe and secure workplace" as the first and second items respectively. The Code eliminates discrimination and bans harassment against all stakeholders in all countries and regions.

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.

Prohibition of child labor and forced labor

The Daigas Group conducts self-inspections using G-RIMS, a system for managing risks related to daily business activities, in each one of its organizations and affiliated companies to confirm that there are no labor issues such as child labor or forced labor. In order to prevent child labor, the Group thoroughly verifies the age of employees when they are hired. Furthermore, in order to prevent forced labor, the Group does not retain employees' passports or any other important documents that could restrict their freedom of movement.

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.

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.

From the end of FY2025.3, we started gradually requesting that business partners sign a "Memorandum on Human Rights Protection Initiatives," and raised awareness of human rights among our business partners in order to promote respect for human rights throughout our supply chain.

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.

Human Rights Due Diligence

Policy and Principle

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. We integrate the human rights due diligence system, established in accordance with the Daigas Group Human Rights Policy, into our business processes and conduct ongoing evaluations.

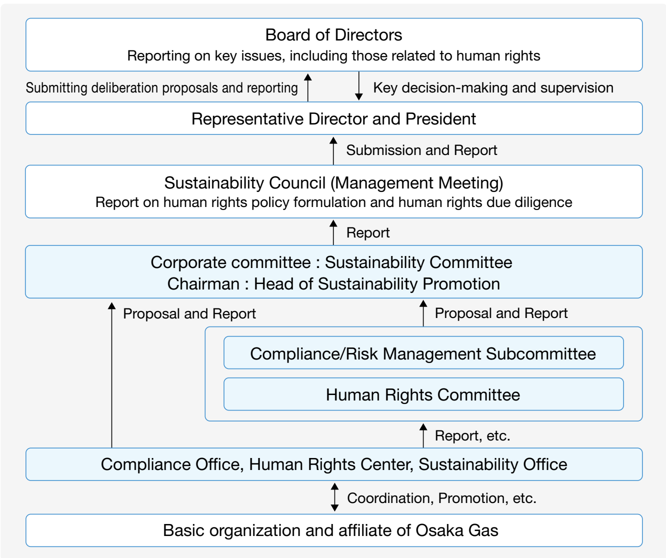
System for Carrying Out Human Rights Due Diligence

The Human Rights Center in the Human Resources Dept., Compliance Office and Internal Control Planning Team in the General Affairs Dept., and the Sustainability Office in the Corporate Strategy Dept. work together to promote human rights due diligence.

A member of the Human Rights Committee is appointed to each organization to be responsible for formulating plans, monitoring results, and overseeing implementation to prevent human rights violations. In addition, the Board of Directors, which makes decisions on and supervises the important business activities throughout the Daigas Group, supervises matters involving human rights issues. At the Sustainability Council (Management Meeting), which is held three times a year, executives discuss activity plans and activity reports related to sustainability issues, including human rights issues, and submit reports to the Representative Director and President.

In addition, the Group also has the Sustainability Committee, chaired by the Head of Sustainability Promotion (Director and Senior Executive Officer), who supervises the Group's sustainability activities, and consisting of the heads of related organizations. The Sustainability Committee is held three times a year in principle for cross-organizational deliberation, coordination, and supervision of issues and planning, promotion related to human rights due diligence.

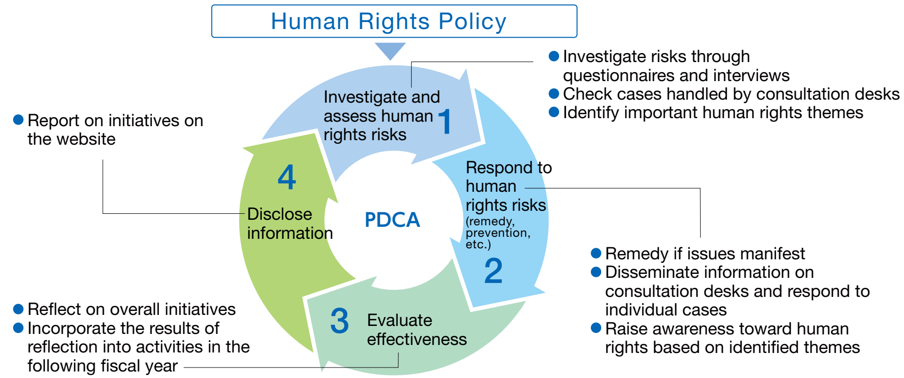
■ System for Carrying Out Human Rights Due Diligence



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 FY2025.3 (Results of Human Rights Due Diligence)

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.

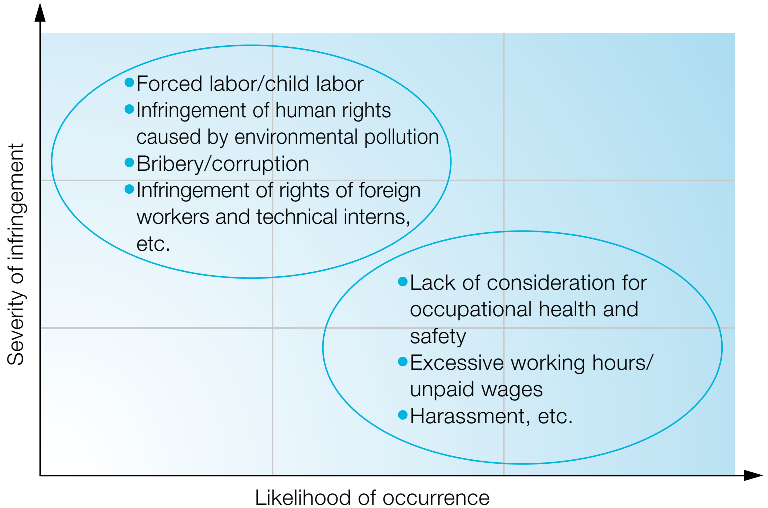
In FY2025.3, we continued to conduct checks through the “G-RIMS,” a self-inspection tool, a compliance survey of employees to see how well they understood compliance, and questionnaire surveys targeting major business partners of the Daigas Group. In addition, we undertook efforts to gradually expand the scope of our investigation, including starting to conduct questionnaire surveys targeting major suppliers and conducting on-site audits by adding the confirmation of human rights risks to the existing quality audit framework.

The investigation results showed no serious risks related to human rights.

■ 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.**

■ Matrix Assessment of Human Rights Risks



Identify important human rights themes (assessment)

Based on the FY2025.3 investigation results and discussions with experts, we identified important human rights themes that the Daigas Group should consider in the course of our business activities. As a result, no human rights violations in FY2025.3 that violated our Ethics code were identified. Meanwhile, our Compliance Desk (internal reporting system) received one consultation related to human rights. Based on the details of the consultation, we implemented measures such as internal training and information dissemination initiatives to promote respect for human rights.

Among the human rights risks that may occur in the course of the Group’s business activities, 14 items were identified as significant human rights risks (human rights risks with a relatively high likelihood of occurring). Such risks include forced labor, child labor, and bribery/corruption in the international business, and infringement of the rights of foreign workers or technical interns in the domestic business, in addition to lack of consideration for occupational health and safety, infringement of human rights caused by excessive working hours or unpaid wages, and harassment. We take various measures to prevent and mitigate these risks, under relevant policies and other systems.

In addition, in response to concerns raised during last fiscal year’s discussions with external experts regarding compliance with working-hour limits in the construction industry, we confirmed the situation at three relevant Group companies. Furthermore, we undertook efforts to identify and address human rights risks at our overseas subsidiaries by conducting on-site inspections at our investee in the city gas business in India.

In addition, during discussions with experts, recommendations were made regarding the importance of assessing human rights risks by business in the value chain, and continuing to conduct surveys, investigation, and audits in areas identified as those with key human rights risks.

Going forward, we will continue to identify significant risks and review human rights issues through human rights risk assessments and dialogue with experts. We also assess human rights risks in new businesses. For example, we investigate the status of legal compliance concerning labor standards and health and safety as part of due diligence for M&A deals. We thus confirm that serious human rights risks do not exist in companies joining the Group.

■ 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

Stakeholder Engagement Program

Since FY2026.3, Osaka Gas has participated in the Stakeholder Engagement Program (Human Rights Due Diligence Workshop) hosted by Caux Round Table Japan. In this program, companies, NGOs, NPOs, academics, and other experts discuss human rights due diligence as required by the United Nations Guiding Principles on Business and Human Rights, to gain a deeper understanding of human rights issues.

Consultation Desks for Human Rights

The Daigas Group accepts consultations on human rights from not only employees but also customers, the local community, suppliers and all other stakeholders, and is careful to make sure that people who seek consultations do not suffer any disadvantages. 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	• 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.	• Customer Centers accept inquiries.
Suppliers	• Consultation and reports are accepted at the consultation/reporting desk on the website. ▶ Consultation/reporting desk

Human Rights Awareness Promotion

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.

System for Promoting 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 Senior 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 "Daigas Group 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 Promoter," 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 and reports on all matters related to human rights.
In FY2025.3, we announced the "Daigas Group Basic Policy on Customer Harassment," while also conducting training sessions for group employees and creating a response manual.

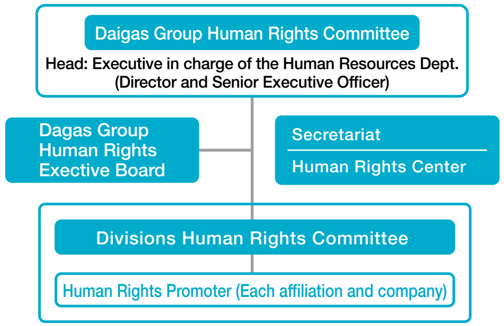
■ System for Promoting Human Rights Awareness

Daigas Group Human Rights Committee
Members: General Manager of the department in charge of general affairs in each organization, and Managers of the Sustainability 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 Sustainability 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



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 FY2025.3, our overseas subsidiaries also conducted a questionnaire survey on addressing human rights targeting major suppliers and conducted on-site audits by adding the confirmation of human rights risks to the existing quality audit framework. The results confirmed 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 FY2025.3, we invited the participation of construction companies, service chain companies, and other partner companies, and approximately 200 people attended the lecture.

Please see P.104 for more information on the details of the conducted sustainability questionnaire survey.

■ Survey on Human Rights Risks

	No. of companies surveyed	No. of companies which replied
Sustainability questionnaire	398	395
Questionnaire survey on addressing human rights, on-site audit	94	82 (of which 16 underwent on-site audits)

Implementation of Human Rights Training

Human rights training for all levels

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

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

Human rights training for all employees have been conducted mainly through video distribution since FY2023.3. In FY2025.3, the training was conducted under the theme of "Business and Human Rights: Companies Have a Responsibility to Respect Human Rights," and approximately 17,200 employees across the Group participated in the training.

■ Group-wide Human Rights Training - Participants

Participants	Implementation period	No. of participants
Executives	October	24
Managers and leaders	May, June, November, December	201
Lecture for organization heads and managers	July	680
New employees	April	219
Mid-career hires	June, October, February	289
All employees	From October to December	About 17,200
Lecture for all employees	December	445
Others (HR Committee etc.)	Year around	165
Total		About 19,200

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 FY2025.3, a total of 158 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)	158
Human Rights and Anti-discrimination Awareness Raising	
Buraku Liberation/Human Rights Summer Course	
Buraku Liberation/University Human Rights Course	
Other	

Social

Supply Chain Management Summary

Basic approach

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.

Based on the Group's corporate motto, "Service First," we strive to procure responsibly in cooperation with our suppliers.

Theme	Items to be addressed	Specific initiatives
Supply chain management P.103	• Promoting understanding of the Daigas Group Procurement Policy among suppliers • Confirmation of the status of major suppliers' sustainable activities, etc. • Promotion of green purchasing	**Policy and promotion system** 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. Each organization in charge of procuring particular materials is to fulfill its responsibility. **Initiatives undertaken in FY2025.3** • We commenced business with 30 new suppliers for materials procurement and other related activities. All of these new business relationships were initiated in full compliance with our standards for environmental and social impact, human rights, and labor practices. • 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

Policy and Principle

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

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 conduct 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 to take 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 56 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 keeping track of the state of affairs at major suppliers. 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 FY2025.3**

Companies covered by the survey	No. of companies surveyed	No. of companies which replied	Other efforts
Main suppliers	131	131	Green Partner Initiative
Gas appliance manufacturers	32	32	
Service companies, engineering firms	231	228	
LNG suppliers	8	7	

Results of the questionnaire surveys of suppliers

Questionnaire surveys of suppliers regarding sustainability activities for FY2025.3 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 CO_2 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, 2025, 81 suppliers were registered. Affiliated companies are working to expand green purchasing under the Daigas Group Environmental Management System (OGEMS), our unique environmental management system.

Green Purchasing Guidelines

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 LNG terminal 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.

Social

Customer Health and Safety Summary

Basic approach

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 strive to provide products and services with the highest priority on safety, aiming to become a corporate group that continues to evolve and grow with our customers.

In the Medium-Term Management Plan 2026, we have positioned enhancing the resilience of customers and society as one of our material issues.

Theme	Items to be addressed	Specific initiatives
Customer health and safety P.106	• Ensuring continued stable procurement and safe supply of energy • Building resilient facilities • Emergency response system and anti-disaster measures • Passing on advanced knowledge and skills in safety and disaster prevention • Disseminating information about safe use	**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. **Initiatives undertaken in FY2025.3** • Ensuring the safety of city gas, gas and power generation facilities, and continuing to maintain quality levels • Striving to systematically maintain a pipeline network to establish resilient facilities • Building 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 drills • Continuing to develop human resources with advanced knowledge and skills related to safety and disaster prevention
	Materiality Enhance the resilience of customers and society	See KPI table below

KPIs based on the materiality	FY2025.3 materiality result
Number of serious accidents and serious energy supply disruptions caused by the company	We continued to achieve zero serious accidents and serious energy supply disruptions caused by the company by implementing quality control of city gas in the production business and construction works, maintenance, and management of gas facilities in the supply business in accordance with laws, regulations, and internal rules.
Building resilient facilities	The percentage of earthquake-resistant facilities: approximately 90%, the number of earthquake blocks: 738 blocks, countermeasures completed for gray cast iron pipes

Customer Health and Safety

Policy and Principle

The Daigas Group announced Long-Term Management Vision 2030 in March 2017 and Medium-Term Management Plan 2026 in March 2024. Ensuring the safety of city gas as well as gas and power generation facilities is of the utmost priority for the Daigas Group, which sets targets of continued zero serious accidents and serious energy supply disruptions caused by the company as well as 10.90 million and 11.50 million customer accounts in FY2027.3 and FY2031.3 respectively 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.

■ Safety and Disaster Prevention Promotion Structure

Formulation and Implementation of a Business Continuity Plan to Take Effect During a Large-scale Disaster and Accident

Based on the Basic Act on Disaster Management, the Daigas Group has established the “Disaster Management Operation Plan” that outlines the basics of disaster prevention, emergency response, and disaster recovery measures related to gas facilities. In July 2013, we 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, and identifies potential risks and outlines response measures. 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 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 once a year, and we also make plans based on scenarios that assume risks that could affect the Company, conduct BCP training, earthquake drills, and provide education and training incorporating e-learning to promote employee understanding.

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 FY2025.3, we were able to examine the issues of maintaining business continuity concurrently with disaster response operations, thus strengthening our overall disaster-response capabilities.

▶ Disaster management operation plan

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 the past, the majority of our procurement contracts had prices linked to crude oil prices, but in 2019 we started to procure US-produced LNG from a natural gas liquification business in Texas, adding procurement contracts with prices linked to the Henry Hub prices, the index upon which the market price for natural gas futures is based in the United States. In 2025, we signed a procurement contract with the Emirate of Abu Dhabi in the UAE, with plans to start imports in the second half of the 2020s. Going forward, we will keep striving to procure more affordable LNG in a more stable manner by diversifying price indexes and procurement sources.

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

(thousand ton)

Fiscal Year	23.3	24.3	25.3
Brunei	160	450	590
Malaysia	1,153	1,008	243
Australia	4,756	4,026	4,501
Russia	321	192	192
Oman	1,460	1,529	1,332
Papua New Guinea	1,939	1,940	1,820
USA	679	2,151	2,048
Others	141	189	458
Total	**10,608**	**11,484**	**11,184**

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

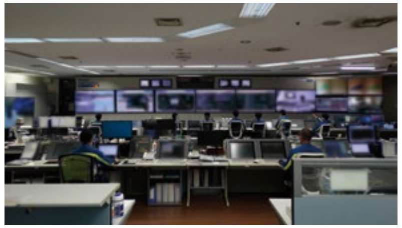
Odorization aids gas leak detection

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

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 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 high flexibility

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 such highly durable pipes 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, as well as measures for cast iron pipes (to be maintained and managed) in FY2025.3. We continue to implement measures for 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 disasters.

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 gas supply blocks to minimize the interruption of the gas in the emergency measure by the earthquake.

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 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

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.


Supply control and irregularity monitoring

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.


Central Control Room (emergency call reception)

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.

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 2025, the Company has concluded agreements with approximately 70 local governments within the supply area.

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.

Osaka Gas Network Co., Ltd., Tokyo Gas Network Co., Ltd., and Toho Gas Network Co., Ltd. conducted joint training for the first time in 2024 to strengthen mutual support and cooperation in the event of an earthquake. In order to ensure a speedy recovery after a disaster, the participants confirmed the system of support reception from other gas companies, made recovery work plans, and engaged in learning and practical training aimed at improving the skills required for recovery work.

In FY2025.3, as a disaster drill, we conducted an earthquake drill and business continuity plan (BCP) training simultaneously, continuing from the previous year, to identify issues arising and to verify countermeasures upon conducting disaster response and business continuity operations at the same time.

In the drill 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. Approximately 2,000 employees of the Group participated in the drill to check how they should respond when disasters occur. For the drill, the reality of damage estimates was enhanced to further strengthen practical skills, and we confirmed disaster responses based on our disaster management operation plan and other rules in case of an unexpected event or disaster situation.

■ Progress of Major Earthquake Countermeasures Since the Great Hanshin-Awaji Earthquake

Item	Major earthquake countermeasures	At the time of the Great Hanshin-Awaji Earthquake (January 1995)	Current situation (March 2025)
Strengthening information gathering functions	Addition of seismometers	Installed in 34 locations	• Installed in approximately 3,300 locations
	Introduction of earthquake damage prediction system	—	• Introduced at the head office, sub-centers, and five business units of Osaka Gas Network Co., Ltd.
Constructing supply stop system	Subdivision of supply blocks	55 middle blocks	• 89 middle blocks • 738 little blocks
	Introduction of supply cutoff devices	Only super blocks (supply areas divided into eight) were remotely controlled	• Remote cut-off devices: Approx. 3,600 locations • Seismic automatic cut-off devices: Approx. 3,000 locations
Strengthening emergency communication	Strengthening of wireless systems	—	• Redundant wireless networks with the main bases being the head office and sub-centers • 6 portable satellite communication devices
Other	Earthquake resistance rate	Percentage of earthquake-resistant pipes: 68%	• Percentage of earthquakeresistant pipes: Approx. 90%
	Promotion of the use of polyethylene (PE) pipes	Approx. 1,200 km of PE pipes	• In principle, all newly constructed low-pressure pipes are made of PE • Approx. 18,600 km of PE pipes
	Backup of important online	—	• Establishment of a backup center

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

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 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 pages of websites of the Company and Osaka Gas Network Co., Ltd. switch 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, we introduced a system with 3D animation to improve the quality of training, leading to skill transfer. The system replicates fires and other serious accidents that are not easy to experience realistically. 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 DX materials (video, VR and eye tracking), 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 Solution Business Unit, the Human Resource Development Center provides a 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. Daigas Gas and Power Solution Co., Ltd. has opened an educational facility to learn from past accidents and trouble and pass on those lessons to the next generation. By using a VR projector to watch immersive accident reenactments, participants can experience the horror of accidents and learn more through exchange of opinions with other participants.

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.

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

	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Rate of use of water heaters with an incomplete combustion prevention device (%)	99.9%	99.9%	99.9%	99.9%	99.9%
Rate of use of gas stoves with a function of automatically turning off the flame (%)	96.2%	96.3%	96.3%	96.6%	97.0%

Launch of smart meter use for remote operations

Gas meters have widely been installed in customer’s homes for residential use, and they play an important role in ensuring a stable supply of city gas and ensuring safety by measuring customers’ gas usage and shutting off gas in emergencies.

In addition to functions found in conventional gas meters, smart meters also have communication functions, making it possible to install them for the purpose of remote meter reading, remote operation, and remote data collection. This reduces the burden of customers being present during meter readings and ensuring prompt assurance of safety.

Osaka Gas Network Co., Ltd. is using a smart meter system jointly developed with Tokyo Gas Network Co., Ltd. and Toho Gas Network Co., Ltd. to gradually begin operations such as remote meter reading via smart meters from May 2025. This will help solve future labor shortages by improving productivity and further improve safety and resilience.

We started installing smart meters within the service area in October 2023, with the aim of completing installation in all households by the early 2030s.


Smart meter with communication unit and repeater


Smart meter with communication unit


Conventional gas meter

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.

▶ Product Safety Voluntary Action Plan for residential gas appliances

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 FY2025.3.

On April 15, 2025, we issued a press release titled “Request Regarding Use of Bathroom Heater/Dryers and Parts Installation Work,” set up a toll-free number, and posted the information on our website. We also sent out direct mail to quickly raise safety awareness (prohibiting use other than for ventilation), and did inspections and free installation of control boards to prevent fires in the event of breakdowns due to aging.

Social

Customer Satisfaction Summary

Basic approach

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.

In the Medium-Term Management Plan 2026, we have positioned co-creating advanced, diverse solutions that meet customer values as one of our materiality.

Theme	Items to be addressed	Specific initiatives
Customer satisfaction P.112	• 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 Materiality: Co-create advanced, diverse solutions that meet customer values	**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. **Initiatives undertaken in FY2025.3** • Conducting a questionnaire after completing a duty, analyzing and sharing it within the Company, and reflecting it in the improvements in duties • Using an analysis system to analyze areas for improvement and continue to verify the causes, in order to quickly share feedback from customers and keep the improvement cycle in motion.

KPIs based on the materiality	FY2025.3 results
Customer satisfaction rate	92%

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 FY2025.3, we received 31,800 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.

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

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. Since April 2020, we have been using the Voice Digital Transformation (DX) Consulting Model* provided by NTT Communications Corporation to launch a reception service in which AI (artificial intelligence) automatically responds to customer calls by voice, and are gradually expanding the range of reception cases, such as accepting changes to payment methods.

Aiming to further improve service in additional ways, we will optimize the assignment of Customer Center operators and introduce an automated attendant system. 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

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. For customers who apply online, we have also started sending a confirmation email and a reminder email the day before that includes a URL for a "Gas-Opening Video (Nukumori-san)" that explains the process for the day, the need for someone to be present when the gas line is opened, and the entire process. 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. 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 completion rate of repairs on the first visit reached 90% and the satisfaction rate for the number of days from acceptance to completion of repairs 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 500,000.

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 "7. Complying with anti-monopoly laws and regulations, and conducting fair transactions," and "10. Interacting with customers appropriately" 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 appropriate 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 (formerly known as Twitter).

In addition, we share information about our initiatives toward carbon neutralization, which are of great importance to society, on our website "The Daigas Group's Challenge to Carbon Neutrality".

Social

Community Summary

Basic approach

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.

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. In the Medium-Term Management Plan 2026, we have positioned maintaining and improving the soundness and flexibility of management foundation as one of our materiality. We set contribution to local communities as an indicator, and accelerate initiatives.

Theme	Items to be addressed	Specific initiatives
Co-creation activities with local communities P.116	• 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 **Materiality** Maintain and improve the soundness and flexibility of management foundation	**Policy and promotion system** • 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. **Initiatives undertaken in FY2025.3** • Participation in local governments' activities (i.e. community development planning) 40 cases • Community co-creation activities in collaboration with NPOs and other parties 157 times • Education for the next generation and community contribution activities through the "NOBY T&F CLUB" 1,916 times • Through the employee-led local contribution activities under the Small Light Campaign, providing support for children in need of social care and employment support for people with disabilities. **KPIs based on the materiality:** Contribution to local communities **FY2025.3 materiality result:** • Provided next-generation education on energy and the environment, disaster prevention, etc. • Provided support for children in need of social care and employment support for people with disabilities • Supported various government agencies in implementing plans for global warming countermeasures, etc.
Activities by public interest incorporated foundations P.120	• Assisting the elderly - The Osakagasgroup Welfare Foundation • Doing our part on the international scene - The Osaka Gas Foundation of International Cultural Exchange	**Policy and promotion system** • 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 FY2025.3** • Subsidy projects for welfare activities for the elderly and surveys/research: 63 subsidies for welfare of the elderly (7.14 million yen); 11 subsidies for surveys/research (7.93 million yen) • Health promotion projects aimed at helping senior citizens maintain and improve their health: 105 times, 5,051 participants • Subsidy projects for universities, students, etc. in Indonesia, Malaysia, and East Timor: Scholarships, grants for experimental research, etc. (24.12 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.

The details of the Daigas Group's initiatives are found on our social contribution website.

Social Contribution Website

■ Examples of activities

Theme	Examples of activities	
Participation in local governments' activities (i.e. community development planning)	●Support for SDGs promotion activities by local governments through proposals for community building	●Proposals for/participation in councils, committees, etc. organized by various organizations and local governments
Co-creation with local communities	●Research activities with third parties to create attractive cities • Holding the Uemachi-Daichi past and present forum event • Production of Storytellers' Theater ●Collaborative activities with NPOs and social entrepreneurs • Communication related social issues through NPO for social designing • Supporting NPOs through Osaka Gas member's club ●Holding "Fureai Bazaar," etc. under the "Small Light Campaign"	●Support for activities by elderly people in collaboration with local governments, NPOs, etc. ●Supporting employee-led activities to build a well-being society • Holding "Talkin' About YOUTH" and "My Project Conference" • Holding "Social Design Day" ●Activities to revitalize communities in collaboration with local governments and third parties • Talkin' About activities • Histoire project
Other activities (next-generation education, consumer support, etc.)	●Energy and environment education ●Disaster response education and fire education ●Food education ●Response to consumer groups and consumer centers	●NOBY T&F activities ●Lectures and presentations at universities ●Community clean-up by sports clubs ●Holding coaching sessions for baseball and track and field, etc.

■ Social contribution activity costs

FY2025.3: 218 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) inheriting and improving the community's appeal and (ii) promoting a high-quality living environment).

Holding a Storytellers' Theater performance at Open House Osaka

It also makes good use of its findings in outside activities undertaken in cooperation with government agencies, business committees and NPOs.

In recent years, we have also been conducting research and surveys on employment for the elderly from the perspective of social welfare.

We advocate that active participation of senior citizens in society will be beneficial to not only themselves but also local communities, business operators, and local governments. We have been taking action with NPOs and other business partners while cooperating with administrative authorities, business operators, and other organizations.

In March 2024, we entered into an agreement with Osaka Prefecture to promote senior citizen's health, their employment to give them purpose in life, and other initiatives in the prefecture.

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.

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.

With the aim of cultivating the next generation of leaders tasked with solving social issues, we hold "Talkin' About YOUTH" (from 2023), an event for learning and connecting aimed at the U-35 generation. From FY2025.3, we also started holding "Social Design Day," for Daigas Group employees to work with local NPOs and other organizations and aim for a well-being society.

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 Daigas Group member OGIS-RI Co., Ltd is running the Hajimaru-kun Personal Computer Donation Program.

PC recycling work at a welfare workshop

This program is a social contribution activity that aims to contribute to the environment through the reuse of PCs, support the employment of people with disabilities through the outsourcing of PC refurbishment work and provide IT support to the recipients of the PCs. Since this program started in 2009, it has donated 5,166 PCs (as of March 31, 2025) to social welfare organizations. In FY2025.3, the 15th Daigas Group Hajimaru-kun Personal Computer Donation Program donated 120 "Hajimaru-kun PCs" to 95 welfare facilities in six prefectures in the Kansai region, Japan.

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."

Contribution to Next-generation Education

Energy and environment education

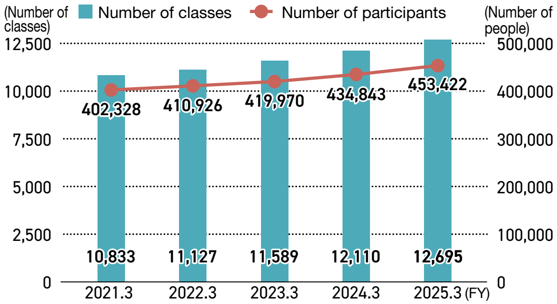
Since FY2007.3, the Daigas Group employees and alumni traveled to elementary, junior and senior high schools to teach lessons on energy and the environment in order to help children think about and understand increasingly important environmental issues. The Group's instructors offer two programs, including 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 FY2025.3, the number of participants in energy and environment education was 18,579, and the number of times it was held was 585.

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

■ "Energy and Environment Education" Total Track Record



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 ten 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 290,000 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. At Osaka/Kansai Expo in April 2025, we co-created and produced "Ashi-ga Hayaku Naru Dance with NOBY" (Dance to Make You Run Faster with NOBY) with Sompo Japan Insurance Inc., which was presented on stage and exhibited at the "TEAM EXPO Pavilion."

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 the Daigas Group's 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.

We hold the Midosuji Fureai bazaar, an initiative to support the employment of people with disabilities, in cooperation with many partners, under the themes of health and disaster prevention and mitigation.

The Midosuji Fureai bazaar

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.

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

To support areas affected by the 2024 Noto Peninsula Earthquake, we donated one million yen to the Japanese Red Cross Society and one million yen to the Central Community Chest of Japan.

In addition, in October 2024, to support volunteer activities in the areas affected by the Noto Peninsula Heavy Rain Disaster, we donated one million yen to the Central Community Chest of Japan.

The Fund's operating balance for FY2025.3 was 7,331 thousand yen in income and 9,344 thousand yen.

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 Daigas Group Social Contribution Club, which donates welfare points granted to employees by the company to social service organizations, donated a total of 2,109 thousand yen to six organizations in FY2025.3, 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 2025, 70 employees from 6 teams 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 contribute international goodwill 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 FY2025.3, the Foundation provided 7.14 million yen in subsidies to 63 welfare projects for the elderly, and 7.93 million yen in subsidies to 11 investigation and research projects, and carried out 105 health-promotion projects involving 5,051 participants.

Health-promotion project: Gathering for health promotion

Grant Projects: Reports for each fiscal year

Results of each activity (cumulative total from FY1986.3-FY2025.3)

(1) Funding to Enhance the Welfare of the Elderly	3,169 cases	705 million yen
(2) Funding for Research and Surveys	682 cases	457 million yen
(3) Health-promotion project	6,315 times	453,583 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”

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 the Foundation provides aid services to promote mutual understanding with natural gas-producing countries in Southeast Asia and Oceania as well as contribute to international goodwill. In FY2025.3, the Foundation provided a total of approximately 13.83 million yen in aid to Indonesia, including grants for educational equipment to elementary and junior high schools, scholarships for 285 students, research grants in the energy and environment fields for three universities, and a short-term training program in Japan for two graduate students. For Malaysia, the Foundation provided a total of approximately 8.04 million yen in subsidies, such as English education assistance, experimental research grants, and scholarships to 12 university students. For East Timor, the Foundation provided a total of approximately 2.25 million yen in scholarships to 20 university students.

In the 32 years since the establishment, the Foundation has provided subsidies totaling 639.61 million yen, scholarships to 11,168 students, and grants for 469 research themes.

In FY2025.3, an online exchange between students in Malaysia and Japan took place as a new initiative. We will continue to launch new activities and expand the scope of support.

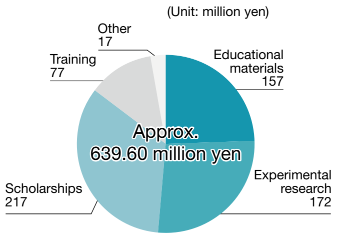
Presentation ceremony at National University of East Timor Thank-you speech from a scholarship recipient representative

Online exchange event between Malaysian and Japanese students

Presenting a grant certificate to Jambo Minda Foundation in Indonesia

■ Scope of Funding

■ Total Assistance Provided from FY1993.3 though FY2025.3



The Osaka Gas Foundation of International Cultural Exchange

■ Grant Disbursement (single-year base)

(unit: thousand yen)

	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3
Educational materials	1,760	1,973	2,115	2,410	2,436
Experimental research	5,049	5,332	6,935	7,176	7,389
Scholarships	7,737	8,512	9,564	12,589	10,866
Training	371	313	3,281	3,331	3,429
Total	**14,917**	**16,129**	**21,895**	**25,506**	**24,120**

Governance

Governance

Governance

Corporate Governance Summary

Basic approach

For its business activities, the commitment of the Daigas Group is to place the highest priority on creating value for customers, and the Group aims to expand it to creating value for society, for shareholders, and for employees. We believe that our social responsibility is fulfilled by creating the four types of value for all these stakeholders through fair and transparent business activities. To appropriately respond to the exercise of shareholder rights and improve our own value, we believe that it is important to have a system for appropriately operating and developing the business based on relationships of trust between its stakeholders and the Group through dialogue and collaboration.

The Daigas Group Code of Business Conduct was established as a specific code of conduct to be followed by our officers and employees. We follow the code, viewing it as widely governing common sense corporate behavior based on sound ethics as well as laws and regulations. The Group's officers and employees act appropriately in accordance with the code when performing their duties.

In the Medium-Term Management Plan 2026, we have positioned maintaining and improving the soundness and flexibility of management foundation as one of our material issues to accelerate initiatives.

Theme	Items to be addressed	Specific initiatives
Corporate governance P.124	• Separation of business execution from supervision • Ensuring diversity • Remuneration linked with sustainable growth • Internal control Materiality: Maintain and improve the soundness and flexibility of management foundation	**Policy and promotion system** Based on corporate principles, we will respond appropriately to the exercise of shareholder rights and strive to maintain and improve trust of stakeholders through dialogue and collaboration with them. We are continually working to enhance and strengthen our corporate governance to respond quickly and accurately to changes in the business environment, make transparent, fair, and decisive decisions, and execute business operations efficiently and appropriately. **KPIs based on the materiality**: Ratio of female directors **FY2025.3 materiality result**: 26.7%
Compliance P.138	• Predictive data monitoring • Improving compliance awareness • Proper operation of the whistleblowing system • Promoting anti-corruption initiatives Materiality: Maintain and improve the soundness and flexibility of management foundation	**Policy and promotion system** With a good understanding of the Code of Business Conduct, we act in accordance with the internal rules and regulations. We have established the Compliance/Risk Management Subcommittees under the Sustainability Committee to improve compliance through efforts such as development of measures and information sharing in a cross-organizational manner. **Initiatives undertaken in FY2025.3** • Implementation of monitoring • Provision of compliance training • Proper operation of the whistleblowing system • Promoting anti-corruption initiatives **KPIs based on the materiality**: Number of serious violations of laws and regulations **FY2025.3 materiality result**: 1 case
Information security P.142 Protection of personal information P.143	• Establishment and revision of the Information Security Guidelines • Investigations of and measures for information security at group companies • Strengthening risk management related to information security	**Policy and promotion system** As a business operator responsible for social infrastructure, we recognize the importance of managing customer information and other data. In line with a relevant set of guidelines, we implement information security measures. As an information security promotion system, we have established an Information Security Subcommittee under the Cyber Security Committee, a corporate committee, to implement group-wide measures. We are striving to properly manage and prevent leakage of personal information by establishing a personal information protection system, which comprises managers appointed at each organization and affiliate under the direction of the Chief Privacy Officer. **Initiatives undertaken in FY2025.3** • Maintained and operated the Information Security Guidelines • Investigations of and measures for information security at group companies • Provision of training on information security

Corporate Governance

Basic Views on Corporate Governance

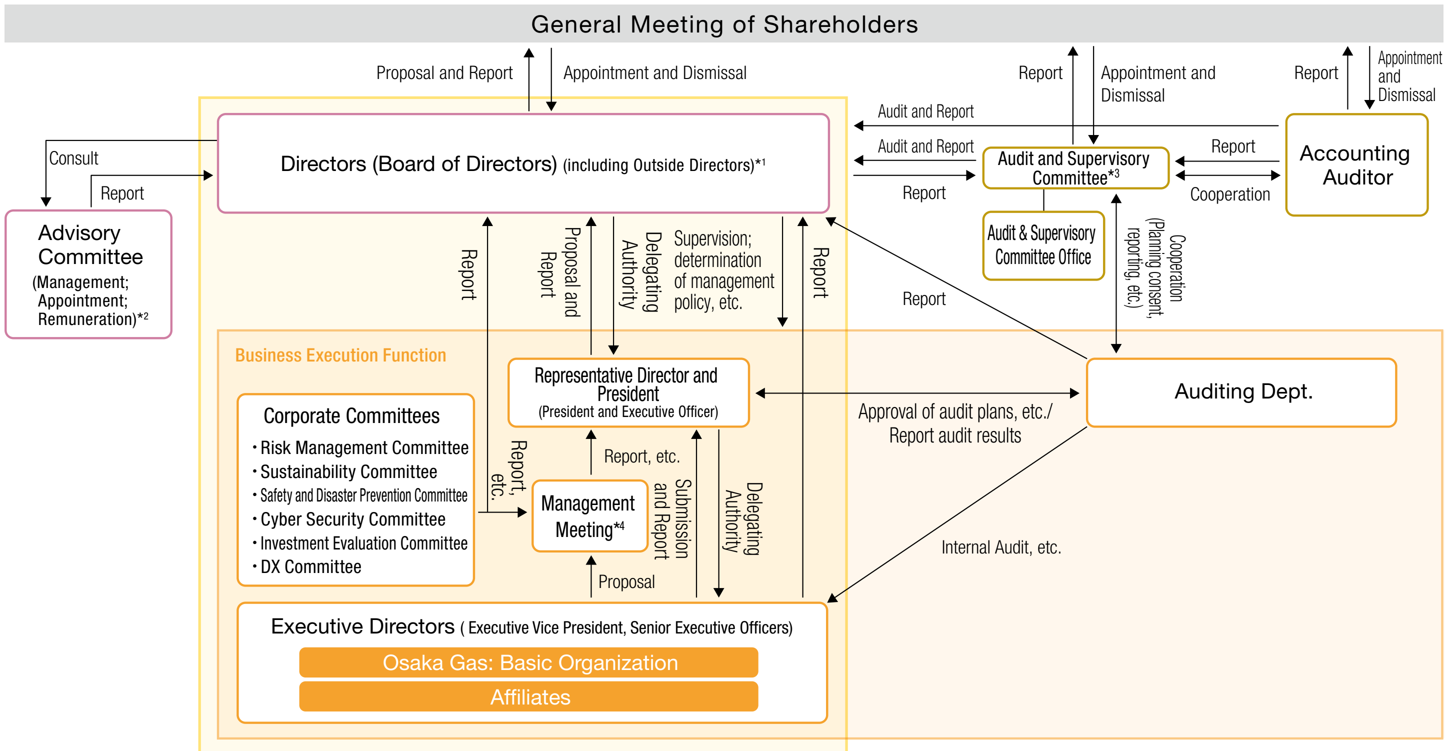
As a corporate group that powers continuous advancement in customers' lives and businesses, our Corporate Principles aim to create four types of value: "Value for Customers," "Value for Society," "Value for Shareholders" and "Value for Employees" by providing various products and services relating to not only the energy business, including natural gas, electricity, and LPG, but also its peripheral services and non-energy businesses, such as urban development, materials and information businesses.

Under these Corporate Principles, the Company and its affiliates (the "Group") will work toward maintaining and increasing a sense of trust by dialogue and cooperation with its various stakeholders including shareholders and customers. In addition, the Group will continue to enhance and strengthen corporate governance in order to respond quickly and appropriately to changes in the business environment surrounding the Group, make transparent, fair, and decisive decisions, and execute business efficiently and appropriately.

Corporate Governance System

Osaka Gas transitioned to a Company with an Audit and Supervisory Committee following a resolution at the Annual Meeting of Shareholders held on June 27, 2024 to partially amend its Articles of Incorporation to include the transition to a Company with an Audit and Supervisory Committee. With the business environment changing at an ever-increasing pace, we aim to achieve flexible decision-making by delegating decision-making authority for important business execution to Executive Directors, while also enhancing discussion of management policies and strategies by the Board of Directors and further strengthening the supervisory function. In addition, we have conducted the introduction of an executive officer system, appointment of multiple Outside Directors, and establishment of voluntary advisory committees on management, appointment of Directors and Director remuneration.

■ **Corporate Governance System** (as of June 24, 2025)



*1 Board of Directors:
15 Directors (8 Internal Directors and 7 Outside Directors)

*2 Advisory Committee on Management:
7 Outside Directors, Representative Director and President, and 1 person appointed by the President
The Advisory Committee on Appointment and Remuneration:
all 4 Outside Directors (excluding Directors who are Audit and Supervisory Committee Members), 1 Director who is an Audit and Supervisory Committee Member, and Representative Director and President

*3 Audit and Supervisory Committee:
5 Audit and Supervisory Committee Members (2 full-time Directors and 3 Outside Directors)

*4 Management Meeting:
1 President,
3 Executive Vice President,
8 Senior Executive Officers,
and 4 Executive Officers

Overview of Corporate Governance System

Board of Directors, Directors of the Company

The Board of Directors consists of at least one-third of the 15 Directors, 7 of whom are Outside Directors, and discusses management policies and strategies to ensure prompt and accurate decision-making and enhance supervisory functions.

The company's Articles of Incorporation stipulate that there shall be no more than 15 Directors (excluding Directors who are Audit and Supervisory Committee Members), and that the number of Directors who are Audit and Supervisory Committee Members shall be no more than 5. They also direct that the appointment of Directors is to take place with a quorum of shareholders possessing at least one-third of shareholder voting rights and by a majority of voting rights held by shareholders present, distinguishing between Directors who are Audit and Supervisory Committee Members and those who are not. In addition, they stipulate that no cumulative voting may be used for appointing Directors.

In FY2025.3, the Board of Directors held 13 meetings, with 100% attendance by all Directors. The meetings discussed the Group's management plans, the establishment of important organizations, important human resources matters, execution of important investments and agreements greater than a certain amount, and operational status reports from Executive Directors, etc.

Executive Officers

The company has adopted an executive officer system (Executive Officers consist of Executive President, Executive Vice Presidents, Senior Executive Officers, and Executive Officers), which enables the Directors of the company to focus on making business decisions and monitoring and supervisory functions, and work toward strengthening the business efficiency and the supervisory functions by vitalizing the Board of Directors. Executive Officers perform duties determined by the Board of Directors, and some Representative Directors and Directors concurrently serve as Executive Officers to make management decision-making more accurate and efficient.

Management Meeting

The company examines basic management policies and important management issues at the Management Meeting and fully deliberates the foregoing before decision-making. In accordance with internal regulations, the Management Meeting consists of the President, Executive Vice President, Senior Executive Officer and head of each headquarter and business unit. In principle, the Management Meeting is held three times per year as the "Sustainability Council*," which deliberates on activity plans and reports on activities related to the promotion of sustainability management.

*On April 1, 2025, the ESG Council was renamed the Sustainability Council.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of five Directors who are the Audit and Supervisory Committee Members, including 3 Outside Directors, and audits the execution of duties by the Directors. It is responsible for ensuring sound management to enhance corporate value through audits of the Directors' execution of their duties, the operation of internal control systems, and the appropriateness of accounting audits. The composition of the Audit and Supervisory Committee includes persons with appropriate knowledge of law, finance, and accounting, and in accordance with the Articles of Incorporation, the number of members is at least 3, and at least half of them are outside Audit and Supervisory Committee members.

Auditing Department

The Company has established the Auditing Department as its internal audit division. Based on an annual audit plan agreed to by the Audit and Supervisory Committee and from an independent and objective standpoint, the Auditing Department evaluates the compliance and efficiency of business activities and the appropriateness of systems and standards, identify issues, and make recommendations and follow-up actions that lead to operational improvements in the audited organization. Audit results are reported regularly to the Management Meetings, the Board of Directors, and the Audit and Supervisory Committee. In the event that an internal audit identifies a matter that may have a significant impact on management, the Executive Officer in charge of the Auditing Department or the General Manager of the Auditing Department reports to the Board of Directors (Dual Reporting). At the same time, in accordance with internal rules, the Company is striving to enhance and strengthen its auditing and internal control functions by appointing auditors (internal auditors) at business divisions, Core Non-Energy Business Companies, Network Company, Core Energy Business Companies, etc., and conducting self-audits. The Auditing Department, in cooperation with the internal auditors, evaluates internal control over financial reporting based on the Financial Instruments and Exchange Law, and reports the results to the Management Meeting. The Auditing Department maintains and improves the quality of audit work while taking into consideration the opinions and evaluations of external organizations. The General Manager of the Auditing Department exchanges information with the Audit and Supervisory Committee and accounting auditors as needed to enhance mutual cooperation and improve the effectiveness and quality of audits.

Advisory Committee

The Advisory Committee on Management consists of all Outside Directors (7 members), the President and, if necessary, a person appointed by the President (the President may appoint up to 1 person from among other Representative Directors). From the perspective of enhancing corporate value, the committee deliberates on key issues such as medium- and long-term strategy, sustainability, risk management, and DX.

The Advisory Committee on Appointment and the Advisory Committee on Remuneration are composed of all Outside Directors (4 members, excluding Directors who are Audit and Supervisory Committee Members), 1 Outside Director who is a member of the Audit and Supervisory Committee, and the President, and deliberates on matters related to the selection of candidates for Directors, selection and dismissal of Representative Directors and other Executive Directors, and remuneration of Directors from the perspective of ensuring objectivity and transparency in the decision-making process. In addition, the participation of 1 director who is a member of the Audit and Supervisory Committee ensures that the Audit and Supervisory Committee can accurately exercise its right to express its opinions regarding director nominations and compensation.

All committees are chaired by Outside Directors (Advisory Committee on Management, Advisory Committee on Appointment, and Advisory Committee on Remuneration).

Sustainability Committee*

The company has established the Sustainability Committee to promote activities relating to the Group's sustainability, including the environment, compliance, social contribution, respect for human rights, etc.
(Chairman: Head of Sustainability Promotion/Director and Senior Executive Officer)

*On April 1, 2025, the ESG Committee was renamed the Sustainability Committee.

Safety and Disaster Prevention Committee

In order to take all possible measures to ensure safety, disaster prevention, and gas supply stability, the company established the Safety and Disaster Prevention Committee to centrally manage events and promote measures, related to safety, disaster prevention, and gas supply stability within the Group.
(Chairman: Head of Safety/Representative Director and Executive Vice President)

Cyber Security Committee

The company has established the Cyber Security Committee to reinforce the cyber security measures of the Group.
(Chairman: Head of Technology/Representative Director and Executive Vice President)

Investment Evaluation Committee

The company has established the Investment Evaluation Committee to examine risk and return and assess investments in excess of a certain amount, and report findings to the Management Meeting to help make appropriate investment decisions.
(Chairman: President of the Corporate Planning HQ/Representative Director and Executive Vice President)

DX Committee

The company has established the DX Committee to promote DX for the entire Group while coordinating the alignment with business, IT, and financial strategies across the organization.
(Chairman: President of the Corporate Planning HQ/Representative Director and Executive Vice President)

Risk Management Committee

The company has established the Risk Management Committee to efficiently and effectively respond to significant risks that may affect the business performance and financial position of the Group, which is expanding its business domain.
(Chairman: Head of Risk Management/Director and Senior Executive Officer)

Views on the Composition of Directors

From the perspective of contributing to its sustainable growth and improvement of the medium- to long-term corporate value of the Daigas Group, Osaka Gas has adopted a basic policy of appointing diverse talent as Directors in full consideration of their knowledge and experiences in “corporate management,” “marketing,” and other fields, ability, personality, etc. regardless of gender, nationality, career, or age, etc. We promote diversity including gender at important decision-making bodies such as the Board of Directors, and in the "Daigas Group Diversity Promotion Policy," we have set a target of increasing the Ratio of female directors to 30% or higher by FY2031.3, and the Ratio of female directors has been 26.7% since the close of the Annual Meeting of Shareholders for FY2024.3. Moreover, in light of the medium- and long-term management plans, we have defined corporate management, marketing, technology/R&D, DX, global management, ESG, finance/accounting, legal/risk management, and human resources development as areas of expertise that the Board of Directors should possess.

In addition, we have long since defined the term of Director as one year in order to respond flexibly to changes in our business environment and clarify management responsibility.

Based on the above-mentioned policy, decisions on the selection of candidates for Directors and the appointment and dismissal of Representative Directors and other Executive Directors are made based on deliberations by a voluntarily appointed Advisory Committee made up of a majority of Outside Directors in order to ensure objectivity and transparency in decision-making.

The following is a list of the skills that the Board of Directors should possess as identified in light of the medium- to long-term management plan as well as the particularly significant skills of each Director.

■ **Skills Matrix** (as of June 24, 2025)

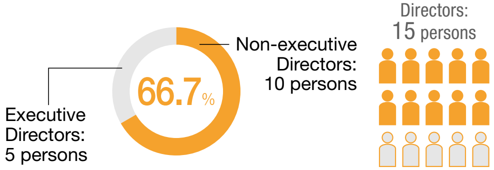
Name	Position		Age	Years in office	Executive Director	Internal/ Outside	Attendance at Board of Directors Meetings in FY2025.3	Fields of Significant Expertise and Experience								
								Corporate Management	Marketing	Technology/ R&D	DX	Global Management	Sustainability	Finance/ Accounting	Legal/Risk Management	Human Resources Development
Takehiro Honjo	Director, Chairman of the Board		71	16	— Chairman of the Board of Directors	Internal	100%	●	●				●	●	●	●
Masataka Fujiwara	Representative Director	President	67	9	○	Internal	100%	●	●	●	●	●	●			
Takayuki Tasaka	Representative Director	Executive Vice President	62	7	○	Internal	100%	●	●					●	●	
Keiji Takemori	Representative Director	Executive Vice President	61	1	○	Internal	100%*2	●				●		●		●
Ko Sakanashi	Representative Director	Executive Vice President	58	1	○	Internal	100%*2	●		●	●		●	●		
Toshiyuki Imai	Director	Senior Executive Officer	59	1	○	Internal	100%*2		●				●		●	●
Kazutoshi Murao	Director		72	6	— Outside Director	Outside	100%	●			●		●		●	●
Tatsuo Kijima	Director		70	5	— Outside Director	Outside	100%	●					●		●	●
Yumiko Sato	Director		73	4	— Outside Director	Outside	100%						●		●	●
Mikiyo Niizeki	Director		57	2	— Outside Director	Outside	100%	●	●					●		●
Fumitoshi Takeguchi	Director Audit and Supervisory Committee Member		63	(4)*1	—	Internal	100%*2						●	●	●	●
Ichiro Hazama	Director Audit and Supervisory Committee Member		59	(2)*1	—	Internal	100%*2		●						●	●
Eriko Nashioka	Director Audit and Supervisory Committee Member		58	(3)*1	— Outside Director	Outside	100%*2	●					●	●		●
Chieko Minami	Director Audit and Supervisory Committee Member		64	(2)*1	— Outside Director	Outside	100%*2	●	●		●					●
Eimei Kozai	Director Audit and Supervisory Committee Member		67	1	— Outside Director	Outside	100%*2	●							●	●

*1 The status of Director who is an Audit and Supervisory Committee Member Fumitoshi Takeguchi includes his previous position (Director and Senior Executive Officer), while the statuses of Ichiro Hazama, Eriko Nashioka and Chieko Minami include their previous positions (Audit & Supervisory Board Member).

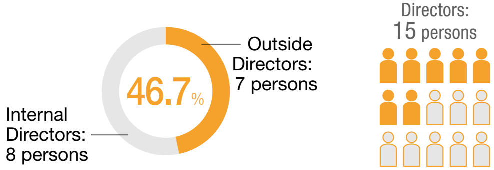
*2 This represents the attendance at meetings held since assumption of office on June 27, 2024. During the period prior to the transition to a Company with an Audit and Supervisory Committee, Director who is an Audit and Supervisory Committee Member Fumitoshi Takeguchi had been appointed as a Director of the Company, and Ichiro Hazama, Eriko Nashioka and Chieko Minami had been appointed as Audit & Supervisory Board Members of the Company, and all of them attended all Board of Directors meetings held during said period.

Independence of Directors (as of June 24, 2025)

Percentage of Non-executive Directors

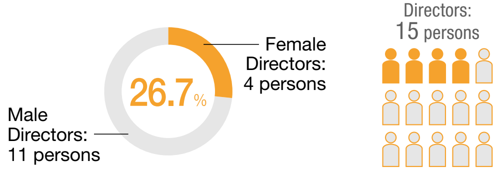


Percentage of Independent Outside Directors



Diversity of Directors (as of June 24, 2025)

Percentage of Female Directors



Corporate Governance Initiatives

		2020	2021	2022	2023	2024	2025
Separation of business execution and supervision	Medium-Term Management Plan	Going Forward Beyond Borders	Creating Value for a Sustainable Future			Connecting Ambitious Dreams	
	Organization design	From 1897 (establishment): a company with an Audit & Supervisory Board (Members)				From 2024: a company with an Audit and Supervisory Committee	
	Chairperson of the Board	From 2015: Representative Director and Chairman of the Board	From 2021: Director, Chairman of the Board				
	Execution system	From 2009: adoption of an executive officer system					
	Outside Directors/Outside Audit & Supervisory Board Members	From 2016: Outside Directors: 3 persons	From 2021: Outside Directors: 4 persons			From 2024: Outside Directors: 7 persons	
		From 2020: percentage of Outside Directors: 1/3 or more					
		From 2014: Outside Audit & Supervisory Board Member: 3 persons				From 2024: Audit and Supervisory Committee Members: 3 persons	
	Voluntary advisory committee	In 2013: established (appointment and remuneration)		In 2022: expanded (management, appointment, and remuneration)			
Diversity	Female officers	From 2014: one person (one Audit & Supervisory Board Member)	From 2021: 2 persons (one Director and one Audit & Supervisory Board Member)		From 2023: 4 persons (2 Directors and 2 Audit & Supervisory Board Members)	From 2024: 4 persons (4 Directors)	
	Skills matrix		Since 2021: disclosed				
Linkage between sustainable growth and remuneration	Composition of remuneration	Since 2013: basic : performance-linked = 6:4	Since 2021: basic : performance-linked : stock-based = 5:4:1			Since 2024: basic : performance-linked : stock-based = 4:4:2	
	Remuneration system	In 2013: established performance-linked remuneration system					
			In 2021: established stock-based remuneration system (equivalent to 10% of total remuneration)			In 2024: increased percentage of stock-based remuneration (equivalent to 20% of total remuneration)	
	Indicators for performance-linked remuneration	Since 2013: indicators: profit attributable to owners of parent				Since 2024: indicators: consolidated EBITDA, consolidated ROE	
				Since 2022: linked remuneration to ESG indicators achievement			Since 2025: linked remuneration to Sustainability indicators achievement levels
Internal control	Corporate committee*2	From 2003: Investment Evaluation Committee					
		From 2020: ESG Committee					From 2025: Sustainability Committee
		From 2019: Cyber Security Committee					
			From 2021: DX Committee				
		From 1996: Executive Safety Council		From 2022: Safety and Disaster Prevention Committee			
						From 2024: Risk Management Committee	
	Strengthening risk management (operation of G-RIMS*3)	From 2006: targeting Osaka Gas and domestic affiliates (in 2017: expanded to include overseas affiliates)					
	Cross-shareholdings	In 2013: established policies regarding cross-shareholdings*4					

*1 ESG indicators changed its name to Sustainability indicators on April 1, 2025.
*2 Established for the purpose of coordinating and promoting matters (important issues for the entire Group) across multiple basic organizations
*3 Systematized self-assessment of risk management practices (Gas Group Risk Management System)
*4 Rules on the purchase and management of third-party stocks were established. The Board of Directors examines the significance of each individual stock holding. If the significance of holding an issue has waned, we sell it sequentially. With respect to the exercise of voting rights, a standard for exercising voting rights was established (in 2016). We examine the content of proposals through various methods, including dialogue with investees, and decide whether to approve or disapprove.

Advisory Committee Activities

In FY2025.3, the Advisory Committee on Management held five times, the Advisory Committee on Appointment held four times, and the Advisory Committee on Remuneration held three times. The attendance of chair and committee members and main agenda are shown in the table below.

All committees are chaired by Outside Directors.

■ FY2025.3 Results

Name	Composition of each advisory committee and percentage of Outside Directors	Agenda	Issues discussed	Name	Chairperson	Position	Attendance	Attendance rate	Number of the meetings held in FY2025.3
Advisory Committee on Management	(Management) 78%	Key issues such as medium- to long-term corporate strategy and sustainability	Carbon neutral strategy, technology strategy, human resources strategy, domestic power business strategy, management plan for the next fiscal year, etc.	Tatsuo Kijima	○	Outside Director	5 out of 5 meetings	100%	5 meetings
				Masataka Fujiwara		Representative Director and President	5 out of 5 meetings	100%	
				Ko Sakanashi		Representative Director and Executive Vice President	5 out of 5 meetings	100%	
				Kazutoshi Murao		Outside Director	5 out of 5 meetings	100%	
				Yumiko Sato		Outside Director	5 out of 5 meetings	100%	
				Mikiyo Niizeki		Outside Director	5 out of 5 meetings	100%	
				Eriko Nashioka		Outside Director and Audit and Supervisory Committee Member	5 out of 5 meetings	100%	
				Chieko Minami		Outside Director and Audit and Supervisory Committee Member	5 out of 5 meetings	100%	
				Eimei Kozai		Outside Director and Audit and Supervisory Committee Member	5 out of 5 meetings	100%	
Advisory Committee on Appointment	(Appointment) 80%	Matters related to the election of candidates for Directors and Audit & Supervisory Board Members, the selection and dismissal of Representative Directors and other Executive Directors, skills matrix, and succession plan, etc.	Revision of the composition of the Board of Directors, the policy for selecting director candidates, etc., the election of candidates for Directors, selection and dismissal of Representative Directors and other Executive Directors, skills matrix, etc.	Kazutoshi Murao	○	Outside Director	4 out of 4 meetings	100%	4 meetings
				Masataka Fujiwara		Representative Director and President	4 out of 4 meetings	100%	
				Tatsuo Kijima		Outside Director	4 out of 4 meetings	100%	
				Yumiko Sato		Outside Director	4 out of 4 meetings	100%	
				Mikiyo Niizeki		Outside Director	4 out of 4 meetings	100%	
Advisory Committee on Remuneration	(Remuneration) 67%	Policy on determining remuneration of Directors, calculation method for the portion linked to business performance of the remuneration, payment coefficient, appropriateness of the remuneration levels, etc.	Policy on determining remuneration of Directors, appropriateness of the remuneration levels, calculation method for the portion linked to business performance, payment coefficient for the portion linked to business performance, etc.	Yumiko Sato	○	Outside Director	3 out of 3 meetings	100%	3 meetings
				Masataka Fujiwara		Representative Director and President	3 out of 3 meetings	100%	
				Takayuki Tasaka		Representative Director and Executive Vice President	2 out of 2 meetings*	100%	
				Kazutoshi Murao		Outside Director	3 out of 3 meetings	100%	
				Tatsuo Kijima		Outside Director	3 out of 3 meetings	100%	
				Mikiyo Niizeki		Outside Director	3 out of 3 meetings	100%	

* Deliberations, etc. on Directors' remuneration, etc. are not subject to attendance.

Outside Directors Internal Directors

Training Policy for Directors and Succession Plan

When appointed, the Company provides Internal Directors an opportunity to acquire knowledge regarding their roles, legal duties to be complied with, and responsibilities expected of a Director. Subsequently, the Company regularly provides opportunities internally or externally for Directors to receive training regarding legal affairs, risk management, compliance, and other matters to continue to acquire the knowledge necessary for the comprehension of legal revisions and other latest world trends. Further, as part of the succession plan for top management, and fosters human resources to oversee the Company's management through such means as the systematic rotation of the areas of responsibility of Internal Directors and Executive Officers.

As for Outside Directors, the Company provides opportunities for them to deepen their understanding upon appointment, such as by explaining the nature of the Group's businesses, so that they can put to practice their expertise and experience in each of their fields for supervising and auditing the Company's business. Later, the Company also offers opportunities as necessary in which the business environment and business trends are explained accurately in a timely manner so that Outside Directors can gain an understanding.

Directors Remuneration

Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members. The same shall apply hereinafter) shall be provided in a remuneration system designed to raise motivation for Directors to achieve sustainable growth and mid- to long-term increase in corporate value. Remuneration for Executive Directors shall consist of basic remuneration as fixed remuneration, performance-linked remuneration and stock-based remuneration, and remuneration for Director, Chairman of the Board shall consist of basic remuneration as fixed remuneration and stock-based remuneration in order to clarify the separation of business execution and supervision. Remuneration for Outside Directors shall only consist of basic remuneration as fixed remuneration, as they have a standpoint independent of business execution.

Remuneration for Directors shall be determined within the total amount of remuneration*1 approved at the Annual Meeting of Shareholders, after deliberation at a voluntarily appointed Advisory Committee on Remuneration made up of a majority of the Outside Directors, from the perspective of ensuring objectivity and seeking transparency in the decision-making process.

The Company has established a policy on determining the remuneration of Directors as prescribed by the resolution of the Board of Directors after deliberation at a voluntarily appointed Advisory Committee made up of a majority of Outside Directors. This policy is summarized as follows. The system of paying retirement benefits to Directors was abolished in June 2004.

Remuneration for Directors who are the Audit and Supervisory Committee Members shall be determined by consultation among the Directors who are the Audit and Supervisory Committee Members within the total amount of remuneration approved at the Annual Meeting of Shareholders.

*1 At the 206th Annual Meeting of Shareholders held on June 27, 2024, it was resolved that the monetary remuneration quota would be up to 57 million yen per month, the stock remuneration quota would be within 144 million yen per year, and the maximum number of shares would be within 96,000 shares per year. As of the close of the said Annual Meeting of Shareholders, the number of Directors subject to monthly cash remuneration was 10 (of which, 4 are Outside Directors, with monetary remuneration quota of up to 5 million yen), and the number of Directors subject to stock-based remuneration is 6.
Matters related to monetary compensation were previously determined by the Representative Director and President based on delegation by resolution of the Board of Directors, following deliberation by Advisory Committee on Remuneration. However, with the aim of enhancing objectivity, transparency, and ensuring fairness in the determination of individual compensation for directors, the Remuneration Rules for Directors were revised by a resolution of the Board of Directors in January 2025. Accordingly, such matters are now resolved by the Board of Directors following deliberation by the Advisory Committee on Remuneration.

■ Outline of Remuneration

Remuneration items	Fixed/variable	Standard composition*2			Type of remuneration	Outline
		Executive Directors	Director, Chairman of the Board	Outside Directors		
Basic remuneration	Fixed	40%	80%	100%	Monetary remuneration	• Monetary remuneration paid on a monthly basis • The amount shall be determined in accordance with the rules prescribed by the resolution of the Board of Directors, while considering such factors as each Director's position and responsibilities, public standards, and other factors.
Performance-linked remuneration	Variable (short-term incentive)	40%	—	—	Monetary remuneration	• Monetary remuneration paid on a monthly basis • The amount shall be determined using consolidated EBITDA, consolidated ROE and Sustainability indicators in the Medium-Term Management Plan (indicators: main Sustainability indicators achievement levels) as the main indicators
Stock-based remuneration	Variable (mid- to long-term incentive)	20%	20%	—	Stocks	• Restricted stock shall be granted at a certain time every year for the purpose of strengthening the linkage between remuneration and mid- to long-term increase in corporate value and further promoting sharing of value with the shareholders. • The number of shares to be granted shall be determined with consideration for the positions and responsibilities of each Director and stock prices, etc. • A Director shall not transfer, establish a security interest on, or otherwise dispose of the allotted shares during the period from the date of the allotment of shares to the date of his/her retirement from office. • Transfer restrictions shall be lifted on the condition that the resignation of a Director is due to reasons deemed justifiable by the Company or due to the death of the Director. • In the event that a Director commits an act of misconduct or falls under other certain events stipulated in the restricted stock allotment agreement, the Company will naturally acquire all or part of the allotted shares without remuneration (malus and clawback provisions).

*2 Standard applied when performance-linked remuneration targets are fully achieved.

Details of Activities of the Board of Directors and Advisory Committee in the Process for Determining the Amount of Remuneration, etc., for Officers during FY2025.3.

With regard to matters related to the remuneration for officers, at meetings held in February and May 2024, the Advisory Committee deliberated matters such as the performance-linked remuneration calculation methods, the payment coefficient, the appropriateness of remuneration levels, and the number of shares to be granted as stock-based remuneration. These matters were then decided by the Representative Director and President as mentioned above. Following an Advisory Committee meeting, the Board of Directors adopted a resolution at its March 2025 meeting on the remuneration for officers from April 2025 onwards.

■ EBITDA

Term			206th
Fiscal year ended			March 31, 2024
EBITDA	Billion yen	Plan	264.5
		Result	328.1

■ ROE for the Last Three Years

Term			204th	205th	206th
Fiscal year ended			March 31, 2022	March 31, 2023	March 31, 2024
ROE	%	Plan	6.6	6.8	8.5
		Result	11.0	4.3	8.9

■ Total Amount of Remuneration, etc. by Officer Classification and by Type of Remuneration, etc.,and Number of Eligible Officers of Reporting Company

Classification	Total amount of remuneration (million yen)	Total amount of remuneration by type of remuneration (million yen)			Number of payees
		Fixed	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	503	223	159	119	8
Audit and Supervisory Committee Members (excluding Outside Directors)	63	63	—	—	2
Audit & Supervisory Board Members (excluding Outside Members)	16	16	—	—	2
Outside Directors	96	96	—	—	8

Note : The number of persons and amounts include two Directors and two Audit & Supervisory Board Members (of whom one is Outside Audit & Supervisory Board Member) who retired as of the close of the company's 206th Annual Meeting of Shareholders held on June 27, 2024. The company has transitioned from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee on June 27, 2024.

Officer Remuneration System Taking into Account ESG Indicators Achievement

At the Board of Directors meeting held on December 23, 2021, Osaka Gas resolved to reflect the coefficient of ESG indicators* achievement in the previous year in officer remuneration to contribute to short-term and mid- to long-term increases in corporate value.

*ESG indicators changed its name to Sustainability indicators on April 1, 2025.

The coefficient of Sustainability indicators achievement includes the achievement of the following main Sustainability indicators achievement stated in the Medium-Term Management Plan 2026, and is evaluated based on the achievement status during the implementation period Medium-Term Management Plan 2026 (FY2025.3-FY2027.3).

■ Main Sustainability Indicators

Materiality	ESG indicators	FY2027.3 targets
Provide carbon neutral energy	• Avoided emissions	7 million tons/year
	• Renewable energy development contribution	4 GW
	• CO_2 emissions reduction in the Group company offices and vehicles	67%
Enhance the resilience of customers and society	• Serious accidents and serious energy supply disruptions caused by the company	Zero
Co-create advanced, diverse solutions that meet customer values	• Customer accounts	10.9 million
	• Customer satisfaction rate	90%
Create a work environment where employees and the company resonate and enhance each other	• Work engagement score	50 or more
Maintain and improve the soundness and flexibility of management foundation	• Ratio of female directors	25% or higher
	• Number of serious violations of laws and regulations	Zero

Evaluation and Analysis of Effectiveness of the Board of Directors as a Whole

The Board of Directors analyzes and evaluates the effectiveness of the Board of Directors and the Advisory Committee each fiscal year based on the results of interviews conducted by the Board of Directors Secretariat with each Director. The methods and results of the evaluation of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2025 are summarized below.

1. Method

Interview

Conducted interviews* with all Directors (15 people) in March–April 2025 regarding the composition of the Board of Directors, its operation, and the content of deliberations, etc.

Discussion

Discussed the effectiveness of the Board of Directors based on the results of interviews at the Outside Directors meeting held in April 2025 (attended by all Outside Directors).

Report to the Board of Directors and Discussion

At the Board of Directors meeting held in May 2025, Outside Directors reported the results of the outside directors meeting, and the Board of Directors confirmed their assessment of the effectiveness of the Board of Directors for FY2025.3.

The Board of Directors discussed the direction of action for the issues identified to further improve the effectiveness of the Board of Directors, etc., prioritizing them according to their level of importance and the period of time required for their consideration.

Addressing Key Issues

Promote improvement of key issues

*Based on the regular evaluation by an external specialist institution, we have established the interview items.

2. Interview Items

① Initiatives in response to issues
- Enhancement of discussions and provision of information on medium- to long-term management issues
- Expanding opportunities for contact with board candidates and employees at various levels
- Developing internal executive candidates from a medium- to long-term perspective (especially women and highly specialized personnel)
- Provide more information on director candidates

② Composition and operation of the Board of Directors, etc.
- The ideal structure and composition of the Board of Directors to realize the long-term management vision and medium-term management plan
- Ensuring diversity (gender, expertise, experience, ability, etc.), etc.

③ Formulation of management policies and strategies, and monitoring and supervisory functions
- Discussion, planning, and monitoring of management strategies and plans, and status of response to key issues
- Initiatives to promote management conscious of capital costs and share price performance
- Content and timing of reporting and provision of information, etc.

④ Advisory Committee
- Frequency of meetings, content of deliberations, method of operation
- Perspectives and factors to consider when selecting director candidates, evaluation of directors, etc.

⑤ Outside Directors' meetings and others
- Themes, number of meetings, time schedule, etc.

⑥ Free opinion

3. Evaluation Results

The evaluation confirmed that there were no problems with the effectiveness of the FY2025.3 initiatives to address issues identified in FY2024.3, including initiatives associated with the transition to a company with an Audit and Supervisory Committee, and that initiatives are being taken to improve effectiveness.

(FY2025.3 initiatives to address issues identified in FY2024.3 and the effect of such initiatives)

- The Advisory Committee on Management addressed important issues such as our carbon neutral strategy, technology strategy, power business strategy, and human resources strategy. The Committee also expanded the provision of information to enhance strategic discussions at Outside Directors meetings. In line with this, the exchange of opinions between Outside Directors and employees at the head of internal organizations and above was enhanced.
- We conducted meetings to exchange opinions with female Outside Directors and female executive employees, etc., with a view to promoting female officers.
- The Advisory Committee on Appointment expanded the provision of information on future candidates for Directors and enhanced discussions on the future shape of the Board of Directors.

(Initiatives and effects of the transition to a company with an Audit and Supervisory Committee)

- The company revised the criteria for the agenda of the Board of Directors meetings to delegate all resolutions that can be delegated to Directors, and generally stipulated such delegated items as matters to be reported at the Board of Directors meetings, thereby promoting prompt decision-making while ensuring the monitoring and supervisory functions, and focusing on discussions on management policy and management strategy.
- The number of meetings of the Advisory Committee on Management and meetings of Outside Directors was increased, and discussions on management policies and strategies were strengthened by reporting the results of deliberations of the Advisory Committee on Management to the Board of Directors.
- To enable the Audit and Supervisory Committee to properly exercise its right to express its opinions, The Audit and Supervisory Committee Members attended the Advisory Committee on Appointment and Remuneration and shared details of the deliberations with the Audit and Supervisory Committee.

The Board of Directors discussed the direction of action for the issues identified to further improve the effectiveness of the Board of Directors, prioritizing them according to their level of importance and the period of time required for their consideration. As a result, it recognized the following key issues.

(Major issues)

- Further enhance discussions on each strategy and important issues based on the long-term vision
- Strengthen supervision and monitoring functions (expansion of regular reporting and provision of information in a flexible manner)
- Concretize measures to develop internal executive candidates from a medium- to long-term perspective (training and securing human resources, education and training, etc.)

In the future, we will enhance reporting and information sharing on important projects and issues through the Board of Directors, Advisory Committee on Management, and Outside Directors meetings. At the same time, we will continue to provide reports and information that contribute to supervision and monitoring, such as audit reports, risk response status, and investment follow-up. In addition, the Advisory Committee on Management will enhance discussions on the Group's overall and individual strategies based on the medium- to long-term vision. By doing so, we aim to further deepen the discussion of management policies, strategies, and important issues at the Board of Directors meetings. We will also continue to strive to develop and secure the human resources necessary for medium- to long-term growth.

Audit

The company's Audit and Supervisory Committee consists of five Directors who are Audit and Supervisory Committee Members, of whom three are Outside Directors. We also established the Audit & Supervisory Committee Office, consisting of five full-time staff outside the chain of command of Executive Directors, to assist the Audit and Supervisory Committee in performing its duties, thereby enhancing the Audit and Supervisory Committee's auditing functions.

■ Main Activities of Audit and Supervisory Committee Members

(a) Business audit	• Attend important meetings such as Management Meeting and read important documents • Conduct visiting audits at Head Office, major offices, and affiliates • Listen to reports from each organization and affiliate • Exchange opinions with Directors (including Outside Directors) • Cooperate with the internal audit division and Audit & Supervisory Board Members of affiliates
(b) Accounting audit	• Confirm the independence of the accounting auditor and proper conduct of audits • Confirm accounting audit plans and audit results, etc.

The Audit and Supervisory Committee reports and share information on the implementation status of the audit, as well as conducts necessary deliberations and resolutions.

In FY2025.3, 11 Audit and Supervisory Committee meetings were held. The main resolutions of the Audit and Supervisory Committee are as follows.

The deliberations of the Advisory Committee on Appointment and the Advisory Committee on Remuneration are shared and used as a basis for forming opinions on the appointment and remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members).

■ Main Resolutions at the Audit and Supervisory Committee Meetings

- Audit plans by the Audit and Supervisory Committee Members
- Report on audits by the Audit and Supervisory Committee
- Selection of full-time Audit and Supervisory Committee Members
- Selection of Appointed Audit and Supervisory Committee Members
- Assignment of duties of each Audit and Supervisory Committee Member
- Evaluation and reappointment/non-reappointment of the accounting auditor
- Approval of remuneration for the accounting auditor

Periodic rotation of accounting auditor

The company's accounting auditor is KPMG AZSA LLC. To ensure the independence of the accounting auditor, the lead engagement partner may not be involved in the audit for more than five consecutive accounting periods and the other engagement partners may not be involved for more than seven consecutive accounting periods.

The Audit and Supervisory Committee has assessed the accounting auditor's audit activities as appropriate.

Internal Control

Operating Status of the Internal Control Systems

Osaka Gas established systems (internal control systems) to ensure that Directors of the company execute the duties in compliance with the laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of the Daigas Group's operations at the Board of Directors. The company confirms the operating status of the internal control systems periodically by identifying items to confirm for various matters and receiving reports from the organizational heads and other persons concerned. At the meeting of the Board of Directors held on April 24, 2025, it was reported that the internal control systems were operating in a proper manner.

Overview of Operating Status of the Internal Control Systems (FY2025.3)

① Matters concerning compliance, etc.

The ESG Committee promotes initiatives in each domain, including sustainability activities, through the Compliance and Risk Management Subcommittee, Environment Subcommittee, and Social Contribution Subcommittee. We developed and published "Daigas Group Energy Transition 2050" to further clarify the roadmap for energy transition toward achieving carbon neutrality in 2050 and to summarize solutions to associated challenges. Educational materials, including a guide to the Daigas Group Code of Business Conduct, are posted on the intranet at all times to familiarize Directors and employees of the Group with said Code to promote and ensure its understanding.

As a result of an investigation regarding descriptions for the sale of ENE-FARM products, triggered by an internal reporting, we found that there existed representations that were questionable under the Act against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act), so we took measures to prevent recurrence and reported the matter to the Consumer Affairs Agency in March 2025. Osaka Gas Marketing Co., Ltd. and the rest of the Group will further strengthen training and control systems regarding the Premiums and Representations Act.

② Matters concerning risk management, etc.

Organizational heads of the company and presidents of the affiliated companies promote the management of the risk of losses and periodically conduct risk management assessments. Each basic organization or affiliate identifies risk items, checks the status of management concerning the risk items, and conducts follow-ups or other measures by using such means as the "G-RIMS (Gas Group Risk Management System)," which systematizes the self-assessment of risk management practices.

The Risk Management Committee meets to identify important risks requiring management involvement, and to review preventive maintenance plans and the status of response to each important risk.

Regarding the management of risks concerning security and disaster prevention which arecommon to the Group, the organization in charge is clearly specified, and the organization supports each basic organization and affiliate to ensure risk management on a Group-wide basis.

We established the Security and Disaster Prevention Committee to coordinate and promote cross-organizational measures related to safety and disaster prevention within the Group, and are taking all possible measures to ensure safety and disaster prevention after the legal separation.

To prepare for emergencies, regulations for disaster countermeasures and business continuity plans (BCP) are prepared. We also carry out Group-wide disaster-prevention drills, which consist of earthquake drills and BCP exercises.*

The Cyber Security Committee has been established to regularly inspect and follow up on the Group's security, and to further strengthen measures against attacks from outside the Group's network.

In preparation for the Expo 2025 Osaka, Kansai, Japan, we established a company-wide liaison system in January 2025, with a focus on contingency preparedness and information sharing, to ensure the reliability of our energy production and supply systems.

*Please see P.106 for more information on the BCP exercises.

③ Matters concerning the management of businesses in the Group

The affiliates to be managed by the Core Non-Energy Business Companies, the Network Company, the Overseas Regional Headquarters, or the management support organizations are designated and their managerial tasks are monitored by receiving periodic reports and reports on important issues from the affiliates. In addition, day-to-day management of those affiliates is performed by using the G-RIMS and/or conducting audits.

The company's Auditing Department, which conducts internal audits, implements planned internal audits of the company's organizations and affiliates and provides follow-up audits after a certain period of time.

④ Matters concerning the effectiveness of audits by Audit and Supervisory Committee

Audit and Supervisory Committee Members have periodic exchanges of opinions with the Chairman and Director, the Representative Director and President, and the Accounting Auditor. Partly through the opportunity to exchange opinions with the accounting auditor, Audit and Supervisory Committee evaluates the qualifications, expertise, and independence of the accounting auditor.

Full-time Audit and Supervisory Committee Members attend important meetings such as the Management Meeting, the ESG Council, the Investment Evaluation Committee, and the Risk Management Committee, etc., and read approval documents and other important documents. All Audit and Supervisory Committee Members attend meetings of the Advisory Committee on Management, and Outside Audit and Supervisory Committee Members attend meetings of the Advisory Committee on Appointment and the Advisory Committee on Remuneration. The Audit and Supervisory Committee hears the annual audit plan in advance from the Auditing Department and receives regular reports on individual audit plans and audit results. Through the Board of Directors' resolution on the internal control systems, they also clarify important matters to be reported to Audit and Supervisory Committee Members and disseminate information thereof.

Five assistants to the Audit and Supervisory Committee are in place to engage solely in assisting the Audit and Supervisory Committee in the performance of their duties.

Periodic Reviews and Monitoring

Operating our own self-assessment system G-RIMS

The Group introduced the “G-RIMS,” a system for risk management in routine business operations, in 2006. The manager of each organization and affiliated company checks if preventive measures have been implemented or if an early-detection system is in place as required, using a checklist comprising about 50 risk items. After assessing the magnitude of the risks and identifying the risks that need to be addressed, the PDCA cycle is operated, including planning, implementation and follow-up of response measures.

■ Areas and items of G-RIMS (Gas Group Risk Management System)

1. Management environment
- Dissemination of corporate principles
- Decision-making and follow-up process
- Poor maintenance of regulations
- Failure to report business information that should be reported
- Effectiveness of self-audits

2. Human rights, harassment
- Violation of human rights (workers, local residents, consumers, etc.)
- Harassment (sexual harassment, maternity harassment, power harassment)

3. Personnel affairs, labor affairs
- Inappropriate labor management and incompliance with labor-related laws and regulations
- Inappropriate employment contracts with non-regular employees
- Securing human resources
- Developing human resources

4. Accident prevention, workplace safety
- Slack conduct regarding accident prevention and workplace safety
- Vehicles for business use

5. Response to relevant laws
- Violation of applicable laws and regulations

6. Illegal transactions
- Violation of the antitrust act
- Violation of the subcontract act
- Violation of the labeling act

7. Inappropriate relationships
- Cozy relationships, bribery, etc. with public servants; cozy relationships with clients and suppliers

8. Anti-social forces
- Refusal to have a relationship with anti-social forces

9. Insider trading
- Practice of insider trading, provision of insider information

10. Subsidies
- Illegal receipt of public funds (subsidies, etc.)

11. Management of seals
- Illegal use of seals

12. Purchase, expense-related spending
- Inappropriate procedures and illegal practices concerning purchase and expense-related spending (accounting spending)

13. Illegal practices concerning money transfer
- Illegal use of bank accounts
- Embezzlement of cash
- Embezzlement of sales proceeds
- Illegal spending
- The same person taking a spending-related post for a long time

14. Accounting, tax-related procedures
- Errors, illegal practices, and delays concerning accounting and tax-related procedures

15. Credit control, loan control
- Irrecoverable loans, delays in loan collection
- Acceptance and execution of guaranteed debts

16. Scandals involving suppliers
- Compliance problems emerged at corporate clients concerning human rights, labor practices, environment, and corruption

17. Whistle-blowing system (Compliance Desks)
- Insufficient dissemination of a whistleblowing system
- Operational defects of a whistleblowing system

18. Environment-related
- Violation of environment-related laws

19. Products, services
- Quality of products and services (complaints, defects, recall, product liability, consumer protection, etc.)

20. Business continuity in emergency
- Suspension or delay of business activities/operations in an emergency, such as a disaster

21. Intellectual property
- Insufficient protection of intellectual property rights owned by the Group
- Infringement of intellectual property rights owned by third companies

22. Lawsuits
- Legal disputes such as lawsuits

23. Information disclosure
- Inappropriate information disclosure procedures and the subsequent erosion of public trust in the Group

24. Information control in general
- Leakage, loss, and illegal use of information

25. Computer network related (computer networks, business apps related to computer networks, information used via such networks and apps)
- Illegal use of information, illegal alteration of information, and information leakage, all arising from the lack of security measures

26. Personal information concerning customers and corporate clients (including customer information)
- Leakage, loss, and illegal use of personal information concerning customers

27. Personal information concerning employees
- Leakage, loss, and illegal use of personal information concerning employees

28. “My Number” system (individual identification number and specified personal information)
- Leakage, loss, and illegal use of “My Number” identification numbers

29. Funds, derivatives
- Problematic fund management and fund procurement
- Problematic fund control
- Speculative derivative transactions

30. Electronic banking
- Illegal and erroneous money transfers using the electronic banking system

Risk Management

Basic Approach and Policy

As social and economic changes intensify due to instability in international affairs, exchange rate fluctuations, and inflation, the uncertainty of the business environment surrounding companies is rapidly increasing. In this environment, as the Daigas Group develops and expands its businesses in various regions, risk management is becoming increasingly important.

Recognizing the importance of risk management, the Group has established in its regulations, basic guidelines for risk-related actions, and is promoting risk management processes with reference to ISO 31000, the international standard for risk management.

Risk Management System

As the Group's business domains expand, in addition to implementing risk preventive maintenance planning and progress follow-up through corporate committees such as the Sustainability Committee, the Safety and Disaster Prevention Committee, and the Cyber Security Committee, we have established the Risk Management Committee, a corporate committee that is independent from the Audit and Supervisory Committee. Across the entire company, we manage significant risks that may affect the business performance and financial position of the Group including ESG-related risks such as climate change and human rights.

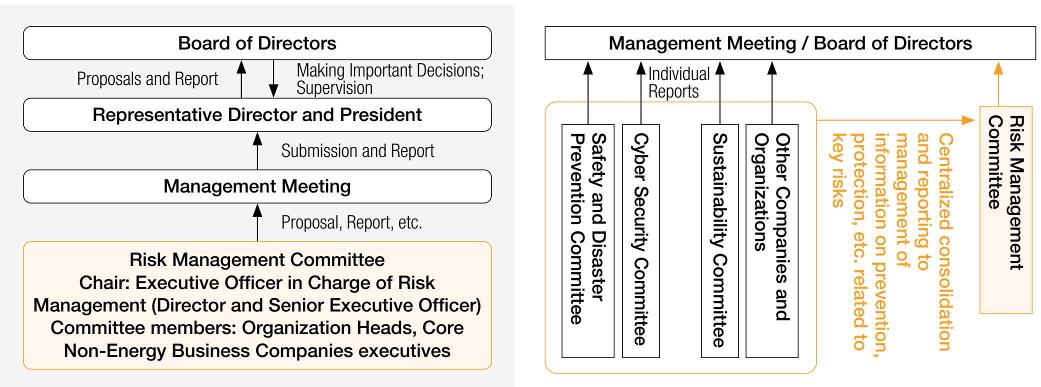
The Risk Management Committee is chaired by the Executive Officer in Charge of Risk Management (Director and Senior Executive Officer), who oversees the Group's risk management, and includes the heads of related organizations as members.

The Risk Management Committee meets in principle twice a year to review and select key risks on a regular basis, deliberate on preventive maintenance plans and results for key risks, and implement efficient and effective risk management.

With regard to the risk preventive maintenance activities, the Management Meeting, chaired by the President and Executive Officer, receives reports and holds discussions on selected key risks (see P.137 for details), as well as on preventive maintenance plans and their results. The Board of Directors makes decisions on matters that have a significant impact on management and oversees the risk management process.

In FY2025.3, the Risk Management Committee met three times to identify key risks; formulate, implement, follow up on, and manage the performance of preventive maintenance plans; and share risk-related information. In April 2025, the Board of Directors confirmed that the risk management process, including implementation results, had been properly executed.

■ Group-wide Risk Management System



■ Group-wide Risk Management Cycle

Recognition of and Countermeasures against Significant Risks (Business Risks) That May Affect Business Performance and Financial Position

In addition to the measures preparing for the following risks, the Group aims to mitigate the impact on its business in cases where such risks emerge by appropriately understanding and supervising the situations of business operations, while considering the degree and time period of the potential for risks to materialize.

Business Risks		Countermeasures against Risks
①Risks of business strategies	a. Changes in economic, financial, and social conditions as well as market contraction	The Group is practicing portfolio management that responds to changes in the business environment by growing each of three segments "Domestic Energy business," "International Energy business," and "Life & Business Solutions (LBS) business."
	b. Impact of fluctuations in temperature/ water temperature on energy demand	In order to respond to the impact of fluctuations in energy demand, we are expanding sales in peripheral energy fields such as gas appliances and energy services.
	c. Changes in international rules, policies, laws and regulations, and institutional systems	We are executing our respective businesses in accordance with international rules on environmental, social and governance issues, as well as other domestic and international rules, policies, laws and regulations, and institutional systems.
	d. Intensifying competition and the resulting increase in choices available to consumers	With the aim of becoming a company that continues to be the first choice of customers, we are working to increase our market competitiveness in all business segments by increasing added value, reducing raw material costs, developing technologies, and promoting digital transformation.
②Market risks	a. Changes in foreign exchange rates and borrowing rates	We are working to minimize the impact of changes in foreign exchange rates and borrowing rates through hedging and foreign currency procurement, and reducing costs against rising raw material prices and logistics costs.
	b. Changes in raw fuel costs	We are working to minimize the impact of cash flows through diversifying contract price indices and hedging in the procurement of LNG, and to adjust unit gas prices under the fuel cost adjustment system.
	c. Changes in electricity procurement costs	We are working to ensure a stable electricity supply by responding to power demand through procurement from procurement contracts with other companies, and from the Japan Electric Power Exchange and other markets, in addition to procurement from our own power source.
③Procurement risks of raw materials		As most of the raw fuels for gas and electricity, such as LNG, are imported from overseas, we are promoting diversified procurement from numerous producers as well as adjusting supply and demand through LNG trading, aiming to ensure stable and flexible raw fuel procurement.
④Environmental risks, such as responding to climate change		In order to respond to changes in regulations due to climate change issues, changes in social trends toward the realization of a carbon-neutral society in the future, and fluctuations in energy demand, etc., we are promoting initiatives for fuel conversion from coal and heavy oil to natural gas, the introduction of renewable energy and highly efficient products and facilities, and development of technologies and building supply chains related to carbon-neutral transition.
⑤Security risks in information and control systems		We are promoting and monitoring security measures, ensuring dissemination and education of information management, building and upgrading information systems, etc.
⑥Accounting and financial risks		Based on comprehensive management judgments by the Investment Evaluation Committee, including evaluations of projects' economic feasibility and risks, the Board of Directors makes decisions on various types of investments for growth.
⑦Risks related to gas production, power generation, gas supply, and gas consumption equipment and services	a. Difficulties in gas production/power generation and gas/power supply	In order to maintain safe and stable city gas production/supply and electricity generation/supply, we are carrying out various drills to prepare for emergencies, periodic inspections and upgrading of facilities, and measures to prevent accidents and supply disruptions including earthquake and tsunami countermeasures.
	b. Issues related to products such as gas equipment and facilities	We are striving to ensure a stable supply of products, and promoting the use of safe equipment and related inspection and dissemination.
	c. Quality issues with products or services	In order to ensure that the products and services we offer are used securely and safely, we are working on thorough quality management and other measures.
⑧Risks related to catastrophic disasters, accidents, infectious diseases, etc.		In preparation for the occurrence of natural disasters, terrorism, accidents, and infectious diseases, we are promoting initiatives including centralized management, intensive inspections, and continuous improvements of facilities, taking out various types of insurance such as disaster insurance, and formulation and review of a "Business Continuity Plan (BCP)" in the event of a catastrophic disaster or accident and an operational plan for responses to outbreaks of infectious diseases, etc. In addition, we are striving to build cooperative relationships in projects in which we participate for safe and stable business operations.
⑨Overseas investments risks		In our international business, we are promoting risk countermeasures such as proactive business operations and strict evaluation of target projects in the decision-making of investment for growth. In addition, for stable procurement, we are striving to build cooperative relationships that contribute to safe and stable operations in the participating projects.
⑩Compliance risks		To raise awareness of compliance, we are promoting initiatives to prevent problems from occurring through ongoing internal training, periodic risk identification, and review, follow-up and improvement of response status, etc.
⑪Human capital risks		We are striving to secure human resources in the face of a declining working population.
⑫Human rights risks		We have positioned respect for human rights in our business activities as a key management issue, and have established the Daigas Group Human Rights Policy based on the United Nations Guiding Principles to ensure its penetration throughout the Group. We are also conducting human rights due diligence in an effort to respect human rights and achieve sustainable growth.

Compliance

Principle and Outline

The Daigas Group views compliance not only as adherence to laws and regulations but also as the practice of sensible corporate activities based on sound ethics. The Group believes that ensuring compliance is the most important thing that it can do to gain the trust of customers and society, and it is the basis for continuing its business.

We are providing training and educational activities aimed at raising awareness of the importance of compliance, instilling knowledge, and improving the ability to think ethically to ensure that all officers and employees follow laws/regulations and their consciences, understand the foundations for compliance set forth in the Daigas Group Code of Business Conduct, and act in accordance with in-house regulations and rules.

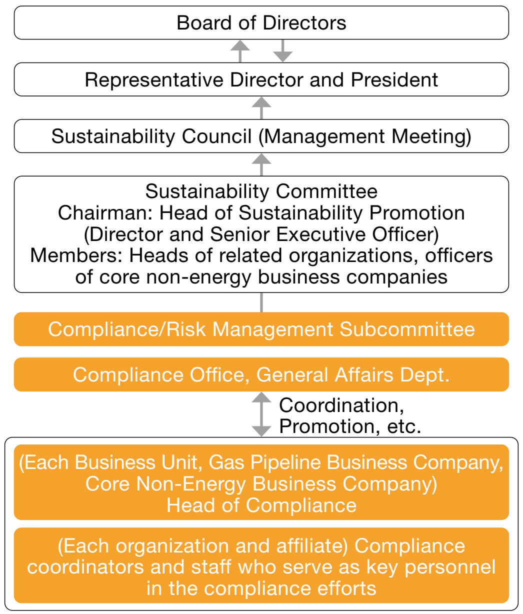
Furthermore, we have established “Compliance Desks” as a system aimed at quickly identifying cases of violations of laws and regulations, corruption, misconduct, etc., and responding quickly and appropriately.

We have also established a “Human Rights Desk” in the Human Resources Department as a contact point for consultations about the human rights of employees, as well as a “Harassment Desk” within respective organizations and affiliated companies as contact points for consultations about harassment for employees.

Compliance Promotion Systems

The Daigas Group has established “Compliance/Risk Management Subcommittees” under the “Sustainability Committee,” in order to consider crossorganizational measures and share information, etc. The Compliance Office in the General Affairs Department promotes compliance across the Daigas Group as a whole, and we have also selected “Heads of Compliance” at each Business Unit, Gas Pipeline Business Company, and Core Affiliate, as well as “Compliance coordinators” and “staff who serve as key personnel in the compliance efforts” at each organization of Osaka Gas and each affiliate, as part of efforts to enhance compliance across the Group as a whole.

■ Compliance Promotion Systems



Predictive Data Monitoring

The “Predictive Data Monitoring” initiative has been conducted throughout the Daigas Group since FY2012.3 for the purpose of detecting signs of potential compliance-related problems. This initiative aims to prevent dishonest acts from occurring by detecting unusual changes in the data through regular and continuous monitoring and by taking proactive measures as soon as possible. In FY2025.3, we monitored 152 items.

Dealing with Compliance Violations

When the Group recognizes a compliance issue or suspected compliance issue, the Head of Compliance of each organization will conduct an investigation, taking due care to avoid violating the human rights or reputation of those involved, including maintaining confidentiality and prohibiting disadvantageous treatment. When a compliance issue is confirmed, the head of the organization in charge of the relevant business will take necessary measures swiftly to correct the issue and prevent recurrence.

Supervision by the Board of Directors

At Osaka Gas, revisions to the Group Code of Business Conduct, including anti-corruption, are reported to the Board of Directors for supervision.

Improving Compliance Awareness

Promotion of global compliance in line with overseas business expansion

In view of expanding business operations abroad, an English version of a leaflet summarizing the Daigas Group Corporate Principles, the Daigas Group Charter of Business Conduct and the Daigas Group Code of Business Conduct and information on Compliance Desks used for the internal reporting system are posted on the intranet for dissemination to employees.

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, the environment and anticorruption measures.

In FY2025.3, we utilized the Osaka Gas proprietary risk management system “G-RIMS,” with revisions to certain items for overseas subsidiaries, as we endeavored to identify the status of implementation of actions on risks at 20 major overseas subsidiaries. For approximately 40 risk items, we promote implementation of actions on risks by inspecting the status of implementation of initiatives for prevention and early detection of risks.

Internal training and other initiatives

We are continually working to improve compliance awareness through such efforts as training sessions and awareness surveys.

For example, we offer Compliance Coordinator and Staff Seminars for compliance coordinators and staff who serve as key personnel in the compliance efforts of organizations and affiliated companies (including all subsidiaries), training sessions for organizational heads and higher-ranked managerial personnel conducted by invited outside instructors, and education arranged by job level for managers and new employees. In addition to the above, each organization/affiliate takes the initiative in conducting compliance training, such as in-workplace discussions on cases related to the Daigas Group Code of Business Conduct and cases to sharpen the ability to think ethically.

As a means of checking the degree of compliance penetration among Group employees, we also check the degree of understanding of the Daigas Group Charter of Business Conduct and the Daigas Group Code of Business Conduct (“Code”) through questionnaires, and that each employee is performing his or her duties in accordance with the Code. Furthermore, based on the results of the checking and social trends, we are periodically reviewing the Code.

Furthermore, we provide employees with a variety of compliance-related information through the intranet and other means and undertake educational activities such as soliciting “Compliance Slogans” from employees every year (10,452 submissions were received group-wide in FY2025.3).

Setting compliance as a personnel evaluation item

Osaka Gas’s “role expectation evaluation,” which serves as an indicator of employee talent development, includes a perspective on compliance initiatives, such as high ethical standards and awareness of human rights. This promotes compliance with laws and regulations and ethical standards.

Internal Reporting Systems and Compliance Desks

Established at Osaka Gas’s headquarters, major affiliated companies, outside law firms, etc. as points of contact receiving reports and offering consultation from inside and outside the Group

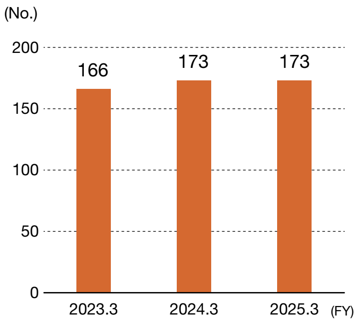
We have established Compliance Desks at Osaka Gas’s headquarters, major affiliated companies and outside law firms representing Osaka Gas as points of contact to receive reports and offer consultation regarding the observance of laws and in-house rules in the Daigas Group. Not only executives, regular employees and temporary employees of the Group but also executives, employees and temporary employees of business partners (including those who have retired within one year) that continually provide products and services to group companies can seek advice or give reports by phone or email, or through other means. The Compliance Desks can also be used anonymously.

In FY2025.3, a total of 173 requests for consultation and reports were received. For these cases, after considering the necessity of fact-finding investigations, we conducted interviews, verified the evidence, and took corrective and recurrence-prevention measures as necessary.

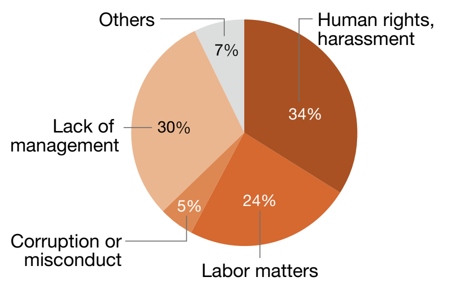
If the Compliance Desk receives a report of a violation of laws and regulations, we will take corrective action if the results of the investigation indicate that there has been a violation. Even in cases where there is no violation of laws and regulations, we will make improvements as necessary to maintain and improve a healthy work environment.

We report on and share the description of the reports received, investigation results, corrective measures, etc. at the Compliance/Risk Management Subcommittee, the Sustainability Committee and other meetings to prevent recurrence.

■ Number of Requests for Consultation/Reports



■ Breakdown of Reported Cases in FY2025.3

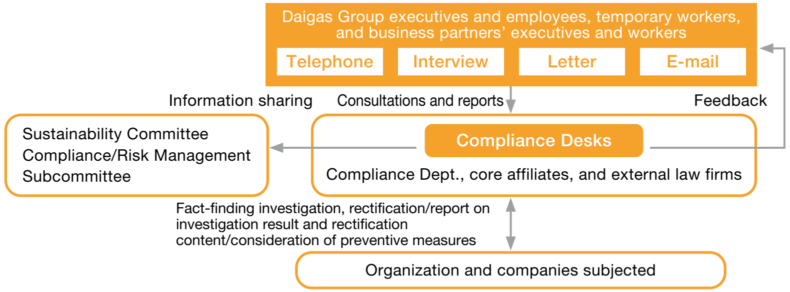


Protection of informants

We handle requests for consultation/reports received by the Compliance Desks and conduct investigation, etc. regarding them in accordance with the Rules for the systems of consultation and reporting on legal compliance, which clearly specify the confidentiality of the names of informants and persons being reported and other information and the prohibition of prejudicial treatment of informants.

We report on and share the description of the reports received, investigation results, corrective measures, etc. at the Compliance/Risk Management Subcommittee, the Sustainability Committee and other meetings to prevent recurrence.

■ System of Compliance Desks



Initiatives for proper operation of the internal reporting system

Requests for consultation regarding compliance violations, including harassment, may be received not only by the Compliance Desks but also by the department in charge of general affairs in each organization. In order for each organization to be able to properly respond to such requests, training sessions are held for newly appointed compliance coordinators and staff, etc. to learn how to respond when receiving requests for consultation.

Regarding inappropriate conduct in ENE-FARM sales

Osaka Gas has confirmed that an employee of the Group company Osaka Gas Marketing Co., Ltd. presented, to customers who were considering the purchase of a water heater, misleading information in the form of estimated utility cost reduction benefits based on a comparison of estimated utility costs for installing an ENE-FARM system with those for installing a water heater other than an ENE-FARM system ("inappropriate conduct").

We are deeply sorry for having caused concern and inconvenience through our actions that betrayed the trust of our valued customers to whom we had made our proposals.

We recognized that this inappropriate conduct might be a violation of the Act against Unjustifiable Premiums and Misleading Representations, and have reported it to the Consumer Affairs Agency.

Going forward, we will further strengthen and enhance our compliance system and strive to restore trust, while sincerely cooperating with the Consumer Affairs Agency's investigation.

Please see the press release for details.

Tax Compliance

In the Daigas Group's business operations, we follow the Daigas Group Code of Business Conduct, comply with laws and regulations, and act sensibly based on sound ethical standards. We understand that appropriate tax payments are part of our corporate social responsibility, and we comply with the tax laws and regulations of all countries in which we operate and the spirit of those laws, and make tax filing and payment in a lawful and proper manner. Based on these conventional approaches and initiatives, we formulated and published the "Daigas Group Tax Policy" in March 2025. We will follow this policy and strive to enhance corporate value by strengthening tax governance throughout the Group.

Daigas Group Tax Policy

Our policy

1. We comply with tax laws and legislations as well as the spirit of the laws and pay tax without excess or deficiency.
2. We establish a tax governance system and strive to mitigate tax risks.
3. We build good relationships with tax authorities.
4. We improve corporate value based on above policy.

Fundamental concept

In the Daigas Group's business operations, we follow the Daigas Group Code of Business Conduct, comply with laws and regulations, and act sensibly based on sound ethical standards.
We understand that appropriate tax payments are part of our corporate social responsibility, and we comply with the tax laws and regulations of all countries in which we operate and the spirit of those laws and make tax filing and payment in a lawful and proper manner.

Tax optimization

From the perspective of enhancing corporate value, we appropriately and effectively utilize tax incentives within the scope that does not deviate from the intent and application of laws and regulations, thereby optimizing tax expenses.

Tax governance

Under the direction and supervision of the Executive Director in charge of the Corporate Planning HQ, who is responsible for tax governance of the Daigas Group, the Finance Dept., which belongs to the Corporate Planning HQ of Osaka Gas, manages tax-related matters in cooperation with the group companies.
The Finance Dept. establishes guidelines and systems for consultation to perform proper accounting practices and make proper tax filing, as well as conduct educational and awareness-raising activities for the company and group companies.

Tax risk management

Under the tax governance system, the Daigas Group strives to appropriately identify tax risks. We manage tax risks by seeking advice from outside tax experts on important transactions and utilizing a system of advance referrals to tax authorities as necessary.
International transactions between group companies are conducted at arm's length prices based on the functions and risks of each group company. We comply with the OECD Transfer Pricing Guidelines in setting transaction prices. We strive to mitigate tax risks by utilizing an advance pricing arrangement (APA) for important transfer pricing taxation risks.

Building relationships of trust with tax authorities

We strive to build and maintain a relationship of trust with tax authorities through tax filing and payment in a lawful and proper manner, and appropriate information disclosure.

Anti-corruption

Fundamental concept

In the Daigas Group Code of Business Conduct, which sets forth the standards of conduct that all officers and employees of the Daigas Group must follow to ensure compliance management, the prevention of bribery and corruption is described in “Complying with laws in each country and region, and respecting international standards including those on human rights” and “Building and maintaining sound relationships with business partners,” which stipulate compliance with laws and ordinances concerning corruption prevention, including the National Public Service Ethics Act and the Unfair Competition Prevention Act, and prohibition of bribes to foreign public servants.

In FY2024.3, we formulated the Daigas Group Anti-Bribery Guidebook to promote understanding of legal concepts and conduct to be noted regarding bribery control laws* common in many countries. The guidebook prohibits actions and items such as bribes to Japanese and foreign officials, inappropriate entertainment and gifts, and small facilitation payments. Having formulated this guidebook, we made it known to all employees in the Group to promote their understanding. In the section “Points of Caution regarding Contractors and Joint Ventures,” the Anti-Bribery Guidebook stipulates that we shall prioritize measures for business divisions, bases, and business activities that pose a high risk of bribery, including confirming and investigating anti-corruption compliance based on the Daigas Group Code of Business Conduct with agents and intermediaries before entering into contracts, and we are implementing these measures appropriately and working to prevent corruption.

When making new investments, we conduct due diligence on bribery, accounting fraud, and other issues, and comprehensively assess corruption risks, in light of the high risks involved. With our G-RIMS system for managing risks related to daily business activities, we have set as risk items corruption such as inappropriate relationships, scandals involving suppliers, insider trading, and monetary fraud. We conduct periodic inspections and monitoring of suppliers in our supply chain to ensure there are no compliance issues in areas such as human rights, labor, the environment, and anti-corruption. The organizations responsible for each risk assess the risks and implement necessary responses, taking into account the results of G-RIMS. Please see P.135 for more information on G-RIMS.

In areas where risks are relatively high, including Asian business, we take risk management measures, in addition to inspections with G-RIMS, such as regularly checking the latest laws and regulations and local trends, monitoring the compliance activities of companies in which we have minor equity investments, and conducting due diligence on corruption risks, including bribery, among potential business partners and alliance partners.

*Bribery control laws: stated as a general name for laws and regulations related to bribery control set forth in each country

Employee training on anti-corruption

The Daigas Group has compiled the Daigas Group Code of Business Conduct (“Code”) into a booklet and portable card, which are distributed and posted on the intranet to make the Code known to all employees. We strive to promote understanding of the Code by posting the Explanation of the Code of Business Conduct on the intranet and through training and other programs. We also provide training on the topic of anti-corruption, in which participants have group discussions on specific cases to examine what measures should have been taken by the organization and individuals and how to respond to cases of corruption when they occur, in an effort to prevent corruption.

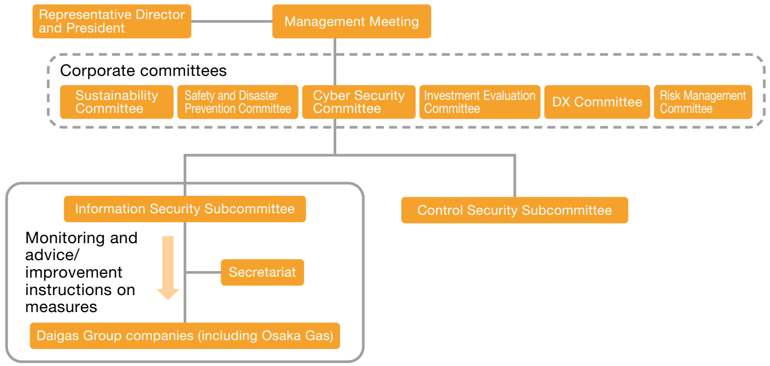
Information Security

Principle and Outline

The evolution of the Internet has led to sharp rises in leaks of confidential information, infections by computer viruses and other serious social issues, and the harm suffered by companies from such incidents increasingly extends beyond direct damage, even resulting in the loss of public trust.

As a business operator responsible for social infrastructure, the Daigas Group recognizes the importance of managing customer information and other data and has established the Cyber Security Committee in August 2019 as a corporate comittee. The Cyber Security Committee is chaired by the Head of Technology (Representative Director and Executive Vice-President), who oversees the Group's information security and other technology-related activities, and consists of the heads of related organizations and other members. The Cyber Security Committee meets twice a year to formulate medium- to long-term security strategies, coordinate and promote cross-organizational measures to address security risks across the Group, and gives instructions on improvements as necessary. The Committee submits to the Management Meeting deliberation proposals and reports on important agenda items. Under the leadership of its subcommittee called the Information Security Subcommittee, the Committee strives to step up information security measures.

■ Information Security Promotion System (April 2025)



Efforts to Strengthen Information Security

Under the leadership of the Information Security Subcommittee, the Daigas Group has established a system to enhance its overall information security by deploying managers in charge of promoting information security at core companies of the Daigas Group and organizations in charge of supporting the management of Osaka Gas and by deploying staff in charge of promoting information security at other organizations and affiliated companies.

In FY2022.3, we worked to strengthen information security measures through the establishment or revision of the internal rules for the Daigas Group, including the Information Security Guidelines. In addition to the existing content, we added and revised the Information Security Measures Standards based on recent security incidents that occurred inside and outside the company. We have been operating the telework guidelines, guidelines related to smart devices to respond to the expansion of the use of smart devices, and guidelines which compile the requirements that must be observed when using the cloud services, all of which were created in FY2021.3 and have been updated in light of the spread of telework.

Also, we conducted on-site surveys and checkups regarding information security at group companies, formulated improvement plans for each of these companies, and had them implement suitable measures. Education on security was also provided to all Daigas Group employees and employees in charge of IT at each affiliate and organization to improve the information security awareness and skills of each and every employee. To enhance employees' information security awareness and enable them to respond appropriately to security incidents, we conducted simulation training on targeted email attacks, based on actual cases (for about 20,000 employees).

In preparation for Osaka/Kansai Expo, we are re-inspecting the information security management status of major systems and strengthening monitoring during the event.

In addition to the above measures, we have conducted vulnerability assessments and introduced mechanisms to detect and prevent unauthorized access. We are reviewing various countermeasures from time to time to strengthen information security measures.

Major information security measures undertaken in FY2025.3

- Maintained and operated the Information Security Guidelines, etc.
- Implemented voluntary information security inspections of affiliated companies
- Implemented training on targeted email attacks (for approx. 20,000 employees)
- Implemented e-learning for employees (for approx. 8,000 employees)

Protection of Personal Information

Principle and Outline

The Daigas Group believes that information is an important asset for a company and should be properly managed to prevent leakage or loss, and it has established a system for the proper use and management of personal information received from customers. Furthermore, we are working to enhance risk management regarding personal information by utilizing our risk self-assessment system, G-RIMS, and to raise employee awareness through e-learning and training programs.

Privacy Policy

In accordance with the Act on the Protection of Personal Information, our Rules for Personal Information Protection, and other related regulations, Osaka Gas has established a privacy policy regarding the handling of information on its customers, shareholders and other parties and posted it on its official website. Based on this policy, we strive to properly protect information on our customers, shareholders, and other parties. In addition, we handle personal information on our employees, etc. in the same manner as customer information. We are making the privacy policy regarding personal information of our employees, etc. known through the internal portal site and striving to properly protect the personal information on our employees, etc.

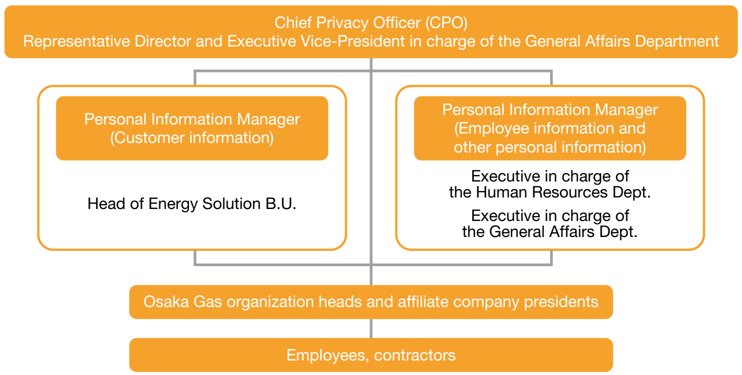
Privacy Policy

Protection of Personal Information

Establishing a personal information protection system that includes subcontractors in its scope

The Daigas Group, which handles a large amount of personal information, has established rules and implemented various security control measures to protect such information. We are striving to properly manage and prevent leakage of personal information by establishing a personal information protection system that includes subcontractors in its scope, in which the Representative Director and Executive Vice-President responsible for the General Affairs Department serves as the Chief Privacy Officer (CPO) and managers are assigned to the Business Units, the Human Resources Department and affiliated companies.

■ Personal Information Protection System



Strengthening risk management through training and e-learning programs

Every year, the Daigas Group strengthens risk management regarding personal information by utilizing its risk self-assessment system, G-RIMS, and addresses personal information protection as an important theme in compliance training and other educational programs to raise employee awareness. Furthermore, all employees and temporary employees who have access to computers provided by the Group are required to take e-learning courses on information security, which consists of basics and case studies. We ensure that employees further deepen their understanding of personal information protection by providing e-learning programs to learn about personal information protection on a regular basis.

ESG Data

See the files below for data on initiatives in the ESG categories covered by the Sustainability Report.

PDF Environmental Performance Data

- Environmental Policies
- Boundery
- ISO 14001 Certification Acquisition Status
- Environmental Action Targets and Indicators
- Raw Material
- Net energy production by energy source
- Environmental Management Efficiency
- Response to Climate Change (Management of Emissions)
- Resource Use/Discharge and Waste

PDF Social Data

- Policies on Social Issues
- Research and Development/ Intellectual Property
- Employees (Employment)
- Employees (Human Resource Development)
- Employees (Promotion of Diversity, Work-Life Balance)
- Employees (Health and Safety)
- Customers
- Pipeline length and Power generation facilities
- Contribution to Society

PDF Governance Data

- Governance Policies
- Corporate Governance
- Compliance

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