Corporate Governance

Basic Views on Corporate Governance

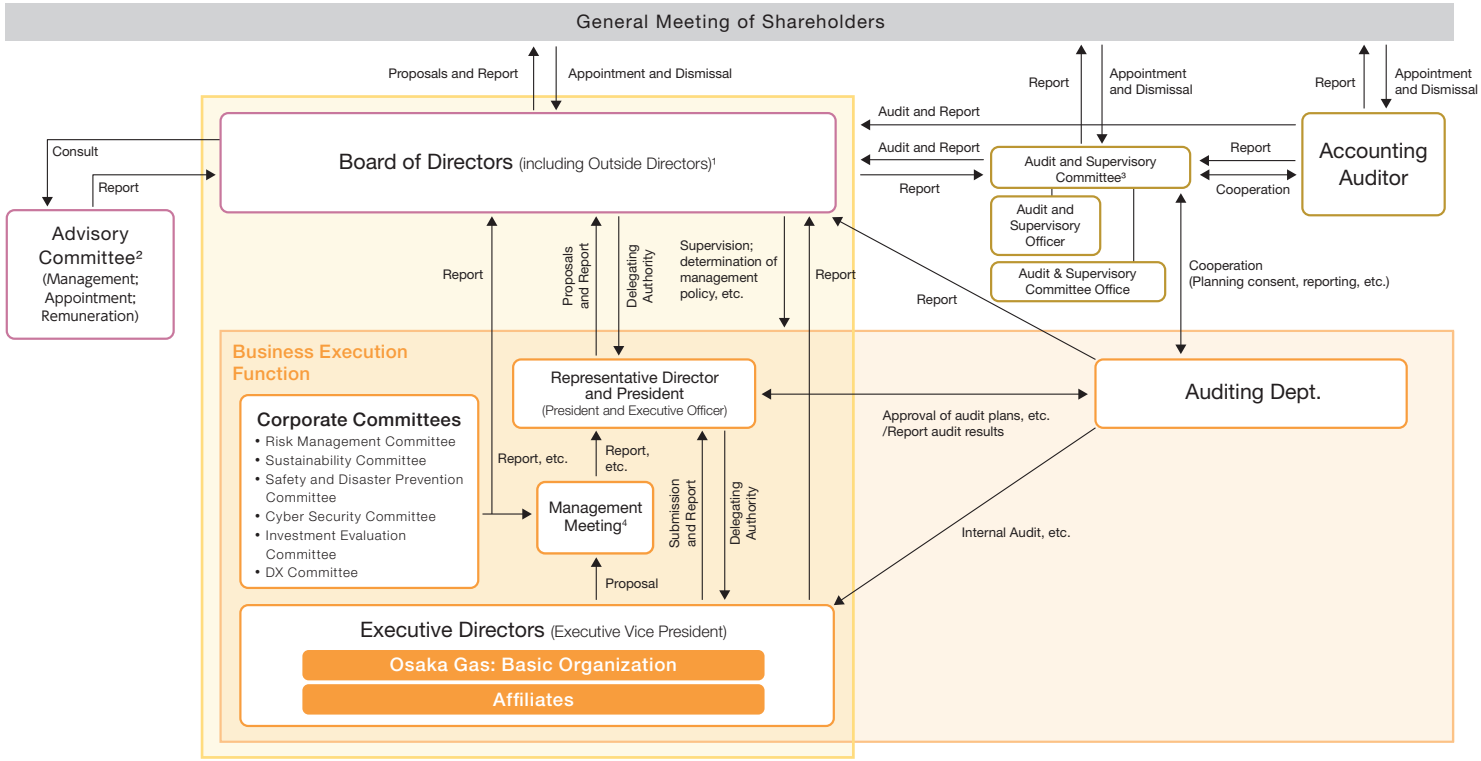
As a corporate group that powers continuous advancement in customers' lives and businesses, our Corporate Principles aim to create four types of value: "Value for Customers," "Value for Society," "Value for Shareholders" and "Value for Employees" by providing various products and services relating to 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

With the business environment changing at an ever-increasing pace, we have adopted a Company with an Audit and Supervisory Committee to ensure more 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; establishment of voluntary advisory committees on management, appointment, and remuneration; and introduction of a chief officer system.

■ **Corporate Governance System** (as of June 23, 2026)



1 Board of Directors:
13 Directors
(6 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:
4 Audit and Supervisory Committee Members
(1 full-time Internal Director and 3 Outside Directors)
4 Management Meeting:
1 President,
3 Executive Vice Presidents,
9 Senior Executive Officers,
and 3 Executive Officers

Introducing Our Directors

(As of June 23, 2026)
*Please see the Notice of Convocation of Annual Meeting of Shareholders for career summaries and reasons for appointment.

Internal Directors



Chairman of the Board

Takehiro Honjo
72 years old
17 years in office

Attendance at Board of Directors meetings: 100%



President and CEO

Masataka Fujiwara
68 years old
10 years in office

Attendance at Board of Directors meetings: 100%
Attendance at all advisory committees: 100%



Executive Vice President, CTO

Keiji Takemori
62 years old
2 years in office

Attendance at Board of Directors meetings: 100%
Attendance at all advisory committees: 100%



Executive Vice President, CFO, CDIO, and CSaO

Ko Sakanashi
58 years old
2 years in office

Attendance at Board of Directors meetings: 100%
Attendance at Management Advisory Committee: 100%



Executive Vice President

Toshiyuki Imai
60 years old
2 years in office

Attendance at Board of Directors meetings: 100%
Attendance at all advisory committees: 100%

Outside Directors



Outside Director

Kazutoshi Murao
73 years old
7 years in office

Attendance at Board of Directors meetings: 100%
Attendance at all advisory committees: 100%



Outside Director

Tatsuo Kijima
71 years old
6 years in office

Attendance at Board of Directors meetings: 100%
Attendance at all advisory committees: 100%



Outside Director

Yumiko Sato
74 years old
5 years in office

Attendance at Board of Directors meetings: 100%
Attendance at Management Advisory Committee: 83%
Attendance at Appointment Advisory Committee: 100%
Attendance at Remuneration Advisory Committee: 100%



Outside Director

Mikiyo Niizeki
58 years old
3 years in office

Attendance at Board of Directors meetings: 100%
Attendance at all advisory committees: 100%

Introduction of chief officer system

With the aim of enhancing corporate value over the medium to long term and to address cross-Group management issues, the Company introduced the chief officer system effective April 1, 2026.

- Chief Executive Officer(CEO)
- Chief Financial Officer(CFO)
- Chief Digital & Information Officer(CDIO)
- Chief Human Resource Officer(CHRO)
- Chief Technology Officer(CTO)
- Chief Risk Officer(CRO)
- Chief Safety Officer(CSaO)
- Chief Sustainability Officer(CSuO)
- Chief Carbon Neutral Officer(CCNO)

Directors Who Are Audit and Supervisory Committee Members



Director, Audit and Supervisory Committee Member (full time)

Fumitoshi Takeguchi
64 years old
5 years in office*

Attendance at Board of Directors meetings: 100%



Outside Director, Audit and Supervisory Committee Member

Eriko Nashioka
59 years old
4 years in office*

Attendance at Board of Directors meetings: 100%
Attendance at Management Advisory Committee: 100%
Attendance at Appointment Advisory Committee: 100%



Outside Director, Audit and Supervisory Committee Member

Chieko Minami
65 years old
3 years in office*

Attendance at Board of Directors meetings: 100%
Attendance at Management Advisory Committee: 100%
Attendance at Remuneration Advisory Committee: 100%



Outside Director, Audit and Supervisory Committee Member

Eimei Kozai
68 years old
2 years in office

Attendance at Board of Directors meetings: 100%
Attendance at Management Advisory Committee: 100%

*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 Eriko Nashioka and Chieko Minami include their previous positions (Audit & Supervisory Board Member).

■ Member of Management Advisory Committee
■ Member of Appointment Advisory Committee
■ Member of Remuneration Advisory Committee
C Chairperson

Overview of Corporate Governance System

Board of Directors, Directors of the Company

The Board of Directors consists of at least one-third of the 13 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 FY2026, the Board of Directors held 13 meetings, with 100% attendance by all Directors. The meetings discussed the Group's management plans, 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.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of 4 Directors who are the Audit and Supervisory Committee Members, including 3 Outside 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 three, and the majority of them are outside Audit and Supervisory Committee members. One Audit and Supervisory Officer is appointed to assist the Audit and Supervisory Committee by performing audit and other duties under the Committee's direction and orders.

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 discusses key issues such as overseas business strategies, marketer business strategies, and Life & Business Solutions ("LBS") business strategies.

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.

All committees are chaired by Outside Directors (Advisory Committee on Management, Advisory Committee on Appointment, and Advisory Committee on Remuneration).

Chief Officer System

With the aim of enhancing corporate value over the medium- to long-term and to address cross-Group management issues, the Company introduced the chief officer system effective April 1, 2026.

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: CSuO/Senior Executive Officer)

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: CSaO/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: CDIO/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: CDIO/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: CRO/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, 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, and the Ratio of female directors has been 30.8% since the close of the Annual Meeting of Shareholders for FY2025.

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 23, 2026)

Name	Position	Executive / Non-Executive	Internal/ Outside	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	Non-Executive	Internal	●	●				●	●	●	●
Masataka Fujiwara	Representative Director / President	Executive	Internal	●	●	●	●	●	●			
Keiji Takemori	Representative Director / Executive Vice President	Executive	Internal	●		●		●		●		●
Ko Sakanashi	Representative Director / Executive Vice President	Executive	Internal	●		●	●		●	●		
Toshiyuki Imai	Representative Director / Executive Vice President	Executive	Internal		●				●		●	●
Kazutoshi Murao	Director	Non-Executive	Outside / Outside Director	●			●		●		●	●
Tatsuo Kijima	Director	Non-Executive	Outside / Outside Director	●					●		●	●
Yumiko Sato	Director	Non-Executive	Outside / Outside Director						●		●	●
Mikiyo Niizeki	Director	Non-Executive	Outside / Outside Director	●	●					●		●
Fumitoshi Takeguchi	Director Audit and Supervisory Committee Member	Non-Executive	Internal						●	●	●	●
Eriko Nashioka	Director Audit and Supervisory Committee Member	Non-Executive	Outside / Outside Director	●					●	●		●
Chieko Minami	Director Audit and Supervisory Committee Member	Non-Executive	Outside / Outside Director	●	●		●					●
Eimei Kozai	Director Audit and Supervisory Committee Member	Non-Executive	Outside / Outside Director	●							●	●

■ Definition of Skills

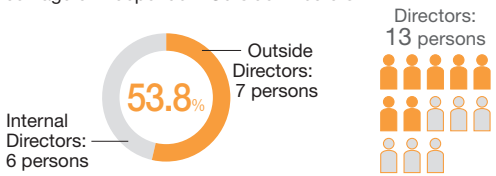
Corporate Management	Experience and expertise in corporate management and organizational management, and in the formulation and promotion of management strategies
Marketing	Experience and expertise in the formulation and promotion of marketing strategies through an accurate understanding of market trends and consumer needs
Technology / R&D	Experience and expertise in creation of innovations through the promotion and oversight of technological development, R&D, and engineering
DX	Experience and expertise in business reform and DX promotion through the use of digital technologies and data
Global Management	Experience and expertise in the international energy business (resource development, procurement, trading, energy infrastructure, etc.) and other international businesses
Sustainability	Experience and expertise in sustainability management, including Environmental, Social, and Governance matters
Finance/Accounting	Knowledge and expertise in finance and accounting, including the formulation of financial strategies and the creation of a sound financial base
Legal/Risk Management	Experience and expertise in promoting legal and compliance initiatives and in managing diverse business-related risks
Human Resources Development	Experience in acquiring and developing diverse human resources and in organizational development, and expertise in human resource strategies for sustainable growth

Independence of Directors (as of June 23, 2026)

Percentage of Non-executive Directors

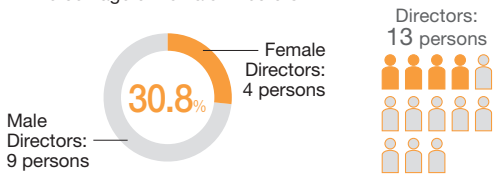


Percentage of Independent Outside Directors



Diversity of Directors (as of June 23, 2026)

Percentage of Female Directors



Corporate Governance Initiatives

		2021	2022	2023	2024	2025	2026
Separation of business execution and supervision	Medium-Term Management Plan	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 2021: Director, Chairman of the Board					
	Execution system	From 2009: adoption of an executive officer system					
							From 2026: introduction of chief officer system
	Outside Directors/ Outside Audit & Supervisory Board Members	From 2021: Outside Directors: 4 persons			From 2024: Outside Directors: 7 persons		
		From 2020: percentage of Outside Directors: 1/3 or more					From 2026: percentage of Outside Directors: 1/2 or more
		From 2014: Outside Audit & Supervisory Board Member: 3 persons					
	Voluntary advisory committee	In 2013: established (appointment and remuneration)	In 2022: expanded (management, appointment, and remuneration)				
Diversity	Female officers	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 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[1] 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 FY2026, the Advisory Committee on Management held six 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.

■ FY2026 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 FY2026
Advisory Committee on Management	(Management) 78% 	Key issues such as medium- to long-term strategies (individual business and Group-wide strategies)	Discussions regarding overseas business strategies, marketer business strategies, LBS business strategies, the business plan for the next fiscal year, etc.	Tatsuo Kijima	○	Outside Director	6 meetings	100%	6 meetings
				Masataka Fujiwara		Representative Director and President	6 meetings	100%	
				Ko Sakanashi		Representative Director and Executive Vice President	6 meetings	100%	
				Kazutoshi Murao		Outside Director	6 meetings	100%	
				Yumiko Sato		Outside Director	5 meetings	83%	
				Mikiyo Niizeki		Outside Director	6 meetings	100%	
				Eriko Nashioka		Outside Director and Audit and Supervisory Committee Member	6 meetings	100%	
				Chieko Minami		Outside Director and Audit and Supervisory Committee Member	6 meetings	100%	
				Eimei Kozai		Outside Director and Audit and Supervisory Committee Member	6 meetings	100%	
Advisory Committee on Appointment	(Appointment) 83% 	Matters related to the election of candidates for Directors, the selection and dismissal of Representative Directors and other Executive Directors, skills matrix, succession plan, etc.	Discussions regarding the composition of the Board of Directors, the election of candidates for Directors, the selection and dismissal of Representative Directors and other Executive Directors, skills matrix, etc.	Kazutoshi Murao	○	Outside Director	4 meetings	100%	4 meetings
				Masataka Fujiwara		Representative Director and President	4 meetings	100%	
				Tatsuo Kijima		Outside Director	4 meetings	100%	
				Yumiko Sato		Outside Director	4 meetings	100%	
				Mikiyo Niizeki		Outside Director	4 meetings	100%	
				Eriko Nashioka		Outside Director and Audit and Supervisory Committee Member	4 meetings	100%	
Advisory Committee on Remuneration	(Remuneration) 83% 	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.	Determination of monthly monetary remuneration for Directors, appropriateness of the remuneration levels, determination of payment coefficient for the portion linked to business performance, etc.	Yumiko Sato	○	Outside Director	3 meetings	100%	3 meetings
				Masataka Fujiwara		Representative Director and President	3 meetings	100%	
				Kazutoshi Murao		Outside Director	3 meetings	100%	
				Tatsuo Kijima		Outside Director	3 meetings	100%	
				Mikiyo Niizeki		Outside Director	3 meetings	100%	
				Chieko Minami		Outside Director and Audit and Supervisory Committee Member	3 meetings	100%	

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 (Representative Director and President, and Representative Director and Executive Vice President) 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. In addition, there are no retirement benefits.

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. The number of Directors is 10 (of which, 4 are Outside Directors), and the number of Directors subject to stock-based remuneration is 6.
Matters related to monetary remuneration are deliberated by a voluntarily appointed Advisory Committee made up of a majority of Outside Directors, and then decided on by the resolution of the Board of Directors.

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[3] (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.
3 Please see P.142 for our main sustainability indicators.

Reflecting Sustainability Indicators Achievement Levels in Officer Remuneration System

At the Board of Directors meeting held on December 23, 2021, Osaka Gas resolved to reflect the coefficient of sustainability indicators achievement* for 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-FY2027).

■ Main Sustainability Indicators

Materiality	Sustainability indicators	FY2027 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 an environment that enhances value for employees and the company	• 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

Details of Activities of the Board of Directors and Advisory Committee in the Process for Determining the Amount of Remuneration, etc., for Officers during FY2026

With regard to matters related to the remuneration for officers, at meetings held in February and May 2025, 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 resolutions by the Board of Directors in March and June 2025.

■ EBITDA

Term			207th
Fiscal year ended			March 31, 2025
EBITDA	Billion yen	Plan	280.0
		Result	308.9

■ ROE for the Last Three Years

Term			205th	206th	207th
Fiscal year ended			March 31, 2023	March 31, 2024	March 31, 2025
ROE	%	Plan	6.8	8.5	7.2
		Result	4.3	8.9	8.2

■ Total Amount of Remuneration, etc. by Officer Classification and by Type of Remuneration, etc., and Number of Eligible Officers of Reporting Company

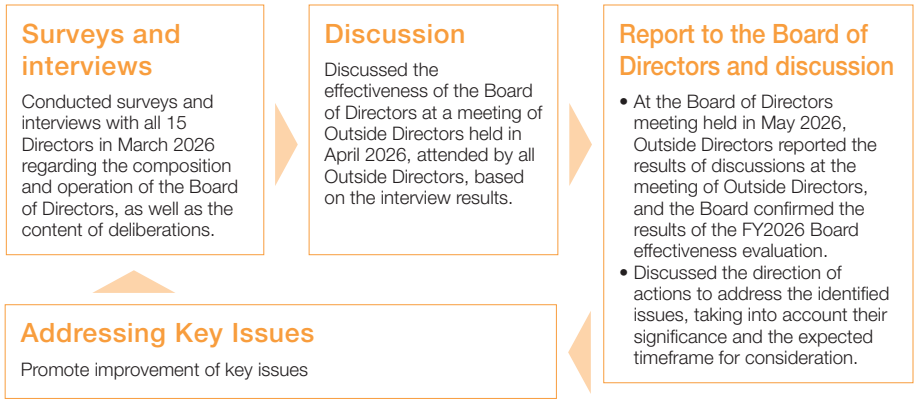
Classification	Total amount of remuneration (million yen)	Total amount of remuneration by type of remuneration (million yen)			Number of payees
		Fixed	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	534	246	161	125	6
Audit and Supervisory Committee Members (excluding Outside Directors)	84	84	—	—	2
Outside Directors	100	100	—	—	7

Note:Non-monetary remuneration, etc. consists of restricted stock.

Evaluation and Analysis of Effectiveness of the Board of Directors as a Whole

The Board of Directors annually analyzes and evaluates the effectiveness of the Board and its Advisory Committee based on interviews conducted by the Board Secretariat with each Director. A summary of the methodology and results of the FY2026 Board effectiveness evaluation is presented below.

1. Method



2. Interview Questions

Based on regular evaluation by an external expert organization, we established the interview questions. From this fiscal year, in addition to conventional risk oversight, we added questions regarding the Board's effectiveness in promoting appropriate risk-taking, areas for improvement in Secretariat functions, and self-assessments by individual Directors.

① Initiatives in FY2026 to address issues identified in FY2025
② Composition of the Board of Directors (its composition and diversity to support the achievement of the long-term management vision and medium-term management plan, etc.)
③ Monitoring and oversight functions (monitoring risks associated with key strategies and the execution of initiatives with significant impacts on management, etc.)
④ Formulation of management policies and strategies (discussions on key strategies and management policies with due consideration of capital costs and stock price performance, etc.)
⑤ Operation of the Board of Directors (information sharing and support systems provided by the secretariat)
⑥ Advisory Committees (themes, frequency and duration of meetings, content of deliberations, etc.)
⑦ Others (opportunities for information sharing such as site visits, Directors' contributions to discussions, etc.)

3. Evaluation Results

Regarding the initiatives undertaken in FY2026 to enhance the effectiveness of the Board of Directors in response to issues identified in FY2025, we confirmed that these initiatives were implemented appropriately and that the effectiveness of the Board of Directors was ensured.

(FY2026 initiatives and outcomes to address issues identified in FY2025)

- The Advisory Committee on Appointment elected Directors and Executive Officers in line with our vision for the Board of Directors.
- We advanced the appointment and recruitment of professionals with expertise in areas such as international business and risk management, etc. To support the appointment of female Directors, we held discussions among female Outside Directors, female executives from other companies, and female managerial employees.
- We strengthened our monitoring functions by ensuring the timely reporting of matters with a significant impact on management, and enhancing reporting on risk responses and key matters through meetings of Outside Directors.
- We provided information on the status of our financial strategies and ROIC management in each business. Moreover, the Advisory Committee on Management deepened strategic discussions by reviewing key business strategies, including those for the international, marketer, and LBS businesses. In addition, it identified key themes and developed a schedule in preparation for the next medium-term management plan.
- We expanded opportunities for communication with employees and deepened understanding of the business through site visits and seminars, including career development seminars.
- We disclosed our initiatives and effects of the transition to a company with an Audit and Supervisory Committee.

On the other hand, we identified additional challenges ahead of further enhancements, and discussed the direction of our future response in line with level of importance and review periods to further improve the effectiveness of the Board of Directors in the future. As a result, it recognized the following issues.

(Major issues)

- Secure key specialized and diverse talent for medium-to long-term strategies, in light of the new structure of the Board of Directors
- Enhance supervision and monitoring functions (continuation of prompt initial reporting, enhancement of information provision including international affairs, etc.)
- Deepen medium- to long-term strategic discussions (discussions on key issues toward formulating the next medium-term management plan)
- Create an environment to enhance the quality of deliberations at the Board of Directors and other meetings (enhancement of individual information, site visits, etc.)

In the future, we will enhance the provision of information to Directors through the Board of Directors, the Advisory Committee on Management, and Outside Directors meetings, and repeatedly discuss the overall Group strategy based on the long-term vision. Through a series of these initiatives, we aim to further improve the effectiveness of the Board of Directors in both discussions on management policies, management strategies, and key issues, as well as its monitoring and supervisory functions. Moreover, we will continue to strive to develop and secure the human resources necessary for medium- to long-term growth by re-organizing the skills required of Directors and promoting succession plans.

In addition, starting this fiscal year, the Audit and Supervisory Committee has also evaluated its effectiveness through surveys and interviews with the Audit and Supervisory Committee Members, and we have confirmed that the Audit and Supervisory Committee as a whole has been functioning effectively.

Audit

The company's Audit and Supervisory Committee consists of four Directors who are Audit and Supervisory Committee Members, of whom three are Outside Directors.

Furthermore, one Audit and Supervisory Officer is appointed to assist the Audit and Supervisory Committee by performing audit and other duties under the Committee's direction and orders. We 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 FY2026, 14 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
- Approval of appointment of Directors who are Audit and Supervisory Committee Members
- Approval of appointment of an Audit and Supervisory Officer
- Approval of appointment of the head of the Auditing Department
- 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 23, 2026, it was reported that the internal control systems were operating in a proper manner.

Overview of Operating Status of the Internal Control Systems(FY2026)

①Matters concerning compliance, etc.

The Sustainability Committee promotes initiatives in each domain, including sustainability activities, through the Compliance and Risk Management Subcommittee, Environment Subcommittee, and Social Contribution Subcommittee. 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.

We received guidance from the Consumer Affairs Agency in December 2025 to prevent any similar representations that could be considered questionable under the Act against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act) regarding the sale of ENE-FARM products. Osaka Gas Marketing Co., Ltd. and the rest of the Group take this matter seriously and will continue to strengthen training and ensure thorough management regarding the Premiums and Representations Act.

②Matters 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.

In preparation for a prolonged situation in the Middle East, we established a company-wide system in March 2026 to gather information, conduct risk assessments, and examine countermeasures.

Regarding the management of risks concerning security and disaster prevention which are common 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, to ensure that our energy production and supply system is fully operational, we transitioned the company-wide liaison system—which had been established in January 2025 based on the 'Regulations on Measures against Armed Attacks and Cyber Attacks'—to an alert status during the Expo period.

* Please see 📖 P.116 for more information on the BCP exercises.

③Matters 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.

④Matters concerning the effectiveness of audits by the 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 Sustainability Committee, the Investment Evaluation 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 the Audit and Supervisory Committee and disseminate information thereof.

Four 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, nursing care-related harassment, power harassment, customer 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 proper transaction act
- ·Violation of the labeling act
- ·Business-to-business representations

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 subsidies or grants

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. Against this backdrop, as the Daigas Group develops and expands its businesses across various regions, the importance of risk management is increasing.

The Group recognizes the importance of risk management and has established basic guidelines for risk-related actions, in its Group regulations. Referring to ISO 31000, the international standard for risk management, the Group promotes its risk management processes.

Risk Management System

As the Group's business domains expand, in addition to developing proactive risk management plans and monitoring their progress by company-wide 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 company-wide committee independent of 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 Chief Risk Officer (CRO)* (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 proactive risk management plans and results for key risks, and implement efficient and effective risk management.

With regard to the proactive risk management activities, the Management Meeting, chaired by the President and Executive Officer, receives reports and holds discussions on selected key risks (see P.148 for details), as well as on proactive risk management plans and results. The Board of Directors makes decisions on matters that have a significant impact on management and oversees the risk management process.

In FY2026, the Risk Management Committee met twice to identify key risks; formulate, implement, follow up on, and manage the performance of proactive risk management plans; and share risk-related information. In April 2026, the Board of Directors confirmed that the risk management process, including implementation results, had been properly executed.

*With the aim of enhancing corporate value over the medium to long term and to address cross-Group management issues, the Company introduced the chief officer system effective April 1, 2026.

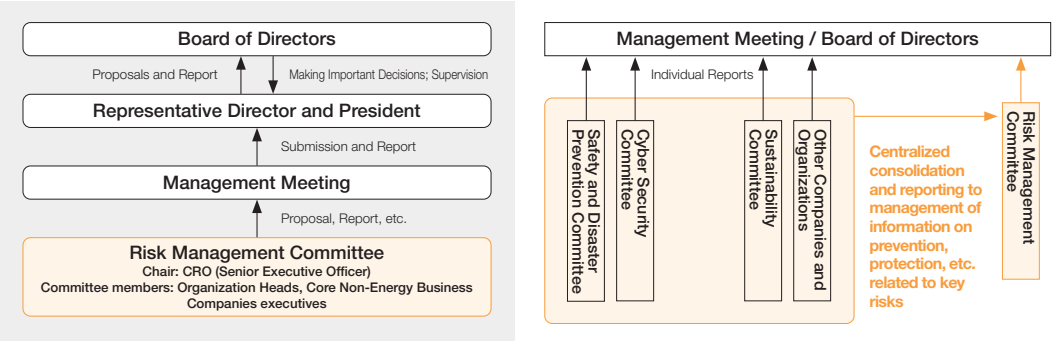
■ Group-wide Risk Management Cycle



■ Main Activities and Achievements of the Risk Management Committee in FY2026

Main activities	・Hosting of Risk Management Committee meetings (twice) ・Selection of key risks; formulation, execution, and follow up of proactive risk management plans; performance management; sharing of risk-related information, etc.
Improvements/ new activities	・Update of information-sharing rules upon initial response in the event that a significant risk materializes ・Identification of potential risks through interviews with all Risk Management Committee members ・Creation of report on geopolitical risks and other external changes, and rapid information-sharing in line with company-wide BCP ・Analysis and sharing of risk cases from other companies, and proposals for new methods to gain new risk perspectives and detect early warning signs

■ Group-wide Risk Management System



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 through our own power sources, procurement contracts with other companies, and purchases from the Japan Electric Power Exchange and other markets, while mitigating the impact on earnings through hedging.
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, providing thorough information-management awareness and training, building and upgrading information systems, and formulating business continuity plans for cyber incidents.
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 amid a declining working population and increasing labor market mobility.
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.