Environmental Impact throughout the Daigas Group Value Chain

Main materials and fuels

Amount of LNG procured	6,259 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	251 thousand tons

Amount of energy used

City gas	50,916 TJ (including gas whose calorific value has yet to be adjusted)
Purchased electricity	482 million kWh
Other energy sources	21,052 TJ

Amount of vehicle fuel used

Gasoline	1,215 kl
City gas	25 thousand m³
Diesel	761 kl
LPG	1 t

Sales volume of main products

Gas	6,560 million m³
Electricity	17,238 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 transportation
- Leasing of assets
- Outlets providing sales support to Osaka Gas

Use at customer site

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

GHG (scope 3[1])

	Emissions (1,000 t-CO_2e)
LNG, natural gas	3,042
LPG, coal, biomass	303
Other procurement items	1,608
Total	**4,953**

GHG (scope 1 and 2)

	Emissions (1,000 t-CO_2e)	
	Scope 1	Scope 2
City gas production/ Business office (including supply)	50	98
Power generation	3,974	25
Heat supply	49	31
LBS and others	287	152
Total	**4,361**	**305**

GHG (scope 3[2])

Emissions (1,000 t-CO_2e)
110

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	13,299
Combustion of LNG, LPG	1,122
Total	**14,421**

Waste

	Generated	Recycled
General waste	922 t	96%
Industrial waste	102,461 t	97%
Excavated soil	588,000 t	100%
PE pipe	103 t	100%

Amount of water intake and water discharge Stated on P.71

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 transportation, end-of-life treatment of sold products, franchises)
3 Category 11 (use of sold products)

Companies subject to the calculation:
For environmental performance data, 71 companies in total, including Osaka Gas Co.,Ltd. and 70 companies among 154 consolidated subsidiaries are subject to calculation. Those housed in office buildings as tenants and whose environmental data are difficult to grasp and whose environmental effects are minimal, as well as overseas companies, are not subject to such calculation. For energy consumption and GHG emissions, 2 overseas subsidiaries are additionally included, bringing the total to 73 companies.
Please refer to P.38 for CO_2 emission factors used.

Calculation of environmental impacts in the value chain on P.37

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, 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	–	–	–	–	0.51
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 FY2026.

Environmental Accounting

FY2026 results of environmental accounting

In FY2001, 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 FY2026, environmental investment decreased from the previous fiscal year mainly due to a decrease in global environment-related investment, and 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 is progressing 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			FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
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.	68	761	300	493	905	341
	Pollution prevention	Capital Investment in and management and labor costs incurred by the prevention of air, water, and noise pollution	5	72	2	33	36	43
	Resource recycling	Capital investment in and management and labor costs incurred by the reduction and recycling of excavated soil, waste management, etc.	0	4	0	21	31	15
	Environmental management	Costs of green purchasing, environmental education, the development of environmental management systems, the operation of environmental organizations, etc.	0	0	0	4,265	5,497	3,647
	Other	Plant greening, environmental preservation grants, etc.	7	2	45	18	22	25
Environmental impact reduction at customers' sites	Environmental R&D	Cost of researching and developing technologies for environmental impact reduction, environmentally sustainable products, etc.	174	185	231	136	187	225
Environmental impact reduction by recycling	Recycling of used gas appliances	Cost of collecting and recycling sold gas appliances, their packaging, etc.	0	0	0	16	36	36
Social contribution activities		Costs of voluntary greening, environmental advertising, the disclosure of environmental information, etc.	0	0	0	138	119	136
Total			253	1,025	577	5,119	6,833	4,467

(2) Internal economic benefits

	Economic benefits (million yen)		
	FY2024	FY2025	FY2026
Saving from reducing and recycling excavated soil	2,585	2,563	2,517
Sales of valuable resources (LNG cold heat)	218	564	753
Saving from conserving energy, resources, etc.	–69	254	–201
Total	2,734	3,382	3,069

(3) Environmental conservation results

	Impact per output			Total amount			Reduction		
	Unit	FY2025	FY2026	Unit	FY2025	FY2026	Unit	FY2025	FY2026
NOx emissions from LNG terminals in the city gas business	mg/m³	1.66	1.92	t	11.02	12.58	t	72.25	89.63
COD at all LNG terminals	mg/m³	0.39	0.44	t	2.62	2.89	t	9.09	8.76
CO_2 emissions from LNG terminals	g-CO_2/m³	18.44	17.81	1,000 t-CO_2	122.63	116.84	1,000 t-CO_2	0.00	0.00
CO_2 emissions from other sites	g-CO_2/m³	4.44	4.63	1,000 t-CO_2	29.55	30.36	1,000 t-CO_2	31.36	29.73
Excavated soil for final disposal	t/km	0.00	0.00	1,000 t	0.15	0.41	1,000 t	38.42	37.18
General waste for disposal	g/m³	0.00	0.00	t	13.63	13.98	t	983.87	970.02
Industrial waste for disposal (including used gas appliances)	g/m³	0.02	0.02	t	134.48	132.05	t	–5,450.24	1,310.63

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

	FY2024 monetary value (million yen)	FY2025 monetary value (million yen)	FY2026 monetary value (million yen)
NOx emissions from LNG terminals in the city gas business	36	26	32
COD at all LNG terminals	13	14	13
CO_2 emissions from LNG terminals[2]	0	0	0
CO_2 emissions from other sites	105	110	105
Excavated soil for final disposal	883	850	823
General waste for disposal	3	3	3
Industrial waste for disposal (including used gas appliances)	37	–167	40
Total	1,077	836	1,016