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.80	• 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. From April 2022, the DX Committee, a corporate committee, performs cross-organizational coordination and promotion of DX for the entire Daigas Group. Moreover, in April 2026 we established the AI Promotion Team within the DX Strategy Department to respond to the rapidly advancing use of AI. In FY2026, we promoted company-wide efforts for the creation of new services, and among others, we hosted “Daigas Group D-1 Grand Prix,” an internal event that aims to accelerate AI and DX initiatives. **Initiatives undertaken in FY2026** • Created new customer experience • Held “Daigas Group D-1 Grand Prix” • Worked on operational innovation by promoting the use of SaaS and generative AI • Developed DX human resources (DX core staff: 310 employees) **KPIs based on the materiality**: Recruitment of DX core staff **FY2026 materiality result**: 310 employees
Research and development/ intellectual property P.83	• 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 FY2026** • Promoted research and development, including that of methanation, to achieve carbon neutrality • Continued to promote technological development to ensure and improve safety, and research and development to create new businesses • Secured and utilized intellectual property rights in conjunction with business and technology development strategies • Promoted the commercialization of natural material-derived ketone body OKETOA® and antimicrobial and antivirus agent TioClean®.
Creating new businesses P.84	• 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, 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 FY2026** • Promoted open innovation activities that actively integrate and utilize Osaka Gas’s technologies and needs and external parties’ technologies and ideas • Developed the AI-based composition estimation system to promote DX in the manufacturing industry • Created new businesses, such as those related to EVs, with partners **KPIs based on the materiality**: Creation of innovation **FY2026 materiality result**: Social implementation of diverse new services in the digital, energy, and environment domains