



Management Policy for Human Growth

Fundamental concept

The Daigas Group is working on to become a company that can realize the growth of its employees through work with preparing a personnel management system and environment whereby employees' individuality and initiative are respected, as well as their diverse talents are maximized.

The Daigas Group would like to be a company at which employees can find not just employment but also personal growth through their work. To that end, we have introduced 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. We have also formulated the "Daigas Group Diversity (21) Policy" to ensure that a diversity of people can play active roles at the Daigas Group. Convinced that ensuring employees' safety and maintaining/improving their physical and mental well-being are keys to all our operations, we are also undertaking efforts to prevent work accidents and to promote fitness.

CSR Indicator Employee Attitude Survey: job satisfaction and attachment to the company

Osaka Gas periodically conduct "Employee Attitude Survey" to understand how employees satisfy with their job, workplace environment, superiors, company systems, and so on. Employees are asked to rate their satisfaction level on a five-point scale for categories including job satisfaction, attachment to the company, etc., and to leave an open comment.

► Targets and Results

The goal of the "Employee Attitude Survey," conducted every two or three years, is to confirm changes over time in employee attitudes and the progress made in adopting/implementing the human resources systems introduced in FY2012. The results of the latest survey, conducted in FY2015, surpassed the results of the previous survey (FY2013) in the CSR Indices of job satisfaction / attachment to company and degree of satisfaction with human resources systems.

	Targets	Results*
Job satisfaction and attachment to the company	Maintain sufficient levels	Maintained sufficient levels (3.85 against scale of 5 for job satisfaction and 4.38 of scale of 5 for attachment to the company)

* Result of the survey conducted in FY2015

► Actions Taken

"Employee Attitude Survey"

In the latest "Employee Attitude Survey," a grade on a five-point scale was assigned to the attitudes of Osaka Gas employees in categories including "job satisfaction" and their "degree of attachment to the Company." The next survey is scheduled for FY2019, covering all employees.

Employment

▶ Data on Daigas Group workforce

Osaka Gas has 5,617 employees (4,745 men and 872 women) as of March 31, 2018. We hold joint hiring seminars as a Group, and 15 companies participated in the FY2018 seminar, where approximately 270 students were briefed on each company's business and

the types of human resources needed. Osaka Gas also provided about 430 students with opportunities to gain work experience through internships in FY2018.

Acceptance of Diversity

▶ Ensuring a diversified workforce

As a way of enhancing its corporate value, the Daigas Group believes that it is essential for the Group to promote diversity in its corporate membership and corporate structure whereby employees can maximize their potential, irrespective of gender, age, nationality or physical disability. Recognizing that it is necessary for

the Group to foster a corporate culture, the Group has adopted the "Daigas Group Diversity Promotion Policy" aiming for people with diverse personality and talent are respected, accepted, they can feel rewarded and fulfilled through their work.

▶ Reemployment scheme

Osaka Gas has a system known as the Reemployment Scheme to rehire employees who are 60 and older after retirement, under which applicants are placed in jobs that match their skills and desires. All Daigas Group companies have similar reemployment schemes.

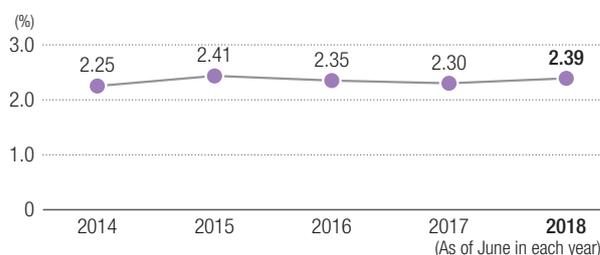
▶ Hiring the disabled

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 2.39% of our workforce as of June 2018, well above the legal minimum of 2.2%. Of the 33 affiliate companies subjected to the relevant law, 19 have achieved the legal minimum.

■ Number of Employees Utilized the Scheme at Osaka Gas

	FY2014	FY2015	FY2016	FY2017	FY2018
No. of retirees	219	236	239	277	313
No. of persons seeking reemployment	167	200	184	214	260
No. of persons reemployed	167	200	184	214	260
No. of reemployed persons working full-time	33	106	105	184	181

■ Percentage Rate of Disabled Employees (Osaka Gas)



Voices of Group Employees | Osaka Gas Chemicals Co., Ltd.

We are working on promoting diversity as a means of enhancing our company's corporate competitiveness.

Behind such efforts is our company's goal of establishing a flexible organizational structure in which excellent human resources with diversified backgrounds can play effective roles in corporate operations.

In 2013, we inaugurated an organization tasked with promoting diversity. Starting with a commitment from the President for diversity, Osaka Gas Chemicals implemented a range of measures to diversify the Company, including the empowerment of women, expanded support of child rearing by employees, and review of personnel management systems. Thanks to these measures, Osaka Gas Chemicals was certified by the Osaka City Government as "a leading company in Osaka City in terms of the empowerment of women," and was awarded "two stars" in March 2016. On the leverage of the certification, we have continued to take further actions, even in FY2018 and later, to promote diversity, including the introduction of a telecommuting system, aimed at achieving a work-life balance for employees while enhancing productivity.

We will continue to work hard on this front in the future.



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Balancing Work and Family

▶ Supporting nursing care through systems and the workplace environment

Osaka Gas has a number of systems to support employees both while they are working and taking care of their families. Osaka Gas's nursing care leave system allows an employee to take up to 366 days of nursing care time off per family member who needs care. For those who choose to continue working instead of using the nursing care leave system, the nursing care time system allows them to shorten each working day by up to 3 hours. Both these systems give employees more time off than is required under Japanese labor laws.

▶ Establishment of satellite offices

As part of efforts to promote flexible work styles through telecommuting, satellite offices have been set up inside some of the Osaka Gas's business locations. Employees, who usually work at other business locations, can choose work at the satellite offices occasionally, shortening their commuting hours and travel distance from their homes. By using the satellite offices as their remote offices, these workers can concentrate on their assigned business duties, helping increase productivity.

In FY2018, a satellite office was set up at our business office located at the Grand Front Osaka, a commercial complex near the

■ No. of Employees Taking Childcare and Nursing Leave at Osaka Gas (excluding loaned employees)

	FY2014	FY2015	FY2016	FY2017	FY2018
Childcare leave	21	28	21	18	31
Male	1	1	1	1	4
Shorter working hours for childcare	35	35	37	31	21
Nursing care leave	0	4	2	1	1
Shorter working hours for nursing care	2	2	2	5	0
Nurturing leave	192	164	171	168	198
Male	175	140	153	149	172
Rate (%)	87.7	77.0	79.2	76.7	88.8

main railway terminal JR Osaka Station, in addition to five other satellite offices set up at other business locations. Our office at the Grand Front Osaka serves as a new satellite base, helping increase the convenience of our workers.



Satellite office set up inside the Grand Front Osaka

Improving Occupational Health and Safety

▶ Promotion of measures to prevent lifestyle-related diseases

Employees aged 40 or older undergo medical examination for designated diseases. Special health guidance and advice will be provided by the Osaka Gas Health Insurance Union to employees who have already contracted "metabolic syndrome" or are likely to develop the disease. The program is intended to prevent employees from developing lifestyle-related diseases while alleviating the severity of symptoms if they have already suffered from such disease.

In FY2018, a follow-up guidance seminar, focusing on the measurement of the body composition value, was held for young workers, aged 25 to 34, who participated in a health seminar held in FY2015. The employees recognized as having a predisposition toward obesity in the body composition test were made aware of the risks of developing obesity-related diseases, while smokers were advised to stop smoking.

Furthermore, to enhance awareness among young employees of

their risks of contracting lifestyle-related diseases in the future deriving from high blood pressure and excess blood glucose, Osaka Gas analyzes the results of their latest health checkups, based on which a health condition sheet to be distributed to each employee will be compiled. In the sheet, each employee will be shown his/her probability of developing lifestyle-related diseases within seven years and a comparison with the average probability for all employees who underwent the checkup. The Company will use the results when it gives advice to young employees to help maintain and enhance their health.

As these measures show, Osaka Gas is working on enhancing workers' consciousness toward health from the early life stage, with the aim of reducing their risks of contracting lifestyle-related diseases in the future.

▶ Osaka Gas recognized as one of the "Health & Productivity Management Outstanding Organizations"

In February 2018, Osaka Gas was certified as a "Health and Productivity Management ~ White 500 ~ Company for 2018" (large-scale corporate entity category) under the commendation system introduced by the Ministry of Economy, Trade and Industry, and Nippon Kenko Kaigi to commend companies recognized as being active in enhancing employees' health while engaging in business operations.

The "White 500" award is intended to encourage business corporations to establish a work environment in which companies

active in managing their employees' health—from business and strategic viewpoints—can be commended socially. Osaka Gas was recognized under the commendation system for the series of health-enhancement measures listed above.

