

# Long-term Management Vision 2030 and Medium-term Management Plan 2020 “Going Forward Beyond Borders”

To be an innovative energy & service company that continues to be the first choice of customers

The Daigas Group formulated a new Long-term Management Vision 2030 for FY2031.3 and the Medium-term Management Plan 2020 that covers the period up to FY2021.3 and is aimed toward realizing the vision of the Long-term Management Vision 2030. By going beyond customer expectations, business boundaries, and corporate boundaries, we strive to contribute to the advancement of society, communities, and customers, and to be an innovative energy and service company that continues

to be the first choice of customers. Keeping in mind the three guiding principles toward FY2031.3 based on the Daigas Group Management Principle, which consists of the Corporate Motto “Service First,” our aim “Daigas Group powers continuous advancement in consumer life and business,” and the declaration to create four values, namely, value for customers, value for society, value for shareholders, and value for employees, we will carry out activities aimed at realizing the long-term management vision.

## Daigas Group Management Principle and Three Guiding Principles toward FY2031.3

### Daigas Group Management Principle

What the Daigas Group Aims To Be	Daigas Group powers continuous advancement in consumer and business life
Daigas Group Declaration	Daigas Group is creating <b>four values</b>
Corporate Motto	Service First

The Daigas Group is committed to creating value primarily for customers, as well as for society, shareholders, and employees.

- |                                    |                                 |
|------------------------------------|---------------------------------|
| Creation of value for customers    | Creation of value for society   |
| Creation of value for shareholders | Creation of value for employees |

### Three Guiding Principles toward FY2031.3

- 1 Continue providing as many customers as possible with high-quality services developed in the Kansai area.

---

- 2 Always strive to be professionals who pursue innovative challenges.

---

- 3 Continue to be trusted by investors, business partners, citizens and employees.

## Medium-term Management Plan FY2018.3-FY2021.3

### Measures to be taken under the Medium-term Management Plan 2020

- Enhancement of solutions business for residential customers
- Enhancement of solutions business for commercial and industrial customers
- Establishment of competitive power-supply portfolio
- Development of pipeline network operator business
- Efforts to expand international energy business
- Securing of a business footing in the LBS business and exploration of new business fields

## Long-Term Management Vision 2030



To be an innovative energy & service company that continues to be the first choice of customers

### What We Aim To Be in FY2031.3

Plan for FY2018.3

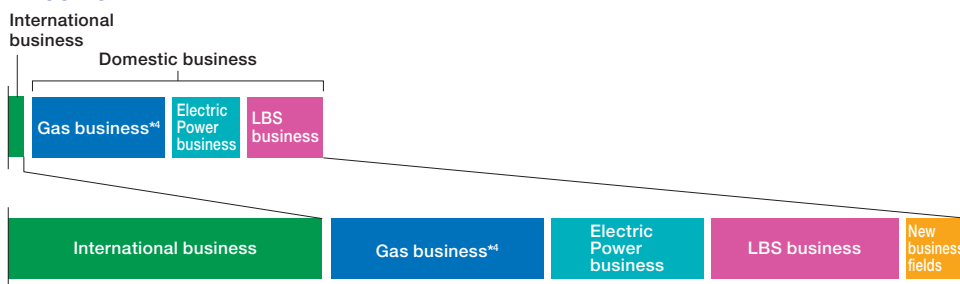
Consolidated ordinary profit\*1  
¥64.0 billion

International business :  
Domestic business = 1:20 \*2

FY2031.3

Consolidated ordinary profit\*3  
to be **tripled**

International business :  
Domestic business = 1:2 \*2



\*1 Crude oil price of \$55/barrel; exchange rate of ¥115/\$1 \*2 On the basis of consolidated ordinary profit

\*3 Crude oil price of \$70/barrel; exchange rate of ¥115/\$1 \*4 Gas business profit includes sales of equipment and LNG, etc.

### Efforts to Become What We Aim To Be in FY2031.3

Business development going beyond customer expectations, business boundaries, and corporate boundaries

Development of business as an energy marketer for a new era

Acceleration of the International Energy Business Development

Expansion of the LBS Business and New Business Fields

Growth investments and promotion of M&A

Innovations to go beyond customer expectations

Management that continues to be trusted by stakeholders (Enhance Corporate Value, ESG-conscious management)  
Workstyle reform and development of human resources to improve productivity

### The Daigas Group's Long-term Management Goals: Specific Target Values

Long-term target items		FY2019.3 Results	Medium-term Management Plan FY2021.3	Long-term Management Vision FY2031.3
Expand business domains	Energy source procurement capacity*1	3,920 MW	—	9,000 MW
	Renewable energy power source capacity(Of the above)	320 MW	—	1,000 MW
	Number of customer accounts	8.75 million	—	10.00 million or more
	Scale of natural gas business	10.30 million t	—	17.00 million t
Quality improvement	Customer satisfaction at each contact point	92.5%	94.0%	95.0%
Security and safety	Ensure security and safety of gas pipelines, gas manufacturing, and power generation business	Maintain the status of zero serious accidents		
Environment/CSR	Contribution to reduction in amount of CO <sub>2</sub> emissions*2	1.67 million t	Approx. 7.00 million t	Approx. 70.00 million t
Investment*3	Total investment	¥325.6 billion	¥700.0 billion	¥2,000.0 billion
	Growth investment	¥239.2 billion	¥520.0 billion	¥1,450.0 billion
	Domestic energy	¥64.3 billion	¥200.0 billion	¥520.0 billion
	International energy	¥128.6 billion	¥214.0 billion	¥550.0 billion
	LBS	¥46.2 billion	¥106.0 billion	¥380.0 billion
	Quality improvement investing	¥86.3 billion	¥180.0 billion	¥550.0 billion
Profitability	EBITDA	¥159.9 billion	¥200.0 billion	—
	ROE	3.4%	7.0%	—
	ROA	1.7%	3.5%	—

\*1 The ratio of procurement from markets and other companies will be considered, depending on the circumstances in systems and regulations imposed by the national government.

\*2 Total contribution to reduction in amount from FY2018.3 (compared to FY2017.3)

\*3 Total investment amount from FY2018.3

#### Shareholder Returns

Decide on other measures of shareholder return such as share buybacks with a comprehensive view on various factors including business performance and future management plans while maintaining stable dividends. Aim to maintain a consolidated dividend payout ratio of 30% or higher excluding short-time fluctuation factors that affect profits, within the amount available for distribution to Osaka Gas shareholders.

#### Financial Soundness

Manage risks quantitatively while maintaining a shareholders' equity ratio of approximately 50% and a D/E ratio of approximately 0.7 over the medium- to long-term.