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(Securities Identification Code: 9532)

Notice of 206th Annual Meeting of Shareholders

To Our Shareholders:



I would like to express my deepest gratitude to our shareholders for your consistent support to the Daigas Group's business operations.

The Daigas Group ("the Group") aspires to "secure peace of mind today, build sustainable lifestyles for tomorrow," and aims to be an innovative and preferred energy & service company throughout the ages in line with our 2030 Long-term Management Vision. In addition, in accordance with our Carbon Neutral Vision, we will strive to achieve carbon neutrality through our business activities.

We established our new Medium-term Management Plan 2026 in March 2024. Aiming to create and implement solutions for the future, such as decarbonization and digitalization, while maintaining the steady supply and expansion of our energy, products, and services, we will strive to "co-create value for a sustainable future" to contribute to resolving social issues, "support employees to shine in their roles" by creating a corporate culture that encourages diverse talent to collaborate, and "evolve the business foundation," focusing on asset-light management.

Amid a drastically changing business environment, the Group will continue to work as one to actively and steadily proceed with our business operations.

Your continued support would be greatly appreciated.

May 2024

Masataka Fujiwara
President

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(Securities Identification Code: 9532)

May 31, 2024

(Date of commencement of measures for electronic provision: May 27, 2024)

To Shareholders

Masataka Fujiwara, President
OSAKA GAS CO., LTD.
4-1-2 Hiranomachi, Chuo-ku
Osaka, Japan

Notice of Convocation of 206th Annual Meeting of Shareholders

Dear Sir or Madam,

We would like to inform you of the 206th Annual Meeting of Shareholders (the “Meeting”) of OSAKA GAS CO., LTD. (the “Company”) to be held as below.

As detailed on pages 6-7 below, you may exercise your voting rights electronically such as through the Internet or in writing. In either case, please read the attached reference documents for the shareholders meeting and **cast your vote no later than 4 p.m. on Wednesday, June 26, 2024.**

In convening the Meeting, we have adopted measures for the electronic provision of information contained in the reference documents for the shareholders meeting (the “Electronic Provision Matters”). We have posted the Electronic Provision Matters on the Company’s website under “Notice of Convocation of 206th Annual Meeting of Shareholders (Electronic Provision Matters).” Please access the Company’s website, shown below, to review the information.

The Company’s website:
<https://www.osakagas.co.jp/company/ir/stock/inform/index.html> (in Japanese only)

The Electronic Provision Matters are also posted on the website of the Tokyo Stock Exchange. If you are unable to view the Company’s website, please access the following website to view this information.

Tokyo Stock Exchange website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website shown above, enter “OSAKA GAS” in the “Issue name (company name)” box or “9532” in the “Code” box to search, and click on “Basic Information” then “Documents for public inspection/PR information” to view this information.

Yours faithfully

Details:

1. Date and time: Thursday, June 27, 2024, 10:00 a.m.

2. Place: OSAKA GAS CO., LTD., Head Office
4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan

3. Agenda:

Report: Business report, consolidated financial statements, non-consolidated financial statements, report of the accounting auditor and Audit & Supervisory Board's report on consolidated financial statements for the 206th term (year from April 1, 2023 to March 31, 2024)

Proposals:

- Proposal 1:** Appropriation of Earnings
- Proposal 2:** Partial Amendments to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)
- Proposal 3:** Partial Amendments to the Articles of Incorporation (Organ which Determines Surplus Distribution, etc.)
- Proposal 4:** Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 5:** Election of Five (5) Directors Who Are Audit and Supervisory Committee Members
- Proposal 6:** Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal 7:** Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
- Proposal 8:** Establishment of a Stock-based Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

4. Matters in connection with this convocation (Matters concerning the exercise of voting rights):

- (1) If you do not specify in the voting form whether you are for or against a proposal, you shall be deemed to have voted for such proposal.
- (2) If you change the content of your vote electronically after already having cast your vote electronically, only your last vote shall be deemed valid.
- (3) If you exercise your voting rights both in writing and electronically, only the vote cast electronically shall be deemed valid.

5. Other matters:

- (1) Notification of any amendments to the Electronic Provision Matters will be posted, together with the matters before and after amendment, on the Company's website and the website of the Tokyo Stock Exchange, shown above.

- (2) Any major changes in the operation of the Meeting such as its date, time and/or place will be announced on the Company's website (<https://www.osakagas.co.jp/company/ir/stock/inform/index.html>).
- (3) Any notice concerning the split voting prescribed in Article 313, Paragraph 2 of the Companies Act shall be in writing or through electronic means, in accordance with Article 13 of the Share Handling Regulations.
- (4) From among the Electronic Provision Matters, the following matters are not included in the documents delivered to shareholders who have requested such delivery, in accordance with laws, regulations, and Article 15 of the Company's Articles of Incorporation.
 - (i) Systems to Ensure the Properness of Operations in the business report
 - (ii) Consolidated statement of changes in equity and notes to consolidated financial statements in the consolidated financial statements
 - (iii) Non-consolidated statement of changes in equity and notes to non-consolidated financial statements in the non-consolidated financial statements

The documents audited by the accounting auditor and the Audit & Supervisory Board Members include those in (i) to (iii) above, in addition to the information presented in the documents delivered to shareholders who have requested such delivery.

[Reference] Measures for Electronic Provision (System for electronic provision of materials for Shareholders' Meeting)

Through the system for electronic provision of materials for Shareholders' Meeting (reference documents for the shareholders meeting, business report, etc.), the Company has sent all shareholders with voting rights, excluding those who have requested the delivery of paper copies of the documents, the notice of convocation, which shows information such as the way to access the materials for Shareholders' Meeting, the reference documents for the shareholders meeting as shown below, which contain the proposals, and the voting form.

Any shareholders who have not requested the delivery of paper copies of the documents, but who wish to receive paper copies of the materials for Shareholders' Meeting (business report, etc.) must complete the "Request for Delivery of Documents" by the record date of Shareholders' Meeting (March 31).

Please address any inquiries concerning the procedure for requesting the delivery of documents to your securities company or other account management institution or to the administrator of the shareholder registry, shown below.

■ Administrator of the shareholder registry

Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited

Toll free: 0120-533-600 (dedicated line for inquiries regarding the system for electronic provision)

(Hours: 9:00 a.m. to 5:00 p.m. except on Saturdays, Sundays, and national holidays)

[INFORMATION ON THE EXERCISE OF VOTING RIGHTS]

There are three ways to exercise voting rights.

If you do not plan to attend the meeting in person, we recommend that you exercise voting through the Internet, to save the trouble of posting your votes by mail.

1. Electronic Exercise of Voting Rights through the Internet, etc.

To vote through the Internet, please check “Exercise of Voting Rights through the Internet” on the following page and exercise your voting rights by the due date shown below.

We recommend the “Smart Exercise” system as a particularly easy way to exercise your voting rights.

Due Date: Wednesday, June 26, 2024, 4:00 p.m.

2. Exercise of Voting Rights in Writing

Due Date: Wednesday, June 26, 2024, 4:00 p.m.

Please specify in the enclosed voting form whether you are for or against a proposal and return the form to the Company by the Due Date shown below.

Due Date: Wednesday, June 26, 2024, 4:00 p.m.

3. Exercise of Voting Rights by Attending the Meeting

Please hand in the enclosed voting form at the reception desk. (The reception desk opens at 9:00 a.m.)

Note: In accordance with Article 13 of the Company’s Articles of Incorporation, a proxy for each shareholder who wishes to exercise his/her voting rights by proxy on the date of the Meeting shall be another shareholder who has voting rights in the Company.

Date of the Meeting: Thursday, June 27, 2024, 10:00 a.m.

Electronic Voting Platform for Institutional Investors

Institutional investors who preliminarily signed up to use the “Electronic Voting Platform” operated by ICJ Inc. may also exercise their voting rights electronically through that platform.

Exercise of Voting Rights through the Internet

(1) “Smart Exercise” by reading the QR Code

You can easily exercise your voting rights by reading the QR Code on the voting form without entering the access code and password.

1. Read the QR Code shown in the bottom right of the voting form with a smartphone or other device.
2. Follow the on-screen instructions to cast your vote.



You can exercise your voting rights by “Smart Exercise” only once.

Should you wish to change the content of your vote after exercising the voting right, please recast your vote by following the voting method described in (2) below.

(2) Voting by entering the access code and password



Voting Website: <https://www.web54.net>

1. Access the voting website. Click “次へすすむ (Next)”
 2. Enter the access code specified on the voting form. Enter the access code. Click “ログイン (Log in)”
 3. Enter the password specified on the voting form and a new password.
Enter the password. Click “登録 (Register)”
 4. Follow the on-screen instructions to cast your vote.
- Any fees due to provider companies and telecommunications carriers such as Internet connection fees and communication charges arising in connection with accessing the Company’s voting website etc. shall be incurred by the respective shareholders.
 - “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

Any inquiries about the above-described exercise of voting rights through the Internet should be directed to:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited.

Toll free number: 0120-652-031 (from 9 a.m. to 9 p.m.)

Reference Documents for the Shareholders Meeting

1. Total number of voting rights

4,077,538

2. Proposals and related information

Proposal 1: Appropriation of Earnings

Taking into consideration the business results of this fiscal year, our future management plan and other relevant matters, we propose to pay ¥50.00 per common share of the Company as year-end dividends for the 206th term as follows, a year-on-year increase of ¥20.00 per common share.

Combined with the interim dividends already paid, the Company's annual dividends for the 206th term will be ¥82.50 per common share of the Company.

(1) Type of dividend

Cash

(2) Matters concerning the distribution of dividends to shareholders and the aggregate amount

¥50.00 per common share of the Company

Aggregate amount: ¥20,447,298,750

(3) Commencement date for the payment of dividends (effective date for the distribution of earnings)

June 28, 2024

Related Information Common to the Proposals from Proposal 2 to Proposal 8
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Related to Transition to a Company with an Audit and Supervisory Committee

The Company proposes to transition from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee to continue its enhancement of corporate governance, for the purpose of improving the discussions of management policy and management strategies at meetings including the Board of Directors meetings and further strengthening supervisory functions, as well as achieving flexible decision-making.

Proposal 2 to Proposal 8 are proposals related to this transition.

The features of a Company with an Audit and Supervisory Committee under the Companies Act and the composition of the Board of Directors after the proposed transition are described below.

● **Features of a Company with an Audit and Supervisory Committee under the Companies Act**

- A Company with an Audit and Supervisory Committee has an Audit and Supervisory Committee composed of at least three Directors who are Audit and Supervisory Committee Members, the majority of whom are outside Directors, as an organ responsible for auditing and supervision. Unlike a Company with an Audit & Supervisory Board, it does not have Audit & Supervisory Board Members or an Audit & Supervisory Board.
- The Directors who are Audit and Supervisory Committee Members are elected separately from Directors who are not Audit and Supervisory Committee Members at the Meeting of Shareholders. They have voting rights at meetings of the Board of Directors, and are involved in deciding proposals for matters such as the appointment and dismissal of Directors (excluding Directors who are Audit and Supervisory Committee Members), the appointment and dismissal of Representative Directors, and decision-making regarding other matters of business execution. Certain Audit and Supervisory Committee Members designated by the Audit and Supervisory Committee have the right to express opinions at the Shareholders' Meeting regarding issues such as the appointment, dismissal, and remuneration of Directors who are not Audit and Supervisory Committee Members.
- In cases such as those provided for in the Articles of Incorporation, the Company with an Audit and Supervisory Committee may, by resolution of the Board of Directors, delegate all or some of the decision-making on important business execution to Directors.

● **Composition of the Board of Directors after the transition to a Company with an Audit and Supervisory Committee**

- After the transition to a Company with an Audit and Supervisory Committee, if Proposal 2, Proposal 4, and Proposal 5 are approved at this Meeting of Shareholders, the Company's Board of Directors will be composed of 15 Directors (including five (5) Directors who are Audit and Supervisory Committee Members). Of these Directors, seven (7) will be outside Directors (including three (3) outside Directors who are Audit and Supervisory Committee Members), with 46.7% of the Board of Directors composed of outside Directors.

Proposal 2: Partial Amendments to the Articles of Incorporation (Transition to a Company with an Audit and Supervisory Committee)

1. Reasons for the amendments

The Company proposes to transition to a Company with an Audit and Supervisory Committee with the aim of enhancing discussions of management policy and management strategies at meetings including the Board of Directors meetings and further strengthening supervisory functions, as well as achieving more flexible decision-making.

To enable the transition to a Company with an Audit and Supervisory Committee, it is proposed to newly establish provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee, delete provisions concerning Audit & Supervisory Board Members and the Audit & Supervisory Board, and make other necessary amendments. (These amendments concern Articles 4, 16, 17, 18, 20, 21, 24, 25, and 26 of the Articles of Incorporation under the proposed amendments.)

Under the provisions of Article 399-13, Paragraph 6 of the Companies Act, a Company with an Audit and Supervisory Committee may delegate decisions on important business execution to Directors by stipulating so in the Articles of Incorporation. Based on these provisions, it is also proposed to newly establish provisions concerning this delegation of authority and revise the matters for resolution by the Board of Directors outlined in the Articles of Incorporation to achieve more flexible decision-making. (These amendments concern Articles 9, 10, and 22 of the Articles of Incorporation under the proposed amendments.)

2. Details of the amendments

The details of the amendments are shown below. The partial amendments of the Articles of Incorporation under this proposal shall take effect at the close of the Meeting.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Article 4. (Organization)</p> <p>The Company shall have the following organizations in addition to Shareholders' Meetings and Directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit & Supervisory Board Members;</u></p> <p>(3) <u>Audit & Supervisory Board; and</u></p> <p>(4) Accounting Auditors.</p> <p>Article 9. (Transfer Agent (Kabunushi Meibo Kanrinin))</p> <p>1. The Company shall have a transfer agent (Kabunushi Meibo Kanrinin).</p> <p>2. The transfer agent (Kabunushi Meibo Kanrinin) and its business handling office shall be decided by resolutions of the Board of Directors and the public notice thereof shall be given.</p> <p>3. The Company shall not prepare and keep the shareholder register or the register of stock acquisition rights nor handle other matters concerning the shareholder register or the register of stock acquisition rights. The Company shall entrust such matters to the transfer agent (Kabunushi Meibo Kanrinin).</p> <p>Article 10. (Share Handling Regulations)</p> <p>Matters concerning shares of the Company shall be subject to the Share Handling Regulations to be prescribed by resolutions of the Board of Directors in addition to applicable laws and regulations and the Articles of Incorporation.</p>	<p>Article 4. (Organization)</p> <p>The Company shall have the following organizations in addition to Shareholders' Meetings and Directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit and Supervisory Committee; and</u></p> <p>(Deleted)</p> <p>(3) Accounting Auditors.</p> <p>Article 9. (Transfer Agent (Kabunushi Meibo Kanrinin))</p> <p>1. (Unchanged)</p> <p>2. The transfer agent (Kabunushi Meibo Kanrinin) and its business handling office shall be decided by <u>Directors who have been delegated authority by</u> resolutions of the Board of Directors and the public notice thereof shall be given.</p> <p>3. (Unchanged)</p> <p>Article 10. (Share Handling Regulations)</p> <p>Matters concerning shares of the Company shall be subject to the Share Handling Regulations to be prescribed by <u>Directors who have been delegated authority by</u> resolutions of the Board of Directors in addition to applicable laws and regulations and the Articles of Incorporation.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 16. (Method of Resolution of Shareholders' Meeting)</p> <p>1. Except as otherwise provided for by applicable laws and regulations or by the Articles of Incorporation, the resolutions of Shareholders' Meeting shall be adopted by a majority vote of the shareholders present at the Meeting who are entitled to exercise their voting rights; provided, however, that a resolution for the election of Directors <u>or Audit & Supervisory Board Members</u> shall require a quorum of the shareholders holding one-third (1/3) or more of the voting rights of the shareholders who are entitled to exercise their voting rights.</p> <p>2. The resolutions provided for in Article 309, Paragraph 2 of the Companies Act shall be adopted by a majority of two-thirds (2/3) or more of the voting rights held by the shareholders present at the Meeting which satisfies a quorum of one-third (1/3) or more of the total voting rights of the shareholders who are entitled to exercise their voting rights.</p> <p>Article 17. (Number of Directors)</p> <p>1. The number of Directors shall not exceed fifteen (15) and <u>the Directors shall be elected by resolution of the Shareholders' Meeting.</u></p> <p>(Newly established)</p> <p>2. The resolutions for election of Directors shall not be adopted by cumulative voting.</p>	<p>Article 16. (Method of Resolution of Shareholders' Meeting)</p> <p>1. Except as otherwise provided for by applicable laws and regulations or by the Articles of Incorporation, the resolutions of Shareholders' Meeting shall be adopted by a majority vote of the shareholders present at the Meeting who are entitled to exercise their voting rights; provided, however, that a resolution for the election of Directors shall require a quorum of the shareholders holding one-third (1/3) or more of the voting rights of the shareholders who are entitled to exercise their voting rights.</p> <p>2. (Unchanged)</p> <p>Article 17. (Number <u>and Election</u> of Directors)</p> <p>1. The number of Directors (<u>excluding Directors who are Audit and Supervisory Committee Members</u>) shall not exceed fifteen (15) and <u>the number of Directors who are Audit and Supervisory Committee Members shall not exceed five (5).</u></p> <p>2. <u>Directors who are Audit and Supervisory Committee Members and other Directors shall be elected separately by the resolutions of the Shareholders' Meeting.</u></p> <p>3. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 18. (Term of Office of Directors)</p> <p>The term of office of Directors shall expire at the close of the Annual Meeting of Shareholders to be held in respect of the last fiscal year ending within one (1) year subsequent to their election.</p> <p>(Newly established)</p> <p>Article 20. (Convocation of Board of Directors and Chairman)</p> <p>1. Unless otherwise provided for in applicable laws and regulations, the Chairman of the Company shall convene a meeting of the Board of Directors and act as chairman thereat. If the Chairman is unable to act as chairman, one of the other Directors shall act as chairman in the order predetermined by resolution of the Board of Directors.</p> <p>2. In order to convene a meeting of the Board of Directors, a notice of convocation shall be issued to each Director <u>and Audit & Supervisory Board Member</u> at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened if there may be any unavoidable reason.</p> <p>3. The provisions of the preceding paragraph shall not prevent a meeting of the Board of Directors from being held, with unanimous consent of the Directors <u>and the Audit & Supervisory Board Members</u>, without completing the procedures required for the convocation thereof.</p>	<p>Article 18. (Term of Office of Directors)</p> <p><u>1. The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) shall expire at the close of the Annual Meeting of Shareholders to be held in respect of the last fiscal year ending within one (1) year subsequent to their election.</u></p> <p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the close of the Annual Meeting of Shareholders to be held in respect of the last fiscal year ending within two (2) years from their election.</u></p> <p>Article 20. (Convocation of Board of Directors and Chairman)</p> <p>1. (Unchanged)</p> <p>2. In order to convene a meeting of the Board of Directors, a notice of convocation shall be issued to each Director at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened if there may be any unavoidable reason.</p> <p>3. The provisions of the preceding paragraph shall not prevent a meeting of the Board of Directors from being held, with unanimous consent of the Directors, without completing the procedures required for the convocation thereof.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 24. (Term of Office of Audit & Supervisory Board Members)</u> <u>The term of office of Audit & Supervisory Board Members shall expire at the close of the Annual Meeting of Shareholders to be held in respect of the last fiscal year ending within four (4) years subsequent to their election; provided, however, that the term of office of any Audit & Supervisory Board Member elected to fill the vacancy of his predecessor who has resigned before expiration of his term of office shall be conterminous with the remainder of what would have been the term of office of his predecessor.</u></p> <p><u>Article 25. (Full-time Audit & Supervisory Board Members)</u> <u>The Audit & Supervisory Board shall, by its resolution, elect Full-time Audit & Supervisory Board Members.</u></p> <p><u>Article 26. (Convocation of Meeting of Audit & Supervisory Board)</u> 1. In order to convene <u>a meeting of the Audit & Supervisory Board</u>, a notice of convocation shall be issued to each <u>Audit & Supervisory Board Member</u> at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened if there may be any unavoidable reason. 2. The provisions of the preceding paragraph shall not prevent <u>a meeting of the Audit & Supervisory Board</u> from being held, with unanimous consent of the <u>Audit & Supervisory Board Members</u>, without completing the procedures required for the convocation thereof.</p> <p><u>Article 27. (Resolution of Audit & Supervisory Board)</u> The resolutions of the <u>Audit & Supervisory Board</u> shall be adopted by a majority vote of the <u>Audit & Supervisory Board Members</u> unless otherwise provided for in applicable laws and regulations.</p>	<p>(Deleted)</p> <p><u>Article 24. (Full-time Audit and Supervisory Committee Members)</u> The <u>Audit and Supervisory Committee</u> may, by its resolution, elect Full-time <u>Audit and Supervisory Committee Members</u>.</p> <p><u>Article 25. (Convocation of Meeting of Audit and Supervisory Committee)</u> 1. In order to convene <u>a meeting of the Audit and Supervisory Committee</u>, a notice of convocation shall be issued to each <u>Audit and Supervisory Committee Member</u> at least three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened if there may be any unavoidable reason. 2. The provisions of the preceding paragraph shall not prevent <u>a meeting of the Audit and Supervisory Committee</u> from being held, with unanimous consent of the <u>Audit and Supervisory Committee Members</u>, without completing the procedures required for the convocation thereof.</p> <p><u>Article 26. (Resolution of Audit and Supervisory Committee)</u> The resolutions of the <u>Audit and Supervisory Committee</u> shall be adopted by a majority vote of the <u>Audit and Supervisory Committee Members present at the meeting at which a majority of Audit and Supervisory Committee Members are present</u> unless otherwise provided for in applicable laws and regulations.</p>

Proposal 3: Partial Amendments to the Articles of Incorporation (Organ which Determines Surplus Distribution, etc.)

1. Reasons for the amendments

Under Article 30, Paragraph 1 of the current Articles of Incorporation, the Company may determine year-end dividends by resolution of the Board of Directors only when it is difficult to do so by resolution of the Shareholders' Meeting due to epidemic, natural disaster, or similar cause.

If Proposal 2 is approved and adopted as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Along with the transition to a Company with an Audit and Supervisory Committee, it is proposed to newly establish provisions and make other necessary amendments to enable the flexible payment of dividends of surplus, etc. by resolution of the Board of Directors under normal circumstances. (These amendments concern Articles 28 and 29 of the Articles of Incorporation under the proposed amendments.)

2. Details of the amendments

The details of the amendments are shown below. The amendments under this proposal shall be conditional upon the amendments to the Articles of Incorporation in Proposal 2 taking effect.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 30. (Record Date, etc., for Surplus Distributions)</u></p> <p><u>1. The Company may, by resolution of the Shareholders' Meeting, make surplus distributions (year-end dividends) to the shareholders or the registered share pledgees electronically recorded in the latest shareholder register as of March 31 of each year. However, unless otherwise provided for by laws or regulations, the Company may, by resolution of the Board of Directors, determine year-end dividends only when it is difficult to do so due to an outbreak of infectious disease, an occurrence of a natural disaster, etc.</u></p> <p><u>2. The Company may, by resolution of the Board of Directors provided for in Article 454, Paragraph 5 of the Companies Act, make surplus distributions (interim dividends) to the shareholders or the registered share pledgees electronically recorded in the latest shareholder register as of September 30 of each year.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p><u>Article 31. (Omitted)</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p><u>Article 28. (Organ which Determines Surplus Distribution, etc.)</u></p> <p><u>Except as otherwise provided for by applicable laws and regulations, the Company may, by resolutions of the Board of Directors, determine the distribution of surplus and other matters prescribed in each item of Article 459, Paragraph 1 of the Companies Act.</u></p> <p><u>Article 29. (Record Date for Surplus Distribution)</u></p> <p><u>1. The record date for the payment of year-end dividends of the Company shall be March 31 of each year.</u></p> <p><u>2. The record date for the payment of interim dividends of the Company shall be September 30 of each year.</u></p> <p><u>Article 30. (Unchanged)</u></p>

Proposal 4: Election of Ten (10) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

At the close of the Meeting, the term of office of all Directors will expire. Moreover, if Proposal 2 is approved and adopted as proposed, the Company will transition to a Company with an Audit and Supervisory Committee. The Company therefore proposes the election of ten (10) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter throughout this proposal) to serve after the transition to a Company with an Audit and Supervisory Committee.


The election of Directors under this proposal shall be conditional upon the amendments to the Articles of Incorporation in Proposal 2 taking effect.


The nominees for Director are as follows (presented on pages 20-29).


This proposal will result in the Board of Directors being composed of eleven (11) males (73.3%) and four (4) females (26.7%).


No.	Name	Current Position at the Company	Attendance at Board of Directors meetings (*)
1	Takehiro Honjo Reappointed	Chairman and Director	13 out of 13 meetings (100%)
2	Masataka Fujiwara Reappointed	Representative Director and President, Executive President	13 out of 13 meetings (100%)
3	Takayuki Tasaka Reappointed	Representative Director, Executive Vice-President	13 out of 13 meetings (100%)
4	Keiji Takemori Newly appointed	Executive Vice-President	—
5	Ko Sakanashi Newly appointed	Executive Vice-President	—
6	Toshiyuki Imai Newly appointed	Senior Executive Officer	—
7	Kazutoshi Murao Reappointed Outside Director Independent Officer	Director	13 out of 13 meetings (100%)
8	Tatsuo Kijima Reappointed Outside Director Independent Officer	Director	13 out of 13 meetings (100%)
9	Yumiko Sato Reappointed Outside Director Independent Officer	Director	13 out of 13 meetings (100%)
10	Mikiyo Niizeki Reappointed Outside Director Independent Officer	Director	11 out of 11 meetings (100%)


(*) The number of the Board of Directors meetings represents the number of the meetings held during the fiscal year under review (Year ended March 2024). The number of the Board of Directors meetings for Ms. Mikiyo Niizeki represents the meetings since she took office as Director of the Company on June 23, 2023.


Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
1	 <p>Takehiro Honjo (April 13, 1954)</p> <p>Reappointed</p>	<p>April 1978: Joined the Company</p> <p>June 2007: Executive Officer General Manager of Corporate Strategy Dept.</p> <p>June 2008: Senior Executive Officer Head of Commercial & Industrial Energy Business Unit</p> <p>June 2009: Director, Senior Executive Officer Head of Commercial & Industrial Energy Business Unit</p> <p>June 2010: Director, Senior Executive Officer Head of Customer Services, Head of Residential Energy Business Unit</p> <p>April 2013: Representative Director, Executive Vice-President</p> <p>April 2015: Representative Director and President, Executive President</p> <p>January 2021: Chairman and Director (current position)</p>	59,500
<p>Reason for nomination as Director:</p> <p>After assuming the office of Executive Officer of the Company in June 2007, Mr. Takehiro Honjo has served in various managerial positions including Head of Commercial & Industrial Energy Business Unit and Head of Residential Energy Business Unit. He served as Representative Director from April 2013 and Representative Director and President from April 2015. Having served as Chairman and Director since January 2021, he worked to further strengthen the decision-making and supervisory functions of the Board of Directors as Chairman. Through these roles, he has accumulated not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of contributing to the improvement of the Group's corporate value and has nominated him again as Director.</p>			


Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
2	 <p>Masataka Fujiwara (February 28, 1958)</p> <p>Reappointed</p>	<p>April 1982: Joined the Company</p> <p>April 2012: Executive Officer, General Manager of Energy Business Development Dept., Commercial & Industrial Energy Business Unit</p> <p>April 2013: Executive Officer Representative Director and President of Osaka Gas Chemicals Co., Ltd. Representative Director and President of Japan EnviroChemicals, Ltd.</p> <p>April 2015: Senior Executive Officer of the Company Representative Director and President of Osaka Gas Chemicals Co., Ltd.</p> <p>April 2016: Executive Vice-President of the Company Head of CSR, President of Corporate Planning Headquarters In charge of: Information Communication Systems Dept., CSR & Environment Dept., Compliance Dept., and Auditing Dept. Responsible for: OGIS-RI Co., Ltd., Osaka Gas Chemicals Co., Ltd., Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept., and Purchasing Dept.</p> <p>June 2016: Representative Director, Executive Vice-President</p> <p>January 2021: Representative Director and President, Executive President (current position)</p>	31,100
<p>Reason for nomination as Director:</p> <p>After assuming the office of Executive Officer of the Company in April 2012, Mr. Masataka Fujiwara has served in various managerial positions including Representative Director and President of Osaka Gas Chemicals Co., Ltd. and President of Corporate Planning Headquarters of the Company. Having served as the Company's Representative Director from June 2016 and Representative Director and President, Executive President from January 2021, he promoted initiatives such as formulating management plans and active business activities based on these plans. Through these roles, he has accumulated not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of contributing to the improvement of the Group's corporate value and has nominated him again as Director.</p>			


Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
3	 <p>Takayuki Tasaka (July 21, 1962)</p> <p>Reappointed</p>	<p>April 1987: Joined the Company</p> <p>April 2015: Executive Officer, General Manager of Planning Dept., Residential Energy Business Unit</p> <p>April 2016: Senior Executive Officer Head of Customer Services, Head of Residential Energy Business Unit</p> <p>April 2018: Senior Executive Officer Head of Commercial & Industrial Energy Business Unit</p> <p>June 2018: Director, Senior Executive Officer Head of Commercial & Industrial Energy Business Unit</p> <p>April 2020: Director, Senior Executive Officer President of Corporate Planning Headquarters</p> <p>January 2021: Representative Director, Executive Vice-President (current position)</p>	23,300
<p>Reason for nomination as Director:</p> <p>After assuming the office of Executive Officer of the Company in April 2015, Mr. Takayuki Tasaka has served in various managerial positions including Head of Residential Energy Business Unit, Head of Commercial & Industrial Energy Business Unit, and President of Corporate Planning Headquarters. Since January 2021, he has been serving as Representative Director, and has promoted initiatives including strengthening competitiveness in the sales department. Through these roles, he has accumulated not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of contributing to the improvement of the Group's corporate value and has nominated him again as Director.</p>			


Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
4	 <p>Keiji Takemori (July 21, 1962)</p> <p>Newly appointed</p>	<p>April 1987: Joined the Company</p> <p>April 2015: Associate Director Director and President of Osaka Gas Australia Pty. Ltd.</p> <p>April 2016: Associate Director, General Manager of Planning Dept., Energy Resources & Int'l Business Unit of the Company</p> <p>April 2018: Executive Officer General Manager of LNG Trading Dept., Energy Resources & Int'l Business Unit</p> <p>April 2021: Senior Executive Officer Head of Energy Resources & Int'l Business Unit</p> <p>April 2024: Executive Vice-President In charge of: Energy Resources & Int'l Business Unit and Osaka Gas Chemicals Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Director of Osaka Gas Chemicals Co., Ltd.</p>	16,800
<p>Reason for nomination as Director:</p> <p>After assuming the office of Associate Director of the Company in April 2015, Mr. Keiji Takemori has served in various managerial positions including Director and President of Osaka Gas Australia Pty. Ltd. and Head of Energy Resources & Int'l Business Unit. Since April 2024, he has been serving as Executive Vice-President, and has promoted the expansion of the international energy business. Through these roles, he has accumulated not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of contributing to the improvement of the Group's corporate value and has newly nominated him as Director.</p>			


Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
5	 <p>Ko Sakanashi (October 28, 1967)</p> <p>Newly appointed</p>	<p>April 1992: Joined the Company</p> <p>April 2017: Associate Director General Manager of Power Business Development Dept., LNG Terminal & Power Generation Business Unit</p> <p>April 2018: Associate Director General Manager of Power Business Development Dept., LNG, Power & Engineering Business Unit</p> <p>April 2020: Executive Officer General Manager of Corporate Strategy Dept.</p> <p>April 2023: Senior Executive Officer General Manager of Corporate Strategy Dept.</p> <p>April 2024: Executive Vice-President Head of Technology, Head of ESG Promotion, Head of Carbon Neutral Promotion, Head of Risk Management, President of Corporate Planning Headquarters, Head of Power Business Unit Responsible for: LNG & Engineering Business Unit and Business Creation Headquarters (current position)</p>	10,400
<p>Reason for nomination as Director:</p> <p>After assuming the office of Associate Director of the Company in April 2017, Mr. Ko Sakanashi has served as General Manager of Power Business Development Dept., LNG, Power & Engineering Business Unit, and General Manager of Corporate Strategy Dept. Since April 2024, he has been serving as Executive Vice-President, and has promoted the expansion of the power business and the formulation of business strategy. Through these roles, he has accumulated not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of contributing to the improvement of the Group's corporate value and has newly nominated him as Director.</p>			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
6	 <p>Toshiyuki Imai (April 13, 1966)</p> <p>Newly appointed</p>	<p>April 1990: Joined the Company</p> <p>April 2018: Associate Director, General Manager of Secretariat</p> <p>April 2021: Executive Officer General Manager of Metropolitan Energy Sales Dept., Daigas Energy Co., Ltd.</p> <p>April 2023: Executive Officer, General Manager of Human Resources Dept. of the Company</p> <p>April 2024: Senior Executive Officer In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept., and Purchasing Dept. General Manager of Human Resources Dept. (current position)</p> <p>[Significant concurrent positions] Director of Osaka Gas Urban Development Co., Ltd. Director of OGIS-RI Co., Ltd. Director of Osaka Gas Chemicals Co., Ltd.</p>	14,900
<p>Reason for nomination as Director:</p> <p>After assuming the office of Associate Director of the Company in April 2018, Mr. Toshiyuki Imai has served as General Manager of Secretariat, General Manager of Metropolitan Energy Sales Dept., Daigas Energy Co., Ltd., and General Manager of Human Resources Dept. of the Company, and has promoted initiatives including the development and training of human resources and the strengthening competitiveness in the Group's sales department. Through these roles, he has accumulated not only considerable experience and extensive knowledge in marketing, human resources development, and risk management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of contributing to the improvement of the Group's corporate value and has newly nominated him as Director.</p>			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
7	 <p>Kazutoshi Murao (October 21, 1952)</p> <p>Reappointed Nominated for outside Director Independent Officer</p>	<p>April 1976: Joined Nippon Telegraph and Telephone Public Corporation</p> <p>June 2012: Representative Director and President of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION</p> <p>June 2018: Counselor to the president, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (current position)</p> <p>June 2019: Director of the Company (current position)</p>	0
	<p>Reason for nomination as Director</p> <p>Mr. Kazutoshi Murao has the experience of serving as Representative Director and President of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION and has not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). Since assuming the office of Director of the Company in June 2019, Mr. Murao has appropriately performed his duties as an outside Director, and is therefore nominated again for said position. The Company has business transactions, such as holding contracts for the supply of gas and communications services, with NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION or other companies with which Mr. Murao currently works or once worked. However, the amount paid by the Company to said companies does not reach 2% of their consolidated net sales, and the amount received by the Company from said companies does not reach 2% of the Company's consolidated net sales. Accordingly, Mr. Murao satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).</p>		

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
8	 Tatsuo Kijima (September 22, 1954) Reappointed Nominated for outside Director Independent Officer	April 1978: Joined Japanese National Railways June 2016: President, Representative Director, and Executive Officer of West Japan Railway Company December 2019: Vice Chairman and Director of West Japan Railway Company June 2021: Advisor to West Japan Railway Company (current position) June 2020: Director of the Company (current position)	0
	Reason for nomination as Director Mr. Tatsuo Kijima has the experience of serving as President, Representative Director and Executive Officer of West Japan Railway Company and has not only considerable experience and extensive knowledge in corporate and organizational management but also other expertise and experience (see pages 42-43). Since assuming the office of Director of the Company in June 2020, Mr. Kijima has appropriately performed his duties as an outside Director, and is therefore nominated again for said position. The Company has business transactions, such as holding a contract for the supply of gas, with West Japan Railway Company with which Mr. Kijima currently works. However, the amount received by the Company from said company does not reach 2% of the Company's consolidated net sales. Accordingly, Mr. Kijima satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).		

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
9	 <p>Yumiko Sato (September 20, 1951)</p> <p>Reappointed Nominated for outside Director Independent Officer</p>	<p>April 1975: Joined Suntory Co., Ltd.</p> <p>March 1998: General Manager of Research Institute on Continuity and Change in Life of Suntory Co., Ltd.</p> <p>March 2005: General Manager of Next Generation Institute of Suntory Co., Ltd.</p> <p>April 2008: Senior Research Fellow of Suntory Foundation (incorporated foundation)</p> <p>October 2013: Specially-appointed Professor of Otemon Gakuin University Special Professor of Institute for Creating Local Culture of Otemon Gakuin University</p> <p>May 2014: Director of Mature Society Research Institute, Otemon Gakuin Educational Foundation</p> <p>April 2015: Professor of Faculty of Regional Development Studies, Otemon Gakuin University</p> <p>April 2016: Director of Mature Society Research Institute, Otemon Gakuin University</p> <p>June 2020: Trustee of Otemon Gakuin Educational Foundation (current position)</p> <p>June 2021: Director of the Company (current position)</p>	0
<p>Reason for nomination as Director</p> <p>Ms. Yumiko Sato has made considerable achievements in the field of social studies related to life and culture. In addition, she held positions as General Manager of Next Generation Institute of Suntory Co., Ltd. and Trustee of Otemon Gakuin Educational Foundation, and has not only deep insight in life and culture but also other expertise and experience (see pages 42-43). Since assuming the office of Director of the Company in June 2021, Ms. Sato has appropriately performed her duties as an outside Director, and is therefore nominated again for said position.</p> <p>The Company has business transactions, such as holding a contract for the supply of gas, with Otemon Gakuin Educational Foundation with which Ms. Sato currently works. However, the amount received by the Company from said foundation does not reach 2% of the Company's consolidated net sales. Accordingly, Ms. Sato satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).</p>			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
10	 <p>Mikiyo Niizeki (April 6, 1968)</p> <p>Reappointed Nominated for outside Director Independent Officer</p>	<p>April 2006: Professor of Faculty of Economics, Doshisha University</p> <p>April 2010: Professor of Master's Program, Graduate School of Economics, Doshisha University</p> <p>April 2014: Professor of Doctoral Program, Graduate School of Economics, Doshisha University (current position)</p> <p>April 2016: Dean of Faculty of Economics and Graduate School of Economics, Doshisha University</p> <p>April 2019: Head of Research Promotion Division, Doshisha University Organization for Research Initiatives and Development</p> <p>April 2020: Vice President and Head of Center for Learning Support and Faculty Development, Doshisha University</p> <p>April 2023: Assistant to the President of Doshisha University</p> <p>June 2023: Director of the Company (current position)</p>	0
<p>Reason for nomination as Director</p> <p>Ms. Mikiyo Niizeki has made considerable achievements in the field of economics related to finance and investment. In addition, she held positions as Vice President of Doshisha University and head of the Center for Learning Support and Faculty Development, Doshisha University, and has deep insight in the economics field, considerable experience related to organizational management, and other expertise (see pages 42-43). Since assuming the office of Director of the Company in June 2023, Ms. Niizeki has appropriately performed her duties as an outside Director, and is therefore nominated again for said position.</p> <p>The Company has business transactions, such as holding a contract for the supply of gas, with Doshisha University with which Ms. Niizeki currently works. However, the amount paid by the Company to said university does not reach 2% of its consolidated net sales (total income) and the amount received by the Company from said university does not reach 2% of the Company's consolidated net sales. Accordingly, Ms. Niizeki satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).</p>			

- Notes:
1. The positions and responsibilities in the Company and other significant concurrent positions of the nominees who are currently Directors of the Company are described in the section of “II. Officers, 1. Details of Directors and Audit & Supervisory Board Members” in the Business Report in addition to “Career and Significant Concurrent Positions” above. In the “Career and Significant Concurrent Positions” column, “responsible for” means monitoring and providing advice and suggestions concerning the operations of specific headquarters, organization, position or Core Non-Energy Business Company according to its managerial importance, effect on business management and other factors.
 2. None of the nominees has special interest with the Company.
 3. The Company has concluded an indemnity agreement (see the section of “II. Officers, 2. Indemnity Agreement” in the Business Report for a summary of the agreement) with each of the nominees from No. 1 to No. 3 and No. 7 to No. 10 who are current Directors of the Company. If the election of each of said nominees in this proposal is approved, the Company will continue said agreement with each of them. If the election of Mr. Keiji Takemori, Mr. Ko Sakanashi and Mr. Toshiyuki Imai in this proposal is approved, the Company will conclude the same agreement with them as well.
 4. The Company has concluded a directors and officers liability insurance contract (see the section of “II. Officers, 3. Directors and Officers Liability Insurance Contract” in the Business Report for a summary of the contract) with an insurance company insuring each of the nominees from No. 1 to No. 10. The Company plans to conclude a contract with the same terms and conditions upon expiry of the insurance period.
 5. Mr. Kazutoshi Murao, Mr. Tatsuo Kijima, Ms. Yumiko Sato and Ms. Mikiyo Niizeki are nominees for appointment as outside directors as specified in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The number of years since the nominees for reappointment as outside Directors of the Company assumed the office will be five, four, three, and one, respectively, for Mr. Kazutoshi Murao, Mr. Tatsuo Kijima, Ms. Yumiko Sato and Ms. Mikiyo Niizeki as of the close of the Meeting.
 6. Pursuant to the regulations of the Tokyo Stock Exchange, the Company intends to notify said stock exchange that the nominees for appointment as outside directors are independent officers.
 7. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company’s Articles of Incorporation, the Company has an agreement with Mr. Kazutoshi Murao, Mr. Tatsuo Kijima, Ms. Yumiko Sato and Ms. Mikiyo Niizeki to limit their liabilities for damages under Article 423, Paragraph 1 of the Companies Act, to the minimum liability amount provided for in laws and regulations. If the election of each of said nominees is approved at the Meeting, the Company will continue said agreement with each of them.
 8. Nominees for outside Directors are expected to participate in decision-making as members of the Board of Directors and to monitor and supervise the execution of duties by executive Directors from an independent standpoint based on their experience and insight.

Proposal 5: Election of Five (5) Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 is approved and adopted as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The Company therefore proposes the election of five (5) Directors who are Audit and Supervisory Committee Members.


The election of Directors under this proposal shall be conditional upon the amendments to the Articles of Incorporation in Proposal 2 taking effect.


The approval of the Audit & Supervisory Board has been obtained for this proposal.


The nominees for Director are as follows (presented on pages 32-36).

No.	Name	Current Position at the Company	Attendance at Board of Directors meetings (*)
1	Fumitoshi Takeguchi Newly appointed	Director	13 out of 13 meetings (100%)
2	Ichiro Hazama Newly appointed	Audit & Supervisory Board Member (Full-time)	11 out of 11 meetings (100%)
3	Eriko Nashioka Newly appointed Outside Director Independent Officer	Audit & Supervisory Board Member	13 out of 13 meetings (100%)
4	Chieko Minami Newly appointed Outside Director Independent Officer	Audit & Supervisory Board Member	11 out of 11 meetings (100%)
5	Eimei Kozai Newly appointed Outside Director Independent Officer	—	—


(*) The number of the Board of Directors meetings represents the number of the meetings held during the fiscal year under review (Year ended March 2024). The number of the Board of Directors meetings for Mr. Ichiro Hazama and Ms. Chieko Minami represents the meetings since they took office as Audit & Supervisory Board Members of the Company on June 23, 2023.

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
1	 <p>Fumitoshi Takeguchi (November 14, 1961)</p> <p>Newly appointed</p>	<p>April 1985: Joined the Company</p> <p>April 2013: Associate Director, General Manager of Secretariat</p> <p>April 2016: Executive Officer, General Manager of General Affairs Dept.</p> <p>April 2018: Senior Executive Officer In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept.</p> <p>June 2018: Director, Senior Executive Officer In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept.</p> <p>June 2020: Senior Executive Officer In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept.</p> <p>June 2021: Director, Senior Executive Officer In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept.</p> <p>April 2022: Director, Senior Executive Officer In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept., Purchasing Dept. and Auditing Dept.</p> <p>April 2024: Director (current position)</p>	25,900
<p>Reason for nomination as Director who is an Audit and Supervisory Committee Member</p> <p>After assuming the office of Associate Director of the Company in April 2013, Mr. Fumitoshi Takeguchi has promoted initiatives such as strengthening Group governance. Through these roles, he has accumulated not only considerable experience and extensive knowledge in organizational management, governance and risk management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of appropriately performing his duties as Director who is an Audit and Supervisory Committee Member and has newly nominated him for said position.</p>			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
2	 <p>Ichiro Hazama (July 25, 1965)</p> <p>Newly appointed</p>	<p>April 1989: Joined the Company</p> <p>April 2016: Associate Director General Manager of Planning Division, Japan Gas Association</p> <p>April 2018: Associate Director, General Manager of Planning Dept., Residential Energy Business Unit of the Company</p> <p>April 2019: Associate Director, General Manager of Human Resources Dept.</p> <p>April 2020: Executive Officer, General Manager of Human Resources Dept.</p> <p>April 2023: Advisor</p> <p>June 2023: Audit & Supervisory Board Member (current position)</p>	8,700
<p>Reason for nomination as Director who is an Audit and Supervisory Committee Member</p> <p>Through his extensive practical experience since assuming the office of Associate Director of the Company in April 2016, Mr. Ichiro Hazama has accumulated not only considerable experience and extensive knowledge in organizational management, governance and risk management but also other expertise and experience (see pages 42-43). Since assuming the office of Audit & Supervisory Board Member of the Company in June 2023, Mr. Hazama has appropriately performed his duties as an Audit & Supervisory Board Member. The Company therefore believes that he is capable of appropriately performing his duties as Director who is an Audit and Supervisory Committee Member and has newly nominated him for said position.</p>			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
	 <p>Eriko Nashioka (February 13, 1967)</p> <p>Newly appointed Nominated for outside Director Independent Officer</p>	<p>October 1991: Joined Ota Showa Audit Corporation</p> <p>April 1995: Registered as a Certified Public Accountant</p> <p>April 2004: Director, Institute for Environmental Management Accounting</p> <p>July 2004: Registered as a Licensed Tax Accountant Director, Nashioka Accounting Office (current position)</p> <p>April 2006: Part-time Instructor, Faculty of Commerce, Doshisha University</p> <p>April 2013: Representative Director, Institute for Environmental Management Accounting (current position)</p> <p>June 2022: Audit & Supervisory Board Member (current position)</p>	0
3	<p>Reason for nomination as Director who is an Audit and Supervisory Committee Member</p> <p>Ms. Eriko Nashioka has accumulated abundant experience as a Certified Public Accountant and Licensed Tax Accountant and also made considerable achievements in the field of environmental accounting. In addition, she has served as Representative Director of Institute for Environmental Management Accounting, accumulating deep insight in the fields of finance and accounting and ESG (Environment, Society and Governance) and considerable experience related to corporate and organizational management, as well as other expertise and experience (see pages 42-43). Since assuming the office of Audit & Supervisory Board Member of the Company in June 2022, Ms. Nashioka has appropriately performed her duties as an Audit & Supervisory Board Member. The Company therefore believes that she is capable of appropriately performing her duties as outside Director who is an Audit and Supervisory Committee Member and has newly nominated her for said position.</p> <p>The Company had business transactions such as gas supply contract with a corporation related to Ms. Nashioka. However, the amount paid is less than 2% of the consolidated net sales (total income) of the corporation, and the amount received is less than 2% of the Company's consolidated net sales. From the above, the Company believes that Ms. Nashioka satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).</p>		

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
4	 <p>Chieko Minami (September 17, 1960)</p> <p>Newly appointed Nominated for outside Director Independent Officer</p>	<p>December 2004: Professor of Graduate School of Business Administration, Kobe University</p> <p>April 2020: Head of Business Administration, Dean of Graduate School of Business Administration and School of Business Administration, Kobe University</p> <p>April 2022: Executive Assistant to the President of Kobe University</p> <p>January 2023: Head of Recurrent Education Promotion Office, Kobe University</p> <p>April 2023: Vice President of Kobe University</p> <p>April 2024: Professor of Department of Modern Management, Sugiyama Jogakuen University (current position)</p> <p>June 2023: Audit & Supervisory Board Member (current position)</p>	0
	<p>Reason for nomination as Director who is an Audit and Supervisory Committee Member</p> <p>Ms. Chieko Minami has made considerable achievements in her research activities in the field of business administration, mainly related to marketing and DX. In addition, she held positions as Executive Assistant to the President of Kobe University and Vice President of Kobe University, and has deep insight in the business administration field, considerable experience related to organizational management, and other expertise (see pages 42-43). Since assuming the office of Audit & Supervisory Board Member of the Company in June 2023, Ms. Minami has appropriately performed her duties as an Audit & Supervisory Board Member. The Company therefore believes that she is capable of appropriately performing her duties as outside Director who is an Audit and Supervisory Committee Member and has newly nominated her for said position.</p> <p>The Company has business transactions such as gas supply contract with Kobe University, where Ms. Minami previously worked. However, the amount paid does not reach 2% of the consolidated net sales (total income) of said university, and the amount received does not reach 2% of the Company's consolidated net sales. The Company also makes donations to Kobe University, but the amount of these donations has not exceeded ¥10 million, on average, over the past three years. Accordingly, Ms. Minami satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).</p>		

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
5	 <p>Eimei Kozai (August 20, 1957)</p> <p>Newly appointed Nominated for outside Director Independent Officer</p>	<p>April 1986: Appointed as a judge October 2020: President of Kobe District Court May 2021: President of Sendai High Court May 2023: Professor of Graduate School of Law, Kyoto University</p> <p>[Significant concurrent positions] Professor of Graduate School of Law, Kyoto University</p>	0
	<p>Reason for nomination as Director who is an Audit and Supervisory Committee Member</p> <p>Mr. Eimei Kozai has served as President of Kobe District Court and President of Sendai High Court, and has accumulated not only expert knowledge as a legal practitioner and considerable experience in organizational management but also other expertise and experience (see pages 42-43). The Company therefore believes that he is capable of appropriately performing his duties as outside Director who is an Audit and Supervisory Committee Member and has newly nominated him for said position.</p> <p>The Company has business transactions such as gas supply contract with Kyoto University, where Mr. Kozai previously worked. However, the amount paid does not reach 2% of the consolidated net sales (total income) of said university, and the amount received does not reach 2% of the Company's consolidated net sales. The Company also makes donations to Kyoto University, but the amount of these donations has not exceeded ¥10 million, on average, over the past three years. Accordingly, Mr. Kozai satisfies the criteria for determining the independence of outside officers stipulated by the Company (see page 44).</p>		

- Notes:
1. The positions and responsibilities in the Company and other significant concurrent positions of the nominees who are currently Directors or Audit & Supervisory Board Members of the Company are described in the section of “II. Officers, 1. Details of Directors and Audit & Supervisory Board Members” in the Business Report in addition to “Career and Significant Concurrent Positions” above.
 2. The name of nominee Eriko Nashioka as it appears on the family register is Eriko Maekawa.
 3. The name of nominee Chieko Minami as it appears on the family register is Chieko Nishioka.
 4. The nominees have no special interests with the Company.
 5. Ms. Eriko Nashioka, Ms. Chieko Minami, and Mr. Eimei Kozai are nominees for appointment as outside Directors as specified in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
 6. The Company has concluded an indemnity agreement (see the section of “II. Officers, 2. Indemnity Agreement” in the Business Report for a summary of the agreement) with nominee No. 1, who is currently a Director of the Company, and nominees No. 2 to No. 4, who are currently Audit & Supervisory Board Members of the Company. If the election of nominee Mr. Fumitoshi Takeguchi in this proposal is approved, the Company will continue said agreement with him. If the election of nominees Mr. Ichiro Hazama, Ms. Eriko Nashioka, Ms. Chieko Minami and Mr. Eimei Kozai in this proposal is approved, the Company will conclude the same agreement with them as well.
 7. The Company has concluded a directors and officers liability insurance contract (see the section of “II. Officers, 3. Directors and Officers Liability Insurance Contract” in the Business Report for a summary of the contract) with an insurance company insuring each of the nominees from No. 1 to No. 4. If the election of Mr. Eimei Kozai in this proposal is approved, he will be covered by the said insurance contract as well. The Company plans to conclude a contract with the same terms and conditions upon expiry of the insurance period.
 8. Pursuant to the regulations of the Tokyo Stock Exchange, the Company intends to notify said stock exchange that the nominees for appointment as outside directors are independent officers. (The nominees Ms. Eriko Nashioka and Ms. Chieko Minami are currently registered as independent officers.)
 9. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company’s Articles of Incorporation, the Company has an agreement with Ms. Eriko Nashioka and Ms. Chieko Minami to limit their liabilities for damages under Article 423, Paragraph 1 of the Companies Act, to the minimum liability amount provided for in laws and regulations. If the election of nominees Ms. Eriko Nashioka, Ms. Chieko Minami and Mr. Eimei Kozai is approved at the Meeting, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company’s Articles of Incorporation, the Company will conclude an agreement with each of them to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for in laws and regulations.
 10. Nominees for outside Directors who are Audit and Supervisory Committee Members are expected to audit and supervise the execution of duties by executive Directors from an independent standpoint based on their experience and insight, participate in decision-making as members of the Board of Directors, and monitor and supervise the execution of duties by executive Directors.

Proposal 6: Establishment of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal 2 is approved and adopted as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The Company therefore proposes to establish a new limit for monthly monetary remuneration for Directors (including outside Directors but excluding Directors who are Audit and Supervisory Committee Members) of ¥57 million.

This remuneration limit is determined based on a consideration of a range of circumstances such as remuneration levels across society, in addition to the duties and responsibilities of Directors (excluding Directors who are Audit and Supervisory Committee Members). Moreover, the Company's Board of Directors has established a policy* concerning the determination of remuneration, etc. for each individual Director. The content of this proposal is in line with this policy, and the Company believes that it is appropriate.

The effect of this proposal shall be conditional upon the amendments to the Articles of Incorporation in Proposal 2 taking effect.

* Please refer to "II. 5. Remuneration for Directors and Audit & Supervisory Board Members" in the Business Report for details.

Note: If Proposal 4 and this proposal are both approved and adopted as proposed, ten (10) Directors will be eligible for the monthly monetary remuneration (including four (4) outside Directors, eligible to receive up to ¥5 million monthly).

Proposal 7: Establishment of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 is approved and adopted as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The Company therefore proposes to establish a new limit for monthly monetary remuneration for Directors who are Audit and Supervisory Committee Members of ¥14 million.

This remuneration limit is determined based on a consideration of a range of circumstances such as remuneration levels across society, in addition to the duties and responsibilities of Directors who are Audit and Supervisory Committee Members, and the Company believes that it is therefore appropriate.

The effect of this proposal shall be conditional upon the amendments to the Articles of Incorporation in Proposal 2 taking effect.

Note: If Proposal 5 and this proposal are both approved and adopted as proposed, five (5) Directors who are Audit and Supervisory Committee Members will be eligible for the monthly monetary remuneration.

Proposal 8: Establishment of a Stock-based Remuneration Plan for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors)

1. Reason for the proposal

The Company has introduced a system where restricted stock is granted to Directors (excluding outside Directors) with the aims of strengthening the linkage between remuneration and mid- to long-term increase in corporate value and further promoting the sharing of value with the shareholders.

If Proposal 2 is approved and adopted as proposed, the Company will transition to a Company with an Audit and Supervisory Committee.

The Company therefore proposes to reestablish the existing restricted stock remuneration plan (hereinafter the “Plan”) for Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors; hereinafter “Eligible Directors”). (Remuneration under the Plan will be separate from the remuneration under Proposal 6.)

These limits for monetary remuneration and the number of shares are determined based on a consideration of a range of circumstances such as remuneration levels across society, in addition to the duties and responsibilities of the Eligible Directors. Moreover, the Company’s Board of Directors has established a policy* concerning the determination of remuneration, etc. for each individual Director. The content of this proposal is in line with this policy, and the Company believes that it is appropriate.

The effect of this proposal shall be conditional upon the amendments to the Articles of Incorporation in Proposal 2 taking effect.

* Please refer to “II. 5. Remuneration for Directors and Audit & Supervisory Board Members” in the Business Report for details.

2. Overview of the Plan

(1) Maximum amount of monetary remuneration and maximum number of shares under the Plan

The total amount of monetary remuneration paid to Eligible Directors for the grant of restricted stock shall not exceed ¥144 million per year (equivalent to ¥12 million per month), to further achieve the aims of strengthening the linkage between remuneration and mid- to long-term increase in corporate value and further promoting sharing of value with the shareholders.

Eligible Directors shall receive the Company’s common shares through issuance or disposal, in return for the contribution in kind of all monetary remuneration claims provided under the Plan, based on a resolution of the Board of Directors. The total number of the Company’s common shares to be issued or disposed of in this way shall not exceed 96,000 shares per year,* based on the total amount above.

The Board of Directors shall determine the specific timing and allocation of remuneration to each Eligible Director under the Plan.

* If the Company executes a stock split of its common shares (including the gratis allotment of the Company’s common shares) or a stock consolidation (reverse stock split) on or after the day on which a resolution on this proposal is adopted, the maximum number of shares presented above shall be adjusted in proportion to the stock split ratio, the allotment ratio of the stock or the stock consolidation ratio. The amount to be paid in per share shall be determined based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the last business day before the date of each resolution of the Board of Directors (if trading is not effected on that date, the closing price on the last trading day of the Company’s shares preceding the resolutions).

(2) Outline of the content of restricted stock allotment agreements

When issuing or disposing of common shares under the Plan, the Company shall conclude a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) with each Eligible Director.

An outline of the content of the Allotment Agreement is presented below.

(i) Transfer Restriction Period

Under the Allotment Agreement, an Eligible Director must not transfer, pledge, or otherwise dispose of common shares of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) from the day when the shares were allotted until the day of retirement (hereinafter the “Transfer Restriction Period”). These restrictions are hereinafter referred to as the “Transfer Restrictions.”

(ii) Removal of the Transfer Restrictions

The Company shall remove the Transfer Restrictions from all of the Allotted Shares held by an Eligible Director at the expiration of the Transfer Restriction Period, conditional upon the retirement of the Eligible Director for a cause deemed just by the Company or due to the death of the Eligible Director. (Where the Eligible Director retires before the expiration of the relevant term of office, the Company shall remove the Transfer Restrictions from a portion of the shares corresponding to the period served in office.) However, the Company shall remove the Transfer Restrictions from all or some of the Allotted Shares prior to the expiration of the Transfer Restriction Period as provided for in (iv) below or in cases corresponding to certain causes listed in the Allotment Agreement.

(iii) Acquisition of the Allotted Shares for no consideration

Upon the completion of (ii) above, the Company shall automatically acquire, for no consideration, the remaining Allotted Shares for which the Transfer Restrictions have not been removed based on the provisions of (ii) above. In addition, the Company shall automatically acquire, for no consideration, all or some of the Allotted Shares in cases corresponding to certain causes listed in the Allotment Agreement, such as illegal acts by the Eligible Director or the filing of a petition for the commencement of bankruptcy proceedings against the Eligible Director.

(iv) Treatment in the case of organizational restructuring

Where a merger agreement of which the Company is the non-surviving company or other organizational restructuring etc. is approved by the Company’s Shareholders’ Meeting (or the Company’s Board of Directors, for organizational restructuring, etc. that does not require the approval of the Shareholders’ Meeting) during the Transfer Restriction Period, the Transfer Restrictions may be removed before the effective date of the organizational restructuring etc. for a number of the Allotted Shares to be determined reasonably based upon the length of the period from the date of the commencement of the Transfer Restriction Period to the effective date of the organizational restructuring etc. In this case, the Company shall automatically acquire, for no consideration, any remaining Allotted Shares for which the Transfer Restrictions have not been removed immediately subsequent to the removal of the Transfer Restrictions.

Note: If Proposal 4 and this proposal are all approved and adopted as proposed, six (6) Directors will be eligible for stock-based remuneration (of whom none will be outside Directors).

[Reference 1] Expertise of the Nominees for Directors (Skills Matrix)

From the perspective of contributing to its sustainable growth and improvement of its medium- to long-term corporate value, the Daigas Group has adopted a basic policy of appointing diverse talent as Directors in full consideration of their knowledge, experience and ability in fields such as corporate management and marketing, and their personality, etc., regardless of gender, nationality, etc. Decisions on the selection of each nominee for Director are made based on deliberations by a voluntarily appointed advisory committee made up of a majority of outside directors.

The following is a list of the expertise and experience that the Board of Directors should possess as identified in light of the medium- to long-term management plan as well as the significant expertise and experience of each nominee, etc.

Name	Position	Fields of Significant Expertise and Experience								
		Corporate Management	Marketing	Technology / R&D	DX (*)	Global Management	ESG	Finance / Accounting	Legal / Risk Management	Human Resources Development
Takehiro Honjo	Chairman and Director	●	●				●	●	●	●
Masataka Fujiwara	Representative Director and President	●	●	●	●	●	●			
Takayuki Tasaka	Representative Director	●	●					●	●	
Keiji Takemori	Representative Director	●				●		●		●
Ko Sakanashi	Representative Director	●		●	●		●	●		
Toshiyuki Imai	Director		●				●		●	●
Kazutoshi Murao	Outside Director	●			●		●		●	●

Name	Position	Fields of Significant Expertise and Experience								
		Corporate Management	Marketing	Technology / R&D	DX (*)	Global Management	ESG	Finance / Accounting	Legal / Risk Management	Human Resources Development
Tatsuo Kijima	Outside Director	●					●		●	●
Yumiko Sato	Outside Director						●		●	●
Mikiyo Niizeki	Outside Director	●	●					●		●
Fumitoshi Takeguchi	Director who is an Audit and Supervisory Committee Member						●	●	●	●
Ichiro Hazama	Director who is an Audit and Supervisory Committee Member		●						●	●
Eriko Nashioka	Outside Director who is an Audit and Supervisory Committee Member	●					●	●		●
Chieko Minami	Outside Director who is an Audit and Supervisory Committee Member	●	●		●					●
Eimei Kozai	Outside Director who is an Audit and Supervisory Committee Member	●							●	●

(*) Digital transformation

[Reference 2] Criteria for Determining the Independence of Outside Officers

The criteria for determining the independence of outside officers stipulated by the Company are as follows.

1. The individual may not be an Executive Director, Operating Officer, Executive Officer or employee (“business operator”) of the Company or its affiliates (the “Company Group”) and may not have been a business operator of the Company Group for ten years prior to being appointed.
2. The individual may not be a major vendor of the Company (*1) or its business operator, and may not have been a business operator of the same for past three years.
3. The individual may not be a major client of the Company (*2) or its business operator, and may not have been a business operator of the same for past three years.
4. The individual may not be a major shareholder (an individual or entity which owns 10% or more of the total voting rights, hereafter the same) of the Company or its business operator.
5. The individual may not be a business operator of an entity for which the Company is a major shareholder.
6. The individual may not be receiving substantial donations (*3) from the Company or be a business operator for an entity receiving such donations.
7. Except for remuneration as an officer, the individual may not receive substantial remuneration (*4) from the Company as a consultant, an accounting specialist such as a Certified Public Accountant, etc. or as a legal specialist such as an attorney, etc. (if the entity receiving the fees concerned is a corporation or a limited liability company, etc., any individual belonging to such an organization). The individual also may not be the accounting auditor of the Company Group.
8. If a business operator of the Company is an outside officer of another company, the individual may not be a business operator at the company concerned, the parent company or subsidiary of the company concerned.
9. The individual may not be a close relative (spouse or a relation in the second degree) of persons listed below:
 - (1) Persons who are currently or was a Director, Audit & Supervisory Board Member, Executive Officer or a key employee with an equivalent position (“important executive”) for the Company Group within the past three years.
 - (2) Of the persons in 2-6 above, those who are important executives.
 - (3) Of the persons listed in 7 above, those who have professional licenses such as Certified Public Accountants, attorneys, etc.
10. In addition to 1-9 above, individuals must not have issues that could cause constant and substantive conflicts of interest against the Company’s general shareholders.

*1 Payment amount to vendor accounts for 2% of its consolidated sales or more

*2 Received amount from client accounts for 2% of the Company’s consolidated sales or more, or the loan balance outstanding is 2% of the Company’s consolidated gross assets or more

*3 More than 10 million yen on average over the past three years

*4 The larger of more than 10 million yen on average over the past three years or an amount equivalent to 2% of total sales (total revenues) of the organization to which payment is made (three-year average)

Even if the individual does not satisfy any of the criteria listed above in 1-10, if the individual is suitable as an independent officer, the Company may still appoint him/her as an independent officer of the Company by providing an explanation or disclosing the reasons.

Business Report (April 1, 2023 to March 31, 2024)

I. Current Situation of the Business Group

1. Business Operations and Results

During the fiscal year under review, the Japanese economy continued to experience a moderate recovery. Exports and capital investment were robust, with the progressive normalization of socioeconomic activity after the COVID-19 pandemic.

In such a business environment, the Group has proactively conducted its businesses with the aim of becoming a corporate group that “powers continuous advancement in life and business.”

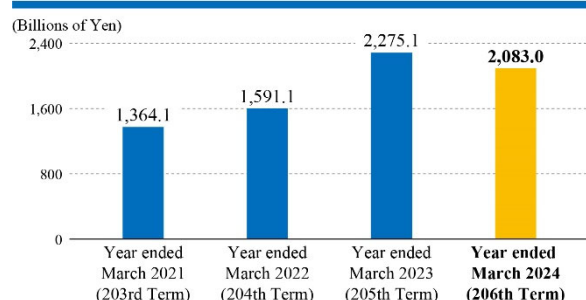
Consolidated net sales for the fiscal year under review decreased by 8.4% from the previous year to ¥2,083.0 billion. This was primarily due to a lower unit selling price of city gas under the fuel cost adjustment system during the winter season when gas sales volumes are high and a decrease in LNG prices in the Domestic Energy Business (see Graph 1).

Consolidated ordinary profit increased by 199.5% from the previous year to ¥226.5 billion. This was primarily due to the absence of increased costs for LNG procurement following the suspension of operations at the liquefaction plant of the Freeport LNG Project in the previous fiscal year and the positive impact of a time lag between fluctuations in raw material costs, etc., and their reflection in the unit selling prices* in the Domestic Energy Business (see Graph 2).

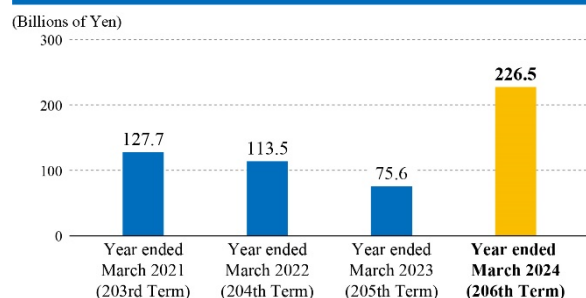
Profit attributable to owners of parent increased by 132.3% from the previous year to ¥132.6 billion (see Graph 3).

* There is a time lag between fluctuations in raw material and fuel costs and their reflection in the unit selling price under the fuel cost adjustment system, which causes a temporary increase/decrease in profit. This resulted in a temporary increase in profit for this fiscal year.

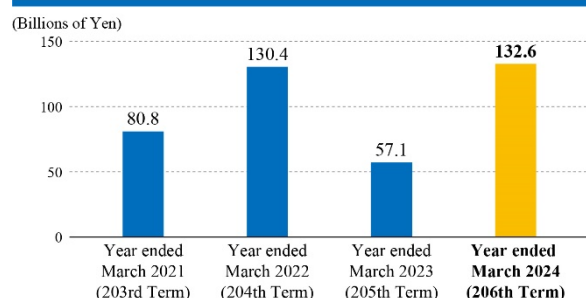
Graph 1 Transition of Consolidated Net Sales



Graph 2 Transition of Consolidated Ordinary Profit



Graph 3 Transition of Profit Attributable to Owners of Parent



An overview of the Group's operations by business segment was as follows.

(1) Domestic Energy

Net sales decreased by 10.2% from the previous year to ¥1,770.6 billion.

Gas

The city gas sales volume for residential use increased by 1.4% from the previous year to 1,721 million cubic meters, primarily due to an increase in the number of accounts.

The city gas sales volume for business use decreased by 4.3% from the previous year to 4,925 million cubic meters primarily due to a decrease in the operation of certain customers' facilities.

As a result, total city gas sales volume decreased by 2.9% from the previous year to 6,646 million cubic meters.

City gas was supplied to 5,048 thousand accounts as of March 31, 2024.

Regarding gas appliances and services for residential customers, we endeavored to develop and expand sales of products, such as the residential fuel cell cogeneration system "ENE-FARM^{*1}," as well as devices and equipment for hot water supply, air heating and cooking. Cumulative sales of "ENE-FARM" exceeded 200,000 in April 2024.

In addition, we have worked to provide a range of services and further expand our offerings, including the "Sumikata Service" which involves repairing gas appliances and plumbing as well as disaster/crime prevention, the "Sumai LINK" digital life service platform, and "Sasuga Net" Internet services.

In September 2023, we launched the regular delivery service "FitDish", which enables customers to receive deliveries of frozen meal pouches to suit their needs, simply by entering information on their lifestyles and tastes.

We will continue to strive to enhance customers' comfortable living environments.



"ENE-FARM type S"



Publicizing "Sumai LINK"



Illustration of the products provided in FitDish

Regarding gas appliances and services for business use, we engaged in efforts to develop and promote sales for the products such as cogeneration systems*¹, air-conditioning systems, kitchen instruments, boilers, industrial furnaces and burners. We also provided high-value-added solutions to meet customer needs, for example, “D-Lineup,” which helps to solve various management issues of customers from the viewpoint of decarbonization, decentralization, and digitalization, by utilizing our engineering capabilities.



Advertisement for “D-Lineup”

We are engaged in basic research on high-efficiency SOEC methanation technology*², which is expected to be a promising technology for achieving the carbon neutrality of city gas. We also undertake research and development of catalysts and combustion technologies, among others, that contribute to low-carbonization and decarbonization.



Conceptual image of methanation

We promoted fuel conversion from fuels such as coal and petroleum to natural gas and the introduction of high-efficiency equipment, among other measures, as initiatives for the period of transition to a carbon neutral society, and worked to reduce the CO₂ emissions of our customers.

To ensure stable supply and security, continuous efforts were made throughout the year to diversify natural gas procurement sources, ensure good maintenance and well-planned renovations of gas production and supply facilities including utilization of AI technology, and promote the spread of gas appliances equipped with safety functions.

In September 2023, we implemented a more practical disaster-prevention drill in anticipation of the Nankai Trough Earthquake, and we have continued to engage in earthquake and tsunami countermeasures.



Disaster-prevention drill

*1 As a decentralized power source, it also contributes to improving the resilience of the energy supply.

*2 Methanation technology uses a catalyst to cause a reaction

between hydrogen and CO or CO₂ to produce methane, the main component in city gas. SOEC methanation is a technology that uses SOEC (electrolysis element using a solid oxide), harnessing electricity generated from renewable sources for the electrolysis of water together with CO₂ to produce hydrogen and CO, the raw materials for methanation.

*3 This is synthetic methane (e-methane) produced by using non-fossil fuel energy sources.

Electricity

The electricity sales volume decreased by 3.6% from the previous year to 15,308 million kWh.

The number of accounts under low-voltage electricity contracts reached 1.835 million as of March 31, 2024.

We strived to offer a variety of electricity rate menus, such as those that can be used in combination with gas for a discount, those tailored to customers' lifestyles and hobbies, and those that contribute to decarbonization.

In November 2023, Daigas Energy Co., Ltd. launched "D-Charge," a service that enables wholesale customers to install EV chargers without any initial investment and also provides energy management.

To achieve carbon neutrality by 2050, we have been actively promoting the expansion of renewable energy sources. As a result, the total contribution to the spread of renewable energy sources, including contributions from overseas included in the International Energy segment, reached about 3.16 million kW as of March 31, 2024.

The main renewable electricity sources that the Company has participated in during the fiscal year under review include a solar power generation project in Sano, Tochigi Prefecture (with generating capacity of 40,000 kW, started commercial operation; 40% ownership) and seven non-FIT/non-FIP solar power plants*⁵ in Japan (with generating capacity of 10,000 kW, completed in February 2024; 50% ownership), including farm-style solar power plants*⁴ in Naganuma-cho, Yubari-gun, Hokkaido, and elsewhere.

The Tokushima Tsuda Biomass Power Plant in Tokushima, Tokushima Prefecture (with generating capacity of 70,000 kW, 33.5% ownership) and the Hirohata Biomass Power Plant in Himeji, Hyogo Prefecture



Advertisement for electricity retail business



Sano Solar Power Plant
(Tochigi Prefecture)

(with generating capacity of 70,000 kW, 90% ownership) each commenced commercial operation in December 2023.

In December 2023, the Company was selected by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism as a member of a consortium of businesses to participate in an offshore wind power project (with generating capacity of 680,000 kW, scheduled to start commercial operation in June 2029) off the coast of Murakami and Tainai, Niigata Prefecture.

- *4 A form of solar power plant where panels are installed on supports erected on farm land, and crops are grown under the panels at the same time as generating electricity.
- *5 Power plants that use renewable energy to generate electricity without utilizing the feed-in tariff (FIT) system, where power companies pay a fixed price for each unit of electricity, or the feed-in premium (FIP) system, where a premium (subsidy) is added to the sale price on the wholesale power market or through negotiated transactions, and no levy is sought for the use of renewable energy.

(2) International Energy

Net sales decreased by 5.6% from the previous year to ¥116.4 billion.

In the renewable energy business in North America, we concluded an agreement with the USA solar power developer European Energy North America, LLC in May 2023 to acquire all the equity of a solar power plant that is developing in Texas, USA. In June 2023, we concluded agreements with Summit Ridge Energy, LLC, which develops decentralized solar power generation projects and storage batteries for power grids, for the joint implementation of a decentralized solar power generation project in Virginia, USA and a power grids storage battery project in New York State, USA.

In Australia, we reached an agreement with the renewable energy power generation business ACE Power Development Pty Ltd for the joint development of a large-scale centralized solar power generation project and storage battery project in eastern Australia.

We also concluded agreements with energy business operators in North America, South America, Europe, the Middle East, and Asia, mainly regarding joint consideration aimed at manufacturing e-methane and exporting it to Japan.



Hirohata Biomass Power Plant
(Hyogo Prefecture)



System battery facility developed with
Summit Ridge Energy, LLC
(New York, US)



Solar power plant developed with ACE
Power Development Pty Ltd (expected
appearance upon completion)

We will continue to strive for building supply chains for e-methane and other products that contribute to carbon neutrality.

(3) Life & Business Solutions

Net sales increased by 6.0% from the previous year to ¥274.0 billion.

Osaka Gas Urban Development Co., Ltd., a group company engaged in the urban development business, expanded its assets by acquiring eight rental apartment buildings, including “Urbanex Honmachi II” (Osaka Prefecture). The company also completed the construction of six condominium buildings, including “SCENES Kyoto Shijo Karasuma” (Kyoto Prefecture) during the fiscal year under review.

The logistics facility “MFLP・OGUD Osaka-Torishima” (Osaka Prefecture), which we developed jointly with Mitsui Fudosan Co., Ltd., was completed in February 2024, and contracts were concluded for the entire space, even before completion.

In September 2023, Osaka Gas Urban Development Asset Management Co., Ltd. began offering private REIT asset management services.

OGIS-RI Co., Ltd., a group company engaged in the information solutions business, strove to provide comprehensive IT services, including consultation, design, development and operation of corporate information systems, AI and cloud services, as well as supporting customers to promote DX.

Osaka Gas Chemicals Co., Ltd., a group company engaged in the material solutions business, strove to develop and expand sales of high-value-added materials, including fine materials, carbon products and preservatives.



Exterior of MFLP・OGUD Osaka-Torishima facility (Osaka Prefecture)



“Xyladecor” wood preservative and coating agent

[Net Sales and Segment Profit for Each Business Segment]

	Domestic Energy	International Energy	Life & Business Solutions
Net sales (Billions of Yen)	1,770.6	116.4	274.0
Percentage change from previous year (%)	(10.2)	(5.6)	+6.0
Percentage of net sales (%)	81.9	5.4	12.7
Segment profit (Billions of Yen)	92.2	79.6	31.0
Percentage change from previous year (%)	*	+14.2	+6.2
Percentage of segment profit (%)	45.5	39.2	15.3

* A segment loss of ¥27.3 billion in the previous year.

Note: The net sales and segment profit for each business segment include amounts relating to inter-segment transactions. Segment profit includes the share of profit of entities accounted for using equity method.

2. Principal Activities of the Group (as of March 31, 2024)

Business Segment	Major Businesses
Domestic Energy	Production, supply and sale of city gas, sale of gas appliances, gas piping work, sale of LNG, transportation of LNG, sale of LPG, sale of industrial gases, and generation and sale of electricity
International Energy	Development and investment relating to natural gas, etc. and supply of energy
Life & Business Solutions	Development and leasing of real estate, information processing service and sale of fine materials and carbon products

3. Capital Investment Activities

The amount of capital investments by the Group was ¥198.4 billion.

We lengthened the gas trunk and branch lines of Osaka Gas Network Co., Ltd. by 135 kilometers, bringing the total length to 51,819 kilometers as of the end of the fiscal year under review.

We also conducted activities such as works for ensuring stable supply and security at gas production and supply facilities, equipment works related to natural gas development and production businesses in our subsidiaries and construction of power plants.

4. Financing Activities

During the fiscal year under review, the Group borrowed ¥26.8 billion and repaid ¥63.9 billion of long-term loans. With respect to corporate bonds^{*1}, the Group issued ¥35.0 billion of transition bonds^{*2} and redeemed ¥10.0 billion during the fiscal year under review.

*1. Short-term bonds are not included.

*2. They are the bonds issued to fund initiatives in accordance with the Group's long-term transition strategy to reduce corporate greenhouse gas emissions.

5. Major Lenders (as of March 31, 2024)

Lenders	Loans Outstanding (Millions of Yen)
Resona Bank, Limited	71,594
MUFG Bank, Ltd.	36,674
Development Bank of Japan Inc.	32,953
Japan Bank for International Cooperation	22,173
The Bank of Kyoto, Ltd.	20,420

6. Outstanding Issues

(1) Management Policies

As “a corporate group that powers continuous advancement in life and business,” the Group aims to create “Value for Customers,” “Value for Society,” “Value for Shareholders” and “Value for Employees” by providing various products and services relating to the energy business, including natural gas, electricity and LPG, and its peripheral services, and non-energy businesses, such as urban development, materials and information businesses. With the recognition that achieving sustainable growth is the Group’s biggest managerial issue in pursuing the above aim, the Group formulated the 2030 Long-term Management Vision “Going Forward Beyond Borders” in 2017 and the new Medium-term Management Plan 2026 “Connecting Ambitious Dreams” in March 2024. We also established the “Carbon Neutral Vision” in 2021 and “Energy Transition 2030” in 2023, presenting our approach and initiatives to achieve carbon neutrality in the Group’s business activities. In line with these visions and plans, the Group will aim to become an innovative and preferred energy & service company through the ages. While responding to changes in the business environment, we will contribute to achieving a sustainable society, continuing to secure peace of mind today, including stable supply and emissions reduction during this period of transition, even as we build sustainable lifestyles for tomorrow by progressively resolving social issues such as carbon neutrality.

(2) Priority Issues

We have set the Three Commitments as a key strategy under Medium-term Management Plan 2026. The first of the Three Commitments is to “co-create value for a sustainable future,” which will contribute to resolving social issues utilizing natural gas and carbon neutrality. The second is to “support employees to shine in their roles” by creating a corporate culture that encourages diverse talent to collaborate. The third is to “evolve the business foundation” that focuses on asset-light management to maximize asset value. Through these initiatives, we aim to create value that contributes to solving social issues and practice portfolio management that accommodates changes in the future business environment based on three pillars— Domestic Energy Business, International Energy Business, and Life & Business Solutions Business. To achieve this, the Group will address the following issues.

(a) Domestic Energy Business

(i) Ensuring stable and economical procurement of fuels and raw materials

We endeavor to ensure the stable procurement of fuels and raw materials such as natural gas by diversifying sources, by way of procuring from many producers. Through the diversification of price indices and other efforts, we aim for procurement of fuels and raw materials which increases our market competitiveness.

In addition, in the event of unforeseen circumstances in fuels and raw materials procurement, we will utilize the know-how we have accumulated through trading and other activities to secure fuels and raw materials in a prompt and flexible manner.

(ii) Ensuring competitive power sources and expansion of renewable energies

Through such efforts as the development of new power sources and procurement of electricity through the wholesale power market and alliance partners, we will seek to construct a competitive portfolio of power sources. Particularly in renewable energy, we will promote development aimed at carbon neutrality and business participation, as well as expansion of procurement sources and acquisition of projects through collaboration and other means.

(iii) Stable and safe energy supply

With safe and stable operation as our top priority, we will continue to address such issues as the maintenance, reinforcement and renovation of facilities for gas production and supply and for power generation and the implementation of countermeasures against natural disasters including earthquakes and tsunamis and other events including the outbreak of infectious diseases for stable supply and improvement of resilience. We also continue to provide responses to emergencies such as gas leakages to secure safety at customer locations.

(iv) Expanding the marketer businesses

By encouraging wider use of gas cogeneration systems such as fuel cell systems, as well as gas air-conditioning systems, expanding the sales of electricity and LPG, expanding the menu of proposals such as D-Lineup, and building an energy network that combines decentralized power sources with renewable energy, we will contribute to the solution of social issues, including the shift to a carbon-neutral society and improvement of resilience. We will also enhance and broaden the range of life support services, such as the “Sumai LINK,” a digitally enabled life services platform, the “Sumikata Service,” and renovation, and services peripheral to the energy business, including the management and maintenance of buildings and facilities, air conditioning and ventilation, water treatment, and energy saving and the visualization of the operational status of facilities. In addition, we will offer fixed communication service, as well as the FitDish frozen meals regular delivery service and a range of energy rate menus according to customers’ lifestyles and business requirements so that we can contribute to the enhancement of customers’ living environment as well as their business growth. Furthermore, we will promote alliances with various business partners, including energy business operators in various locations, thereby expanding the marketer business in a wider geographic area.

(v) Developing energy infrastructure and promoting the engineering business

We will promote efforts to develop new energy infrastructure, such as natural gas-fired thermal power plants. Toward the customers who are considering the use of LNG, we will propose solutions that meet the customers’ needs based on the expertise accumulated through our business experience, thereby promoting our engineering business.

(vi) Promoting a fair and efficient gas pipeline service business

As a general gas pipeline service business operator, we are committed to making continuous efforts to maintain and expand the demand for city gas, while ensuring neutrality and transparency and enhancing the convenience of the transportation service, and meeting the needs of communities and consumers.

(b) International Energy Business

We will steadily promote the projects we are currently undertaking, such as the shale gas development business operated by Sabine Oil & Gas Corporation in North America, and strive to ensure safe and stable operation in the liquefaction business of the Freeport LNG project in North America and the production business in Gorgon LNG project and Ichthys LNG project in Australia. In the IPP business, we will ensure the steady operation of the gas-fired power generation business, as well as the development and acquisition of renewable energy and other energy sources. In the marketer business, we will steadily operate gas, electric power, and energy service businesses and develop new projects, while also acquiring expertise in new areas through business participation, etc., by utilizing the knowledge we have cultivated in Japan. Furthermore, we will promote our energy infrastructure development and engineering business by proposing solutions that meet customers’ needs.

(c) Life & Business Solutions Business

Based on the expertise and knowledge accumulated through our energy businesses, we will offer products and services that capitalize our unique strengths in our non-energy businesses relating to urban development, materials and information, thereby helping our customers at home and abroad to achieve comfort, convenience and good health and contributing to the advancement of the life and business of our customers.

(d) Management Foundations

(i) Practice of management with attention to ESG (Environment, Society and Governance)

In accordance with the “Daigas Group Charter of Business Conduct,” we will ensure corporate management, paying attention to ESG. In tandem with the parties involved with the supply chain of the Group at home and abroad, we will make continued efforts to gain greater trust from our customers and society.

On the environmental side, as the society goes through a period of transition to a carbon-neutral society, we will promote fuel conversion from coal and petroleum, etc. to natural gas and the introduction of highly efficient facilities, while further expanding efforts to reduce CO₂ emissions at customers’ sites and in our own business activities by introducing renewable energy and promoting carbon-neutral LNG and city gas. Furthermore, we will continue to develop technologies such as e-methane and hydrogen and establish supply chains in order to realize a carbon-neutral society. In addition, based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we will work to enhance the disclosure of information on our efforts for carbon neutrality. On the social front, we will promote human rights and occupational health and safety initiatives in accordance with the Daigas Group Human Rights Policy established in April 2021, based on international norms, and foster a culture of diversity, equity and inclusion through the appointment of female directors and other means. In the area of governance, we will continue our efforts to raise awareness of compliance, strengthen our governance structure through the transition to a Company with an Audit and Supervisory Committee, and promote information security measures.

(ii) Promoting innovation, technological development and digital transformation

We will seek to increase value by creating new services utilizing the latest digital technologies and internal and external ideas, such as IoT and AI, and improve productivity through operation reforms and system renovations inside the Company.

We will also promote efforts to achieve higher efficiency and lower costs for gas appliances and facilities, including fuel cell systems, and to develop new technologies relating to materials, information processing, and efforts for carbon neutrality, etc.

(iii) Reinforcing human resources and organization

To maximize the Group’s output, we will promote the creation of environments where diverse personnel can come together and collaborate, bringing out the best in each employee. From a human resources standpoint, in addition to expanding our hiring of diverse and highly-specialized talent, while also enhancing our programs and training to promote employee growth. From an organizational standpoint, we will engage in achieving the optimal allocation of personnel through talent management, promoting diversity, equity and inclusion, transforming working styles and jobs, and fostering an organizational culture that encourages employees to grow and take on challenges. We will revitalize each initiative through two-way communication between the Group and its personnel and strive to enhance employee engagement.

(3) Conclusion

The Group will continue to implement highly effective internal controls by monitoring and assessing its internal control system and providing necessary measures. With such system effectively in place, the Group tackles the issues described above and exerts ceaseless efforts to achieve sustainable growth by implementing the “Daigas Group Corporate Principles.”

The Group looks forward to the continued support and encouragement from all shareholders.

7. Financial Position and Profits and Losses

Division	Year ended March 2021 (203rd Term)	Year ended March 2022 (204th Term)	Year ended March 2023 (205th Term)	Year ended March 2024 (206th Term)
Net sales (Millions of Yen)	1,364,106	1,591,120	2,275,113	2,083,050
Ordinary profit (Millions of Yen)	127,752	113,525	75,649	226,563
Profit attributable to owners of parent (Millions of Yen)	80,857	130,421	57,110	132,679
Basic earnings per share (Yen)	194.48	313.69	137.39	320.60
Total assets (Millions of Yen)	2,313,357	2,588,086	2,819,589	2,980,127
Net assets (Millions of Yen)	1,114,597	1,296,089	1,417,178	1,604,992

Note: From the 205th Term, the Company prepares its consolidated financial statements based only on “Regulation on Consolidated Financial Statements.” It has also changed the method used for revenue associated with the sale of gas to the method based on Article 103-2 of the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021). The results for the 204th Term have been calculated to reflect this change retrospectively, and the figures presented in this Business Report are based on figures reflecting this change.

8. Major Offices, Plants and Employees (as of March 31, 2024)

(1) Major Offices, etc.

The Company	Head Office	Head Office (Osaka Prefecture)
	Offices	Osaka Office (Osaka Prefecture) Nanbu Office (Osaka Prefecture) Hokubu Office (Osaka Prefecture) Tobu Office (Osaka Prefecture) Hyogo Office (Hyogo Prefecture) Keiji Office (Kyoto Prefecture)
	LNG Terminals	Semboku LNG Terminals (Osaka Prefecture) Himeji LNG Terminal (Hyogo Prefecture)
	Research Center	Energy Technology Laboratories (Osaka Prefecture)
Subsidiaries ¹		Osaka Gas Urban Development Co., Ltd. (Osaka Prefecture) OGIS-RI Co., Ltd. (Osaka Prefecture) Osaka Gas Chemicals Co., Ltd. (Osaka Prefecture) Osaka Gas Network Co., Ltd. (Osaka Prefecture) Osaka Gas Marketing Co., Ltd. (Osaka Prefecture) Daigas Energy Co., Ltd. (Osaka Prefecture) Daigas Gas and Power Solution Co., Ltd. (Osaka Prefecture) Osaka Gas USA Corporation (Texas, USA)

(2) Employees

Business Segment	Number of Employees ²
Domestic Energy	11,279
International Energy	361
Life & Business Solutions	9,519
Total	21,159

Notes:

1. The head office locations of the principal subsidiaries are shown as major offices.
2. The above number of employees indicates the number of employees currently on duty.

9. Business Transfers, Absorption-type Splits, etc.

On April 1, 2023, the Company transferred part of its residential-use gas appliances sales and construction businesses by means of an absorption-type company split to Osaka Gas Marketing Co., Ltd. In March 2024, the Company decided to transfer part of the real estate business of Daigas Energy Co., Ltd. and the real estate business of OG Capital Co., Ltd. to the Company by means of an absorption-type company split (scheduled to take effect on July 1, 2024).

10. Outline of Principal Subsidiaries (as of March 31, 2024)

The Group treats the following affiliated companies that play a central role in energy business and other businesses and that are positioned as elementary units for the management of the Group as Core Non-Energy Business Companies, Network Company, Core Energy Business Companies, and Overseas Regional Headquarters, which the Group recognizes as principal subsidiaries.

Category	Company	Capital	Holding	Main Activities
Core Non-Energy Business Companies	Osaka Gas Urban Development Co., Ltd.	¥1,570 mil.	100%	Development, leasing, management, and sale of real estate
	OGIS-RI Co., Ltd.	¥440 mil.	100%	Development of software and information processing services via computers
	Osaka Gas Chemicals Co., Ltd.	¥14,231 mil.	100%	Manufacture and sale of fine materials, carbon products, etc.
Network Company	Osaka Gas Network Co., Ltd.	¥6,000 mil.	100%	General gas pipeline service business, etc. (city gas transportation service, gas piping work, etc.)
Core Energy Business Companies	Osaka Gas Marketing Co., Ltd.	¥100 mil.	100%	Sales of gas and electricity for residential use; sales and maintenance of gas appliances; and home renovation
	Daigas Energy Co., Ltd.	¥310 mil.	100%	Sales of gas and electricity for business use; sales and maintenance of gas appliances; energy service business; sales of LNG and LPG; and heat supply business
	Daigas Gas and Power Solution Co., Ltd.	¥100 mil.	100%	Operation and maintenance of LNG terminals and power plants; power generation and sales of electricity; and engineering service business
Overseas Regional Headquarters	Osaka Gas USA Corporation	US\$1	100%	Investment, etc. relating to natural gas and energy supply businesses in North America

Note: The Group has 159 consolidated subsidiaries, including the above eight principal subsidiaries.

II. Officers

1. Details of Directors and Audit & Supervisory Board Members (as of March 31, 2024)

Position	Name	Business in Charge	Significant Concurrent Positions
Chairman and Director	Takehiro Honjo		Chairperson of The Japan Gas Association Member of the Osaka Prefectural Public Safety Commission Director of Asahi Broadcasting Group Holdings Corporation Director of Osaka Gas Urban Development Co., Ltd.
Representative Director and President Executive President	Masataka Fujiwara		Director of OGIS-RI Co., Ltd. Director of Osaka Gas Chemicals Co., Ltd.
Representative Director Executive Vice-President	Tadashi Miyagawa	Head of Technology Head of Carbon Neutral Promotion In charge of: Tokyo Branch Responsible for: LNG, Power & Engineering Business Unit and Innovation Headquarters Osaka Gas Chemicals Co., Ltd.	Director of Osaka Gas Chemicals Co., Ltd.
Representative Director Executive Vice-President	Takeshi Matsui	Head of ESG Promotion President of Corporate Planning Headquarters Responsible for: Energy Resources & Int'l Business Unit OGIS-RI Co., Ltd.	Director of OGIS-RI Co., Ltd.
Representative Director Executive Vice-President	Takayuki Tasaka	In charge of: Overall Representative Responsible for: Energy Solution Business Unit Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept. Osaka Gas Urban Development Co., Ltd.	Director of Osaka Gas Urban Development Co., Ltd.
Director Senior Executive Officer	Fumitoshi Takeguchi	In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept., Purchasing Dept. and Auditing Dept.	

Position	Name	Business in Charge	Significant Concurrent Positions
Director	Kazutoshi Murao		Counselor to the president of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION Vice Chairman of Kansai Economic Federation Director of Keihan Holdings Co., Ltd.
Director	Tatsuo Kijima		Advisor of West Japan Railway Company Audit & Supervisory Board Member of Sumitomo Electric Industries, Ltd.
Director	Yumiko Sato		Trustee of Otemon Gakuin Educational Foundation
Director	Mikiyo Niizeki		Professor of Doctoral Program, Graduate School of Economics, Doshisha University Assistant to the President of Doshisha University
Audit & Supervisory Board Member (full-time)	Hisaichi Yoneyama		
Audit & Supervisory Board Member (full-time)	Ichiro Hazama		
Audit & Supervisory Board Member	Shigemi Sasaki		Governor of Japan Bar Association and Head of Kinki Branch of Japan Bar Association
Audit & Supervisory Board Member	Eriko Nashioka		Representative Director of Institute for Environmental Management Accounting Director of Nashioka Accounting Office Audit & Supervisory Board Member of Sansha Electric Manufacturing Co., Ltd. Director (Audit & Supervisory Committee Member) of FUKUSHIMA GALILEI CO. LTD.
Audit & Supervisory Board Member	Chieko Minami		Professor of Graduate School of Business Administration, Kobe University Vice President of Kobe University

Notes:

- 1) “Responsible for” in the “Business in Charge” column means monitoring and providing advice and suggestions concerning the operations of specific headquarters, organization, position, Core Non-Energy Business Company or person in a designated position according to its managerial importance, effect on business management and other factors.
- 2) Directors Kazutoshi Murao, Tatsuo Kijima, Yumiko Sato and Mikiyo Niizeki are outside directors as specified in Article 2, Item 15 of the Companies Act.

- 3) Audit & Supervisory Board Members Shigemi Sasaki, Eriko Nashioka and Chieko Minami are outside audit & supervisory board members as specified in Article 2, Item 16 of the Companies Act.
- 4) All of the outside Directors and outside Audit & Supervisory Board Members have been notified as independent officers pursuant to the provisions prescribed by the Tokyo Stock Exchange.
- 5) There are no special relationships between the entities set out in the column “Significant Concurrent Positions” for each outside Director/outside Audit & Supervisory Board Member and the Company.
- 6) Director Mikiyo Niizeki and Audit & Supervisory Board Member Ichiro Hazama were newly appointed at the 205th Annual Meeting of Shareholders held on June 23, 2023, and assumed office on the same day.
- 7) Audit & Supervisory Board Member Eriko Nashioka is qualified as a certified public accountant and tax accountant, and possesses substantial expertise related to finance and accounting.
- 8) In the column of “Significant Concurrent Positions,” “Director of Asahi Broadcasting Group Holdings Corporation” for Director Takehiro Honjo and “Director of Keihan Holdings Co., Ltd.” for Director Kazutoshi Murao are both outside director positions, and “Director of FUKUSHIMA GALILEI CO. LTD.” for Audit & Supervisory Board Member Eriko Nashioka is an outside director (audit & supervisory committee member) position. “Audit & Supervisory Board Member of Sumitomo Electric Industries, Ltd.” for Director Tatsuo Kijima and “Audit & Supervisory Board Member of Sansha Electric Manufacturing Co., Ltd.” for Audit & Supervisory Board Member Eriko Nashioka are both outside auditor positions.
- 9) Director Tadashi Miyagawa retired as Representative Director and Director on March 31, 2024. He retired as Director of Osaka Gas Chemicals Co., Ltd. on April 1, 2024.
 Director Takeshi Matsui retired as Representative Director on March 31, 2024.
 Director Fumitoshi Takeguchi retired as Senior Executive Officer on March 31, 2024.
- 10) Director Takehiro Honjo retired as Chairperson of The Japan Gas Association on March 31, 2024.
 Director Mikiyo Niizeki retired as Assistant to the President of Doshisha University on March 31, 2024.
 Audit & Supervisory Board Member Chieko Minami retired as Professor of Graduate School of Business Administration, Kobe University and Vice President of Kobe University on March 31, 2024.
- 11) Changes in the responsibilities of Directors after the end of the fiscal year under review:
 Director Takayuki Tasaka (from April 1, 2024)
 In charge of: Tokyo Branch, Overall Representative in Tokyo
 Responsible for: Energy Solution Business Unit, Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept.
 Osaka Gas Urban Development Co., Ltd. and OGIS-RI Co., Ltd.
- 12) Changes in the “Significant Concurrent Positions” of Directors after the end of the fiscal year under review:
 Director Takehiro Honjo retired as Director of Osaka Gas Urban Development Co., Ltd. on April 1, 2024.
 Director Masataka Fujiwara retired as Director of OGIS-RI Co., Ltd. and Director of Osaka Gas Chemicals Co., Ltd. on April 1, 2024.
 Director Takeshi Matsui retired as Director of OGIS-RI Co., Ltd. on April 1, 2024.
 Director Takayuki Tasaka assumed office as Director of OGIS-RI Co., Ltd. on April 1, 2024.
 Audit & Supervisory Board Member Chieko Minami assumed office as Professor of Department of Modern Management, Sugiyama Jogakuen University on April 1, 2024.

2. Indemnity Agreement

The Company has concluded indemnity agreements with the Directors and Audit & Supervisory Board Members listed in “II. 1. Details of Directors and Audit & Supervisory Board Members” above for the purpose of indemnifying them for the costs set forth in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses set forth in Item 2 of the same Paragraph to the extent permitted by laws and regulations.

In order to ensure that the said indemnity agreement does not impair the appropriateness of the execution of duties by officers, the Company mainly stipulates the following matters in the said indemnity agreement.

- The maximum amount of indemnification per event
- Indemnity will not apply to costs or losses incurred as a result of duties executed while being aware that they violate laws and regulations
- A portion of the losses shall be borne by the officer himself/herself

3. Directors and Officers Liability Insurance Contract

The Company has concluded an insurance contract with an insurance company to cover damages, etc. (compensation for statutory damages, litigation costs, etc.) incurred by the insured as a result of claims for damages against them, with the Company and its subsidiaries in Japan, as well as the Directors, Audit & Supervisory Board Members, executive officers, employees in middle management^{*1} and officers dispatched to external entities^{*2} from the Company and its subsidiaries in Japan as the insured^{*3}.

*1 Important employees such as heads of basic organizations who are appointed by the resolution of the Board of Directors.

*2 Persons who hold the position of director, executive officer, audit & supervisory board member, or accounting advisor under the Companies Act (including positions that are considered equivalent to these positions) at an external corporation as per the Company's instructions, etc.

*3 Includes persons who resigned or retired from the insured position on or after January 25, 1992, and persons who were newly appointed to the insured position during the insurance period.

In order to ensure that the said insurance contract does not impair the appropriateness of the execution of duties by the insured, the Company mainly stipulates the following matters in the said insurance contract.

- The total limit of insurance claims during the insurance period
- Insurance claims will not cover damages caused by illegal acceptance of personal benefits or provision of convenience, criminal conducts, etc.
- A portion of the damage shall be borne by the insured himself/herself

Insurance premiums under the insurance contract are fully borne by the Company.

4. Outside Officers

(1) Principal Activities

The principal activities of outside officers are shown in the table below.

The Company expects outside Directors to participate in decision-making as members of the Board of Directors, and to monitor and supervise the execution of duties by executive Directors from an independent position based on their experience, knowledge and other assets. They appropriately fulfill their roles by attending and making comments at meetings of the Board of Directors and the voluntarily appointed advisory committee.

Position	Name	Attendance and Comments
Director	Kazutoshi Murao	Kazutoshi Murao attended 13 out of the 13 meetings of the Board of Directors. He made comments as appropriate based on his considerable experience and extensive knowledge in corporate and organizational management and from his independent position as an outside Director.
Director	Tatsuo Kijima	Tatsuo Kijima attended 13 out of the 13 meetings of the Board of Directors. He made comments as appropriate based on his considerable experience and extensive knowledge in corporate and organizational management and from his independent position as an outside Director.
Director	Yumiko Sato	Yumiko Sato attended 13 out of the 13 meetings of the Board of Directors. She made comments as appropriate based on her deep insight in life and culture and from her independent position as an outside Director.
Director	Mikiyo Niizeki	Mikiyo Niizeki attended 11 out of 11 meetings of the Board of Directors held after she assumed the office of Director of the Company on June 23, 2023. She made comments as appropriate based on her deep knowledge in the field of economics and her considerable experience in organizational management, as well as from her independent position as an outside Director.
Audit & Supervisory Board Member	Shigemi Sasaki	Shigemi Sasaki attended 13 out of 13 meetings of the Board of Directors and 14 out of 14 meetings of the Audit & Supervisory Board. He made comments as appropriate based on his considerable experience and specialized knowledge as a legal professional and from his independent position as an outside Audit & Supervisory Board Member.
Audit & Supervisory Board Member	Eriko Nashioka	Eriko Nashioka attended 13 out of 13 meetings of the Board of Directors and 14 out of 14 meetings of the Audit & Supervisory Board. She made comments as appropriate based on her deep knowledge concerning finance, accounting, and ESG and her considerable experience in corporate and organizational management, as well as from her independent position as an outside Audit & Supervisory Board Member.
Audit & Supervisory Board Member	Chieko Minami	Chieko Minami attended 11 out of 11 meetings of the Board of Directors and 11 out of 11 meetings of the Audit & Supervisory Board held after she assumed the office of Audit & Supervisory Board Member of the Company on June 23, 2023. She made comments as appropriate based on her deep knowledge in the field of economics and her considerable experience in organizational management, as well as from her independent position as an outside Audit & Supervisory Board Member.

(2) Summary of Liability Limitation Agreement

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has an agreement with each of the outside Directors and outside Audit & Supervisory Board Members to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount provided for in laws and regulations.

5. Remuneration for Directors and Audit & Supervisory Board Members

(1) Decision Policies on Content of Remuneration, etc. for Each Individual Director

The Company has established a policy on determining the content of remuneration, etc. for each individual Director (hereinafter the “Policy on Determining Remuneration”) as prescribed by the resolution of the Board of Directors after deliberation at a voluntarily appointed advisory committee made up of a majority of the outside Directors. This policy is summarized in the table* below.

* The Policy on Determining Remuneration to be established subject to the approval, without alteration, of Proposal 2, Proposal 6 and Proposal 8 at the 206th Annual Meeting of Shareholders to be held in June 2024. The changes from the current Policy on Determining Remuneration are underlined, and the details of the changes are presented in the notes.

Policy on Determining Remuneration (upon the approval of Proposal 2, Proposal 6 and Proposal 8)
<p>Basic Approach*¹</p> <p>Remuneration for Directors (<u>excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter</u>) 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.</p> <p>Remuneration for <u>executive</u> Directors shall consist of basic remuneration as fixed remuneration, performance-linked remuneration and stock-based remuneration. <u>Remuneration for the Chairman and Director shall consist of basic remuneration and stock-based remuneration as fixed remuneration, to clarify the separation between executive and supervisory functions.</u> Remuneration for outside Directors shall only consist of basic remuneration as fixed remuneration, as they have a standpoint independent of business execution.</p> <p>Remuneration for Directors shall be determined within the total amount of remuneration approved at the Annual Meeting of Shareholders, after deliberation at a voluntarily appointed advisory committee made up of a majority of the outside Directors, from the perspective of ensuring objectivity and seeking transparency in the decision-making process.</p> <p>Basic Remuneration</p> <p>Basic remuneration shall be 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.</p> <p>Performance-linked Remuneration*²</p> <p>Performance-linked remuneration shall be monetary remuneration paid on a monthly basis. The amount shall be determined using <u>consolidated EBITDA for a single fiscal year, consolidated ROA for the past three years and the ESG indicators set forth in the Medium-Term Management Plan</u>, to encourage contribution to short-term and mid- to long-term increases in corporate value.</p> <p>Stock-based Remuneration</p> <p>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.</p> <p>Ratio by Type of Remuneration*³</p> <p>For <u>executive</u> Directors, the standard ratio of basic remuneration, performance-linked remuneration, and stock-based remuneration should be <u>4:4:2</u>. <u>For the Chairman and Director, the ratio of basic remuneration to stock-based remuneration should be 8:2.</u> Remuneration for outside Directors shall fully consist of basic remuneration.</p> <p>Procedures for Determining Remuneration</p> <p>The content of remuneration for each individual Director shall be made in accordance with the rules prescribed by the resolution of the Board of Directors, and, after deliberation at the voluntarily appointed advisory committee, shall be determined by the resolution of the Board of Directors. However, the content</p>

of monetary remuneration may be determined by the Representative Director and President based on delegation of authority by the resolution of the Board of Directors.

Remuneration for Directors who are Audit and Supervisory Committee Members shall be determined through discussion between the Directors who are Audit and Supervisory Committee Members, within the total remuneration limit approved by the Meeting of Shareholders.

Note: There is no mention of Directors who are Audit and Supervisory Committee Members in the current Policy on Determining Remuneration.

- *1 The current Policy on Determining Remuneration assumes a basic approach to the determination of remuneration that distinguishes between “remuneration for Directors other than outside Directors” and “remuneration for outside Directors.”
- *2 In the current Policy on Determining Remuneration, the underlined portion is: “the profit attributable to owners of parent for the past three years and the coefficient of ESG indicators achievement in the previous year as the main indicator.”
- *3 In the current Policy on Determining Remuneration, the target ratio of basic remuneration, performance-linked remuneration, and stock-based remuneration for “Directors other than outside Directors” is shown as “5:4:1.”

(2) Resolution of the Annual Meeting of Shareholders on Remuneration, etc. of Directors

The amount of monthly monetary remuneration for Directors (including outside Directors) was resolved at the 203rd Annual Meeting of Shareholders held on June 25, 2021 to be up to ¥57 million.

In addition, at the same Annual Meeting of Shareholders, it was also resolved that the total amount of monetary remuneration to be paid to Directors (excluding outside Directors) for granting restricted stock shall not exceed ¥72 million per year (¥6 million per month) and that the total number of common shares of the Company to be issued or disposed of by the Company in exchange for the contribution of monetary remuneration claims shall not exceed 48 thousand shares per year.

As of the end of the said Annual Meeting of Shareholders, the number of Directors who are eligible for the monthly monetary remuneration was ten (including four outside Directors) and the number of Directors who are eligible for stock-based remuneration was six.

(3) Delegation, etc. of Decision of Content of Remuneration, etc. for Each Individual Director

Of the remuneration paid to each Director during the fiscal year under review, the amount of monthly monetary remuneration and the timing and method of payment, among other factors, were determined by Representative Director and President Masataka Fujiwara based on delegation of authority by a resolution of the Board of Directors. The Company has delegated the above authority to the Representative Director and President, as the position is considered to be the best suited to determine the contents of remuneration, taking into account the status of the execution of duties by each executive Director while maintaining a comprehensive view of the Company’s performance.

In addition, to ensure that the authority of the Representative Director and President is exercised appropriately, the delegation of authority is conducted so that the remuneration amount, etc. for each individual Director is determined in accordance with the Policy on Determining Remuneration and 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 the Company’s business performance, after deliberation at a voluntarily appointed advisory committee made up of a majority of the outside Directors. As the amount of remuneration, etc. for each individual Director is determined through such a procedure, the Board of Directors has judged that the content of remuneration, etc. for each individual Director for the fiscal year under review is in line with the Policy on Determining Remuneration.

(4) Resolution of the Annual Meeting of Shareholders and Decision on Remuneration, etc. for Audit & Supervisory Board Members

The amount of remuneration for Audit & Supervisory Board Members was approved at the 176th Annual Meeting of Shareholders held on June 29, 1994 to be up to ¥14 million per month. The number of Audit & Supervisory Board Members at the end of said Annual Meeting of Shareholders was five.

The amount of remuneration for each Audit & Supervisory Board Member shall be determined through discussions among Audit & Supervisory Board Members within this amount, and consisting only of fixed remuneration because they are assigned the role of auditing the execution of duties by Directors from a standpoint independent of the performance of the Company's businesses, and taking into consideration the position, etc. of each Audit & Supervisory Board Member.

(5) Remuneration Paid to Directors and Audit & Supervisory Board Members

	Total amount of remuneration (Millions of Yen)				Number of eligible officers
		Fixed	Performance-linked	Non-monetary	
Directors (excluding outside Directors)	421	203	173	45	6
Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members)	67	67	—	—	3
Outside Directors	48	48	—	—	5
Outside Audit & Supervisory Board Members	36	36	—	—	4

Notes:

1. The total amounts of remuneration paid to Directors, Audit & Supervisory Board Members and outside officers were ¥469 million, ¥103 million and ¥84 million, respectively.
2. The amounts of remuneration and the number of Audit & Supervisory Board Members (excluding outside Audit & Supervisory Board Members), outside Directors, and outside Audit & Supervisory Board Members include the amount for one Director and two Audit & Supervisory Board Members (including one outside Audit & Supervisory Board Member) who retired at the end of the 205th Annual Meeting of Shareholders held on June 23, 2023.
3. The amount of performance-linked remuneration is calculated mainly by multiplying the fixed remuneration by a coefficient calculated using the profit attributable to owners of parent for the past three years and the coefficient of ESG indicators achievement for the fiscal year ended March 31, 2023 as the primary indicators. These performance indicators were selected because the Company has judged that they will contribute to raising motivation for Directors to achieve short-term and mid- to long-term increases in corporate value.

Results for profit attributable to owners of parent are as detailed in "I. 7. Financial Position and Profits and Losses" above. For the coefficient of ESG indicators achievement, the Company has established 14 ESG indicators (i. Number of customer accounts, ii. Customer satisfaction rate, iii. Build resilient energy supply facilities<gas line earthquake survival rate and number of earthquakes blocked>, iv. Proportion of power from renewable energy, v. Renewable energy development contribution, vi. CO₂ emissions reduction contribution, vii.

Civic activities (urban development plans, etc.), viii. Co-creation projects with the local community, ix. Number of appropriate new suppliers, x. Employee awareness surveys, xi. Annual training hours per employee, xii. Proportion of female officers, xiii. Promotion rate of females to management positions, xiv. Proportion of female career-track recruits), and achieved its targets for 12 of these indicators, excluding i. and iii.

4. The Company grants restricted stock to Directors (excluding outside Directors, hereinafter referred to as “Eligible Directors”) as non-monetary remuneration (stock-based remuneration). Based on the resolution of the Board of Directors, the Company pays monetary remuneration for the grant of restricted stock to the Eligible Directors, and the Eligible Directors receive the Company’s treasury shares in exchange for contributing all of the rights to receive monetary remuneration in kind. The restricted transfer period is the period from the date of receipt of allotment of shares to the date of retirement. The restriction on transfer will be lifted upon expiration of the restricted transfer period, provided that the retirement of the Eligible Director is due to reasons, etc., that the Company deems justifiable. The specific timing and allocation of payments to Eligible Directors are determined by the Board of Directors, and the number of shares allocated to Eligible Directors during the fiscal year under review is as described in “III. 3. Status of shares delivered to officers of the Company as compensation for the performance of the duties during the fiscal year under review” below.

III. Shares (as of March 31, 2024)

1. Number of Shares Issued and Number of Shareholders

Number of Authorized Shares	700,000,000 shares
Number of Shares Issued and Outstanding*	409,912,100 shares
Number of Shareholders	90,997

*966,125 treasury shares are included. As a result of the cancellation of treasury shares, the “Number of Shares Issued and Outstanding” has decreased by 6,767,900 shares compared to March 31, 2023.

2. Principal Shareholders

Shareholders	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	65,445	16.00
Custody Bank of Japan, Ltd. (trust account)	28,146	6.88
Nippon Life Insurance Company	13,469	3.29
Resona Bank, Limited	10,555	2.58
STATE STREET BANK WEST CLIENT-TREATY 505234	10,053	2.46
MUFG Bank, Ltd.	8,391	2.05
Aioi Nissay Dowa Insurance Co., Ltd.	5,973	1.46
Meiji Yasuda Life Insurance Company	5,838	1.43
JP MORGAN CHASE BANK 385781	5,417	1.32
STATE STREET BANK AND TRUST COMPANY 505103	4,986	1.22

Note: The number of treasury shares is excluded from the “Number of Shares Issued and Outstanding” in calculating the shareholding ratios.

3. Purchase and cancellation of treasury shares

The Company repurchased 6,767,900 shares in the open market based on a resolution adopted at the Board of Directors meeting held on October 27, 2023. These shares were cancelled on March 25, 2024, based on a resolution adopted at the Board of Directors meeting held on March 7, 2024.

4. Status of shares delivered to officers of the Company as compensation for the performance of the duties during the fiscal year under review

Officers	Number of shares	Number of officers
Directors (excluding outside Directors)	20,100 shares	6

Note: The Company disposed of 56,100 shares of its treasury stock on July 20, 2023 as stock-based compensation to the above six Directors and twenty-one Executive Officers who do not concurrently serve as Directors.

5. Policy on the determination of dividends of surplus, etc.

The Company’s policy on the determination of dividends of surplus is to base dividend decisions on the principle of maintaining stable dividends while aiming for a consolidated payout ratio of at least 30%, upon consideration of factors such as financial results and future management plans and excluding short-term causes of fluctuation in profits.

As a rule, the Company's year-end dividends are determined by resolution of the Shareholders' Meeting. Under Article 30, Paragraph 1 of the Articles of Incorporation, the Company may determine year-end dividends by resolution of the Board of Directors only when it is difficult to do so by resolution of the Shareholders' Meeting due to epidemic, natural disaster, or similar cause.

The Company's policy regarding the determination of dividends of surplus from the 207th Term onward is to aim for dividends-on-equity (DOE) of 3.0%, with consideration for factors such as financial performance and future management plans, while maintaining the basic approach of progressively increasing dividends.

IV. Accounting Auditor

1. Name of Accounting Auditor

KPMG AZSA LLC

2. Remuneration, etc., for Accounting Auditor

(1) Amount of Fees and Other Charges Payable to the Accounting Auditor for the Fiscal Year under Review

	Fees for audit and attestation services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	112*	8
The Company's subsidiaries	160	25
Total	272	34

*As the audit fees under the Companies Act and those under the Financial Instruments and Exchange Act are not separated for the purpose of the audit contract executed between the Company and the accounting auditor and are impractical to separate, the amount specified above is the total amount of audit fees payable under both Acts.

(2) Reason for the Audit & Supervisory Board's Consent for Remuneration, etc., for the Accounting Auditor

The Audit & Supervisory Board considered such items as the accounting auditor's audit plans, the status of the accounting auditor pursuing its duties and the basis of estimates for remuneration. As a result, the Audit & Supervisory Board judged that the remuneration, etc., for the accounting auditor was appropriate and provided consent as stipulated in Article 399, Paragraph 1 of the Companies Act.

3. Non-Audit Services

The Company entrusted duties such as the provision of professional advice on legal and regulatory matters such as tax affairs relating to the consideration of regional revitalization projects to the accounting auditor and paid consideration therefor.

4. Policy on Decision of Dismissal or Non-Reappointment of Accounting Auditor

In the event that the accounting auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act, the Company's Audit & Supervisory Board will dismiss the accounting auditor upon the unanimous agreement of all Audit & Supervisory Board Members. In addition, in the event that the accounting auditor's proper performance of its duties is found to be difficult based on the Audit & Supervisory Board's comprehensive evaluation of the accounting auditor in terms of qualifications, expertise and independence, the Audit & Supervisory Board will determine the content of a proposal regarding the dismissal or non-reappointment of the accounting auditor to be submitted to the shareholders' meeting.

Consolidated Balance Sheet (As of March 31, 2024)

(Millions of Yen)

Assets		Liabilities	
Current assets	762,479	Current liabilities	393,936
Cash and deposits	77,668	Notes and accounts payable - trade	82,907
Notes and accounts receivable - trade, and contract assets	270,527	Other	311,029
Lease receivables and investment in leases	61,502	Non-current liabilities	981,198
Inventories	211,828	Bonds payable	459,999
Other	142,101	Long-term borrowings	354,588
Allowance for doubtful accounts	(1,148)	Deferred tax liabilities	54,754
		Retirement benefit liability	19,611
		Other	92,245
Non-current assets	2,217,647	Total liabilities	1,375,135
Property, plant and equipment	1,304,945	Net assets	
Buildings and structures	195,216	Shareholders' equity	1,246,360
Machinery, equipment and vehicles	660,691	Share capital	132,166
Land	242,068	Capital surplus	19,056
Construction in progress	179,896	Retained earnings	1,097,883
Other	27,071	Treasury shares	(2,746)
Intangible assets	109,243	Accumulated other comprehensive income	331,152
Investments and other assets	803,458	Valuation difference on available-for-sale securities	87,899
Investment securities	538,803	Deferred gains or losses on hedges	61,656
Retirement benefit asset	126,854	Revaluation reserve for land	(2,395)
Other	138,611	Foreign currency translation adjustment	140,583
Allowance for doubtful accounts	(811)	Remeasurements of defined benefit plans	43,407
		Non-controlling interests	27,479
		Total net assets	1,604,992
Total assets	2,980,127	Total liabilities and net assets	2,980,127

Consolidated Statement of Income (April 1, 2023 to March 31, 2024)

(Millions of Yen)

Account	Amount
Net sales	2,083,050
Cost of sales	1,672,681
[Gross profit]	[410,368]
Selling, general and administrative expenses	237,814
[Operating profit]	[172,553]
Non-operating income	78,305
Interest income	10,212
Dividend income	4,086
Share of profit of entities accounted for using equity method	31,982
Other	32,024
Non-operating expenses	24,295
Interest expenses	14,436
Other	9,859
[Ordinary profit]	[226,563]
Extraordinary losses	30,546
Impairment losses	20,194
Loss on disaster	4,835
Loss on sale of shares of subsidiaries and associates	5,515
[Profit before income taxes]	[196,017]
Income taxes - current	31,499
Income taxes - deferred	30,390
[Profit]	[134,127]
Profit attributable to non-controlling interests	1,448
Profit attributable to owners of parent	132,679

Non-Consolidated Balance Sheet (As of March 31, 2024)

(Millions of Yen)

Assets		Liabilities	
Current assets	486,099	Current liabilities	398,795
Cash and deposits	10,738	Accounts payable - trade	46,301
Notes receivable - trade	68	Short-term borrowings	179,591
Accounts receivable - trade	225,858	Accounts payable - other	13,507
Merchandise and finished goods	21,299	Accrued expenses	93,217
Raw materials and supplies	76,984	Income taxes payable	2,545
Short-term loans receivable	132,527	Advances received	92
Other	19,142	Deposits received	3,954
Allowance for doubtful accounts	(518)	Other	59,584
Non-current assets	1,447,507	Non-current liabilities	719,464
Property, plant and equipment	144,397	Bonds payable	459,999
Buildings	17,584	Long-term borrowings	229,535
Structures	13,723	Provision for retirement benefits	1,783
Machinery and equipment	30,311	Other	28,147
Tools, furniture and fixtures	1,537	Total liabilities	1,118,260
Land	67,352	Net assets	
Construction in progress	13,690	Shareholders' equity	784,672
Other	197	Share capital	132,166
Intangible assets	36,845	Capital surplus	19,482
Software	36,204	Legal capital surplus	19,482
Other	641	Retained earnings	635,770
Investments and other assets	1,266,264	Legal retained earnings	33,041
Investment securities	104,704	Other retained earnings	602,728
Shares and investments in capital of subsidiaries and associates	684,043	Reserve for reduction entry of specified replaced properties	195
Long-term loans receivable	392,514	Reserve for overseas investment loss	4,404
Prepaid pension costs	66,076	Reserve for investment promotion taxation	217
Other	19,177	Reserve for adjustment of cost fluctuations	89,000
Allowance for doubtful accounts	(252)	General reserve	62,000
		Retained earnings brought forward	446,910
		Treasury shares	(2,746)
		Valuation and translation adjustments	30,673
		Valuation difference on available-for-sale securities	53,846
		Deferred gains or losses on hedges	(23,172)
		Total net assets	815,346
Total assets	1,933,606	Total liabilities and net assets	1,933,606

Non-Consolidated Statement of Income (April 1, 2023 to March 31, 2024)

(Millions of Yen)

Account	Amount
Net sales	1,565,354
Cost of sales	1,400,850
[Gross profit]	[164,504]
Selling, general and administrative expenses	119,342
[Operating profit]	[45,162]
Non-operating income	48,445
Interest and dividend income	32,899
Foreign exchange gains	6,048
Other	9,497
Non-operating expenses	13,423
Interest expenses	8,048
Loss on valuation of investment securities	1,857
Other	3,518
[Ordinary profit]	[80,183]
[Profit before income taxes]	[80,183]
Income taxes - current	(269)
Income taxes - refund	(3,213)
Income taxes - deferred	15,241
[Profit]	[68,425]

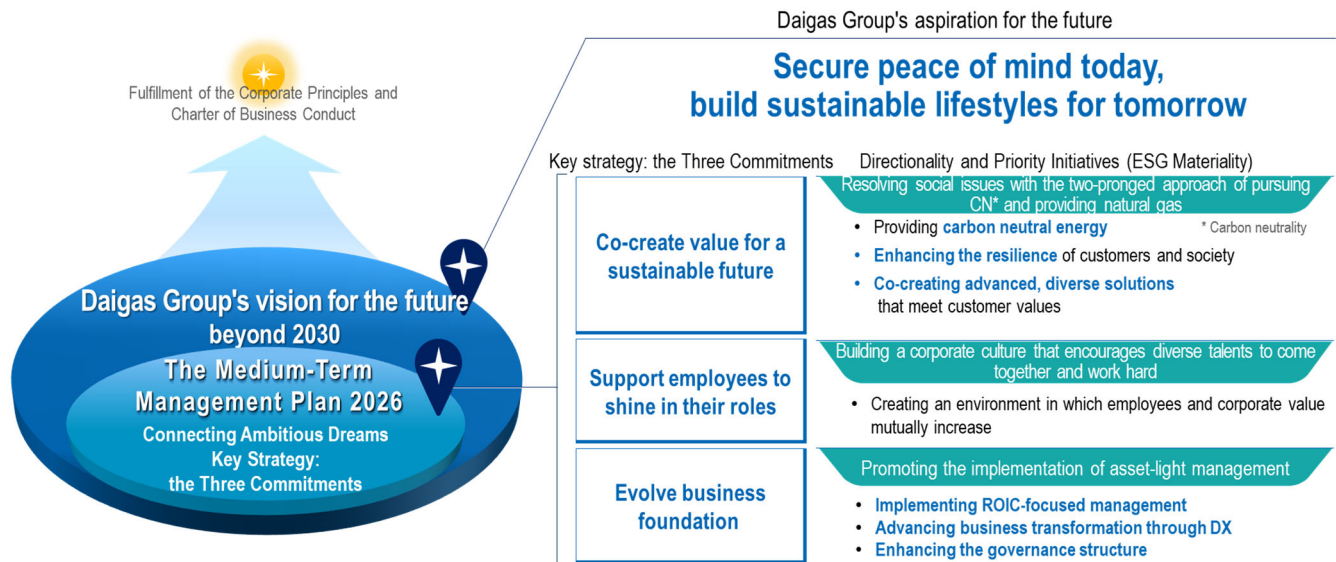
(References)

Overview of the Daigas Group Medium-Term Management Plan 2026

- Connecting Ambitious Dreams -

(1) The Daigas Group's aspiration for the future

- Our key strategy: the Three Commitments -



(2) Basic policies

1) Key strategy: the Three Commitments

- Since the announcement of the previous Medium-Term Management Plan, we have been facing new changes in the business environment. There has been a **growing need to resolve social issues** due to the global-scale acceleration of decarbonization and increased risks of energy security. At the same time, **people's mindset on how they want to work have been diversified**.
- In the current medium-term period, we will work on **the Three Commitments**. First is to **co-create value for a sustainable future*** that contributes to resolving social issues. Second is to **support employees to shine in their roles**. Third is to **evolve the business foundation**.

2) Co-creation with stakeholders

- We are committed to co-creating value for a sustainable future that contributes to resolving social issues. We **will share the fruits of the co-creation with stakeholders**. We aim for the targets and goals shown below.

3) Initiatives to achieve sustainable growth

- We aim for sustainable growth by **investing in growth areas in the CN space, such as renewable energy, and building the future business foundation**. In the meantime, we will pursue **the development, power generation, and advanced utilization of natural gas, a crucial energy resource during the transition period**, to continue increasing the Group's earnings.

4) Ordinary profit, ROIC, and ROE targets

- **Steady profit increase** by expanding the Domestic Energy, International Energy, and LBS businesses.

- **ROIC of approx. 5%** through the **improvement of capital efficiency** by **ensuring short-term profit growth, replacing assets** in our portfolio, and revising our business portfolio.
- **ROE of approx. 8%** by expanding our financial leverage and closely monitoring our financial soundness (Shareholders' equity ratio of 45% or more), in light of our enhanced cash flow and more robust business portfolio than before.

5) Investment for growth

- To ensure **profit increase during the transition period**, we intend to continue investing in the **existing assets, such as thermal power plants and shale gas business**. At the same time, we will expand investment in **CN projects, including renewable energy and e-methane** to shift the focus of our business portfolio to **assets for a CN future**. Throughout our investment activities, we will take various measures to maximize capital efficiency.

6) Shareholder return policy

- As our short-term profit fluctuation grows, we will **introduce a progressive dividend policy, aiming to maintain or increase dividends, in principle**, depending on the medium-term profit growth.
- We will change our shareholder return index from the dividend payout ratio of 30% to **a dividend on equity (DOE*) of 3.0%**, aiming to achieve a long-term stable dividend increase.
- We aim to improve capital-efficiency by examining the possibility of repurchasing own shares flexibly, etc.

7) Cash allocation

- Business growth to date have enhanced the company's ability to generate operating cash flow.
- We aim to **improve our corporate value through shareholder returns** and the aforementioned investment for growth while **maintaining the financial soundness**.

8) Financial and non-financial targets

- We aim to become **a corporate group with which stakeholders will continue to identify**, by meeting the financial and non-financial targets shown below.
- **The executive compensation will be linked to these key management indicators** to incentivize management to enhance the Group's business activities.

Provision of carbon neutral energy

- Avoided emissions: **7 million tons/year**
- Renewable energy development contribution: **4 GW**
- CO₂ reduction in the Group's offices and cars: **67%**

Enhancement of the resilience of customers and society

- **Zero** serious accidents and supply disruptions caused by the Group companies

Co-creation of advanced, diverse solutions

- Number of customer accounts: **10.9 million**
- Customer satisfaction rate: **90%**

Creation of an environment that enhances value for employees and the company

- Work engagement deviation: **50 or more**

Establishment of sound, flexible business foundation

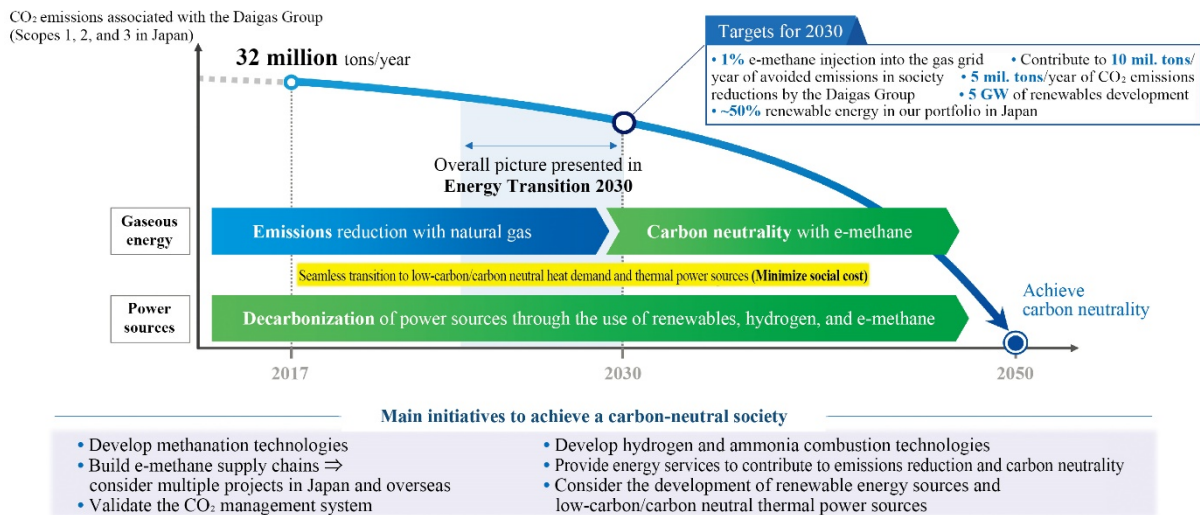
- Percentage of female directors: **25%**
- **Zero** serious violations of laws and regulations

Note: Please refer to the Company's website for details of Medium-Term Management Plan 2026.
(https://www.daigasgroup.com/en/ir/library/business-plans/#long_term)

Initiatives for Achieving a Low Carbon / Carbon Neutral Society

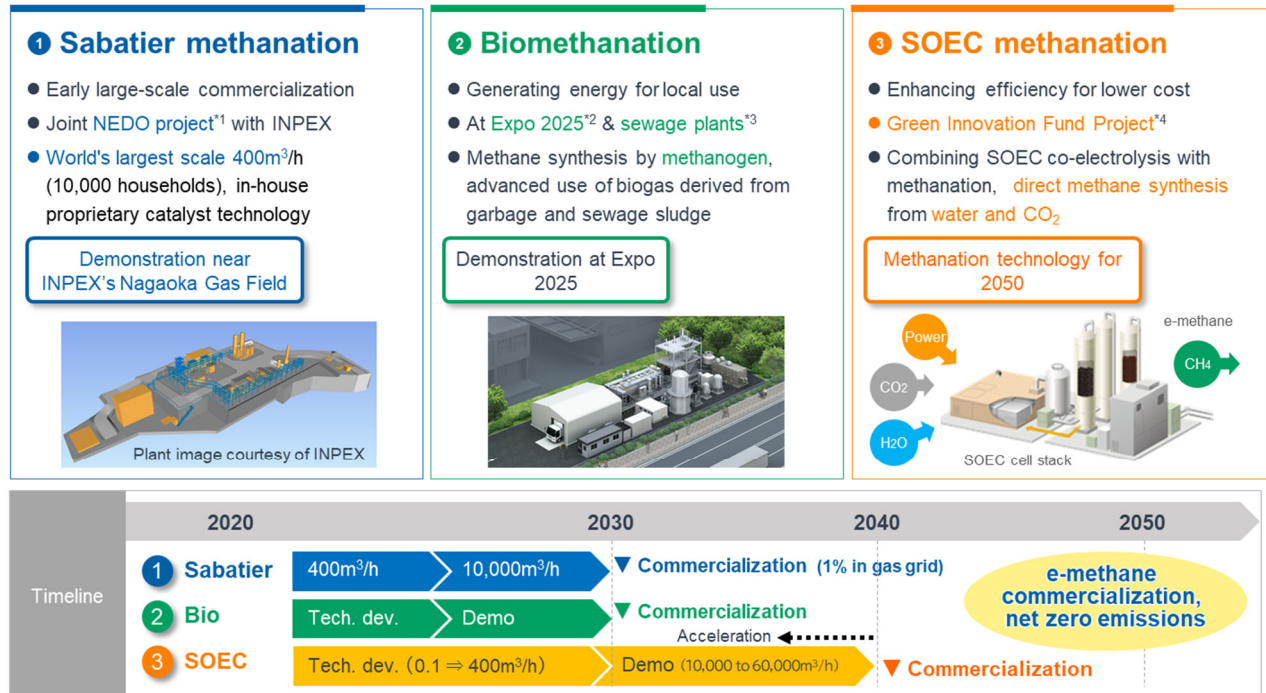
For the Group, which is engaged in activities centering on the energy business, tackling the reduction of CO₂ emissions is a crucial mission. We will pursue initiatives such as the development of methanation technologies and the construction of e-methane supply chains as we aim to achieve a carbon neutral society by 2050. During the period of transition to 2030, we will contribute to achieving a low carbon / carbon neutral society in line with Energy Transition 2030, which we established in March 2023. We will not only reduce the Group's CO₂ emissions but also work to reduce CO₂ emissions across society, including the customers using energy, through measures such as expanding the use of natural gas and renewable energy.

To achieve this, we have established targets for the fiscal year ending March 31, 2031, including a 1% e-methane injection into the gas grid, the reduction of CO₂ emissions from the Group's supply chain in Japan by 5 million tons/year, contribution to 10 million tons/year of society-wide avoided emissions, and 5 GW of renewables development.

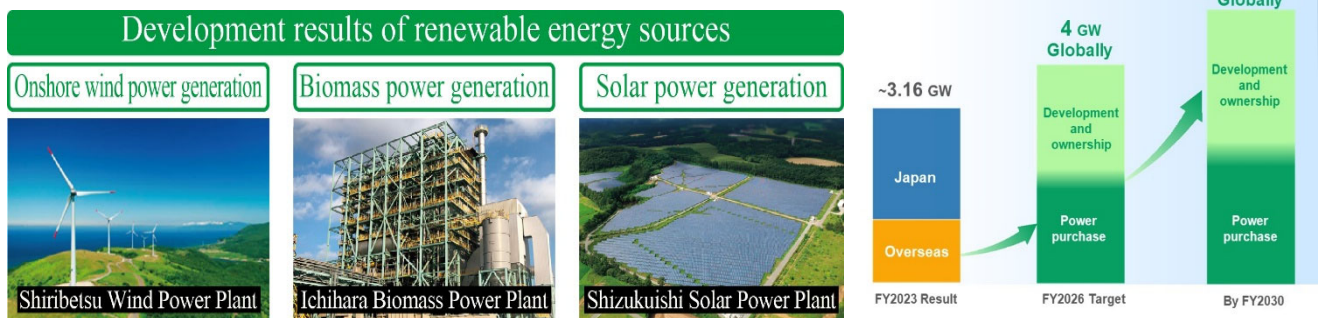


Details of the development of methanation technologies for producing e-methane, key to achieving low carbon and carbon neutral gaseous energy, and the development of renewable energy power sources to contribute to the decarbonization of power sources, are shown below.

Developing three methanation technologies for producing e-methane



Development of renewable energy sources



For information on the Group's other initiatives and the disclosure of climate change response information in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), please refer to our Sustainability website, our Integrated Report, or Energy Transition 2030.

[Sustainability website]

<https://www.daigasgroup.com/en/sustainability/>



[Integrated Report]

<https://www.osakagas.co.jp/en/ir/library/ar/>



[Energy Transition 2030]

https://www.osakagas.co.jp/en/whatsnew/___icsFiles/afieldfile/2023/04/07/230309_4_1.pdf



Shareholder Message Board

1. Information on the account transfer system for dividend payments

Dividends can be received via a designated account. Once an account for dividend payment has been designated, dividends will be automatically transferred to the designated account on the payment start date. We highly recommend our shareholders to complete procedures for the account transfer as it helps avoid the risk of losing dividend receipts or forgetting to receive payment, and ensures safe and prompt receipt of dividends. For more information on procedures for account transfer, please contact your securities company or other account management institution.

Shareholders may select one of the following methods of account transfer.

- (1) Transfer to a bank savings account
- (2) Receipt through the “registered dividend receipt account method”
(i.e., to receive dividends for all issues held by the shareholder in a single savings account designated by the shareholder)
- (3) Receipt through the “share number pro-rata distribution method”
(i.e., to receive dividends in proportion to the number of shares held via respective securities company or other account management institution that manages the shareholder’s shares)

- Notes:
- 1. Those who hold shares in a special account (including other issues) may not select method (3).
 - 2. Method (3) must be selected to exempt dividends and the like for stocks held in NISA accounts from taxation.
 - 3. A JAPAN POST BANK account may be designated as the transfer account for methods (1) and (2).
 - 4. Even after the payment period indicated on the dividend receipt has expired, dividends can be received through Sumitomo Mitsui Trust Bank, Limited within ten years from the payment start date.

2. System for electronic provision of materials for Shareholders’ Meeting

The system for electronic provision of materials for Shareholders’ Meeting (reference documents for the shareholders meeting, business report, etc.) has commenced operation, and the Company has sent all shareholders with voting rights, excluding those who have requested the delivery of paper copies of the documents, the Notice of Convocation, showing information such as the way to access the materials for Shareholders’ Meeting, the reference documents for the shareholders meeting, which carry a description of the proposals, and a voting form. Any shareholders who have not requested the delivery of paper copies of the documents, but who wish to receive paper copies of the materials for Shareholders’ Meeting (the business report, etc.) must complete a “Request for Delivery of Documents” by the record date of Shareholders’ Meeting (March 31).

Please address any inquiries concerning the procedure for requesting the delivery of documents to your securities company or other account management institution or to the administrator of the shareholder registry, shown below.

- Notes:
- 1. Fees may be charged for a series of procedures.
 - 2. “Request for Delivery of Documents” may expire upon notification from the Company after a certain period of time, in which case it will be necessary to complete the procedures again.

Please also refer to page 5 for details of the system for electronic provision of materials.

3. Information on request for buyback or additional purchase of shares less than one unit

A share trading unit is the unit of shares traded on stock exchanges, and any fractional shares less than one unit (less than 100 shares) cannot be traded on stock exchanges. To request buyback or additional purchase of fractional shares, please use the systems described below (they are free of charge).

<Buyback request system>

System under which shareholders may sell fractional shares back to the Company at market value

<Additional purchase request system>

System under which shareholders may purchase fractional shares from the Company at market value to bring the total number of fractional shares up to one trading unit so that the shareholder can sell the shares on stock exchanges

- Notes:
1. Systems to request buyback/additional purchase of fractional shares may be used for shares in special accounts without the need to transfer them to another account at securities company or other account management institution. Special account refers to the account at Sumitomo Mitsui Trust Bank, Limited set up by the Company to protect the rights of shareholders who have not deposited their share certificates with securities companies or other account management institutions by the time of the dematerialization of share certificates.
 2. The Company does not charge any fees for the systems to request buyback/additional purchase of fractional shares, however securities companies and other account management institutions may have set fees.

For further information on the above procedures, please contact:	[Regarding 1 and 3 above] Shares in accounts at a securities company, etc.: Your securities company or other account management institutions Shares in special accounts: Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited (Toll free: 0120-782-031) (Hours: 9:00 a.m. to 5:00 p.m. except on Saturdays, Sundays, and national holidays)
	[Regarding 2 above] Your securities company or other account management institution, or Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited (Toll free: 0120-533-600) (Hours: 9:00 a.m. to 5:00 p.m. except on Saturdays, Sundays, and national holidays)

Shareholder Memo

Fiscal year: From April 1 to March 31 of the following year

Record date: March 31 for Annual Meeting of Shareholders, March 31 for year-end dividend, September 30 for interim dividend

Month of Annual Meeting of Shareholders: June

Administrator of shareholder registry and special account management institution:

Sumitomo Mitsui Trust Bank, Limited

<Contact>

Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited

Toll free: 0120-782-031

(Hours: 9:00 a.m. to 5:00 p.m. except on Saturdays, Sundays, and national holidays)

Method of public notice:

Electronic public notice (Address for public notices: <https://www.osakagas.co.jp/index.html>)

If electronic public notices cannot be used due to an accident or other unavoidable reason, public notices will be posted in the Nihon Keizai Shimbun.

MEMO

Note

Seating at the venue of the Meeting is limited, and it is possible that some shareholders may not be admitted to the venue.

We no longer distribute souvenirs to the attending shareholders. We ask for your understanding in these matters.