

**This document has been translated from the Japanese original for reference purposes only. In the event of discrepancy between this translated document and the Japanese original, the original shall prevail.
Please note that the English translation of the Audit Reports by the accounting auditor and the Audit and Supervisory Committee is not published in this document.**

(Securities) Identification Code: 9532)

Notice of 207th 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 and Medium-term Management Plan 2026. In February this year, we formulated the "Daigas Group Energy Transition 2050," and we will pursue value creation that contributes to solving social issues to achieve a sustainable society. This includes our initiatives for achieving a low carbon / carbon neutral society and initiatives to enhance the resilience of society.

Since we discovered incidents regarding descriptions for the sale of ENE-FARM products that raised questions under the Act against Unjustifiable Premiums and Misleading Representations, we have implemented measures to prevent recurrence and submitted a report to the Consumer Affairs Agency in March this year. We sincerely apologize to our shareholders for the great concern and inconvenience caused by these incidents.

The Group will work as one to regain trust by thoroughly ensuring fair and transparent business operations. We will actively and steadily promote our business activities.

Your continued support would be greatly appreciated.

May 2025

Masataka Fujiwara
President

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(Securities Identification Code: 9532)
May 30, 2025
(Date of commencement of measures for electronic provision: May 26, 2025)

To Shareholders

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

Notice of Convocation of 207th Annual Meeting of Shareholders

Dear Sir or Madam,

We would like to inform you of the 207th Annual Meeting of Shareholders (the “Meeting”) of OSAKA GAS CO., LTD. (the “Company”) to be held as below.

As detailed on pages 5-6 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 Monday, June 23, 2025.**

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 207th 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: Tuesday, June 24, 2025, 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 and Supervisory Committee's report on consolidated financial statements for the 207th term (year from April 1, 2024 to March 31, 2025)

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

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 and Supervisory Committee include those in (i) to (iii) above, in addition to the information presented in the documents delivered to shareholders who have requested such delivery.

[INFORMATION ON THE EXERCISE OF VOTING RIGHTS]

You can exercise your voting rights using the methods presented below.

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.

Any inquiries about the exercise of voting rights through the Internet, described below, 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.)

Before the Meeting (by the due date):

1. Exercising Voting Rights through the Internet

To vote through the Internet, please refer to the method shown in (1) or (2), below, 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: Monday, June 23, 2025, 4:00 p.m.

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

1. Scan the QR Code shown in the bottom right of the voting form.
*“QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
2. From the Portal of Shareholders’ Meeting launch screen, select the option to exercise voting rights.
3. The Smart Exercise launch screen will be displayed. 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.

2. Exercise of Voting Rights in Writing

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: Monday, June 23, 2025, 4:00 p.m.

On the day of the Meeting

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: Tuesday, June 24, 2025, 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.

Reference Documents for the Shareholders Meeting

1. Total number of voting rights

3,958,132

2. Proposal and related information

Proposal: 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 (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter throughout this proposal) will expire.

The Company therefore proposes the election of ten (10) Directors.

The nominees for Director are as follows (presented on pages 9-18).

The Company has obtained the opinion of the Audit and Supervisory Committee that all the nominees for Directors under this proposal, including the processes used for their selection, are appropriate.

If this proposal is approved and adopted as proposed, it will result in the Board of Directors, including Directors who are Audit and Supervisory Committee Members, 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	Reappointment Chairman and Director	13 out of 13 meetings (100%)
2	Masataka Fujiwara	Reappointment Representative Director and President, Executive President	13 out of 13 meetings (100%)
3	Takayuki Tasaka	Reappointment Representative Director, Executive Vice-President	13 out of 13 meetings (100%)
4	Keiji Takemori	Reappointment Representative Director, Executive Vice-President	10 out of 10 meetings (100%)
5	Ko Sakanashi	Reappointment Representative Director, Executive Vice-President	10 out of 10 meetings (100%)
6	Toshiyuki Imai	Reappointment Director, Senior Executive Officer	10 out of 10 meetings (100%)
7	Kazutoshi Murao	Reappointment Outside Director Independent Officer Director	13 out of 13 meetings (100%)
8	Tatsuo Kijima	Reappointment Outside Director Independent Officer Director	13 out of 13 meetings (100%)

9	Yumiko Sato	Reappointment Outside Director Independent Officer	Director	13 out of 13 meetings (100%)
10	Mikiyo Niizeki	Reappointment Outside Director Independent Officer	Director	13 out of 13 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 2025). The number of the Board of Directors meetings for Mr. Keiji Takemori, Mr. Ko Sakanashi and Mr. Toshiyuki Imai represents the meetings since they took office as Directors of the Company on June 27, 2024.

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
1	 Takehiro Honjo (April 13, 1954) Reappointment Years in office (as of the close of the Meeting): 16 years	April 1978: Joined the Company June 2007: Executive Officer General Manager of Corporate Strategy Dept. June 2008: Senior Executive Officer Head of Commercial & Industrial Energy Business Unit June 2009: Director, Senior Executive Officer Head of Commercial & Industrial Energy Business Unit June 2010: Director, Senior Executive Officer Head of Customer Services, Head of Residential Energy Business Unit April 2013: Representative Director, Executive Vice-President April 2015: Representative Director and President, Executive President January 2021: Chairman and Director (current position)	67,300
Reason for nomination as Director: 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 21-22). 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.			

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>Reappointment</p> <p>Years in office (as of the close of the Meeting): 9 years</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>	39,100
<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 21-22). 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	 Takayuki Tasaka (July 21, 1962) Reappointment Years in office (as of the close of the Meeting): 7 years	April 1985: Joined the Company April 2015: Executive Officer, General Manager of Planning Dept., Residential Energy Business Unit April 2016: Senior Executive Officer Head of Customer Services, Head of Residential Energy Business Unit April 2018: Senior Executive Officer Head of Commercial & Industrial Energy Business Unit June 2018: Director, Senior Executive Officer Head of Commercial & Industrial Energy Business Unit April 2020: Director, Senior Executive Officer President of Corporate Planning Headquarters January 2021: Representative Director, Executive Vice-President (current position)	28,350
Reason for nomination as Director: 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 21-22). 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.			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions		Number of the Company Shares Held
4	 Keiji Takemori (July 21, 1962) Reappointment Years in office (as of the close of the Meeting): 1 year	April 1987: Joined the Company April 2018: Executive Officer General Manager of LNG Trading Dept., Energy Resources & Int'l Business Unit April 2021: Senior Executive Officer Head of Energy Resources & Int'l Business Unit April 2024: Executive Vice-President In charge of: Energy Resources & Int'l Business Unit and Osaka Gas Chemicals Co., Ltd. June 2024: Representative Director, Executive Vice-President (current position)	21,850	
Reason for nomination as Director: After assuming the office of Executive Officer of the Company in April 2018, Mr. Keiji Takemori has served as General Manager of LNG Trading Dept., Energy Resources & Int'l Business Unit and Head of Energy Resources & Int'l Business Unit. Since June 2024, he has been serving as Representative Director 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 21-22). 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.				

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions		Number of the Company Shares Held
5	 Ko Sakanashi (October 28, 1967) Reappointment Years in office (as of the close of the Meeting): 1 year	April 1992: Joined the Company April 2020: Executive Officer General Manager of Corporate Strategy Dept. April 2023: Senior Executive Officer General Manager of Corporate Strategy Dept. 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 Next-Generation Business Headquarters June 2024: Representative Director, Executive Vice-President (current position)	15,450	
Reason for nomination as Director: After assuming the office of Executive Officer of the Company in April 2020, Mr. Ko Sakanashi has served in positions such as General Manager of Corporate Strategy Dept., Head of Power Business Unit, and President of Corporate Planning Headquarters. Since June 2024, he has been serving as Representative Director 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 21-22). 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.				

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
6	 Toshiyuki Imai (April 13, 1966) Reappointment Years in office (as of the close of the Meeting): 1 year	April 1990: Joined the Company April 2018: Associate Director, General Manager of Secretariat April 2021: Executive Officer General Manager of Metropolitan Energy Sales Dept., Daigas Energy Co., Ltd. April 2023: Executive Officer, General Manager of Human Resources Dept. of the Company 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. Director, 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. Director, Senior Executive Officer Head of Sustainability Promotion, Head of Risk Management In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., and General Affairs Dept. (current position)	17,900
Reason for nomination as Director: After assuming the office of Executive Officer of the Company in April 2021, Mr. Toshiyuki Imai has served as General Manager of Metropolitan Energy Sales Dept., Daigas Energy Co., Ltd., and Senior Executive Officer of the Company, in charge of departments such as the Secretariat, Corporate Communication Dept., and Human Resources Dept. He has promoted initiatives including strengthening competitiveness in the Group's sales department and strengthening governance in the Corporate Headquarter Divisions. Through these roles, he has accumulated not only considerable experience and extensive knowledge in marketing, human resources development and training, and risk management but also other expertise and experience (see pages 21-22). 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.			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
7	 Kazutoshi Murao (October 21, 1952) Reappointment Nominated for outside Director Independent Officer Years in office (as of the close of the Meeting): 6 years	April 1976: Joined Nippon Telegraph and Telephone Public Corporation June 2012: Representative Director and President of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION June 2018: Counselor to the president, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION June 2019: Director of the Company (current position)	0
Reason for nomination as Director 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 21-22). 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 23).			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions	Number of the Company Shares Held
8	 Tatsuo Kijima (September 22, 1954) Reappointment Nominated for outside Director Independent Officer Years in office (as of the close of the Meeting): 5 years	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 21-22). 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 23).			

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>Reappointment Nominated for outside Director Independent Officer</p> <p>Years in office (as of the close of the Meeting): 4 years</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</p> <p>May 2014: Special Professor of Institute for Creating Local Culture of Otemon Gakuin University</p> <p>April 2015: Director of Mature Society Research Institute, Otemon Gakuin Educational Foundation</p> <p>April 2016: Professor of Faculty of Regional Development Studies, Otemon Gakuin University</p> <p>June 2020: Director of Mature Society Research Institute, Otemon Gakuin University</p> <p>June 2021: 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 21-22). 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 23).</p>			

Nominee No.	Name (Date of Birth)	Career and Significant Concurrent Positions		Number of the Company Shares Held
10	 Mikiyo Niizeki (April 6, 1968) Reappointment Nominated for outside Director Independent Officer Years in office (as of the close of the Meeting): 2 years	April 2006: Professor of Faculty of Economics, Doshisha University April 2010: Professor of Master's Program, Graduate School of Economics, Doshisha University April 2014: Professor of Doctoral Program, Graduate School of Economics, Doshisha University (current position) April 2016: Dean of Faculty of Economics and Graduate School of Economics, Doshisha University April 2019: Head of Research Promotion Division, Doshisha University Organization for Research Initiatives and Development April 2020: Vice President and Head of Center for Learning Support and Faculty Development, Doshisha University April 2023: Assistant to the President of Doshisha University June 2023: Director of the Company (current position)	0	
Reason for nomination as Director 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 21-22). 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. 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 23).				

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” 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. 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.

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.

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.

9. Incidents were found regarding descriptions for the sale of ENE-FARM products that have raised questions under the Act against Unjustifiable Premiums and Misleading Representations. In response, the Company and Osaka Gas Marketing Co., Ltd. have implemented measures to prevent recurrence and submitted a report to the Consumer Affairs Agency on March 27, 2025.

None of the current outside Directors of the Company, who are the nominees Mr. Kazutoshi Murao, Mr. Tatsuo Kijima, Ms. Yumiko Sato and Ms. Mikiyo Niizeki, were aware of the issue before the incidents were found. However, they regularly provide recommendations from the standpoint of legal and regulatory compliance at meetings of the Board of Directors and other forums. After the incidents came to light, they have appropriately fulfilled their roles, including providing recommendations regarding

cooperation with investigations by the Consumer Affairs Agency and the formulation and implementation of measures to prevent recurrence.

[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							Human Resources Development
		Corporate Management	Marketing	Technology / R&D	DX (*)	Global Management	Sustainability	Finance / Accounting	
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					
		Human Resources Development	Legal / Risk Management	Finance / Accounting	Sustainability	Global Management	Technology / R&D
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, 2024 to March 31, 2025)

I. Current Situation of the Business Group

1. Business Operations and Results

During the current fiscal year, the Japanese economy continued to experience a moderate recovery due to strong corporate results driven by the depreciation of the yen, increased capital investment supported by the demand for digitization and labor-saving measures amid a labor shortage, and the expansion of inbound demand, despite lackluster personal consumption due to rising prices.

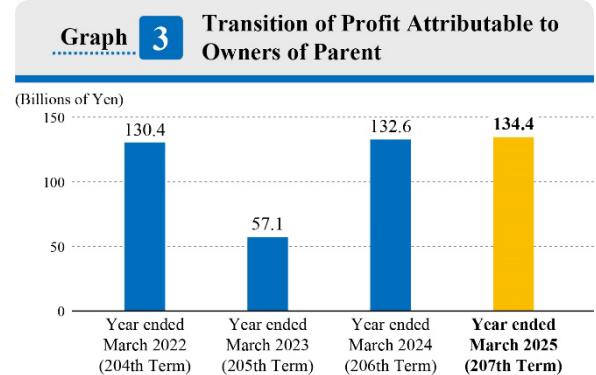
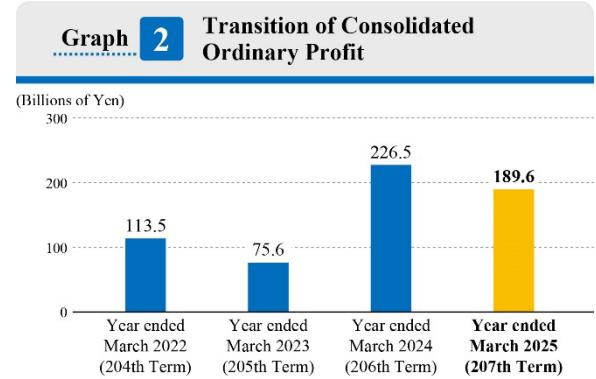
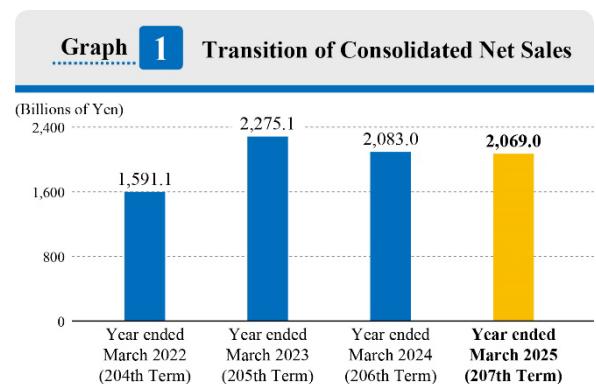
In such a business environment, the Group has proactively conducted its businesses with the aim of becoming a corporate group that “powers continuous advancement in life and business.”

Consolidated net sales for the current fiscal year decreased by 0.7% from the previous year to ¥2,069.0 billion. This was primarily due to a decrease in LNG sales volumes and a low unit selling price of city gas under the fuel cost adjustment system, despite an increase in electricity sales in the Domestic Energy Business (see Graph 1).

Consolidated ordinary profit decreased by 16.3% from the previous year to ¥189.6 billion. This was primarily due to a decline in 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 1.3% from the previous year to ¥134.4 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.



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

(1) Domestic Energy

Net sales decreased by 1.9% from the previous year to ¥1,737.9 billion.

Gas

The city gas sales volume for residential use decreased by 3.6% from the previous year to 1,659 million cubic meters, primarily due to persistently high air and water temperatures.

The city gas sales volume for business use increased by 1.4% from the previous year to 4,992 million cubic meters primarily due to an increase in the operation of customers' facilities for business use.

As a result, total city gas sales volume increased by 0.1% from the previous year to 6,650 million cubic meters.

City gas was supplied to 5,114 thousand accounts as of March 31, 2025.

Regarding gas appliances and services for residential customers, we endeavored to develop and expand sales of devices and equipment for hot water supply, air heating and cooking.

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 January 2025, the "hu+g MUSEUM," our food and lifestyle showroom, celebrated its tenth anniversary. We renovated some of this facility in February, establishing the "hu+g BASE," where visitors can learn about energy through hands-on experiences.

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

Regarding gas appliances and services for business use, we engaged in efforts to develop and promote sales of 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,



"STYLES" gas stove



Publicizing "Sumai LINK"



"hu+g MUSEUM"

decentralization, and digitalization, by utilizing our engineering capabilities.

We also undertake research and development of catalysts and combustion technologies, among others, that contribute to carbon reduction / carbon neutrality. This includes high-efficiency SOEC methanation technology^{*2}, which is expected to be a promising technology for achieving the carbon neutrality of city gas.

In June 2024, in our SOEC methanation joint technological development project with the National Institute of Advanced Industrial Science and Technology (AIST)^{*3}, we completed a pilot facility for the production of 0.1Nm³/h e-methane^{*4} and commenced demonstration testing.

In March 2025, in our methanation pilot project using hydrogen from renewable energy sources and biogas^{*5}, we completed the construction of the Bakeru LABO, a demonstration facility inside the venue of the 2025 World Exposition in Japan (Expo 2025 Osaka, Kansai)^{*6} and commenced demonstration testing. Bakeru LABO will use food waste and CO₂ generated within the venue to produce 7Nm³/h of e-methane.

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 November 2024, Osaka Gas Network Co., Ltd. held a joint drill with TOKYO GAS NETWORK Co., Ltd. and TOHO GAS NETWORK Co., Ltd. aimed at mutual support and stronger coordination in the event of a disaster, and we have continued to engage in earthquake and tsunami countermeasures.

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



Advertisement for “D-Lineup”



Conceptual image of the Bakeru LABO



Joint earthquake drill

*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 The SOEC methanation technological innovation project has been selected as a Green Innovation Fund Project by the New Energy and Industrial Technology Development Organization (NEDO).

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

*5 This project has been implemented as a “Project to Construct and Demonstrate a Model for Reducing the Cost of Hydrogen Supply by Utilizing the Existing Infrastructure (Hydrogen Supply Chain Demonstration Project of Methanation Utilizing Renewable Hydrogen and Food Waste Biogas in Urban Areas)” by the Ministry of the Environment.

*6 The Japan Gas Association, of which the Company and Osaka Gas Network Co., Ltd. are members, has established the GAS PAVILION display to publicize e-methane and other technologies.



The GAS PAVILION exhibited by
The Japan Gas Association at the 2025
World Exposition in Japan
(Photograph provided by the Japan
Gas Association)

Electricity

The electricity sales volume increased by 10.9% from the previous year to 16,982 million kWh.

The number of accounts under low-voltage electricity contracts reached 1.922 million as of March 31, 2025.

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.

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 3.70 million kW as of March 31, 2025.

The main renewable electricity sources that the Company has participated in during the current fiscal year include two solar power



Hyuga Biomass Power Plant
(Miyazaki Prefecture)

plants in Iwate Prefecture (with generating capacity of 40,000 kW, started commercial operation; 40% ownership).

The Hyuga Biomass Power Plant in Hyuga City, Miyazaki Prefecture (with generating capacity of 50,000 kW; 35% ownership) and the Aichi Tahara Biomass Power Plant in Tahara City, Aichi Prefecture (with generating capacity of 70,000 kW; 25% ownership) commenced commercial operation in October 2024 and November 2024, respectively.

Construction of Unit 1 and Unit 2 of the Himeji Natural Gas Power Plant in Himeji City, Hyogo Prefecture (with generating capacity of 1,250,000 kW, scheduled to start commercial operation by May 2026) is progressing steadily. In addition, in March 2025, the Company decided to construct Unit 3 of the plant (with generating capacity of 620,000 kW) jointly with three companies, including the Development Bank of Japan Inc.



The Himeji Natural Gas Power Plant
currently under construction
(Hyogo Prefecture)

(2) International Energy

Net sales increased by 10.0% from the previous year to ¥128.1 billion.

Sabine Oil & Gas Corporation (100% ownership), which is engaged in shale gas production development in Texas, USA, is steadily progressing with its projects, primarily the development of new wells.

In February 2025, the Company concluded an LNG purchase agreement with the Abu Dhabi National Oil Company PJSC in the Emirate of Abu Dhabi, UAE. Based on this agreement, the Company plans to purchase up to 800,000 tons of LNG per year as part of its efforts to ensure the stable procurement, development, and supply of natural gas, which will be a key energy source during the energy transition period.



Bird's-eye view of the base from
which the LNG will be purchased
(UAE)

In Asia, the Company's subsidiary Osaka Gas Singapore Pte. Ltd., through its jointly owned subsidiary, acquired an equity interest in AG & P LNG Marketing Pte. Ltd., which is a holding company with business subsidiaries engaged in the city gas business in India, in April 2024. In March 2025, through its jointly owned subsidiary, it proceeded to conclude an agreement to establish a joint venture company with Clean Max Enviro Energy Solutions, a business company engaged in developing power sources using renewable energy in India. The new joint venture will develop and hold renewable energy power sources.



Solar power plant operated by
Clean Max Enviro Energy Solutions
(India)

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

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 3.1% from the previous year to ¥282.4 billion.

Osaka Gas Urban Development Co., Ltd., a group company engaged in the urban development business, expanded its assets by acquiring 19 rental apartment buildings, including “Urbanex Waseda Terrace” (Tokyo). The company also completed the construction of five condominium buildings, including “SCENES Kyoto Kamogawa Kawaramachi” (Kyoto Prefecture) during the current fiscal year.

It is also proceeding with the construction of a new building for rental laboratories at the Kyoto Research Park (KRP) operated by Kyoto Research Park Corp. We aim to complete construction in 2027.

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. In January 2025, it also acquired Fasttrack Solutions Inc., which provides support for the introduction and operation of core business system package products in the Philippines, launching its core business systems-related business in Southeast Asia.

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. Its “Xyladecor” series wood preservative and coating agent products are used for the internal and external walls of the Osaka Healthcare Pavilion, which is exhibited by Osaka Prefecture and Osaka City at the 2025 World Exposition in Japan (Expo 2025 Osaka, Kansai).



SCENES Kyoto Kamogawa Kawaramachi
(Kyoto Prefecture)



“Xyladecor” series products are used in
the Osaka Health Care Pavilion
(Photograph provided by EXPO 2025
Osaka Pavilion Association)

[Net Sales and Segment Profit for Each Business Segment]

	Domestic Energy	International Energy	Life & Business Solutions
Net sales (Billions of Yen)	1,737.9	128.1	282.4
Percentage change from previous year (%)	(1.9)	+10.0	+3.1
Percentage of net sales (%)	80.9	6.0	13.1
Segment profit (Billions of Yen)	77.5	71.9	28.7
Percentage change from previous year (%)	(15.9)	(9.7)	(7.3)
Percentage of segment profit (%)	43.5	40.4	16.1

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, 2025)

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 ¥221.7 billion.

We lengthened the gas trunk and branch lines of Osaka Gas Network Co., Ltd. by 102 kilometers, bringing the total length to 51,921 kilometers as of the end of the current fiscal year.

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 current fiscal year, the Group borrowed ¥59.5 billion and repaid ¥51.9 billion of long-term loans.

With respect to corporate bonds^{*1}, the Group issued ¥41.0 billion of transition-linked bonds^{*2}.

*1. Short-term bonds are not included.

*2. Transition-linked bonds are issued by companies that have formulated long-term strategies aimed at achieving a carbon-neutral society. The economic conditions placed on the bonds change in line with the degree to which the company achieves the targets it has established to reduce corporate greenhouse gas emissions, etc., based on these strategies.

5. Major Lenders (as of March 31, 2025)

Lenders	Loans Outstanding (Millions of Yen)
Resona Bank, Limited	55,471
MUFG Bank, Ltd.	35,828
Development Bank of Japan Inc.	28,444
Japan Bank for International Cooperation	21,173
Sumitomo Mitsui Banking Corporation	20,180

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 Medium-term Management Plan 2026 “Connecting Ambitious Dreams” in 2024.

We also established the “Daigas Group Carbon Neutral Vision” in 2021, presenting our approach and initiatives to achieve carbon neutrality in the Group’s business activities, and “Daigas Group Energy Transition 2030” in 2023, presenting our views and specific initiatives aimed at achieving an energy transition by 2030. In February 2025, we went on to establish “Daigas Group Energy Transition 2050,” which presents our road map and solutions toward the year 2050.

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 increase 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 telecommunication service, as well as the FitDish refrigerated 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) Practicing sustainability management

In accordance with the "Daigas Group Charter of Business Conduct," we will ensure sustainability management. 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 front, 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 maintain and strengthen our efforts to raise awareness of compliance, strengthen and improve the effectiveness of our risk management structure, 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 2022 (204th Term)	Year ended March 2023 (205th Term)	Year ended March 2024 (206th Term)	Year ended March 2025 (207th Term)
Net sales (Millions of Yen)	1,591,120	2,275,113	2,083,050	2,069,019
Ordinary profit (Millions of Yen)	113,525	75,649	226,563	189,647
Profit attributable to owners of parent (Millions of Yen)	130,421	57,110	132,679	134,414
Basic earnings per share (Yen)	313.69	137.39	320.60	333.31
Total assets (Millions of Yen)	2,588,086	2,819,589	2,980,127	3,200,525
Net assets (Millions of Yen)	1,296,089	1,417,178	1,604,992	1,739,291

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, 2025)

(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 ^{*1} (Osaka Prefecture)
	Subsidiaries ^{*2}	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 ^{*3}
Domestic Energy	10,934
International Energy	358
Life & Business Solutions	10,112
Total	21,404

Notes:

1. Renamed the Advanced Technology Institute on April 1, 2025.
2. The head office locations of the principal subsidiaries are shown as major offices.
3. The above number of employees indicates the number of employees currently on duty.

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

On July 1, 2024, the Company transferred 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.

10. Outline of Principal Subsidiaries (as of March 31, 2025)

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 163 consolidated subsidiaries, including the above eight principal subsidiaries.

II. Officers

1. Details of Directors (as of March 31, 2025)

Position	Name	Business in Charge	Significant Concurrent Positions
Chairman and Director	Takehiro Honjo		Member of the Osaka Prefectural Public Safety Commission Director of Asahi Broadcasting Group Holdings Corporation
Representative Director and President Executive President	Masataka Fujiwara		
Representative Director Executive Vice-President	Takayuki Tasaka	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.	Director of Osaka Gas Urban Development Co., Ltd. Director of OGIS-RI Co., Ltd.
Representative Director Executive Vice-President	Keiji Takemori	In charge of: Energy Resources & Int'l Business Unit and Osaka Gas Chemicals Co., Ltd.	Director of Osaka Gas Chemicals Co., Ltd.
Representative Director Executive Vice-President	Ko Sakanashi	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 Next-Generation Business Headquarters	
Director, Senior Executive Officer	Toshiyuki Imai	General Manager of Human Resources Dept. In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept., and Purchasing Dept.	Director of Osaka Gas Urban Development Co., Ltd. Director of OGIS-RI Co., Ltd. Director of Osaka Gas Chemicals Co., Ltd.
Director	Kazutoshi Murao		Director of West Nippon Expressway Company Limited
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

Position	Name	Business in Charge	Significant Concurrent Positions
Director (Audit and Supervisory Committee Member) (full-time)	Fumitoshi Takeguchi		
Director (Audit and Supervisory Committee Member) (full-time)	Ichiro Hazama		
Director (Audit and Supervisory Committee Member)	Eriko Nishioka		Representative Director of Institute for Environmental Management Accounting Director of Nishioka Accounting Office Director of Sansha Electric Manufacturing Co., Ltd. Director (Audit & Supervisory Committee Member) of FUKUSHIMA GALILEI CO. LTD.
Director (Audit and Supervisory Committee Member)	Chieko Minami		Professor of Department of Modern Management, Sugiyama Jogakuen University
Director (Audit and Supervisory Committee Member)	Eime Kozai		Professor of Graduate School of Law, Kyoto University Auditor of the Kinki Branch, Japan Bar Association

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, Mikiyo Niizeki, Eriko Nishioka, Chieko Minami, and Eime Kozai are outside directors as specified in Article 2, Item 15 of the Companies Act.
- 3) The Company has appointed Directors (Audit and Supervisory Committee Members) Fumitoshi Takeguchi and Ichiro Hazama as full-time Audit and Supervisory Committee Members to strengthen the audit and supervisory functions of the Audit and Supervisory Committee, gather information from the Directors (excluding the Directors who are Audit and Supervisory Committee Members), share information at important internal meetings, and ensure sufficient coordination with the internal audit department.
- 4) All of the outside Directors 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 and the Company.
- 6) Directors Keiji Takemori, Ko Sakanashi, and Toshiyuki Imai were newly appointed at the 206th Annual Meeting of Shareholders held on June 27, 2024, and assumed office on the same day.
- 7) The Company transitioned to a Company with an Audit and Supervisory Committee at the close of the 206th Annual Meeting of Shareholders held on June 27, 2024. Audit & Supervisory Board Members Hisaichi Yoneyama, Ichiro Hazama, Shigemi Sasaki, Eriko Nishioka, and Chieko Minami retired pursuant to this change, and Fumitoshi Takeguchi, Ichiro Hazama, Eriko Nishioka, Chieko Minami, and Eime

Kozai were appointed Directors who are Audit and Supervisory Committee Members and assumed office on the same day.

8) Director (Audit and Supervisory Committee Member) Eriko Nashioka is qualified as a certified public accountant and tax accountant, and possesses substantial expertise related to finance and accounting.

9) In the column of "Significant Concurrent Positions," "Director of Asahi Broadcasting Group Holdings Corporation" for Director Takehiro Honjo, "Director of West Nippon Expressway Company Limited" for Director Kazutoshi Murao, and "Director of Sansha Electric Manufacturing Co., Ltd." for Director Eriko Nashioka are all outside director positions, and "Director of FUKUSHIMA GALILEI CO. LTD." for Director Eriko Nashioka is an outside director (audit & supervisory committee member) position. "Audit & Supervisory Board Member of Sumitomo Electric Industries, Ltd." for Director Tatsuo Kijima is an outside auditor position.

10) Changes in significant concurrent positions during the current fiscal year:
 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 Takayuki Tasaka was appointed Director of OGIS-RI Co., Ltd. on April 1, 2024.
 Director Kazutoshi Murao retired as Vice Chairman of Kansai Economic Federation on May 27, 2024.
 Director Kazutoshi Murao retired as Director of Keihan Holdings Co., Ltd. on June 19, 2024.
 Director Kazutoshi Murao was appointed Director of West Nippon Expressway Company Limited on June 26, 2024.
 Director Kazutoshi Murao retired as Counselor to the president of NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION on June 30, 2024.
 Director Eimei Kozai was appointed Auditor of the Kinki Branch, Japan Bar Association, on September 24, 2024.

11) Changes in the responsibilities of Directors after the end of the current fiscal year:

Some of the responsibilities of the Directors changed on April 1, 2025. The table below shows the responsibilities from April 1, 2025, onward of the Directors whose responsibilities changed.

Position	Name	Business in Charge
Representative Director Executive Vice-President	Takayuki Tasaka	In charge of: Tokyo Responsible for: Energy Solution Business Unit, Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept. and Purchasing Dept. Tokyo Branch, Overall Representative in Tokyo OGIS-RI Co., Ltd.
Representative Director Executive Vice-President	Keiji Takemori	Head of Technology Responsible for: Energy Resources & Int'l Business Unit, Next-Generation Business Headquarters and Osaka Gas Chemicals Co., Ltd.
Representative Director Executive Vice-President	Ko Sakanashi	Head of Security President of Corporate Planning Headquarters Responsible for: LNG & Engineering Business Unit and Power Business Unit
Director, Senior Executive Officer	Toshiyuki Imai	Head of Sustainability Promotion Head of Risk Management In charge of: Secretariat, Corporate Communication Dept., Human Resources Dept., General Affairs Dept.

12) The name of FUKUSHIMA GALILEI CO. LTD., where Eriko Nashioka serves as Director (Audit & Supervisory Committee Member), was changed to GALILEI CO. LTD. on April 1, 2025.

2. Indemnity Agreement

The Company has concluded indemnity agreements with the Directors listed in "II. 1. Details of Directors" 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, as well as the directors, auditors, executive officers, employees in middle management*1 and officers dispatched to external entities*2 from the Company and its subsidiaries 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 (excluding Directors who are Audit and Supervisory Committee Members) 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. The Company expects outside Directors who are Audit and Supervisory Committee Members audit the execution of duties by executive Directors, as well as expecting them to participate in decision-making as members of the Board of Directors, to monitor and supervise the execution of duties by executive Directors from an independent position based on their experience, knowledge and other assets.

All of the outside Directors 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 13 out of the 13 meetings of the Board of Directors. 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.
Director (Audit and Supervisory Committee Member)	Eriko Nishioka	Eriko Nishioka attended 13 out of 13 meetings of the Board of Directors, 3 out of 3 meetings of the Audit & Supervisory Board, and 11 out of 11 meetings of the Audit and Supervisory Committee. She made comments as appropriate based on her deep knowledge concerning finance, accounting, and sustainability and her considerable experience in corporate and organizational management, as well as from her independent position as an outside Audit & Supervisory Board Member and an outside Director (Audit and Supervisory Committee Member).

Position	Name	Attendance and Comments
Director (Audit and Supervisory Committee Member)	Chieko Minami	Chieko Minami attended 13 out of 13 meetings of the Board of Directors, 3 out of 3 meetings of the Audit & Supervisory Board, and 11 out of 11 meetings of the Audit and Supervisory Committee. 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 and an outside Director (Audit and Supervisory Committee Member).
Director (Audit and Supervisory Committee Member)	Eimei Kozai	Eimei Kozai attended 10 out of 10 meetings of the Board of Directors and 11 out of 11 meetings of the Audit and Supervisory Committee held after he assumed the office of Director of the Company on June 27, 2024. He made comments as appropriate based on his expert knowledge as a legal practitioner and his considerable experience in organizational management, as well as from his independent position as an outside Director (Audit and Supervisory Committee Member).

Notes:

1. The Company transitioned to a Company with an Audit and Supervisory Committee at the close of the 206th Annual Meeting of Shareholders held on June 27, 2024. The table above shows each director's attendance at meetings of the Audit & Supervisory Board before the transition and meetings of the Audit and Supervisory Committee after the transition, as well as the status of making comments.
2. Incidents were found regarding descriptions for the sale of ENE-FARM products that have raised questions under the Act against Unjustifiable Premiums and Misleading Representations. In response, the Company and Osaka Gas Marketing Co., Ltd. have implemented measures to prevent recurrence and submitted a report to the Consumer Affairs Agency on March 27, 2025.

None of the outside Directors were aware of the issue before the incidents came to light. However, they regularly provide recommendations from the standpoint of legal and regulatory compliance at meetings of the Board of Directors and other forums. After the incidents came to light, they have appropriately fulfilled their roles, including providing recommendations regarding cooperation with investigations by the Consumer Affairs Agency and the formulation and implementation of measures to prevent recurrence.

(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 to limit their 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 was partially amended by resolution of the Board of Directors during the current fiscal year. The amended portion has been underlined and the amendments are presented in the notes. The amendments have been applied to remuneration from April 2025 onward.

Policy on Determining Remuneration	
Basic Approach	Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) 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.
	Remuneration for executive Directors shall consist of basic remuneration as fixed remuneration, performance-linked remuneration and stock-based remuneration. 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. Remuneration for outside Directors shall only consist of basic remuneration as fixed remuneration, as they have a standpoint independent of business execution.
	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.
Basic Remuneration	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.
Performance-linked Remuneration	Performance-linked remuneration shall be monetary remuneration paid on a monthly basis. The amount shall be determined using consolidated EBITDA for a single fiscal year, consolidated ROE for the past three years and the <u>sustainability indicators</u> ^{*1} set forth in the Medium-term Management Plan, to encourage contribution to short-term and mid- to long-term increases in corporate value.
Stock-based Remuneration	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.
Ratio by Type of Remuneration	For executive Directors, the standard ratio of basic remuneration, performance-linked remuneration, and stock-based remuneration should be 4:4:2. For the Chairman and Director, the ratio of basic remuneration to stock-based remuneration should be 8:2. Remuneration for outside Directors shall fully consist of basic remuneration.
Procedures for Determining Remuneration	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. ^{*2}
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.	

*1 In the Policy on Determining Remuneration before amendment, the underlined portion was: "ESG indicators." The name of the indicators was changed by a resolution adopted at the meeting of the Board of Directors held on March 13, 2025.

*2 In the Policy on Determining Remuneration before amendment, the content of monetary remuneration could be determined by the Representative Director and President based on delegation of authority by the resolution of the Board of Directors. This method was abolished by a resolution adopted at the meeting of the Board of Directors held on January 30, 2025.

(2) Resolution of the Annual Meeting of Shareholders on Remuneration, etc. of Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The amount of monthly monetary remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this item) was resolved at the 206th Annual Meeting of Shareholders held on June 27, 2024 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 ¥144 million per year (¥12 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 96 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) Resolution of the Annual Meeting of Shareholders on Remuneration, etc. of Directors Who Are Audit and Supervisory Committee Members

The amount of monthly monetary remuneration for Directors who are Audit and Supervisory Committee Members was resolved at the 206th Annual Meeting of Shareholders held on June 27, 2024 to be up to ¥14 million.

As of the end of the said Annual Meeting of Shareholders, the number of Directors who are Audit and Supervisory Committee Members was five.

The amount of remuneration for each Audit and Supervisory Committee Member is determined by the consent of all Audit and Supervisory Committee Members through discussions among Audit and Supervisory Committee Members, within the amount resolved by the Annual Meeting of Shareholders, above, 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 whether each Audit and Supervisory Committee Member is full- or part-time, as well as factors such as their respective audit and supervisory duties.

(4) Delegation, etc. of Decision of Content of Remuneration, etc. for Each Individual Director (Excluding Directors Who Are Audit and Supervisory Committee Members)

Of the remuneration paid to each Director (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this item) during the current fiscal year, 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 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 was 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 current fiscal year is in line with the Policy on Determining Remuneration.

(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 Audit and Supervisory Committee Members)	558	278	159	119	12
Of which: Outside Directors	55	55	—	—	4
Directors (excluding Audit and Supervisory Committee Members)	95	95	—	—	5
Of which: Outside Directors	32	32	—	—	3
Audit & Supervisory Board Members	25	25	—	—	5
Of which: Outside Directors	9	9	—	—	3

Notes:

1. The Company transitioned to a Company with an Audit and Supervisory Committee at the close of the 206th Annual Meeting of Shareholders held on June 27, 2024. The remuneration paid to Audit & Supervisory Board Members is for the period before the transition and the remuneration paid to Audit and Supervisory Committee Members is for the period after the transition.
2. The amount of remuneration and the number of Directors shown for “Directors (excluding Audit and Supervisory Committee Members)” include remuneration for two Directors who retired at the end of the 206th Annual Meeting of Shareholders held on June 27, 2024.
3. The amount of performance-linked remuneration paid up to June 2024 was calculated mainly by multiplying the fixed remuneration by a coefficient calculated using the profit attributable to owners of parent for the period from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2023, 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 were ¥80.8 billion in the fiscal year ended March 31, 2021, ¥128.2 billion in the fiscal year ended March 31, 2022, and ¥57.1 billion in the fiscal year ended March 31, 2023. For the coefficient of ESG indicators achievement for the fiscal year ended March 31, 2023, the Company established the 14 ESG indicators shown in the table below. The Company achieved its targets for 12 of these indicators, with the exception of indicators i. and iii.

- i. Number of customer accounts, ii. Customer satisfaction rate, iii. Build resilient energy supply facilities<gas line earthquake survival rate and number of supply blocks>, 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

The amount of performance-linked remuneration paid from July 2024 onward was calculated mainly by multiplying the fixed remuneration by a coefficient calculated using the consolidated EBITDA for the fiscal year ended March 31, 2024, consolidated ROE for the period from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024, and the ESG indicators set forth in the Medium-term Management Plan 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.

The result for consolidated EBITDA was ¥328.1 billion in the fiscal year ended March 31, 2024. The results for consolidated ROE were 11.0% in the fiscal year ended March 31, 2022, 4.3% in the fiscal year ended March 31, 2023, and 8.9% in the fiscal year ended March 31, 2024. The Company will calculate the coefficient for the ESG indicators set forth in the Medium-term Management Plan based on the degree of achievement of the ESG indicators shown in the table below during the plan period (from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027). No results have been calculated for these indicators as of March 31, 2025.

- i. Avoided emissions, ii. Renewable energy development contribution, iii. Percentage of renewables in our power generation portfolio in Japan, iv. CO₂ emissions of Daigas Group, v. CO₂ emissions reduction in the Group company offices and vehicles, vi. Promotion of e-methane practical application, vii. Promotion of methanation technology development, viii. Number of serious accidents and serious energy supply disruptions caused by the company, ix. Establishment of resilient facilities, x. Customer accounts, xi. Customer satisfaction rate, xii. Creation of innovation, xiii. Percentage of females in members newly promoted to middle management positions, xiv. Percentage of females in new recruits for career-track positions, xv. Work engagement score, xvi. Total number of new graduates and mid-career hires, xvii. Reserve ratio of next-generation management personnel, xviii. Ratio of female directors, xix. Number of serious violations of laws and regulations, xx. Recruitment of DX core staff, xxi. Respect for human rights, xxii. Contribution to local communities, xxiii. Sustainable growth of Life & Business Solutions Business

4. The Company grants restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members and 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 current fiscal year is as described in “III. 4. Status of shares delivered to officers of the Company as compensation for the performance of the duties during the current fiscal year” below.

III. Shares (as of March 31, 2025)

1. Number of Shares Issued and Number of Shareholders

Number of Authorized Shares	700,000,000 shares
Number of Shares Issued and Outstanding*	404,105,300 shares
Number of Shareholders	90,003

*7,127,258 treasury shares are included. As a result of the cancellation of treasury shares during the fiscal year ended March 31, 2025, the “Number of Shares Issued and Outstanding” has decreased by 5,806,800 shares compared to March 31, 2024.

2. Principal Shareholders

Shareholders	Number of shares held (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	66,198	16.68
Custody Bank of Japan, Ltd. (trust account)	25,381	6.39
Nippon Life Insurance Company	13,469	3.39
Resona Bank, Limited	10,555	2.66
STATE STREET BANK WEST CLIENT-TREATY 505234	8,658	2.18
MUFG Bank, Ltd.	8,391	2.11
STATE STREET BANK AND TRUST COMPANY 505001	7,406	1.87
Aioi Nissay Dowa Insurance Co., Ltd.	5,973	1.50
Meiji Yasuda Life Insurance Company	5,838	1.47
JPMorgan Securities Japan Co., Ltd.	5,234	1.32

Note: The number of treasury shares (as of March 31, 2025) 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 and cancelled treasury shares as shown in the table below.

Date of decision to repurchase shares	Number of shares repurchased	Repurchase method	Date of decision to cancel shares	Date of cancellation
May 8, 2024	5,806,800	Market purchases	September 26, 2024	October 11, 2024
October 31, 2024	6,223,500		April 24, 2025	May 16, 2025

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

Officers	Number of shares	Number of officers
Directors (excluding Audit and Supervisory Committee Members and outside Directors)	33,950 shares	6

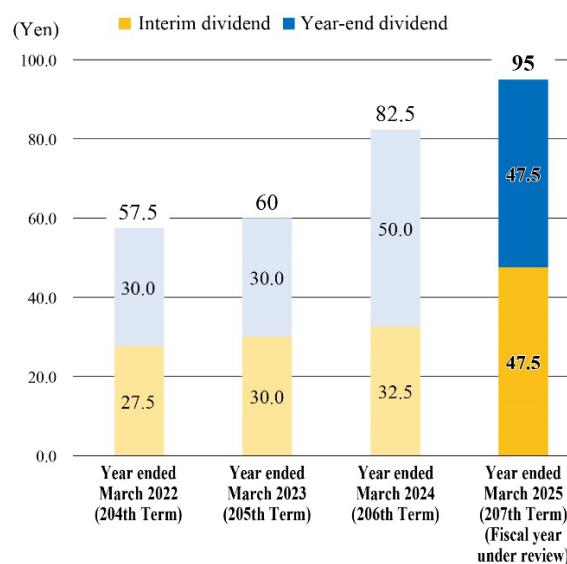
Note: The Company disposed of 80,560 shares of its treasury stock on July 19, 2024 as stock-based compensation to the above six Directors and nineteen Executive Officers who do not concurrently serve as Directors.

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

The Company's policy on the determination of dividends of surplus is to aim for dividends-on-equity (DOE) of 3.0%, within the scope of the stand-alone distributable amount of surplus, with consideration for factors such as financial performance and future management plans, while maintaining the basic approach of progressive dividends: that is increasing or maintaining dividends without decreasing dividends in principle.

Based on the provisions of Article 28 of the Articles of Incorporation, the Company pays dividends by resolution of the Board of Directors, to enable the flexible payment of dividends of surplus, etc.

[Reference] Transition of Dividend per Share



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 Current Fiscal Year

	Fees for audit and attestation services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	118*	7
The Company's subsidiaries	165	23
Total	283	31

*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 and Supervisory Committee's Consent for Remuneration, etc., for the Accounting Auditor

The Audit and Supervisory Committee 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 accounting and finance matters relating to the consideration of business operation streamlining 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 and Supervisory Committee will dismiss the accounting auditor upon the unanimous agreement of all Audit and Supervisory Committee 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 and Supervisory Committee's comprehensive evaluation of the accounting auditor in terms of qualifications, expertise and independence, the Audit and Supervisory Committee 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, 2025)

(Millions of Yen)

Assets		Liabilities	
Current assets	812,779	Current liabilities	409,785
Cash and deposits	82,810	Notes and accounts payable - trade	103,690
Notes and accounts receivable - trade, and contract assets	317,852	Other	306,094
Lease receivables and investment in leases	63,931	Non-current liabilities	1,051,448
Inventories	204,987	Bonds payable	500,999
Other	144,836	Long-term borrowings	363,939
Allowance for doubtful accounts	(1,639)	Deferred tax liabilities	75,371
		Retirement benefit liability	17,394
		Other	93,743
Non-current assets	2,387,746	Total liabilities	1,461,234
Property, plant and equipment	1,427,677	Net assets	
Buildings and structures	207,431	Shareholders' equity	1,302,054
Machinery, equipment and vehicles	708,617	Share capital	132,166
Land	269,815	Capital surplus	19,902
Construction in progress	212,405	Retained earnings	1,173,020
Other	29,408	Treasury shares	(23,034)
Intangible assets	92,377	Accumulated other comprehensive income	
Investments and other assets	867,691	Valuation difference on available-for-sale securities	56,187
Investment securities	569,252	Deferred gains or losses on hedges	70,747
Long-term loans receivable	34,897	Revaluation reserve for land	(2,395)
Retirement benefit asset	144,544	Foreign currency translation adjustment	216,648
Other	119,729	Remeasurements of defined benefit plans	45,552
Allowance for doubtful accounts	(730)	Non-controlling interests	50,497
Total assets	3,200,525	Total net assets	1,739,291
		Total liabilities and net assets	3,200,525

Consolidated Statement of Income (April 1, 2024 to March 31, 2025)

Account	(Millions of Yen)
Net sales	2,069,019
Cost of sales	1,663,441
[Gross profit]	[405,577]
Selling, general and administrative expenses	244,846
[Operating profit]	[160,731]
Non-operating income	54,277
Interest income	12,020
Dividend income	6,716
Share of profit of entities accounted for using equity method	20,653
Other	14,886
Non-operating expenses	25,361
Interest expenses	15,332
Other	10,028
[Ordinary profit]	[189,647]
Extraordinary gains	25,406
Gain on sale of investment securities	25,406
Extraordinary losses	25,803
Impairment losses	14,397
Loss on valuation of investment securities	11,406
[Profit before income taxes]	[189,250]
Income taxes - current	26,458
Income taxes - deferred	27,737
[Profit]	[135,054]
Profit attributable to non-controlling interests	640
Profit attributable to owners of parent	134,414

Non-Consolidated Balance Sheet (As of March 31, 2025)

(Millions of Yen)

Assets		Liabilities	
Current assets		Current liabilities	
Cash and deposits	522,648	Accounts payable - trade	497,533
Notes receivable - trade	11,361	Short-term borrowings	56,823
Accounts receivable - trade	34	Accounts payable - other	253,485
Merchandise and finished goods	265,808	Accrued expenses	18,584
Raw materials and supplies	12,417	Income taxes payable	90,553
Short-term loans receivable	66,080	Advances received	8,480
Other	152,556	Deposits received	89
Allowance for doubtful accounts	15,329	Oher	6,823
	(940)		62,693
Non-current assets	1,513,560	Non-current liabilities	768,439
Property, plant and equipment		Total liabilities	
Buildings	161,530	Bonds payable	1,265,972
Structures	19,585	Long-term borrowings	500,999
Machinery and equipment	13,724	Provision for retirement benefits	232,957
Tools, furniture and fixtures	31,923	Other	853
Land	1,540		33,628
Construction in progress	75,101		
Other	19,507		
	147		
Intangible assets	27,314	Net assets	
Software	26,667	Shareholders' equity	757,819
Other	647	Share capital	132,166
Investments and other assets	1,324,715	Capital surplus	19,482
Investment securities	76,490	Legal capital surplus	19,482
Shares and investments in capital of subsidiaries and associates	721,961	Retained earnings	629,205
Long-term loans receivable	428,397	Legal retained earnings	33,041
Prepaid pension costs	80,266	Other retained earnings	596,163
Other	17,788	Reserve for reduction entry of specified replaced properties	195
Allowance for doubtful accounts	(188)	Reserve for overseas investment loss	2,028
		Reserve for investment promotion taxation	142
		Reserve for adjustment of cost fluctuations	89,000
		General reserve	62,000
		Retained earnings brought forward	442,796
		Treasury shares	(23,034)
		Valuation and translation adjustments	12,416
		Valuation difference on available-for-sale securities	35,998
		Deferred gains or losses on hedges	(23,582)
		Total net assets	770,236
Total assets	2,036,209	Total liabilities and net assets	2,036,209

Non-Consolidated Statement of Income (April 1, 2024 to March 31, 2025)

(Millions of Yen)

Account	Amount
Net sales	1,514,799
Cost of sales	1,354,300
[Gross profit]	[160,498]
Selling, general and administrative expenses	124,906
[Operating profit]	[35,592]
Non-operating income	34,714
Interest and dividend income	25,249
Other	9,464
Non-operating expenses	15,998
Interest expenses	8,134
Loss on valuation of investment securities	3,413
Other	4,450
[Ordinary profit]	[54,307]
Extraordinary gains	28,180
Gain on sale of investment securities	22,837
Gain on extinguishment of tie-in shares	5,343
Extraordinary losses	13,166
Impairment losses	13,166
[Profit before income taxes]	[69,321]
Income taxes - current	5,795
Income taxes - deferred	11,002
[Profit]	[52,524]

(Reference)

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. So far, the Group has declared its commitment to pursuing the challenge to achieve carbon neutrality by 2050 as well as indicating its approach and specific measures during the transition period leading up to 2030 through the “Daigas Group Carbon Neutral Vision” and “Daigas Group Energy Transition 2030”.

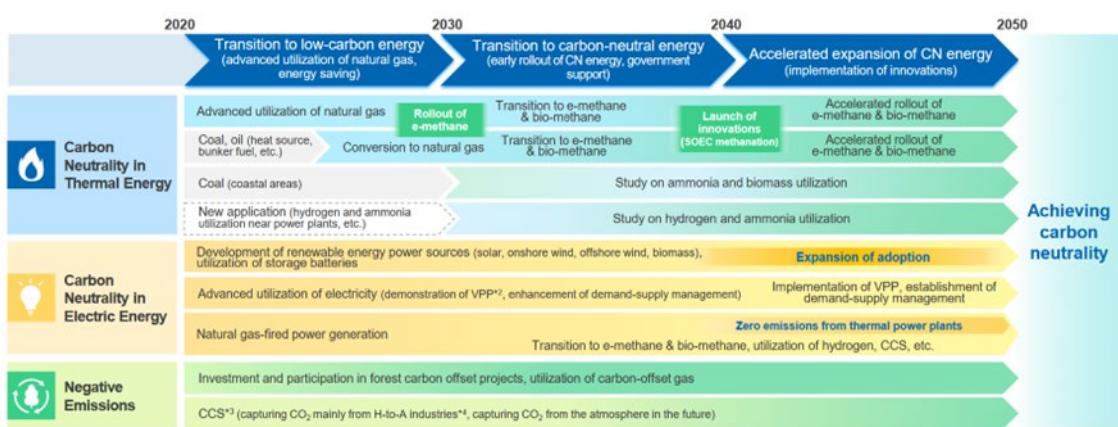
In line with this approach, we are steadily bolstering our activities for a better future through the development of various renewable energy sources, the promotion of e-methane production projects, and the advancement of innovative technologies contributing to decarbonization.

As social changes increase uncertainty in the energy environment, we believe that the Group is called upon to achieve both energy supply stability and carbon neutrality.

In light of these environmental changes, in February this year, we formulated “Daigas Group Energy Transition 2050,” which clarifies the roadmap toward achieving carbon neutrality by 2050 and summarizes solutions for co-creating future value with all our stakeholders.

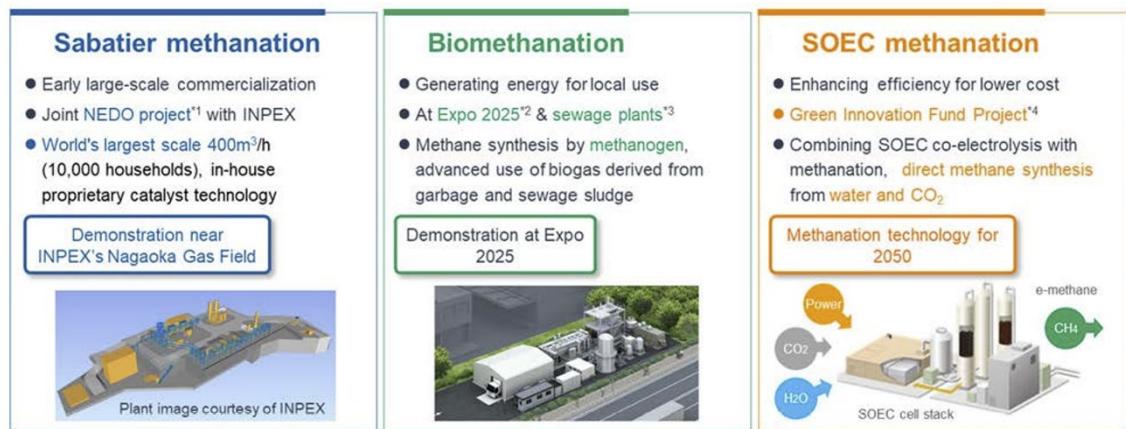


Our roadmap and initiatives toward achieving carbon neutrality by 2050 are shown below.



E-methane, especially, is an exceedingly flexible energy source that enables the use of existing supply chains, facilitating a seamless transition from natural gas to a carbon-neutral society. As we look forward to the introduction of e-methane, we will focus not only on our production capabilities in Japan and overseas but also on building supply chains in anticipation of its widespread adoption.

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, and "Daigas Group Energy Transition 2050."

[Sustainability website]

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



[Integrated Report]

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



[Daigas Group Energy Transition 2050]

https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2025/02/27/250227_2_2.pdf



This document has been translated from the Japanese original for reference purposes only. In the event of discrepancy between this translated document and the Japanese original, the original shall prevail.

207th Annual Meeting of Shareholders Other Electronic Provision Matters

**(Matters Omitted from the Documents Delivered in Response to a
Request for Delivery of Documents)**

**207th Fiscal Year
(April 1, 2024 to March 31, 2025)**

Business Report (Systems to Ensure the Properness of Operations)
Consolidated Statement of Changes in Equity
Notes to Consolidated Financial Statements
Non-Consolidated Statement of Changes in Equity
Notes to Non-Consolidated Financial Statements

OSAKA GAS CO., LTD.

Systems to Ensure the Properness of Operations

The Company transitioned to a Company with an Audit and Supervisory Committee on June 27, 2024, based on a resolution adopted at the 206th Annual Meeting of Shareholders held on the same day. The information below concerns the Company after this transition. However, the Company had established and operated similar systems as a Company with an Audit & Supervisory Board before the transition.

I. Description of Internal Control Systems

The Company establishes systems (internal control systems) to ensure that Directors of the Company execute the duties in compliance with the laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of the Group's operations at meeting of the Board of Directors, and such systems are briefly described below.

1. Systems to ensure that the execution of the duties complies with the laws and regulations and the Articles of Incorporation

- (1) Directors and employees of the Group shall sufficiently acquire and investigate information as the basis to execute the duties and through accurate understanding of the facts, make reasonable decisions in accordance with Regulations on Responsibilities and Authorities.
- (2) For the Board of Directors to make appropriate decisions and enhance its supervisory role, executive Directors shall retain independent outside officers. In addition, the executive officer system shall be adopted to enhance the Board of Directors' supervisory role and ensure efficiency in the execution of duties.
- (3) Executive Directors shall hold Executive Board to provide information to the President and the Board of Directors to assist in the decision-making process and discuss strategies and important matters concerning its management of the business.
- (4) Executive Directors shall establish the "Daigas Group Code of Business Conduct" based on "Daigas Group Charter of Business Conduct." By familiarizing the Directors and employees with the Code, executive Directors shall not only ensure the performance of duties in compliance with applicable laws and regulations and the Articles of Incorporation within the Group but also promote business activities in a fair and appropriate manner, which includes contributing to the preservation of the environment, promoting social contribution activities and dissociating from antisocial forces.
- (5) Executive Directors shall make efforts to understand the status concerning compliance within the Group and promote compliance by establishing a consulting and reporting system as an internal reporting system and an ESG Committee.*¹

*¹ The ESG Committee became the Sustainability Committee on April 1, 2025.

- (6) If any problems are discovered regarding compliance, Directors and employees of the Group are required to consult with or report to an executive Director or other superior, or report the matter via the consulting and reporting system depending on the level of seriousness or urgency. Executive Directors, General

Manager of the General Affairs Dept. or other superiors shall investigate details of such matter and take necessary remedial measures.

2. Systems concerning the storage and the management of information on execution of duties

- (1) Executive Directors and employees of the Group shall prepare minutes of the meetings of the Board of Directors, approval documents or other similar documents specifying matters including matters affecting decisions and the process by which a decision was reached, in accordance with Regulations on Responsibilities and Authorities.
- (2) Executive Directors and employees of the Group shall properly store and manage the minutes of the meetings of the Board of Directors, approval documents or other information on execution of duties according to its nature.

3. Regulations and other systems to manage the risk of losses

- (1) Executive Directors shall establish the Risk Management Committee and endeavor to identify significant risks for the Group and promote risk management.
- (2) Executive Directors of the Group and organizational heads of the Company (heads of basic organizations of the Company) shall manage the risk of losses in accordance with the provisions of the Risk Management Regulations.
- (3) Executive Directors of the Group shall take all possible steps to ensure the safety and stability of gas supply in gas business by establishing safety regulations on matters concerning the construction, maintenance and operation of production and supply facilities, and by promoting the improvement of the production and supply systems.
- (4) The emergencies that may have a particularly material impact on the management of the Group shall be addressed according to the Risk Management Regulations.

4. Systems to ensure the efficient execution of duties

- (1) Executive Directors of the Group and organizational heads of the Company shall determine matters concerning the division of duties and decision-making within the Company and the Group in accordance with Regulations on Responsibilities and Authorities. They shall also provide regulations regarding details of organizations and general matters to be observed during the execution of duties. By familiarizing employees with such regulations, they shall ensure the smooth management of organizations and the improvement of quality and efficiency of operations.
- (2) With the aim of maximizing corporate value, executive Directors of the Group and organizational heads of the Company shall establish medium-term management plans and annual plans for the Company and the Group, monitor its achievement by means of performance indicators and focus on achieving these plans.

5. Other systems to ensure the properness of business operations

In addition to the above, executive Directors shall take the following measures and make efforts to ensure proper operations.

- (1) Companies to play a central role in each business area of the Group (Core Non-Energy Business Companies, Network Company, and Overseas Regional Headquarters) or basic organizations to supervise affiliated companies (management support organizations) shall be designated to be responsible for day-to-day management of affiliated companies.
- (2) Compliance with applicable laws and regulations and the Articles of Incorporation, the efficiency and other similar matters of the Group as a whole shall be audited internally by the head of the Auditing Department. If necessary, in light of the results of such audit, remedial measures shall be taken promptly.
- (3) Internal control procedures shall be maintained, operated and evaluated in relation to financial reporting to ensure its credibility.

6. Matters concerning employees assisting the Audit and Supervisory Committee in the performance of its duties

- (1) Executive Directors, if requested by the Audit and Supervisory Committee, shall appoint employees to assist the Audit and Supervisory Committee in the performance of its duties and establish an Audit and Supervisory Committee office staffed by these Audit and Supervisory Committee assistants.
- (2) The Audit and Supervisory Committee's assistants shall be engaged solely in assisting the Audit and Supervisory Committee in the performance of its duties.

7. Matters concerning independence of the Audit and Supervisory Committee's assistants from Directors

- (1) Executive Directors cannot direct or give orders to the Audit and Supervisory Committee's assistants except where such directions or orders apply equally to all employees.
- (2) Executive Directors shall seek in advance and respect the opinions of the Audit and Supervisory Committee concerning the evaluation, transfer, etc., of the Audit and Supervisory Committee's assistants.

8. Systems for reporting to the Audit and Supervisory Committee

- (1) Directors shall report immediately to the Audit and Supervisory Committee if a matter that is significantly damaging to the Company is discovered.
- (2) Directors and employees of the Group or auditors of the affiliated companies shall report without delay matters that have a material impact on the management of the Group, the results of internal audits, the situation regarding the major reports under the consulting and reporting system and other important matters to the Audit and Supervisory Committee.

- (3) Directors of the Group and employees of the Company shall report without delay when requested by the Audit and Supervisory Committee to report on matters concerning the execution of duties.
- (4) Executive Directors and other superiors of the Group shall not disadvantageously treat any person who reported to the Audit and Supervisory Committee according to the preceding items for the reason that such report was made.

9. Other systems to ensure effective auditing by the Audit and Supervisory Committee

- (1) The Audit and Supervisory Committee Members may exchange opinions periodically with the Representative Directors and the accounting auditor.
- (2) The Audit and Supervisory Committee Members may attend Executive Board and all company committee meetings. They may timely investigate material information concerning the execution of duties, such as approval documents.
- (3) Executive Directors and the head of the Auditing Department shall endeavor to establish an environment that enables effective and efficient auditing by the Audit and Supervisory Committee through coordination with the head of the Auditing Department and the auditors, etc. of affiliated companies.
- (4) Executive Directors shall ensure the Company to cover the expenses or liabilities necessary for the execution of the duties of the Audit and Supervisory Committee Members.

10. Confirmation of operation status, etc.

- (1) Executive Directors shall periodically confirm and assess the status of the operation of the internal control system and report the results to the Board of Directors.
- (2) Executive Directors shall take necessary measures by taking into consideration the assessment results of internal control system and other situations.

II. Operating Status of the Internal Control Systems

The Company confirms the operating status of the internal control systems on a periodic basis by identifying items to confirm for various matters and receiving reports from the organizational heads and other persons concerned. At the meeting of the Board of Directors held on April 24, 2025, it was reported that the internal control systems were operating in a proper manner.

Summary of the operating status of the internal control systems during the fiscal year under review is described in the following.

(1) Matters concerning compliance, etc.

The ESG Committee further promotes initiatives in each sector, including sustainability activities, through the “Compliance and Risk Management Subcommittee,” “Environment Subcommittee,” and “Social Contribution Subcommittee.”

We have formulated and announced the “Daigas Group Energy Transition 2050,” which clarifies the Group’s roadmap for the energy transition to achieve carbon neutrality by 2050 and summarizes its solutions for the associated issues.

Educational materials, including the “Daigas Group Code of Business Conduct” and its guide, are posted on the intranet at all times to familiarize Directors and employees of the Group with said Code to promote and ensure its understanding.

As a result of an investigation by the Company concerning descriptions for the sale of ENE-FARM products, which was launched in response to a report through the consulting and reporting system, incidents that have raised questions under the Act against Unjustifiable Premiums and Misleading Representations (Premiums and Representations Act) were found. In addition to implementing measures to prevent recurrence of such incidents, the Company submitted a report to the Consumer Affairs Agency in March 2025. Osaka Gas Marketing Co., Ltd. and the rest of the Group will further strengthen training and control systems regarding the Premiums and Representations Act.

(2) Matters concerning risk management, etc.

Organizational heads of the Company and presidents of the affiliated companies promote the management of the risk of losses and periodically conduct risk management assessments. Each basic organization or affiliated company identifies risk items, checks the status of management concerning the risk items and conducts follow-ups or other measures by using such means as the “G-RIMS (Gas Group Risk Management System),” which systematizes the self-assessment of risk management practices.

We hold Risk Management Committee meetings to identify the significant risks that management should address and confirm the preventative maintenance plans and measures to respond to each significant risk. Regarding the management of risks concerning security and disaster prevention, which are common throughout the Group, the organization in charge is clearly specified, and the organization supports each basic organization and affiliated company to ensure risk management on a Group-wide basis.

We have established a Security and Disaster Prevention Committee to coordinate and promote cross-organizational measures related to safety and disaster prevention within the Group, and are taking all possible measures to ensure safety and disaster prevention.

To prepare for emergencies, regulations for disaster countermeasure and business continuity plans are prepared. We also carry out company-wide disaster-prevention drills, which consist of earthquake drills and BCP exercises.

The Cyber Security Committee has been established to strengthen measures against attacks from outside the Group’s network such as by carrying out periodic inspections and following up on the Group’s security.

Looking ahead to the 2025 World Exposition in Japan (Expo 2025 Osaka, Kansai), we established a group-wide communication system aimed at preparing for any emergencies and sharing information, taking all precautions to ensure a reliable system for the production and supply of energy. (January 2025)

(3) Matters concerning the management of businesses in the Group

The affiliated companies to be managed by the Core Non-Energy Business Companies, the Network Company, the Overseas Regional Headquarters, or the management support organizations are designated, and their managerial tasks are monitored by receiving regular reports and reports on important issues from the affiliated companies. In addition, day-to-day management of those affiliated companies is performed by using the G-RIMS and/or conducting audits.

The Company's Auditing Department, which conducts internal audits, implements planned internal audits of the Company's organizations and the affiliated companies and provides follow-up after a certain period of time.

(4) Matters concerning the effectiveness of audits by the Audit and Supervisory Committee

The Audit and Supervisory Committee Members have periodic exchanges of opinion with the Director and Chairman, the Representative Director and President and the accounting auditor. Partly through the opportunity to exchange opinions with the accounting auditor, the Audit and Supervisory Committee evaluates the qualifications, expertise and independence of the accounting auditor.

Full-time Audit and Supervisory Committee Members attend important meetings such as the Executive Board, the ESG Committee,*2 the Investment Evaluation Committee, the Risk Management Committee, etc., and read approval documents and other important documents. All Audit and Supervisory Committee Members attend meetings of the advisory committee on management and the outside Audit and Supervisory Committee Members attend meetings of the advisory committees on nomination and remuneration. The Audit and Supervisory Committee reviews annual audit plans by the Auditing Department in advance, as well as receiving regular reports concerning the plans and results of individual audits. Through a Board of Directors' resolution on the internal control systems, we have also clarified the important matters to be reported to the Audit and Supervisory Committee and disseminate information.

*2 The ESG Committee became the Sustainability Committee on April 1, 2025.

Five assistants to the Audit and Supervisory Committee are in place to engage solely in assisting the Audit and Supervisory Committee's duties.

Consolidated Statement of Changes in Equity (April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	132,166	19,056	1,097,883	(2,746)	1,246,360	87,899	61,656	(2,395)	140,583	43,407	331,152	27,479	1,604,992
Changes during period													
Dividends of surplus			(39,599)		(39,599)								(39,599)
Profit attributable to owners of parent			134,414		134,414								134,414
Purchase of treasury shares				(40,060)	(40,060)								(40,060)
Disposal of treasury shares		13		269	283								283
Cancellation of treasury shares		(13)	(19,489)	19,503	—								—
Change in scope of consolidation			41		41								41
Change in scope of equity method			(230)		(230)								(230)
Sale of shares of foreign consolidated subsidiaries		289			289								289
Change in ownership interest of parent due to transactions with non-controlling interests		556			556								556
Net changes in items other than shareholders' equity						(31,712)	9,090	—	76,064	2,145	55,587	23,017	78,605
Total changes during period	—	846	75,136	(20,287)	55,694	(31,712)	9,090	—	76,064	2,145	55,587	23,017	134,299
Balance at end of period	132,166	19,902	1,173,020	(23,034)	1,302,054	56,187	70,747	(2,395)	216,648	45,552	386,739	50,497	1,739,291

Notes to Consolidated Financial Statements (April 1, 2024 to March 31, 2025)

1. Notes to Significant Matters Forming the Basis of Preparation of the Consolidated Financial Statements

(1) Scope of consolidation

Number of consolidated subsidiaries: 163

(Names of principal consolidated subsidiaries)

Osaka Gas Urban Development Co., Ltd., OGIS-RI Co., Ltd., Osaka Gas Chemicals Co., Ltd., Osaka Gas Network Co., Ltd., Osaka Gas Marketing Co., Ltd., Daigas Energy Co., Ltd., Daigas Gas and Power Solution Co., Ltd., and Osaka Gas USA Corporation

(2) Application of the equity method

Number of equity method associates: 47

(Names of principal equity method associates)

ENEARC Co., Ltd. and FLIQ1 Holdings, LLC

(Names of principal associates not subject to the equity method)

The principal associate not subject to the equity method is ENNET Corporation.

The equity method is not applied to those associates which do not have a material impact on profit or loss, retained earnings, etc., and are not material as a whole.

(3) Accounting policies

(i) Basis and methodology for the valuation of significant assets

a. Investment securities:

Bonds held to maturity: Stated at amortized cost

Available-for-sale securities:

Other than stocks and other securities with no market price:	Stated at fair value (Unrealized valuation gains and losses are accounted for as a component of net assets; cost of sales is determined primarily using the moving-average method.)
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Stocks and other securities with no market price:	Primarily stated at cost based on the moving-average method
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b. Inventories:

Primarily stated at cost based on the moving-average method; inventories held for trading recorded on the balance sheet are depreciated to write down the carrying amount based on depreciation of profitability.

c. Derivatives:

Stated at fair value

(ii) Depreciation and amortization method of significant depreciable assets

- a. Property, plant and equipment (excluding leased assets) are depreciated primarily using the declining-balance method. However, the straight-line method has mainly been used for overseas consolidated subsidiaries and has been used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and structures acquired on or after April 1, 2016. Assets related to exploration and development are depreciated primarily using the units-of-production method.
- b. Intangible assets (excluding leased assets) are amortized primarily using the straight-line method.
- c. Leased assets resulting from non-ownership-transfer finance leases are depreciated or amortized using the straight-line method over the useful life equal to the lease terms assuming no residual value.

(iii) Basis for recording significant allowances

Allowance for doubtful accounts

To provide for the bad debt loss of accounts receivable, loans receivable, etc., an estimated uncollectible amount is provided which is based on an amount calculated based on the default ratio in the past for general receivables and the individual collectability for certain receivables including receivables with default possibility.

(iv) Basis for recognition of significant revenues and expenses

a. Revenue from sales of goods or products

For the sale of goods or products in each of the Group's businesses, the Group recognizes revenue at the point of delivery for goods or products that do not require installation under the contract with the customer, and at the point of completion of installation for goods or products that require installation under the contract with the customer, based on the judgment that the customer has acquired control over the goods or product and the performance obligation has been satisfied at such point. For contracts in which the Group is entitled to receive consideration that directly corresponds to the value to the customer of the portion of performance completed, the Group recognizes revenue in the amount it is entitled to claim in accordance with Paragraph 19 the Implementation Guidance on Accounting Standard for Revenue Recognition.

Revenue is measured at the amount of consideration promised under the contract with the customer, less discounts, rebates, and other items. Consideration is usually received within approximately one year from the satisfaction of the performance obligation, and it does not include significant financial elements.

b. Revenue from provision of services, etc.

For the gas business, revenues from the provision of services, etc., including maintenance and servicing related to gas appliances are recognized on a straight-line

or percentage-of-completion basis over the service period in which the customer receives the benefit if the performance obligation is satisfied over a certain period.

For transactions that combine the sale of goods or products with the provision of services, etc., each promise to transfer goods or services is identified as a separate performance obligation. The stand-alone selling price is determined at the inception of the contract, and the transaction price is allocated in proportion to such selling price. Consideration is usually received based on the progress towards complete satisfaction of performance obligation or in the form of advance payments based on contracts with customers, and it does not include significant financial components.

c. Revenue from construction contracts, etc.

For revenues from construction contracts, including engineering in the gas and electricity businesses and software development in the information solutions business, the Company estimates the progress towards complete satisfaction of the performance obligations and recognizes revenues over a certain period based on the progress. The progress is measured based on the percentage of costs incurred by the end of the period to the estimated total costs. However, for construction contracts with short construction periods, etc., revenue is recognized when the performance obligation is fully satisfied.

Consideration is generally received in the form of contractual milestone payments based on the progress towards complete satisfaction of performance obligation or in the form of advance payments based on contracts with customers, and it does not include significant financial components.

(v) Other significant matters for the preparation of the consolidated financial statements

a. Accounting for retirement benefits

For the purposes of employee retirement benefits, based on the estimate of the retirement benefit obligations at the end of the current consolidated fiscal year, an amount obtained by deducting plan assets from retirement benefit obligations is provided.

i Method of attributing projected retirement benefits to periods of service

In calculating retirement benefit obligations, the benefit formula basis is mainly applied to attribute projected retirement benefits to periods of service until the end of the current consolidated fiscal year.

ii Amortization of actuarial gains and losses and past service costs

Past service costs are expensed mainly in the consolidated fiscal year when such costs are incurred.

Actuarial gains and losses are amortized on a straight-line basis mainly over a period of 10 years beginning from the next consolidated fiscal year after occurrence.

b. Adoption of the group tax sharing system

The Company and some of its consolidated subsidiaries in Japan have adopted the group tax sharing system and apply Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ Practical Solution No. 42, August 12, 2021) regarding the accounting treatment of income taxes and the accounting treatment and disclosure of tax effect accounting related to income taxes.

2. Notes to Accounting Estimates

Items for which the amount was recorded in the consolidated financial statements for the current consolidated fiscal year based on accounting estimates and which may have a significant impact on the consolidated financial statements for the next consolidated fiscal year are as follows.

(1) Impairment of property, plant and equipment, intangible assets, and investment in entities accounted for using equity method

Amounts recorded on the consolidated balance sheet for the current consolidated fiscal year

Property, plant and equipment	¥1,427,677 million
Intangible assets	¥92,377 million
Investment in entities accounted for using equity method	¥405,590 million

(2) Collectability of deferred tax assets

Amounts recorded on the consolidated balance sheet for the current consolidated fiscal year

Deferred tax assets	¥13,914 million
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(3) Calculation of retirement benefit obligations

Amounts recorded on the consolidated balance sheet for the current consolidated fiscal year

Retirement benefit asset	¥144,544 million
Retirement benefit liability	¥17,394 million
Remeasurements of defined benefit plans	¥45,552 million

3. Notes to the Consolidated Balance Sheet

(1) Assets pledged as collateral and secured liabilities

(i) Assets pledged as collateral

Property, plant and equipment	¥159,573 million
Investments and other assets	¥223,888 million
Others	¥63,057 million
Total	¥446,519 million

(ii) Secured liabilities

¥129,894 million

In addition to above, shares of subsidiaries and associates, etc. of ¥34,527 million offset as a result of consolidation are pledged as collateral.

(2) Accumulated depreciation of property, plant and equipment:

¥3,145,805 million

(3) Guarantee liabilities, etc.

Guarantee liabilities:	¥10,962 million
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4. Notes to Revaluation Reserve for Land

Commercial land of certain consolidated subsidiaries has been revaluated in accordance with the Act on Revaluation of Land (Law No. 34 of March 31, 1998) and the Amendment to Act on Revaluation of Land (Law No. 19 of March 31, 2001). Any difference (excluding any amount associated with tax effect accounting) resulting from the revaluation is included in net assets as revaluation reserve for land. The revaluation is made by making reasonable adjustments to the valuation by road rating which is provided for in Article 2, Item 4 of the Enforcement Order of the Law Concerning the Revaluation of Land (Cabinet Order No. 119 of March 31, 1998).

5. Notes to Financial Instruments

(1) Matters concerning the status of financial instruments

It is the Group's policy to raise its operating funds through borrowings from financial institutions and the issuance of bonds and to conduct fund management through a conservative financial portfolio. Also, we comply with our accounting manual, etc., to diminish risks on counterpart credit risk against the note and trade accounts receivable. In derivative transactions, we use interest swap for adjusting the ratio between fixed and floating interest rates and fixing the interest level for bonds and borrowings, exchange forward contracts and currency option contracts for reducing fluctuation of cash flow due to exchange fluctuation, swap and option of energy prices, etc., for reducing fluctuation of cash flow due to change in energy prices, etc. We do not invest in speculative transactions.

(2) Matters concerning fair value, etc., of financial instruments

Amounts recorded in the consolidated balance sheet, fair values and the difference between such amounts at the end of the current consolidated fiscal year are as follows.

Shares of subsidiaries and associates, unlisted shares, and other stocks with no market price (amount recorded on the consolidated balance sheet: ¥449,747 million) are not included in "(1) Securities and investment securities."

In addition, "Cash and deposits," "Notes and accounts receivable - trade, and contract assets," "Notes and accounts payable - trade" and "Short-term borrowings" are omitted because their fair values approximate their book values due to cash and short term settlements.

			(Millions of Yen)
	Amount recorded on the consolidated balance sheet	Fair value	Difference
(1) Securities and investment securities	119,505	119,233	(271)
Total Assets	119,505	119,233	(271)
(2) Bonds payable ¹	500,999	431,000	(69,999)
(3) Long-term borrowings ¹	436,472	424,528	(11,943)
Total Liabilities	937,472	855,529	(81,942)
Derivative transactions ²	70,078	70,078	—

¹ Includes those due within one year.

² Receivables and payables incurred by derivative transactions are shown in net amount.

(Note) Description of valuation techniques and inputs used in the calculation of fair value

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated using (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs that are directly or indirectly observable

Level 3 fair value: Fair value calculated using significant unobservable inputs

When multiple inputs that have a significant impact on the calculation of fair value are used, fair value is classified to the level with the lowest priority in the calculation of fair value among the levels to which each of those inputs belongs.

Assets

(1) Securities and investment securities

Listed stocks and Japanese government bonds are valued using quoted market prices, and their fair values are classified as Level 1 fair value because they are all traded in active markets. Other investments are valued using the discounted present value method, etc., and their fair values are classified as Level 3 fair value.

Liabilities

(2) Bonds payable

The fair value of bonds payable issued by the Company is based on their quoted market prices and is classified as Level 2 fair value.

(3) Long-term borrowings

Long-term borrowings with fixed interest rates are classified as Level 2 fair value, which is calculated using the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the

remaining term of the debt and credit risk. The fair value of long-term borrowings with floating interest rate is its book value because the fair value is considered to be approximately equal to the book value and is classified as Level 2 fair value.

Derivative transactions

The fair value of derivative transactions is primarily based on the price quoted by the counterpart financial institutions and is classified as Level 2 fair value. The fair value of derivative transactions for which special exception for interest swap is applied is included in the fair value of long-term borrowings as it is treated as part of such long-term borrowings which are hedged. The fair value of forward foreign exchange contracts that are accounted for under the allocation method is included in the fair value of the relevant accounts payable, etc., because they are accounted for as an integral part of the accounts payable, etc., which are hedged items.

6. Notes to Properties, etc. for Lease

(1) Matters concerning the status of properties for lease

The Company and some of its consolidated subsidiaries own office buildings for lease (including land) in Osaka Prefecture and other areas.

(2) Matters concerning fair value of properties for lease

Amount recorded on the consolidated balance sheet	Fair value	(Millions of Yen)
261,438	352,517	

Notes: 1. The amount recorded on the consolidated balance sheet is the amount which deducts the accumulated depreciation amount and accumulated impairment losses amount from the acquisition cost.

2. The fair value at the end of the current consolidated fiscal year is the amount (including the amount adjusted by using the index, etc.) based mainly on the method prescribed by the “Real Estate Appraisal Standard” and other similar methods.

7. Notes to the Consolidated Statement of Changes in Equity

(1) Number of shares issued and outstanding as of the end of the current consolidated fiscal year
404,105,300 common shares

(2) Dividends

(i) Amount of payment of dividends

a. At the Annual Meeting of Shareholders held on June 27, 2024, the following were resolved with March 31, 2024, as a record date.

Dividends of common shares

(a) Total amount of dividends ￥20,447 million

(b)	Dividend per share	¥50.00
(c)	Effective date for dividends	June 28, 2024

b. At the meeting of the Board of Directors held on October 31, 2024, the following were resolved with September 30, 2024, as a record date.

Dividends of common shares

(a)	Total amount of dividends	¥19,152 million
(b)	Dividend per share	¥47.50
(c)	Effective date for dividends	November 29, 2024

(ii) Dividends of which the record date falls within the current consolidated fiscal year and of which the effective date falls within the next consolidated fiscal year

At the meeting of the Board of Directors held on May 8, 2025, the following were resolved with March 31, 2025, as a record date. Dividends are to be appropriated from retained earnings.

Dividends of common shares

(a)	Total amount of dividends	¥18,856 million
(b)	Dividend per share	¥47.50
(c)	Effective date for dividends	June 2, 2025

8. Notes to Per Share Information

(1)	Net assets per share:	¥4,254.13
(2)	Earnings per share:	¥333.31

9. Notes to Revenue Recognition

(1) Segmentation of revenue

The Group operates its businesses through three reportable segments: the Domestic Energy Business, the International Energy Business, and the Life & Business Solutions Business. The goods and services of each reportable segment are gas business, electricity business, international energy business, urban development business, information solutions business, material solutions business, and other life and business solutions business.

Revenues from contracts with customers were ¥1,711.976 million for the Domestic Energy Business, ¥101,277 million for the International Energy Business, and ¥202,710 million for the Life & Business Solutions Business.

Subsidies, etc. received through the Electricity and Gas Price Volatility Mitigation Project are included in revenue for the Domestic Energy Business.

(2) Basic information to understand revenue

The information is disclosed in “(iv) Basis for recognition of significant revenues and expenses, (3) Accounting policies, 1. Notes to Significant Matters Forming the Basis of Preparation of the Consolidated Financial Statements” in Notes to Consolidated Financial Statements.

10. Notes on Significant Subsequent Events

(1) Cancellation of treasury shares

At the meeting of the Board of Directors held on April 24, 2025, the Company resolved to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act.

- (i) Class of shares to be cancelled: Common shares of the Company
- (ii) Number of shares to be cancelled: 6,223,500
- (iii) Scheduled date of cancellation: May 16, 2025

(2) Purchase of treasury shares

At the meeting of the Board of Directors held on May 8, 2025, the Company resolved to purchase treasury shares in accordance with the provisions of Article 156 of the Companies Act, as modified and applied in accordance with Article 165, Paragraph 3 of the Companies Act.

(i) Reason for the purchase of treasury shares

To enhance shareholder returns based on the Company's shareholder returns policy and improve capital efficiency.

(ii) Details of the purchase

- a. Class of shares to be purchased: Common shares of the Company
- b. Number of shares to be purchased: 30 million shares (maximum)
- c. Total value of the purchased shares: ¥70,000 million (maximum)
- d. Purchase period: From May 9, 2025 to April 24, 2026

Non-Consolidated Statement of Changes in Equity (April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' equity														Valuation and translation adjustments		
	Share capital	Capital surplus			Retained earnings								Treasury shares				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				General reserve	Retained earnings brought forward	Total retained earnings	Total shareholders' equity				
Balance at beginning of period	132,166	19,482	—	19,482	33,041	195	4,404	217	89,000	62,000	446,910	635,770	(2,746)	784,672	53,846 (23,172)	30,673 815,346	
Changes during period																	
Reversal of reserve for overseas investment loss							(2,376)				2,376	—		—		—	
Reversal of reserve for investment promotion taxation								(75)			75	—		—		—	
Dividends of surplus										(39,599)	(39,599)		(39,599)			(39,599)	
Profit										52,524	52,524		52,524			52,524	
Purchase of treasury shares												(40,060)	(40,060)			(40,060)	
Disposal of treasury shares			13	13								269	283			283	
Cancellation of treasury shares			(13)	(13)						(19,489)	(19,489)	19,503	—			—	
Net changes in items other than shareholders' equity														(17,848)	(409)	(18,257) (18,257)	
Total changes during period	—	—	—	—	—	—	(2,376)	(75)	—	—	(4,113)	(6,564)	(20,287)	(26,852)	(17,848)	(409) (18,257) (45,110)	
Balance at end of period	132,166	19,482	—	19,482	33,041	195	2,028	142	89,000	62,000	442,796	629,205	(23,034)	757,819	35,998 (23,582)	12,416 770,236	

Notes to Non-Consolidated Financial Statements (April 1, 2024 to March 31, 2025)

1. Notes to Matters in respect of Significant Accounting Policies

(1) Basis and methodology for the valuation of assets

(i) Valuation of securities:

Bonds held to maturity:	Stated at amortized cost
Shares of subsidiaries and associates:	Stated at cost based on the moving-average method
Available-for-sale securities:	
Other than stocks and other securities with no market price:	Stated at fair value (Unrealized valuation gains and losses are accounted for as a component of net assets; cost of sales is determined using the moving-average method.)
Stocks and other securities with no market price:	Stated at cost based on the moving-average method

(ii) Inventories are valued as follows; provided, however that inventories held for trading recorded on the balance sheet are depreciated to write down the carrying amount based on depreciation of profitability:

Merchandise:	Stated at cost based on the moving-average method
Finished goods:	Stated at cost based on the total-average method
Raw materials and supplies:	Stated at cost based on the moving-average method

(iii) Derivatives are stated at fair value.

(2) Depreciation and amortization method of non-current assets

- (i) Property, plant and equipment (excluding leased assets) are depreciated using the declining-balance method. However, the straight-line method has been used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and for facilities attached to buildings and structures acquired on or after April 1, 2016.
- (ii) Intangible assets (excluding leased assets) are amortized using the straight-line method.
- (iii) Leased assets resulting from non-ownership-transfer finance leases are depreciated or amortized using the straight-line method over the useful life equal to the lease terms assuming no residual value.

(3) Basis for recording allowances

- (i) As for the allowance for doubtful accounts, to provide for the bad debts loss of accounts receivable, loans receivable, etc., an estimated uncollectible amount is provided which is based on an amount calculated based on the default ratio in the past for general receivables and the individual collectability for certain receivables including receivables with default possibility.
- (ii) As for the provision for retirement benefits, for the purposes of employee retirement benefits, an amount is provided based on the estimate of the retirement benefits obligation and pension assets at the end of the fiscal year.

a. Method of attributing projected retirement benefits to periods of service

In calculating retirement benefit obligations, the benefit formula basis is applied to attribute projected retirement benefits to periods of service until the end of the current non-consolidated fiscal year.

b. Amortization of actuarial gains and losses and past service costs

Past service costs are expensed in the period when such costs are incurred.

Actuarial gains and losses are amortized on a straight-line basis over a period of 10 years beginning from the next non-consolidated fiscal year of occurrence.

(4) Basis for recording revenue and expenses

(i) Revenue from sales of goods or products

For the sale of goods or products in each of the Company's businesses, the Company recognizes revenue at the point of delivery for goods or products that do not require installation under the contract with the customer, and at the point of completion of installation for goods or products that require installation under the contract with the customer, based on the judgment that the customer has acquired control over the goods or product and the performance obligation has been satisfied at such point.

(ii) Revenue from provision of services, etc.

For the gas business, revenues from the provision of services, etc., including maintenance and servicing related to gas appliances are recognized on a straight-line or percentage-of-completion basis over the service period in which the customer receives the benefit if the performance obligation is satisfied over a certain period.

(5) Other significant matters for the preparation of these non-consolidated financial statements

The method of accounting for unrecognized actuarial differences and unrecognized past service costs concerning retirement benefits on a non-consolidated basis is different from that on a consolidated basis.

2. Notes to Accounting Estimates

Items for which the amount was recorded in the non-consolidated financial statements for the current non-consolidated fiscal year based on accounting estimates and which may have a significant impact on the non-consolidated financial statements for the next non-consolidated fiscal year are as follows.

Calculation of retirement benefit obligations

Provision for retirement benefits	¥853 million
Prepaid pension costs	¥80,266 million

3. Notes to the Non-Consolidated Balance Sheet

(1) Assets pledged as collateral

Investments and other assets:	¥13,787 million
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(2) Accumulated depreciation of property, plant and equipment and accumulated amortization of intangible assets

Accumulated depreciation of property, plant and equipment:	¥564,104 million
Accumulated amortization of intangible assets:	¥16,191 million

(3) Guarantee liabilities, etc.

Guarantee liabilities:	¥86,745 million
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(4) Monetary claims and obligations with subsidiaries and associates

Short-term monetary claims:	¥223,381 million
Long-term monetary claims:	¥428,397 million
Short-term monetary obligations:	¥210,132 million
Long-term monetary obligations:	¥15,605 million

4. Notes to the Non-Consolidated Statement of Income

Amount of business from operational transactions with subsidiaries and associates:

Sales to subsidiaries and associates:	¥163,428 million
Amounts of purchases from subsidiaries and associates:	¥594,255 million

Amount of business from non-operational transactions with subsidiaries and associates:

¥38,360 million

5. Notes to the Non-Consolidated Statement of Changes in Equity

Number of treasury stock at the end of the fiscal year:	7,127,258 common shares
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6. Notes to Tax Effect Accounting

(1) The main factors for the deferred tax assets are loss on valuation of investment securities, deferred gains or losses on hedges, and shares of subsidiaries due to corporate division.

(2) The main factors for the deferred tax liabilities are prepaid pension costs, valuation difference on available-for-sale securities, and reserves required under the Special Taxation Measures Law.

(3) Adoption of the group tax sharing system

The Company has adopted the group tax sharing system and applies Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ Practical Solution No. 42, August 12, 2021) regarding the accounting treatment of income taxes and the accounting treatment and disclosure of tax effect accounting related to income taxes.

7. Notes to Transactions with Related Parties

Company name	Holding ratio of voting rights	Relationship	Substance of transaction	Transaction amount (Millions of Yen)	Item	Outstanding amount as at the year-end (Millions of Yen)
Osaka Gas Singapore Pte. Ltd.	100% direct holding	Subsidiary	Subscription to increase in capital (Note 1)	36,307	—	—
Osaka Gas Gorgon Pty Ltd.	100% indirect holding	Subsidiary	Debt guarantee (Note 2)	27,544	—	—
Osaka Gas USA Corporation	100% direct holding	Subsidiary	Debt guarantee (Note 3)	26,055	—	—

Conditions of transaction and decision policy for conditions of transaction, etc.

Notes: 1. The Company subscribed to the increase in capital of Osaka Gas Singapore Pte. Ltd.
2. The Company provided a guarantee for the long-term borrowings of Osaka Gas Gorgon Pty Ltd to Japan Bank for International Cooperation, etc.
3. The Company provided a guarantee for the derivative transactions implemented by Osaka Gas USA Corporation to hedge business risks.

8. Notes to Per Share Information

(1) Net assets per share: ￥1,940.25
(2) Earnings per share: ￥130.25

9. Notes to Revenue Recognition

Basic information to understand revenue

The information to understand revenue from contracts with customers is omitted since the same description is disclosed in “a. Revenue from sales of goods or products, b. Revenue from provision of services, etc., (iv) Basis for recognition of significant revenues and expenses, (3) Accounting policies,

1. Notes to Significant Matters Forming the Basis of Preparation of the Consolidated Financial Statements” in Notes to Consolidated Financial Statements.
10. Notes on Significant Subsequent Events

(1) Cancellation of treasury shares

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- (i) Class of shares to be cancelled: Common shares of the Company
- (ii) Number of shares to be cancelled: 6,223,500
- (iii) Scheduled date of cancellation: May 16, 2025

(2) Purchase of treasury shares

At the meeting of the Board of Directors held on May 8, 2025, the Company resolved to purchase treasury shares in accordance with the provisions of Article 156 of the Companies Act, as modified and applied in accordance with Article 165, Paragraph 3 of the Companies Act.

- (i) Reason for the purchase of treasury shares
To enhance shareholder returns based on the Company’s shareholder returns policy and improve capital efficiency.
- (ii) Details of the purchase
 - a. Class of shares to be purchased: Common shares of the Company
 - b. Number of shares to be purchased: 30 million shares (maximum)
 - c. Total value of the purchased shares: ¥70,000 million (maximum)
 - d. Purchase period: From May 9, 2025 to April 24, 2026