



21 December 2020

JGA Chair Michiaki Hirose Press conference on 21 December 2020
Summary of remarks

1. Looking back on 2020

(1) Business operation amid COVID-19 pandemic situation

This year's top topic is the spread of the COVID-19. Each gas company has taken thorough infection prevention measures to continue stable gas supply, and so far, there have been no cases of supply disruptions. Since the number of infected people has rapidly been increasing, we must be vigilant about our surroundings so that we can prevent any accidents from occurring.

The Gas Association had set up a headquarters for COVID-19 countermeasures and supported business continuity of gas companies by providing information. In addition, to improve the level of response as the gas industry, we organized examples of stable supply and security operations in COVID-19 situation and shared information with our member gas companies.

In terms of customer-services, gas companies are setting grace of payment deadline of gas bill because of the social situation that it is necessary to support the needy due to repercussions of the COVID-19. In addition, since gas security workers may visit customers' homes, gas companies have taken measures such as confirming the customer's thoughts in advance before conducting operations.

In light of management of JGA, online was utilized for various meetings including periodical Council meetings. Even during the period when business trips is possible, events were held in "hybrid style" which allow

participants can choose joining events in person or online, and now such operation has become established. Many of the planned events were held online this year. Although there are disadvantages of not being able to meet each other, by cutting the time for traveling, it made easier for gas companies located far away to join events. In addition, there was a positive effect that the number of participants increased compared to the past. We temporarily have held JGA chair's press conferences at the JGA Building taking infection prevention measures.

Other than that, since we were not able to hold Annual meeting in person and occasions to meet member companies had decreased, we have set up opportunities to exchange opinions utilizing online between chief executives of member gas companies other than board members of JGA. We named those online meetings "*NŌ-mitsu*" communication" in the sense of implementing "close communications avoiding closed spaces, crowded places, close-contact settings. (*In Japanese, nōmitsu's "nō" means "close", and "mitsu" means " closed spaces / crowded places / close-contact settings ". Therefore, "NŌ-mitsu" signifies "close communication with "no" closed spaces / crowded places / close-contact settings".*) We held a total of 33 discussion meetings and participated 157 top executives of gas companies. Around 5 companies joined for each "*NŌ-mitsu* communication meeting.

We achieved to hear actual conditions of various gas companies in each region and difficulties of their business activities, and I realized that was effective as a new communication way.

(2) Expressing intention to contribute to the realization of a carbon-neutral, carbon-free society in 2050

Another big topic of this year is that we have expressed our willingness to contribute to the realization of a carbon-neutral, carbon-free society in 2050.

As gas companies are required to respond to various changes in the environment, the "Study Committee on the Ideal Gas Business for 2050" has been held for the first time in about 10 years as a study committee of the

Agency for Natural Resources and Energy (ANRE) of METI.

The Study Committee started from September this year with three main themes of "low carbonization / decarbonization," "strengthening resilience," and "strengthening the management base of gas business."

On October 26, Prime Minister Suga Yoshihide announced a policy of "aiming to realize a carbon-neutral, carbon-free society in 2050," which made the Study Committee very timely. Prime Minister Suga's declaration positions the 30 years up to 2050 as a low-carbon society, how to face these 30 years, and how to overcome that to realize a "2050 carbon-neutral, decarbonized society". This is an issue that has both strategicity and flexibility.

The JGA also announced at press conference in November that we will "actively contribute to the realization of a carbon-neutral, carbon-free society as gas industry." We also presented the "Carbon Neutral Challenge 2050", which was the basis of the press conference, at the "4th Study Committee on the Ideal Gas Business for 2050" held on December 16th.

Since that study committee will be held from the next month onward, I would like to continue to actively participate and draw the future image and role of the gas business with the help of the government and the committee members.

I would like to touch on again the carbon-neutral efforts of the gas industry. "We will contribute to realize a "2050 carbon-neutral, decarbonized society" while steadily promoting the deepening of a low-carbon society by making full use of following three initiatives, including overseas contributions.

The first our initiative is "Thorough shift to natural gas and advanced use of natural gas," which is an initiative on demand side. First, we will thoroughly reduce carbon. We will work on fuel conversion from oil and coal to cleaner natural gas, widespread use of cogeneration and fuel cells, and higher efficiency of equipment.

The second is "Expansion of carbon neutral gas," which is an initiative on supply side. In addition to taking on the challenge of innovation such as methanation, hydrogen utilization, and CCUS, we will promote the expansion of carbon-neutral gas by making full use of various means such as further utilization of biogas and carbon-neutral LNG.

The third is "Initiatives such as overseas contributions." Japan's gas industry will work to contribute to global CO₂ reduction through innovative gas appliances developed in Japan and overseas expansion of engineering capabilities that make use of our knowledge as an advanced LNG country. There are many things to do, but we will accelerate each initiative and take on the challenge of advanced innovation. In addition, as a milestone for 2050, we continue considering the details of our efforts toward 2030.

I would have to say the next year (2021) will also be a tough year, but we, the gas industry, will do our best to make it a better year.