



22 April 2021

Summary of Remarks by JGA Chair HONJO Takehiro

1. Introduction

Japan's city gas industry has taken on the challenge of contributing to the realization of a "carbon-neutral society", while making every effort to deal with the competition with other energies after the full liberalization of gas retailing and the response to COVID-19 disasters.

At the previous press conference on March 18, I said that we would do the utmost to satisfy "customers," "society," and "city gas companies," what we say "Sanpo-yoshi (三方^{さんぽう}よし) . "Sanpo-yoshi" is a well-known business philosophy of Ohmi (近江^{おうみ}, highly developed area near Kyoto) merchants who were active from the Middle Ages to the modern era that describes a triple-win for "the buyer", and "the seller" and "the society". That philosophy is that we must not do business only for the benefit of the seller, but also for the satisfaction of the buyer and contribute to the development of the local community through business, which is, I believe, similar to the CSR and SDGs.

The gas industry will also be able to achieve sustainable development by providing various services to customers through efforts for liberalization, carbon neutrality and regional revitalization, widely contributing to solving problems in society as a whole.

As I am from the Kansai region (western part of Japan), I would like to keep this knowledge in mind and make efforts with sincerity.

2. At the start of Fiscal 2021 (April 2021-)

In October 2020, Prime Minister Suga, Yoshihide declared that Japan would aim for a carbon-neutral in 2050, and the Japan Gas Association also announced that Japan's city gas industry would "proactively respond to that policy." In addition, in March of 2021, the Agency for Natural Resources and Energy of METI made up a report on the "Study Committee on the Ideal Gas Business for 2050", which indicated the future direction and policies of gas utilities and the gas industry.

In the midst of such major changes toward a "sustainable society," 2021 will be a year in which the gas business will take a new step toward future development. At present, I recognize that the national government is reviewing the greenhouse gas reduction target for 2030.

The gas industry will contribute to the achievement of the reduction target for 2030 by promoting immediate and reliable CO2 reduction and energy saving through a thorough shift to natural gas and advanced use of natural gas.

We will work on it utilizing the systems and policies that support the promotion of the use of natural gas as well as reducing the cumulative CO2 during the transition period based on the time axis, and toward 2050, we will also make the gas carbon-neutral by methanation etc.

3. 2021 fiscal year Japan Gas Association Business Plan

Looking at the situation surrounding the city gas industry, expectations for the city gas business have been rising toward the realization of a sustainable society, such as low carbonization, realization of carbon neutrality in the future, strengthening of resilience, and contribution to regional revitalization.

In addition, policy and institutional discussions related to gas projects in the government, such as the formulation of the 6th Strategic Energy Plan and the review of the global warming countermeasure plan are proceeding.

On the other hand, for JGA member companies, in addition to the influence of COVID-19, changes in social style and legal separation of the pipeline business of the three major gas utilities (Tokyo Gas, Osaka Gas, and Toho gas) are approaching to April 2022, and business form of gas industry will be diversified.

Under such circumstances, the Japan Gas Association stated, "In order to take a new step toward the future development of the gas business, the business activities of member companies that contribute to low carbonation, strengthening resilience, regional revitalization, and etc.

In addition to deepening support, we will promote efforts to improve the position of the gas business by participating in policy discussions toward the realization of a carbon-neutral society in 2050 and actively disseminating information to stakeholders. Specifically, we will work on the following five items.

The first is "strengthening resilience." By steadily implementing the Gas Safety Advancement Plan 2030 and embodying smart security, we will support the improvement of the security level of member businesses. We will also work for further strengthen our ability to respond to natural disasters and cyber attacks caused by the COVID-19 disaster.

The second is "Efforts toward carbon neutralization." Promote natural gas shift and advanced utilization of natural gas in order to reduce cumulative CO2 during the transition period up to 2050 as much as possible. In addition, we will proceed with the examination of a concrete action plan for carbon neutralization.

The third is "contribution to regional revitalization." Until now, we have widely shared information with members, but in the future, we will support member businesses to specifically work on regional revitalization, such as support for acquiring skills to tackle regional revitalization through expert study sessions.

The fourth is "enhancing information dissemination and external activities." Enhancing external activities such as disseminating information on priority items and engaging in policy and institutional discussions.

The fifth is "improvement and strengthening of the organizational foundation." We will improve the system of the Gas Association in response to the diversification of management forms of member businesses, and realize more effective and efficient communication by utilizing remote methods based on the experience of COVID-19. By proceeding with the above efforts, we will aim to realize the purpose of the Japan Gas Association, "improving Japan's economy and people's lives," that will be, "triple-win" (三方^{さんぽう}よし) .