



February 1, 2022

Summary of Remarks by JGA Chair HONJO Takehiro

This year will be the 150th anniversary of the start of gas business in Japan. It is expected that this year will be a year in which the gas business and gas industry are undergoing major changes, such as further increase in social demands for carbon neutrality and legal separation of pipeline division of major gas companies.

In order to make 2022 a year to take a new step toward future development, we try to embody the Carbon Neutral Challenge 2050 Action Plan, secure stable supply and safety that will be the basis of the gas business, and regional decarbonizations. We would like to work on supporting activities of members doing business toward regional revitalization.

On the other hand, at present, the number of infected people with new strain of corona virus is rapidly increasing, and we will strive to continue our business with a thorough system not stop gas supply, which is essential for maintaining social functions such as living and industry.

1. "The 4th Methanation Promotion Public-Private Council" hosted by the government

On January 24, the 4th Methanation Promotion Public-Private Council was held, in which the Japan Gas Association made a presentation.

As efforts of the gas industry for the implementation of methanations (technology to synthesize methane from hydrogen and captured CO₂), we are proceeding with technological demonstrations centered on major gas companies, upsizing of synthesis plants, and searching for suitable sites for building overseas supply chains. For example, Tokyo Gas will start a demonstration test of methanation in 2021, and Osaka Gas plans to conduct a demonstration test on a scale of 400 Nm³ / h in collaboration with INPEX Corporation.

On the other hand, under the current domestic system and international rules, the position of the CO₂ reduction effect by methanation is not clear, so it is necessary to evaluate its value in related systems. We also acknowledged that it is important to proceed with concrete studies as soon as possible, considering the lead time required for the construction of the methanation plant. We would like to continue working in collaboration with the Task Force to solve problems.

On the other hand, under the current domestic system and international rules, the position of CO₂ reduction by methanation is not clear, so it is necessary to evaluate its value in systems. In addition, considering the lead

time required for the construction of the methanation plant, we have shown that it is important to proceed concrete studies as soon as possible. We would like to continue working in collaboration with the Task Force to solve issues.

In addition, METI suggested the creation of an action plan to achieve the target of 1% introduction of synthetic methane in 2030.

At the same time, in addition to the establishment of a task force related to CO2 counting, it was also proposed to establish a task force to promote the study for the realization of domestic and overseas methanation businesses for the purpose of embodying the Action Plan.

Since the Methanation Promotion Public-Private Council will sort out the issues to be considered at the end of the fiscal year (31 March, 2022), we would like to continue to participate as the Japan Gas Association and make cooperation and recommendations.

2. Regional Revitalization Forum

Decarbonization and population decline in the region have become major issues. Among them, it is important for gas companies to contribute to solving problems in the region, which is the basis of gas business.

To that end, we will hold a regional revitalization forum this year as well, with keynote speeches and advancement of gas companies that will contribute to regional decarbonization and regional revitalization efforts, mainly targeting the management of local gas companies. Advanced case studies of gas companies will also be introduced as well.