



March 17, 2022

## **Summary of Remarks by JGA Chair HONJO Takehiro**

On the evening of March 16, an earthquake with a maximum intensity of 6 upper occurred with its epicenter off the coast of Fukushima Prefecture. We extend our deepest sympathies to all those affected. A task force was immediately set up within the Japan Gas Association after the earthquake to gather information, but no major damage, such as supply disruptions, has been reported so far. The gas industry will continue to implement earthquake countermeasures to ensure a stable supply.

In addition, there are ongoing concerns about LNG supply and demand and price increases due to the current international conflict. At this time, all companies are working to ensure stable LNG procurement and there are no supply disruptions, but the Japan Gas Association established the "Information Liaison Headquarters for Feedstock Procurement Related to the Situation in Russia and Ukraine" on February 25 in an effort to keep abreast of information. We will continue to monitor the situation closely in close cooperation with gas utility companies and the Agency for Natural Resources and Energy.

### 1. Japan Gas Association Business Plan for FY2022

In the environment surrounding the industry, expectations for gas utilities are increasing as public and private sector efforts to realize a carbon-neutral society continue to progress. In addition, social demands for the enhancement

of energy security and resilience, such as stable supply and cyber security measures, are expected to increase further. In addition, there are changes in the management structure of member companies, such as the legal separation of the pipeline division of major gas companies.

Under these circumstances, we will make FY2022, which marks the 150th anniversary of the gas business, a milestone year for taking a new step toward the transformation to a next-generation thermal energy industry and further development, by accelerating efforts to realize the Carbon Neutral Challenge 2050 Action Plan, working to ensure stable supply and safety as the foundation of the gas business, and supporting member companies' activities toward regional decarbonization and local development.

Specifically, the following five items will be addressed.

The first is the realization of the Carbon Neutral Challenge 2050 Action Plan. We will contribute to the steady reduction of CO2 emissions and enhancement of energy security through fuel conversion and advanced use of natural gas, promote industry-wide efforts to establish methanation technology, and promote efforts to acquire the environmental value of carbon neutral gas.

The second is "further enhancement of resilience. We will strengthen cooperation with the government and business operators to contribute to stable supply and cyber security, support the improvement of security levels, promote the introduction of smart security, and further strengthen measures against natural disasters such as windstorms, floods, and earthquakes, which are becoming increasingly severe.

The Third is "contribution to regional decarbonization and local development. The JBIC will support member businesses, strengthen information dissemination and horizontal deployment methods, and help member businesses promote their initiatives through collaboration with local governments.

The fourth is to "enhance information dissemination and external activities. The fourth is "enhancement of information dissemination and external activities," which will involve active participation in policy and institutional discussions aimed at sustainable growth of the gas business, as well as enhancement of information dissemination and external activities, such as strengthening public relations activities.

Finally, we will develop and strengthen our organizational infrastructure. We will work to respond to the diversification of management styles of our member companies and to effectively and efficiently operate our business through the use of digital technology.

## **2. Introduction of new concept word**

As a new concept word to communicate our efforts to achieve carbon neutrality of city gas, we have introduced " (Go! ガステナブル) Go! Gastainable," which means "a sustainable future realized through gas," and we will promote its use by our member companies.

As we celebrate the 150th anniversary of the start of the gas business, we would like to use this concept word widely as a "watchword" for the industry as a whole to take on the challenge to make further leaps toward the future.