# **Innovation Management**

## **Summary**

Basic approach

The Daigas Group views technology as the foundation for its corporate competitiveness and views research and development as one of its most important strategies for differentiating itself from the competition. We also recognize that proactively leveraging digital technology for our business, creating innovative services, evolving data management, and reforming business processes will lead to improved business competitiveness.

While providing a stable supply of city gas in the Kansai region, the Group has expanded its business into peripheral areas and developed together with the region by working on research, development, and practical application of various new technologies that lead to comfortable lives and development of business for our customers.

To attain sustainable development and growth that address the needs of the environment and society, the Group will create new value and provide a wider range of services and new technologies to customers in collaboration with various stakeholders.

Theme Items to be addressed Specific initiatives

Promoting business transformation with DX

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- New service development
- Operational process innovation
- DX promotion structure enhancement

- New service development

### Initiatives undertaken in FY2024.3

Policy and promotion system

• Created new customer experience • Transformed employee value through Daigas X (Daigas Transformation)

as an initiative to innovate both customer experience and operational processes in a joint team of business and digital talent.

• Worked on operational innovation by adopting SaaS and generative AI • Developed DX core staff (cumulative total of approx. 180 people)

We aim to become a "corporate group capable of keeping on changing" to continue providing value amid rapid change in society and the working environment as well as changes in customer values. We will proactively leverage digital technology, which is progressing rapidly, for our business and accelerate both value provision through new service creation and productivity improvement through operational process innovation.

In April 2022, we established the DX Strategy Department at the Corporate Planning Headquarters, and the DX Committee, a corporate

In FY2024.3, we commenced specific initiatives, including Daigas X (Daigas Transformation), which reforms how to execute work, as well

Research and development/intellectual property

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- Research and development of technologies that contribute to achieving carbon neutrality
- Technology development to ensure stable energy supply and safety
- Research and development for the creation of new businesses
- Securing and utilizing intellectual property rights

#### Policy and promotion system

In line with the Carbon Neutral Vision, Energy Transition 2030, and the Medium-Term Management Plan 2026, we aim to realize a carbon neutral society and promote research and development of technologies to ensure a stable energy supply and safety as well as to create new businesses. Based on the rules and regulations related to technological development, we make decisions on the implementation of technological development, allocate appropriate budgets according to the importance of the theme, and follow up on progress at the time of implementation.

#### Initiatives undertaken in FY2024.3

• Promoted research and development, including that of methanation, to achieve carbon neutrality

committee, performs cross-organizational coordination and promotion of DX for the entire Daigas Group.

- Continued to promote technological development to ensure and improve safety, and research and development to create new businesses
- Secured and utilized intellectual property rights in conjunction with business and technology development strategies
- Promoted the commercialization of natural material-derived ketone body OKETOA™ by utilizing it for health foods, etc.

Promoted the commercialization of antimicrobial and antivirus agent TioClean<sup>TM</sup>

#### Creating new businesses

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- Commercialization of the Daigas Group's proprietary technologies
- Development of new businesses through cooperation with diverse partners

#### Policy and promotion system

We will commercialize the Daigas Group's proprietary technologies and seek to create new businesses by combining our strengths with other companies' technologies and services. We thus aim to increase the Group's earnings, and contribute to resolving social issues. From FY2025.3, functions to create new businesses are consolidated under the umbrella of the Next-Generation Business HQ.

With this structure, we will seamlessly promote research and technology development, cooperation with diverse partners, and commercialization, and accelerate the creation of new businesses.

#### Initiatives undertaken in FY2024.3

- Promoted open innovation activities that actively integrate and utilize Osaka Gas's technologies and needs and external
  parties' technologies and ideas
- Promoted the commercialization of radioactive cooling material SPACECOOL®
- · Created new businesses, such as those related to EVs and circular economy, with partners

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