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広島ガス

Hiroshima Gas CSR Report

Corporate Social Responsibility Report

2023

Digest



Creating a sustainable
society with our
hands...

Flow of delivering natural gas to our customers

City gas supply flowchart

Raw material procurement and transport

City gas production

Natural gas is extracted overseas, cooled to approximately -160°C , liquefied, and then imported as LNG (liquefied natural gas).



Bintulu facilities in Malaysia

[Natural gas extraction] [LNG transport ship]



LNG is placed into storage tanks and vaporized according to demand. It then undergoes calorific value adjustment and is supplied as city gas.



Hatsukaichi LNG terminal

[LNG storage tank] [LNG vaporizer]



Supply area and organization

(As of March 31, 2023)

Supply area (7 cities and 4 towns within Hiroshima prefecture)

Hiroshima, Kure, Onomichi, Mihara, Hatsukaichi, Higashi-hiroshima, Fukuyama, Aki-gun Kaita-cho / Saka-cho / Fuchu-cho / Kumano-cho

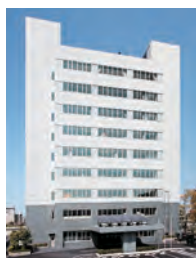
Number of customers

417,000

Hiroshima district

Number of customers

355,000



Head office



Kabe facilities



Higashi-hiroshima plant



Kaita facilities



Hatsukaichi LNG terminal

Kure district

Number of customers

45,000



Kure branch



Kumano facilities

Hiroshima Gas makes sure its energy supply system is stable and secure so that all of its customers can always use natural gas in a safe manner.

City gas supply

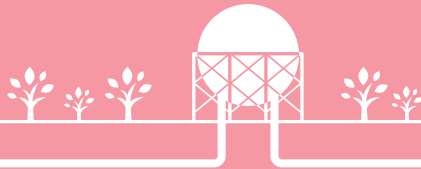
Delivery to customers

Gas is supplied to customers through 5,277 km of underground piping (supply and service pipelines).



Gas pipe bridges

[Gas holder]



The gas that we supply can be used in a variety of applications.



Factories, etc.

[Industrial use]



Hotels, buildings, schools, etc.

[Commercial use]



Kitchens, hot water supply, etc.

[Residential use]



Natural gas is an environmentally friendly type of energy!



LNG tanker trucks



Bingo plant

Wholesale supply
(Hiroshima Gas)
Wholesale supply utilizing equipment from Setouchi Pipeline Co., Ltd., a consolidated subsidiary



Mizushima station
(Setouchi Pipeline Co., Ltd.)



Mizushima LNG terminal
(Mizushima LNG Co., Ltd.)

Bingo plant

Hiroshima prefecture

Okayama prefecture

Mizushima station
Mizushima LNG terminal

Fukuyama Gas Co., Ltd.

Energy plays an important part in every part of our lives.



Onomichi/Mihara district
Number of customers
17,000



Onomichi branch

Legend			
Supply area (Hiroshima district)		Gas holder	
Supply area (Kure district)		Gas production plant	
Supply area (Onomichi/Mihara district)		Head office/Branch/Facilities	
Pipeline (Hiroshima Gas)		Proposed pipeline	
		Pipeline (Setouchi Pipeline)	

Hiroshima Gas Group 2030 Vision

Slogan for Hiroshima Gas Group 2030 Vision

Sending moving messages that make us happy

Three Basic Values Our Slogan Represents

- 1 The Hiroshima Gas Group grows with the community
- 2 Energy that truly benefits communities
- 3 To pursue inspiration and send moving messages that we can share with the entire community

Basic Policies for 2030 Vision

- | | |
|---|---|
| 1 Pursuit of inspiration through our operational policies | 2 Pursuit of inspiration through our energy service |
| 3 Pursuit of inspiration through peace of mind | 4 Pursuit of inspiration through connection with others |

Declaration of the Sustainable Development Goals set by Hiroshima Gas Group for the benefit of communities

Declaration of the Sustainable Development Goals set by Hiroshima Gas Group for the benefit of communities: Taking action to create a brighter future

Based on our management philosophy of "striving to be a company trusted by the community", Hiroshima Gas Group seeks to implement viable corporate governance and work toward the Sustainable Development Goals proposed by the United Nations in order to contribute to building a sustainable society under the company slogan of "energy that truly benefits communities".

October 30, 2020
Hiroshima Gas Group



Poster for "Declaration of the Sustainable Development Goals set by Hiroshima Gas Group for the benefit of communities"

Efforts by Hiroshima Gas Group to achieve carbon neutrality by 2050

Efforts by Hiroshima Gas Group to achieve carbon neutrality by 2050

- 1 Until 2030, we will steadily promote the reduction of CO₂ emissions in our business activities and at our customers' sites, focusing on the various ESG-related project efforts we have implemented thus far to reduce our environmental impact.
- 2 In the future, we will engage in the "decarbonization of the gas itself" through the use of methanation and hydrogen, as well as decarbonization of power sources, aiming for carbon neutrality by 2050.

Targets for FY2030

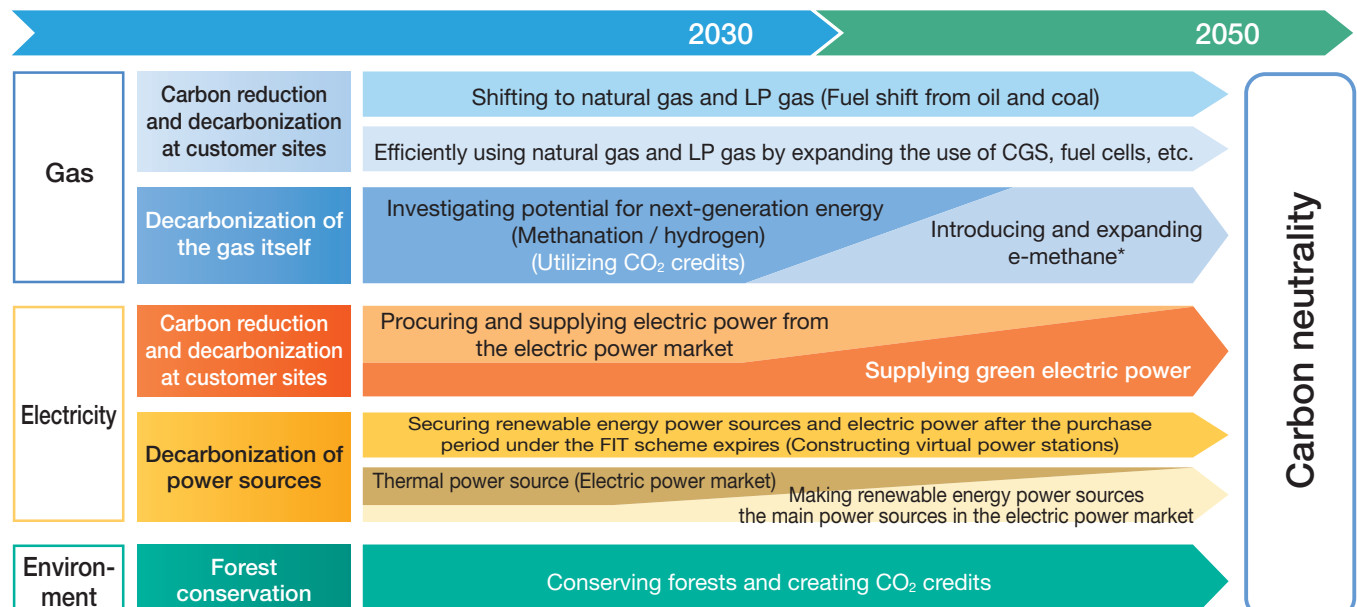
Contribution to CO ₂ emission reductions	300,000 tons/year ¹
Volume of renewable energy power sources handled	60,000 kW ²
CO ₂ emissions at Hiroshima Gas offices and production plants	50% decrease from FY2013 ³

*1: Contribution to CO₂ emission reductions by Hiroshima Gas and its customer sites as of FY2030 (from FY2021)

*2: Includes power sources applicable for a feed-in tariff (FIT) such as solar power, wind power, and biomass.

*3: Included in contribution to CO₂ emission reductions of 300,000 tons/year

Roadmap to carbon neutrality by 2050



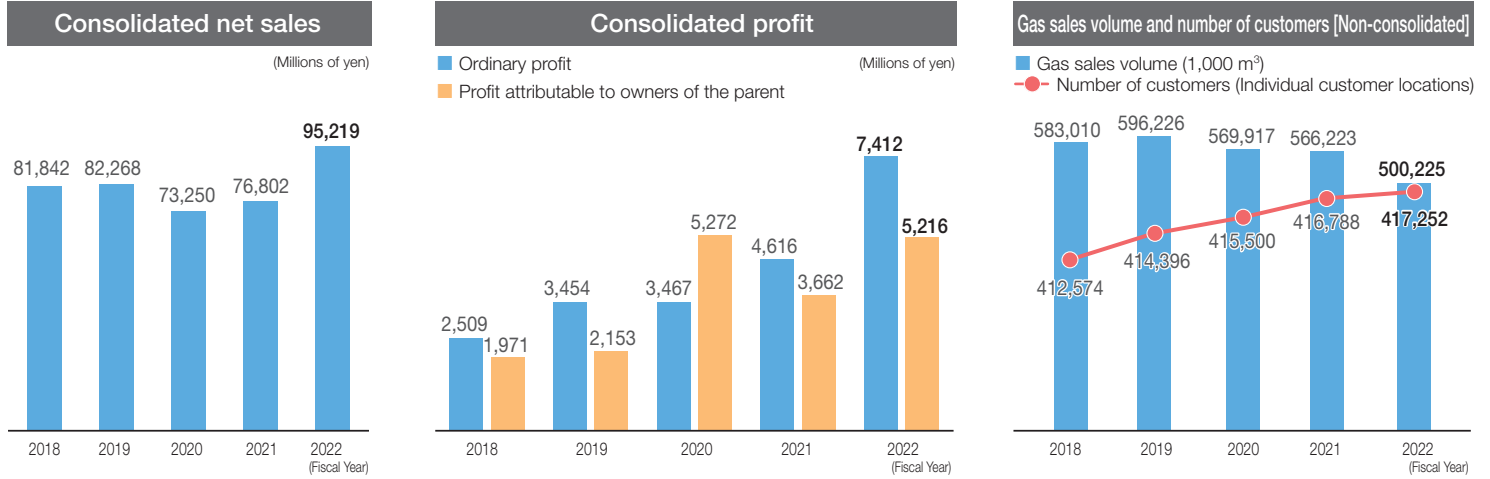
* Methane synthesized from decarbonized hydrogen and CO₂

Management

Reforming and strengthening the business base for the safe and stable supply of energy and improved corporate value

Company performance information

Second consecutive year of increase in revenue and fourth consecutive year of increase in ordinary profit. Seventh consecutive year of increase in the number of customers.



Business activities

LNG procurement and production

In order to provide a stable supply of city gas, we are striving to diversify our suppliers and ensure stable procurement of LNG (liquefied natural gas), the raw material for city gas.

City gas is produced at the Hatsukaichi LNG Terminal, the Bingo Plant, and the Higashi-hiroshima Plant. LNG reception and the entire gas production process at these locations are tightly controlled via the central control room.



LNG ship docking at our Hatsukaichi LNG Terminal



Central control room

Supply and distribution plants

We are promoting the construction of new gas pipelines and systematic maintenance and management.

In addition, we have established a system to ensure the stable delivery of city gas, including a 24-hour response and dispatch system for emergency situations.



Security command center



Emergency vehicles

Business

City gas is used for a variety of purposes, including residential, commercial, and industrial use, and we are proposing ways to expand and efficiently use natural gas.

We also conduct inspections and public awareness activities to ensure safe and secure gas use.



City gas proposals to customers



Safety inspection of gas equipment



Gas Safety Guidebook



Environment

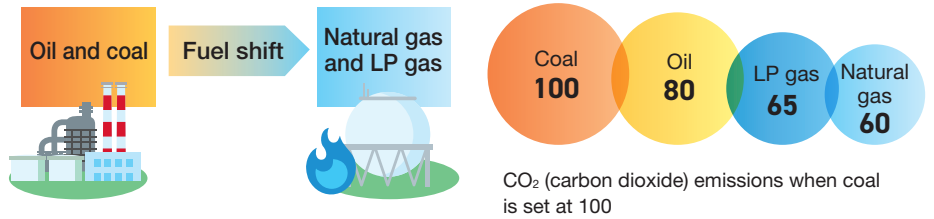
Reducing environmental burdens at customer sites and in business activities as well as contributing to the local environment to achieve carbon neutrality by 2050

Shifting fuel to natural gas and LP gas

Compared to oil and coal, natural gas and LP gas are environmentally-friendly and clean energy sources that emit less CO₂ and toxic substances during combustion.

By shifting fuels from oil and coal to natural gas and LP gas, we will contribute to CO₂ emission reductions at our customers' sites.

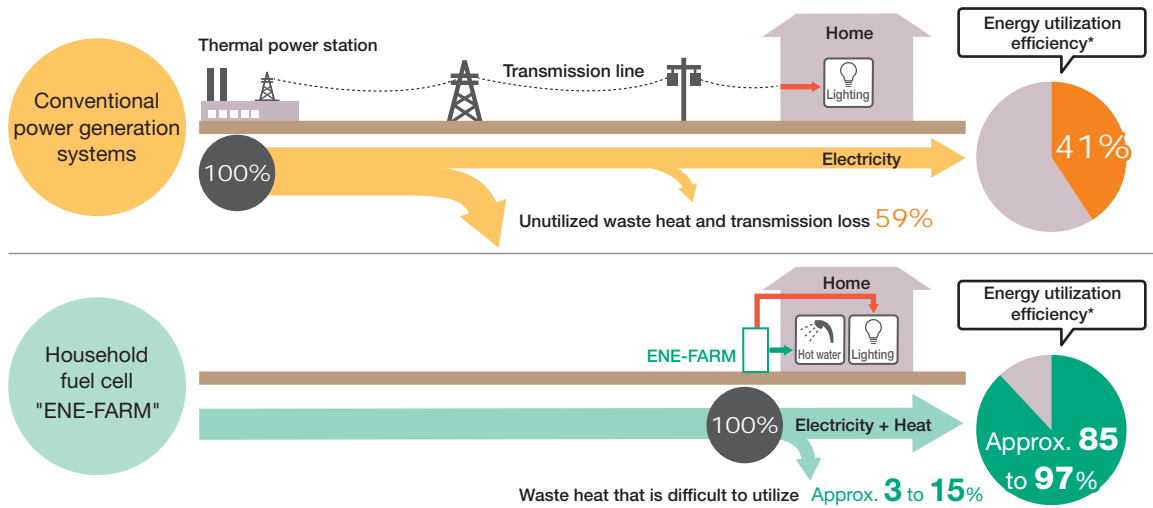
[Potential for CO₂ reductions through fuel shifts from oil and coal to natural gas and LP gas]



Efficiently using natural gas and LP gas

Gas cogeneration systems use natural gas to generate electricity and, at the same time, utilize the heat generated for hot water supply and air conditioning to efficiently use energy.

We are promoting the efficient use of energy by, for example, promoting the spread of the household fuel cell "ENE-FARM".



ENE-FARM type S

* Based on LHV (Lower Heating Value: Calorific value not including latent heat of vaporization of water vapor generated during fuel combustion) criteria.

Source: The Japan Gas Association

* Calculated using ENE-FARM manufacturer published values.

* "ENE-FARM" is a registered trademark of Tokyo Gas Co., Ltd., Osaka Gas Co., Ltd., and ENEOS Corporation.

Supplying carbon neutral city gas

In April 2022, we began supplying carbon neutral city gas. To do so, we use CO₂ credits* to offset the CO₂ generated in the process from the extraction of natural gas to its combustion at the customer's site (carbon offsetting), and also use LNG which is deemed to not generate CO₂ on a global scale even when burned (carbon neutral LNG).

* These express the amount of CO₂ emissions reduced or absorbed through forest conservation, the introduction of renewable energy, and the like exchanged between the government and corporations.

Saving energy and reducing CO₂ emissions through the heat interchange business and cold energy supply business

Since 2019, we have been using the unused heat generated at the waste treatment facility (Hatsukaichi Energy Clean Center) located next to our Hatsukaichi LNG Terminal to vaporize LNG in our Hatsukaichi LNG Terminal.

Furthermore, in 2022, we began supplying cooling heat for LNG to the Yamami Company headquarters factory, located next to our Bingo Plant, effectively using heat energy from LNG vaporization as cooling heat for the tofu manufacturing process.



LNG vaporizer at the Bingo Plant

Expanded utilization of renewable energy

By promoting efforts to spread the use of renewable energy sources such as biomass generation, solar power generation, and small-scale hydropower generation, we strive to not only reduce CO₂ emissions but also to conserve the environment, revitalize the local economy, and more.



Kaita Power Station (Biomass generation)



Hiroshima Gas Shiwahori Power Station (small-scale hydropower generation)

Forest conservation activities

In addition to absorbing and storing CO₂ and preventing landslide disasters through forest conservation activities as well as revitalizing hilly and mountainous regions by promoting forestry, we also contribute to the conservation of the local environment through the conservation of biodiversity and the like.



Forest conservation activities

Society

Working with the local community to promote efforts for the realization of a sustainable society

Contributing to the development of local communities

As a company that has a strong relationship rooted in the local area, we promote partnerships with local communities and conduct a wide range of social contribution activities centered on the four areas of promotion of arts and culture, promotion of community, promotion of sport, and educational support (commitment to the next generation of education).

Promotion of arts and culture, and promotion of community

The 36th Hiroshima Symphony Orchestra Concert



Concert stage

Promotion of sport

Hiroshima Gas Badminton Club



Badminton training session

Educational support (Commitment to the next generation of education)

As part of our efforts to contribute to local communities, we cooperate with government agencies, education committees, schools, businesses, and other organizations with the aim of actively developing next-generation education programs. We offer a variety of next-generation educational programs primarily for elementary and junior high school students.

[Energy and environmental education] Science shows, Technical Research

Institute science lessons

[Disaster prevention education] Lifeline disaster prevention classes,
Hiroshima Gas disaster prevention classes

[Food education] Eco-cooking classes*

* "Eco-cooking" is a registered trademark of Tokyo Gas Co., Ltd.

There are many different programs.



Science show



Next-generation educational programs pamphlet

Aiming for a comfortable work environment

Efforts for work style reform

With regard to work style reform, we are promoting activities centered on three efforts: ① Reducing total working hours, ② Establishing an environment with diverse and flexible work styles, and ③ Promoting activities of diverse human resources (promoting women's activities).

① Reducing total working hours

▶ **Company-wide "leaving work on time" day** ● We set days when employees are encouraged to leave the workplace on time without working overtime.

▶ **"Let's come late" and "let's go home early" days**

● We set days when employees are encouraged to arrive late or leave early by utilizing flexible working hours, etc.

② Establishing an environment with diverse and flexible work styles

▶ **Flexible working hours system**

● Giving each employee discretionary control over their own working hours allows for more efficient work.

▶ **Shorter flexible working hours for childcare or long-term caregiving**

● As part of childcare and long-term caregiving support measures for employees, four types of work patterns with shorter working hours per day have been set to support employees balancing work and childcare or long-term caregiving.

[Change in the number of employees using shorter flexible working hours system for childcare]

Category	Fiscal Year	2018	2019	2020	2021	2022
Number of employees using shorter flexible working hours for childcare (persons)		13	17	17	21	20

▶ **Telecommuting work system**

● We promote flexible work styles by utilizing the three measures of "telecommuting", "satellite office work", and "mobile work".

③ Promoting activities of diverse human resources (promoting women's activities)

▶ **Ensuring at least 30% of all hired individuals are women**

● Ratio of hired individuals that are women: 41.2% (FY2022)

▶ **Expanding the scope of women's positions to all divisions and groups**

▶ **Appointing women to management positions**

● Ratio of management staff that are women: 4.4% (FY2022)

[Change in the number of employees using the childcare leave system and return-to-work rate]

Category		Fiscal Year	2018	2019	2020	2021	2022
Childcare leave system	Persons using the system		4	8	8	6	14
	Return-to-work rate (%)		100	100	100	100	100

Acquired "Kurumin certification"

In August 2022, Hiroshima Gas acquired "Kurumin certification", meaning the Minister of Health, Labour and Welfare has certified us as a company that supports childcare.



Employee voices Taking childcare leave

I took "post-childbirth paternity leave (childcare leave at the time of childbirth)", splitting my leave into two times: once when my wife and child came home from the hospital, and once when they returned after staying with my wife's parents. From the start, my wife also wanted me to take paternity leave at times when the childcare environment would change. Keeping her physical and mental recovery during the postpartum period in mind, I took charge of chores I could do in her place, mainly, cleaning, doing laundry, and preparing meals. Also, since she felt more at ease just by me being in the house, I also used telecommuting before and after taking childcare leave.



Corporate Planning Dept.
Shunsuke Fujikawa

My wife gave birth two weeks after her due date, but everyone at my workplace was understanding. By using this system, I was able to spend this invaluable period with my family, and I am very thankful.

Management philosophy

Striving to be a company trusted by the community

Based on our management philosophy that aims to create a company that is trusted by the local community, Hiroshima Gas wishes to continue carrying out business activities emphasizing on the stable supply of energy and ensuring the safety of all as our corporate social responsibility.



Hiroshima Gas Head Office Area

Head office address: 2-7-1, Minamimachi, Minami-ku, Hiroshima TEL 082-251-2176

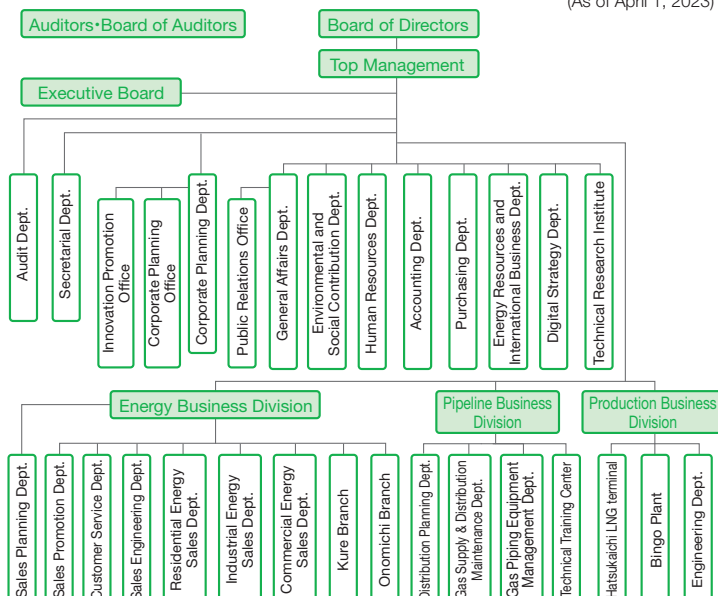
Established: October 1909
Capital: 5,246 billion yen
Number of employees: 681

Business field: **1** Gas business
2 Sales of gas appliances
3 Sales of liquefied natural gas

(As of March 31, 2023)

Organizational chart

(As of April 1, 2023)



Regional service representatives

Gaslife

Business hours: 9:00am to 5:30pm (Monday to Saturday)

1 Gaslife Hiroshima	1-30, Minamitakeya-cho, Naka-ku, Hiroshima
2 Gaslife Aki	3-1-14, Funakoshiminami, Aki-ku, Hiroshima
3 Gaslife Itsukaichi	2-7-43, Kairoen, Saeki-ku, Hiroshima
4 Gaslife Gion	5-13-1, Nishihara, Asaminami-ku, Hiroshima
5 Gaslife Kure	1-6-16, Chuo, Kure
6 Gaslife Onomichi	3-2, Tenma-cho, Onomichi
7 Gaslife Kabe	9-13-7, Kameyama, Asakita-ku, Hiroshima
8 Gaslife Saijo	4-38, Saijogojo-cho, Higashi-hiroshima

Showroom

Experience the latest gas equipment and the sheer warmth provided by gas.

Examples of exhibition equipment

- Household fuel cell (ENE-FARM)
- Floor heating and bathroom heater comparison rooms
- Try it! Kitchen activities (Kitchen comparison)



Gastopia Center
1-30, Minamitakeya-cho, Naka-ku, Hiroshima
TEL: 082-240-8888



Gastopia Itsukaichi
2-7-43, Kairoen, Saeki-ku, Hiroshima
TEL: 082-923-5678



Gastopia Gion
5-13-1, Nishihara, Asaminami-ku, Hiroshima
TEL: 082-850-3506



Gastopia Aki
3-1-14, Funakoshiminami, Aki-ku, Hiroshima
TEL: 082-821-1130



Gastopia Kure
1-6-16, Chuo, Kure
TEL: 0823-22-1262



Gastopia Onomichi
3-2, Tenma-cho, Onomichi
TEL: 0848-22-2161

All Gaslife stores



0570-550-720

* If you cannot use the Navi-Dial service (e.g., if you are using an IP phone or calling from abroad), please dial 082-240-8891.
[Reception hours] Monday to Saturday (national holidays excluded) from 9:00am to 7:00pm
[Closed] Sundays, national holidays, year-end and New Year holidays (December 31 to January 4)

Overview of main subsidiaries

(As of March 31, 2023)

Hiroshima Gas Propane Co., Ltd.

•Capital: 300 million yen •Established: March 1969 •Sales: 13,457 million yen •Number of employees: 106

Hiroshima Gas Techno-Service Co., Ltd.

•Capital: 80 million yen •Established: June 1998 •Sales: 9,438 million yen •Number of employees: 205

Hiroshima Gasmate Co., Ltd.

•Capital: 20 million yen •Established: April 1975 •Sales: 918 million yen •Number of employees: 154

Hiroshima Gaslife Co., Ltd.

•Capital: 15 million yen •Established: June 2018 •Sales: 3,828 million yen •Number of employees: 169

Be-Smile Co., Ltd.

•Capital: 75 million yen •Established: June 2001 •Sales: 198 million yen •Number of employees: 21

Setouchi Pipeline Co., Ltd.

•Capital: 150 million yen •Established: May 2003 •Sales: 1,147 million yen •Number of employees: 11

HG LNG SHIPPING CORPORATION

•Capital: 1 million yen •Established: February 2005 •Sales: 2,099 million yen

Hiroshima Gas Co., Ltd.

2-7-1, Minamimachi, Minami-ku, Hiroshima 734-8555
Public Relations Office, General Affairs Dept.: 082-252-3000 (Direct line)

Hiroshima Gas Website

https://www.hiroshima-gas.co.jp/english/index_e.htm

