



The Japan Gas Association
1-15-12 Toranomom Minato-ku, Tokyo
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Summary of Remarks by JGA Chair Michiaki Hirose

1. At the start of 2021

Last year was a very challenging year as the COVID-19 pandemic wreaked havoc across the world, severely slowing down national economies. At the same time, moves towards decarbonization gathered momentum, with Prime Minister Yoshihide Suga declaring in October 2020 that Japan will strive to become a zero-emissions, carbon-neutral society by 2050. At its press conference in November, The Japan Gas Association stated its intention to work in step with the government's policy.

This year is a milestone year, as we commemorate the tenth anniversary of the Great East Japan Earthquake on March 11, but also work to restore growth through change and ingenuity once we have conquered COVID-19. It also marks the full-fledged start of a Japan-style "green recovery."

Early in the New Year, Japan was hit by a cold wave, putting severe pressure on electricity supplies. This reminded us of the importance of maintaining stable energy supplies, but also focused attention on the tough challenges posed by the goal of achieving a decarbonized society while ensuring supply stability.

The gas industry believes that 3E+S* is an indispensable ingredient in ensuring supplies of the energy that underpins society, powering daily life and industry. The industry sees energy diversity and multiplicity as the way to deliver on this. During this year we will strive to meet the JGA's goal of improving the national economy and people's lives by capitalizing on the strengths of gas energy while contributing to the realization of a decarbonized society.

**3E+S stands for Energy Security, Economic Efficiency, Environment + Safety*

2. JGA's initiatives and direction in 2021

A feature of the industry environment is the growing expectation of the gas industry's role in bringing about a sustainable society by contributing to carbon reduction and decarbonization, strengthening of energy resilience, and regional revitalization. The government is also reviewing policies and institutional aspects of the gas industry, as reflected in the drafting of the Sixth Strategic Energy Plan and revision of Measures to Cope with Global Warming. In addition to the prolonged impact of the COVID-19 pandemic, JGA member companies will see increasing diversification of business structures in response to societal changes and also, as far as the three largest suppliers are concerned, the legal separation of gas pipeline networks scheduled for April next year.

The JGA's basic stance is "to raise the profile of the gas industry by participating in the debate on policies to achieve carbon neutrality by 2050 and by active communication of information to stakeholders, while enhancing support for member companies' activities relating to carbon reduction and decarbonization, strengthening of energy resilience, and regional revitalization as a further step to promote the development of the gas industry going forward."

Specifically, there are five focal areas. The first is "strengthening resilience." We will support members in their efforts to improve security levels through the realization of smart security systems and implementation of the Gas Safety Improvement Plan 2030. Another aspect of this will be enhancing the ability to respond to natural disasters and cyber-attacks.

The second is "efforts to achieve carbon neutrality." This involves promoting greater use of natural gas in order to reduce CO₂ emissions as far as possible through 2050. We will also work on devising a specific action plan to achieve carbon neutrality.

The third is "contributing to regional revitalization." We already have a program to distribute information widely to members, but we plan to take this a step further to support member companies' individual initiatives.

The fourth is "to upgrade information transmission and external activities" relating to the focal areas mentioned earlier. We see strengthening collaboration as especially important and plan to promote initiatives relating to gas energy in

collaboration with the LP gas, community gas and town gas industries.

The fifth is “to strengthen the organizational base.” The objective is to revamp the JGA organization to make it more responsive to the diversifying operating structures of member companies and to aim for more effective and efficient communication using remote technologies based on experience gained during the COVID pandemic.

Through these endeavors, we hope to contribute to the decarbonization effort as well as to improving the nation’s economy and the livelihood of the people.

Turning to this year’s major events, January 20 saw the inauguration of President Joe Biden. Because decisions taken by the US president can affect the gas industry in various ways, we will be monitoring the situation there closely. On March 11, we commemorate the tenth anniversary of the Great East Japan Earthquake. In the summer, Tokyo will host the Olympic and Paralympic Games. The Sixth Strategic Energy Plan is also due to be released around this time. Several international conferences are scheduled to be held from the autumn, including meetings related to our industry. We hope that the COVID pandemic will be largely behind us by then to enable the safe convening of these conferences.

3. Regional Revitalization Forum

The Regional Revitalization Forum hosted by JGA on February 3 is an event for members, especially regional gas suppliers. It was launched last year, but this year will be held online because of the COVID pandemic. We have a full line-up of presentations aimed at raising awareness of regional revitalization, which we hope will help to guide the initiatives of members. Gas companies play an important role in regional revitalization and the JGA will continue to support the efforts of member companies.