



25 February 2021

Summary of Remarks by JGA Chair Michiaki Hirose

1. Impact of the earthquake that occurred off the coast of Fukushima Pref.

On the night of February 13th, almost 10 years after the Great East Japan Earthquake (2011), an earthquake struck off the coast of Fukushima Prefecture. We would like to express our deepest sympathies to all those affected by the disaster. There were many city gas utilities that shook with a seismic intensity of 5 or higher in their supply areas, and there were places where the seismic intensity was 6 or higher at the maximum, however, there was no outage of gas supply.

One of the reasons why the damage was relatively minor to the scale of the earthquake, I believe that various measures such as making gas pipelines earthquake-resistant were also quite effective.

Here are some examples of earthquake countermeasures that gas utilities have taken from after the Great East Japan Earthquake (2011) to the present day.

First, about gas pipeline, the seismic resistance rate of low-pressure gas pipelines improved from 80.1% at the end of 2011 to 89.5% at the end of 2018 by aggressively replacing polyethylene pipes that are resistant to earthquakes. The national safety advancement target of 90% at the end of 2025 is sure to be achieved ahead of schedule.

A major feature of the Great East Japan Earthquake was the "tsunami". Taking the earthquake as an opportunity, gas utilities those are expected to be damaged by tsunami strengthened measures against tsunami and inundation, such as raising important electricity and gas facilities.

In addition, as a further strengthening of efforts, we organized the preparations in advance for the prompt establishment of the support system and started the "support acceptance exercise" in collaboration with each gas utility and JGA.

Furthermore, in addition to providing easy-to-understand information to customers, we have developed a "JGA restoration progress visualization system" to facilitate restoration work and strengthened information dissemination in the event of a disaster, such as making it available to JGA member utilities.

There are other matters that we have worked on, but those are not enough for disaster countermeasures. By continuing to do so, we will contribute to a safer and more stable energy supply that is resilient to disasters.

2. Issues and Actions of rural gas utilities

There are three issues specific to rural gas operators: "low / decarbonization", "strengthening resilience", "population decline (regional revitalization as a countermeasure)". The situation of each rural gas company varies from region to region. For this reason, we will take the initiative to solve the three issues in cooperation with local governments, local companies, and residents, while having their own policies based on the local conditions and environment that form the basis of each business. We believe that these various efforts will lead

to the achievement of "regional sustainability" and "strengthening the management base."

To support these local gas companies, the Japan Gas Association established a "Regional Division" in April 2019. The Regional Division picks up the issues of the member companies from the seven rural branches which are regional branch organizations of JGA. Let me introduce our several activities. The first is to provide opportunities for sharing cases and issues of gas business. For example, from February 3rd to 26th, the Webinar named "Regional Revitalization Forum" is held to provide information to member utilities nationwide, such as lectures that contribute to regional revitalization and examples of business activities that will be helpful to other utilities. The second is the "Cogeneration and Regional Energy System Council" as an opportunity to share technology and experience." This council cooperates with the government in 10 areas nationwide to share information on energy systems according to the characteristics of each region. The third is "distribution of PR tools". To convey the role of gas for the future to local governments, we have made a booklet titled "The Future of 2050 Created by Distributed Energy". In addition to these efforts, we would like to provide business support that goes one step further in the future. The issues of rural gas utilities are difficult, including social issues such as population decline and declining birthrate and aging population.

For this reason, it is not easy to solve soon, but we will work on it in the long term.