

Explanation of Important Matters for the “Gas Supply and Demand Agreement”

This Explanation of Important Matters provides an explanation concerning the agreement concerning gas supply and use (hereinafter referred to as the Gas Supply and Demand Agreement) concluded between the customer and the Company based on the basic terms and conditions, individual terms and conditions, and other individual agreement conditions (hereinafter referred to as the Terms and Conditions, etc.).

1. About handling of personal information

- The customer’s personal information that is obtained through agreement procedures will be handled according to the Company’s privacy policy and will be jointly used, within the scope that is necessary for procedures, among the Company, the general gas pipeline service provider, and the gas retailer.

2. About the application for the agreement

- If you would like to conclude a Gas Supply and Demand Agreement with the Company, you may apply directly to the Company or its designated supplier, or you may apply through telephone, the Internet, or other means.
- If you would like to switch from another gas retailer to the Company’s Gas Supply and Demand Agreement for the same service location, the Company will notify the previous gas retailer of the cancellation on your behalf. Consequently, the agreement between the previous gas retailer and the customer will be terminated simultaneously with the commencement of the Company’s gas supply. If the gas supplier will be changed due to relocation, the customer is required to complete the cancellation procedures themselves for the gas agreement associated with the service location they are vacating.
- In a case in which a customer who cancelled the Gas Supply and Demand Agreement applies for the Gas Supply and Demand Agreement in the same service location, and the desired date of starting application of that agreement is less than one year after the date of agreement cancellation, if the applicant does not perform debt for another agreement concluded with the Company even though the prescribed performance deadline has passed, if supply of gas is impossible or extremely difficult because of a reason that is not attributable to the Company, or if internal pipes are not pipes that were installed by the general gas pipeline service provider, in some cases it may not be possible for the Company to consent to the application.

3. About agreement content

- Agreement content details shall be according to the Company’s Terms and Conditions, etc.
- For the issuance of documents before agreement conclusion and after agreement conclusion that is stipulated in the Gas Business Act, the Company will provide the information, excluding the matters for which notification is given in a document, by a method of posting the Explanation of Important Matters for the “Gas Supply and Demand Agreement” and the Terms and Conditions, etc. on the website, instead of document issuance.
- The Company may change the Terms and Conditions, etc. In such a case, in principle the supply conditions related to fees will be according to the changed Terms and Conditions, etc. beginning on the date following the meter reading date immediately after the change, and other supply conditions will be according to the changed Terms and Conditions, etc. beginning on the date when the change is made. If the customer does not consent to the change, the customer can cancel the agreement.
- When the Company changes the content of the Terms and Conditions, etc. it will publicly announce the content by a method of posting the changed Terms and Conditions on the Company’s website or another method that the Company judges to be appropriate.
- If the content of the Terms and Conditions, etc. or the Gas Supply and Demand Agreement is changed, excluding the cases stipulated below, for the explanation of supply conditions and issuance of documents based on Article 14 of the Gas Business Act, it shall be sufficient to use a method of issuance of documents, disclosure on the Internet, or sending e-mail or another method that the Company judges to be appropriate to explain and state only the matters for which explanations are required the relevant change is intended. In addition, for issuance of documents based on Article 15 of the Gas Business Act, it shall be sufficient to use a method of issuance of documents, disclosure on the Internet, or sending e-mail or another method that the Company judges to be appropriate to state only the Company’s name and address, the agreement date, the matters for which the relevant change is intended, and the supply point identification number.
- For the Terms and Conditions, etc., if there is an intent to make a change that is a mere formality and that is naturally necessary in association with establishment, revision, or abolition of a law or regulation or another change that does not involve a substantial change of the Gas Supply and Demand Agreement, for the explanation of supply conditions based on Article 14 of the Gas Business Act it shall be sufficient to conduct disclosure on the Internet or use another measure that the Company judges to be appropriate and, of the matters that require explanation, to explain only an overview of the matters for which the relevant change is intended, without issuing documents. In addition, issuance of documents based on Article 15 of the Gas Business Act shall not be conducted.

4. About the time of starting supply

- In principle, the planned date of starting supply in a case of switching will be the date following the first regular meter reading date after cancellation of the agreement with the previous gas retailer and completion of procedures such as conclusion of a wheeling service agreement with the general gas pipeline service provider.
- The planned date of starting supply based on a changed agreement in a case in which the type of the Gas Supply and Demand Agreement concluded with the Company is changed will be the date following the first regular meter reading date after the Company consents to the application for change of agreement type and procedures are completed.
- The Company will give notification again of the planned date of starting supply. In some cases, the planned date of starting supply may be changed due to procedural requirements or other considerations.
- In the event that you cancel the application for switching before the planned date of starting supply, it will be necessary to notify the Company of that fact at least four business days prior to the planned date of starting supply.

5. About application conditions for the Gas Supply and Demand Agreement and the discount system

- If you apply for the Gas Supply and Demand Agreement, at the time of application the Company will confirm things such as the state of possession and the state of use of service for the equipment that is subject to the application conditions for that agreement and the application conditions for the discount system. The customer is to consent to the fact that, if the Company requires it, the customer is to cooperate with confirmation of the actual state of possession and the state of use.
- If the application conditions for the Gas Supply and Demand Agreement or the discount system stop being fulfilled because of removal of the subject equipment or cancellation of the service agreement concluded with the Company, the customer is to promptly notify the Company of that fact.
- If gas is used without fulfilling the application conditions for the Gas Supply and Demand Agreement or the discount system, the Company will settle the difference between the amount that should originally have been paid based on the Terms and Conditions, etc. and the amount for which payment as fees was already received.

6. About fees

- The general gas pipeline service provider will conduct meter reading and calculation of the amount of use, based on the wheeling service terms and conditions. The Company will receive the results of that meter reading and calculation and then calculate the gas fee based on the stipulations of the Company's Terms and Conditions, etc.
- The gas fee will be calculated by totaling the basic fee for one month and the use-based fee that results from multiplying the unit fee per 1m³ by the amount of use of gas. If the discount system is applied, the amount that results from subtracting the discount amount from that total will be the fee. Provided, however, that if the amount of use in the fee calculation period is 0m³, the discount will not be applied. The discount's upper limit will be a monthly amount of JPY 4,400 (tax included).

$$\begin{array}{|c|} \hline \text{Gas fee} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Basic fee}^{*1} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Use-based fee} \\ \text{Unit fee}^{*2} \\ \times \\ \text{One month's amount} \\ \text{of use} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Discount amount}^{*3} \\ \text{(Unit fee + Use-based fee)} \\ \times \\ \text{Discount rate} \\ \hline \end{array}$$

*1: This will be decided based on the fee menu for which the customer concludes an agreement.

*2: This amount will be adjusted each month, in accordance with changes of raw materials prices.

*3: If the discount system is applied, the discount amount will be subtracted.

- When raw materials prices for gas are high, or depending on the customer's state of use, fees may be higher than the fees charged up to that point.
- The gas fee simulation result will be an estimated value based on your actual record of gas use. The gas fee simulation result and the actual gas fee will differ because of reasons such as raw materials prices and changes of the amount of use of gas due to changes of the use situation or climate.
- The fee calculation period refers to a period below.
 - ① The period from the date following the meter reading date until the next meter reading date (excluding cases of ② and ③)
 - ② In a case in which new use of gas was started or a case in which supply of gas was re-started, the period from the date of that starting or re-starting until the next meter reading date
 - ③ In a case in which supply of gas was re-started on the date on which supply of gas was stopped, the period from the date following the date of re-starting supply until the next meter reading date

- When the fee calculation period is 29 days or less or 36 days or more in a case in which new use of gas was started or an agreement was cancelled (excluding cases due to switching), or when the period from the date after the regular meter reading date until the next regular meter reading date is 24 days or less or 36 days or more, the fee for the relevant fee calculation period will be calculated by using calculation on a pro-rata basis, based on the calculation formula stipulated in the Terms and Conditions, etc. Provided, however, that cases in which the number of days of the fee calculation period becomes 36 days or more because of the Company's circumstances are excluded.

7. About materials cost adjustment

- The unit fee will be adjusted each month, in accordance with changes of the raw materials prices for city gas.**
- The raw materials cost adjustment unit price will be calculated based on a three-month period of the Ministry of Finance's trade statistics values and will be applied to the meter reading portion three months after the last month of the respective calculation period.

Examples of the timing of reflection on the fee

Jan	Feb	Mar	Apr	May	Jun	Jul
Trade statistics values for January through March					Gas fee for June	
	Trade statistics values for February through April					Gas fee for July

- If a difference arises between standard raw materials price and average raw materials price, the raw materials cost adjustment unit price will be calculated as stated below, based on that difference.**

(1) Calculation of the raw materials price change amount

	Average raw materials price	Raw materials cost adjustment	Calculation method for the raw materials price change amount
Maximum price JPY 177,860/ton	A case that exceeds JPY 177,860/ton	Adjustment that exceeds the maximum will not be conducted.	Raw materials price change amount = (JPY 177,860/ton – JPY 64,090/ton)
Standard average raw materials price JPY 64,090/ton	A case that exceeds JPY 64,090/ton	Upward adjustment	Raw materials price change amount = (Average raw materials price – JPY 64,090/ton)
	A case of less than JPY 64,090/ton	Downward adjustment	Raw materials price change amount = (JPY 64,090/ton – Average raw materials price)

*The raw materials price change amount will be calculated by discarding amounts of less than JPY 100.

(2) About calculation of the use-based fee unit price adjustment amount

We calculate the "use-based fee unit price adjustment amount" by applying the raw materials price change amount to the following calculation formula, then adjust the standard unit fee to determine the unit fee that will apply each month.

$$\frac{\text{Raw materials price change amount} \times 0.081}{100} \times (1 + \text{Consumption tax rate}) = \text{Use-based fee unit price adjustment amount}$$

- If the average raw materials price continuously exceeds the maximum price, in some cases the maximum price may be reconsidered according to the provisions of Article 548-4 of the Civil Code and the basic terms and conditions.**
- Excluding the general fee, there will be no setting of a maximum price in other gas fee menus. For that reason, all amounts of changes of raw materials prices will be reflected in the gas fee.**
- Notification of the raw materials cost adjustment unit price that is applied each month will be made on the Company's website at the end of the month two months before application. For the most recent changes of the raw materials cost adjustment unit price and average raw materials price, please check the Company's website.



8. About payment of fees

- The obligation of payment of the gas fee will arise on the meter reading date or the date of establishment of discussion concerning calculation of the amount of use, etc., based on the stipulations of the Terms and Conditions, etc., and the payment deadline will be the 30th date after the date following the date when the payment obligation arises.
- If a fee is not paid even though the payment due date passed, late payment interest based on the stipulations of the Terms and Conditions, etc. will be charged.
- The gas fee or late payment interest is to be paid by account transfer, credit card payment, payment slip, or any other method designated by the Company.
- When a certain reason that the Company stipulates in the Terms and Conditions, etc. applies, such as a case in which a fee (including fees for other agreements concluded with the Company), late payment interest, or other debt that has arisen based on the Terms and Conditions, etc. is not paid even though the payment deadline has passed or a case in which gas is used dishonestly, supply of gas may be suspended or cancelled. When an invoice is sent before suspension of supply of gas, the Company will charge that customer JPY 330 (tax included) as an administrative fee for issuing and sending the invoice (except for customers on the general fee plan).

9. About the agreement period, agreement changes, and cancellation

- If you change the party from which gas is purchased for the same service location from the Company to another gas retailer, you are to make an application for an agreement to the new gas retailer (it is not necessary to notify the Company about agreement cancellation).
- If you would like to request a change to your agreement, or cancellation due to relocation, please contact Osaka Gas Good Life Call. If you would like to cancel the agreement due to relocation, it is required to notify the Company at least two days before the desired cancellation date.
- In a case of an agreement for the "Akinai" discount amount, in principle the agreement period will be from the date of starting application of the fee until the regular meter reading date of the 12th month after the month following the month that includes the date of starting application of the fee. If an application for change or agreement cancellation is not made before expiration of the agreement period, automatic renewal will be conducted, under the same conditions, for the period from the date following the date of expiration of the agreement period until the regular meter reading date of the 12th month after the month following the month that includes the relevant expiration date. Notification of the agreement period and related details after renewal will be provided by a method deemed appropriate by the Company, such as via documents, e-mail, or online disclosure.
- When the customer falls into a situation of having no agreement in a case in which the agreement is cancelled due to cooling off or a case in which the Company cancels the agreement, the Company will stop supply of gas, and therefore it is necessary to make an application to the gas retailer with which the customer wants to conclude an agreement or make an application for final guaranteed supply by the general gas pipeline service provider.
- In a case in which it can clearly be recognized that use of gas has been discontinued, such as when the customer has already changed residences, or in a case in which continuation of supply of gas is difficult, the Company may cancel the agreement.

10. About expense burdens related to equipment such as pipes and gas meters

- If an application for gas construction will be made, the customer is to make the application to the general gas pipeline service provider, based on the gas construction terms and conditions stipulated by the general gas pipeline service provider.
- The customer will own internal pipes, gas valves, gas cutoff devices that are installed for the customer, boost supply devices, and pressure regulators, and the customer is to install those things at the customer's expense.
- The general gas pipeline service provider will install gas meters that the general gas pipeline service provider owns, and the customer is to bear the installation work expenses that are required for that installation.
- The general gas pipeline service provider will own the supply pipes, and the general gas pipeline service provider will bear the construction expenses that are required for supply pipes. Provided, however, that if repositioning of a supply pipe is conducted due to the customer's circumstances, the customer is to bear the construction expenses that are required for that repositioning.
- For main and branch pipes and pressure regulators (excluding pressure regulators installed for the customer) are owned by the general gas pipeline service provider, and if the difference arises as stipulated in the general gas pipeline service provider's gas construction terms and conditions, the customer is to bear the cost consisting of the difference and the equivalent amount of consumption tax and other applicable taxes.
- Other matters concerning the customer's expense burden in relation to equipment shall be according to the stipulations of the general gas pipeline service provider's gas construction terms and conditions.

11. About safety-related liability for pipes, instruments, machines, and other equipment

- The customer is to manage, at the customer's liability, the supply equipment that will be the customer's property based on the provisions of the general gas pipeline service provider's gas construction terms and conditions, such as internal pipes and gas valves. Based on the stipulations of gas business laws and regulations, the general gas pipeline service provider will bear safety liability for things such as temporary measures for times of emergency and inspection of the supply equipment that will be the customer's property.
- Based on the stipulations of gas business laws and regulations, for gas equipment such as bath boilers and water heaters that are installed indoors and that do not have a device that prevents incomplete combustion, the Company will investigate whether or not such equipment conforms to the technical standards stipulated in gas business laws and regulations with the customer's consent.
- If a gas leak is detected, the customer is to immediately close the meter gas valve and other gas valves and notify the general gas pipeline service provider.
- The customer is to comply with the matters for which the Company and the general gas pipeline service provider give notification in relation to use of gas and is to use gas properly and safely.
- For other matters concerning safety, the customer is to comply with the matters stipulated in "The Customer's Cooperation for Safety" and "The Customer's Liability" in the Terms and Conditions, etc.

12. Other matters

- In principle, the Company will supply gas that is categorized into the pressure, heat amount, gas group, and combustibility stipulated below.
Heat amount: Standard heat amount 45 MJ/m³ Minimum heat amount: 44 MJ/m³ Pressure: Highest pressure 2.5 kPa
Lowest pressure 1.0 kPa Gas group: 13A Wobbe index: Minimum value 52.7 Maximum value 57.8
Burning speed: Minimum value 35, maximum value 47
- Supply of gas may be restricted or stopped because of the occurrence of a disaster. If supply of gas is thereby restricted or terminated due to no fault of the Company, the Company shall not bear liability for damage compensation.
- When the Company or the general gas pipeline service provider judges that it is necessary, it will obtain the customer's consent and then have a staff member enter the customer's supply facility or place where gas equipment is installed. In such a case, you are to consent to entry, unless there is a valid reason.
- The customer is to consent to the matters that the customer should comply with, such as the customer's cooperation that is necessary in association with gas supply and the customer's cooperation that is necessary for safety and investigation, as stipulated in the wheeling service terms and conditions.
- Disadvantages, such as generation of a cancellation fee or invalidation of points, may arise for you because of cancelling the agreement with the previous gas retailer.

This document is a translation of the Japanese-language version of the Explanation of Important Matters. In the event of any inconsistency or discrepancy between the Japanese version and this translation, the Japanese version shall take precedence.

Gas retailer: Osaka Gas Co., Ltd. (gas retailer registration number A0024)

Business operator address: 4-1-2 Hirano-machi, Chuo-ku, Osaka-shi

Place for making inquiries: Osaka Gas Good Life Call ☎ 0120-000-555 (9:00 – 19:00 every day) *The hours for accepting inquiries may be unavoidably changed in times of emergency.

About cooling off (withdrawal of an application or cancellation of the agreement)

1. If the application (or the agreement) was made through the door-to-door sales or telemarketing sales referred to in the Act on Specified Commercial Transactions (hereinafter referred to as the "Act"), during an eight-day period that includes the date of receiving this document (if a document that states the application content stipulated in the Act is received before this document, the date when that document is received) you can use a document or an electromagnetic record to conduct withdrawal of the application (if it is after establishment of the agreement, cancellation of that agreement), and the validity of that withdrawal or cancellation will arise at the time when the document or electromagnetic record is sent.
2. Irrespective of the matters stated in 1 above, if you misunderstood the fact because the Company or an agency of the Company told you something that was not true about a matter related to withdrawal of the application or cancellation of the agreement or were confused because of being intimidated by the Company or an agency of the Company and did not withdraw the application or cancel the agreement because of that untrue information or confusion, you can receive the document stipulated in the Act for the purpose of elimination of hindrance to cooling off and, during an eight-day period that includes the date of receiving an explanation about the content of that document, you can use a document or an electromagnetic record to conduct withdrawal of the application (if it is after establishment of the agreement, cancellation of that agreement), and the validity of that withdrawal or cancellation will arise at the time when the document or electromagnetic record is sent.
3. In a case in which the withdrawal of the application or cancellation of the agreement of 1 or 2 above has been conducted, you will not bear damage compensation or a penalty for breach, and even if services have already been provided, the Company will not charge fees or other monetary payment. When fees have already been paid, the Company will promptly return their entire amount.
4. In a case in which the withdrawal of the application or cancellation of the agreement of 1 or 2 above has been conducted, when the current situation of your land, building, or another workpiece was changed in association with provision of services for this agreement, the Company will implement the measures that are necessary for restoration to the original situation, free of charge and based on a request by you.

About handling of customer information

Purposes of use of customer information

The Company will use the opportunity of acceptance of an application for gas or electricity in relation to your use of various types of energy such as gas, electricity, or heat to obtain, directly or through a party to which work is consigned, your personal information (your name, address, and telephone number, etc.), and it will use that information for the purposes below.

- (1) Energy supply and popularization, and expansion of energy supply
- (2) Construction of energy supply equipment
- (3) Safety activities such as repair, replacement, and inspection of energy supply equipment and consumption devices (kitchen, hot water supply, air conditioning, etc.)
- (4) Provision of services related to energy supply business, such as automatic notification of leaks and fires and remote shutoff of supply
- (5) Sales (including leases and rental), installation, repair, inspection, product development, and after-sales services for housing equipment and equipment such as energy-consuming equipment and alarms
- (6) Provision of telecommunications services and related services
- (7) Provision and introduction, through digital platforms, of products and services related to daily life
- (8) Investigation, data accumulation and analysis, and research and development for services and products related to each of the types of business stated above
- (9) Notifications and public relations for products and services of the Company and Daigas group companies
- (10) Implementation of other work that is incidental or related to (1) through (9) above

In order to smoothly proceed with the work stated above, the Company may consign some part of our works to financial institutions, credit card companies, convenience stores, debt collection companies, information processing companies, cooperating companies (service shops, construction companies, etc.), and Daigas group companies. If that consignment is conducted, the Company may provide customer information, within the necessary scope, to those parties to which work is consigned. In such a case, the Company will conduct appropriate supervision, such as concluding an agreement related to handling with the parties to which work is consigned.

About joint use at the time of an electricity agreement

The Company will follow the Company's privacy policy to handle your personal information that is obtained through procedures for an electricity agreement, and this information will be shared with the electricity retailer, electricity transmission and distribution utilities, parties to electricity and demand suppression agreements, and the Organization for Cross-regional Coordination of Transmission Operators, within the scope that is necessary for procedures.

About joint use at the time of a gas agreement

The Company will follow the Company's privacy policy to handle your personal information that is obtained through procedures for a gas agreement, and this information will be shared with the gas retailer and the general gas pipeline service provider, within the scope that is necessary for procedures.

For details related to handling of customer information, please check the Company's privacy policy.