

Fueling the future

Interview - August 23, 2023

Asahi Gas Energy's path to carbon neutrality and expanded solutions demonstrates innovation and self-determination, we sat down with this Mie headquartered firm to learn how it is doing so.



AKIRA MORI, REPRESENTATIVE DIRECTOR AND PRESIDENT OF ASAHI GAS ENERGY CORPORATION
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How do you analyze the energy situation in Japan and what do you think are the most pressing needs for Japan to truly become an energy independent society?

An analysis of the energy situation in Japan shows that there is a long way to go to achieve carbon neutrality. Japan has set a goal of becoming fully carbon neutral by 2050, but realistically, much work needs to be done. The immediate focus is on transitioning to renewable energy sources such as solar, wind, and hydroelectric power to achieve the 2030 goal of a low-carbon society. On that basis, as an integrated energy company, we combine proposals for liquefied natural gas (LNG), liquefied petroleum gas (LPG), hydrogen gas blends, industrial gases, and renewables to offer the best mix of energy sources to individual customers.

Since the use of new energy requires the development of a robust infrastructure, we must take advantage of the energy research and development and advanced energy technologies accumulated in Japan, and also keep an eye on technological innovations that will gradually shift us toward carbon neutrality.

First of all, we will strive to achieve our 2030 target to realize our vision of a low-carbon, decarbonized society. At the same time, we aim to be a trusted company by contributing to society not only through economic development but also by taking the environment into consideration.

Looking ahead to 2050 and beyond, it is imperative that renewable energy infrastructure and technology be realized not only in Japan but worldwide. Japan's recent proposal for an energy mix that includes the introduction of several nuclear reactors by 2030 has caused concern and opposition among the Japanese public. The debate has focused on bridging the gap between the status quo and a renewable energy society. lng, lpg, and biomass have emerged as potential solutions, but

what do you think is the ideal combination for Japan in the interim? How important a role do LNG and LPG play in facilitating the transition to a renewable society?

The ideal energy mix for Japan is a combination of different energy sources based on sustainability and cost efficiency. Renewable energy is essential for Japan to reduce its dependence on other countries, but other energy sources must also be explored to address all energy-related challenges. While maximizing the use of renewable energy sources, nuclear energy should also be considered, as indicated by government guidelines.

Several factors must be considered to ensure safe use of energy in general, including safety, public opinion, and advanced technology. The diversification of energy sources requires the development of advanced technologies to enhance the safety of different types of energy. We are pursuing safety and stability based on LNG, LPG, hydrogen, and industrial gases, and will make the best proposals from various angles, including environmental protection and energy efficiency.

Japanese energy companies and related technologies have a great opportunity to focus on overseas markets, coupled with the weak yen. Many countries are looking to diversify their supply chains amid supply disruptions and evolving logistics. Collaboration with outside firms is critical with regard to exporting Japanese technology, even with regard to energy. Establishing local partnerships facilitates these business activities. We see an opportunity for Japanese energy companies to expand their activities in foreign markets with advanced technologies.

Historically, Japanese companies have tended to be quick to adopt technologies from Western countries and evolve and develop them for the Japanese market. After years of R&D focused on enhancing existing technologies, Japan is now in a position to propose the introduction of these advanced technologies. This serves as leverage to strengthen its overseas operations. As an island nation with limited resources, Japan recognizes the need to both import natural resources and export technology to meet its energy needs and support economic activity.

How do you implement digital tools in your activities to make your services more transparent to your clients?

As an energy supplier, a system that utilizes digital tools is essential for the safety and stability of supply and for improving services to our clients. For example, the automatic gas meter monitoring system that we are promoting enables us to detect abnormalities in gas usage for safety monitoring, and to monitor and collect data on gas usage for stable supply to provide feedback to customers and the delivery system.

At VISON, one of Japan's largest commercial facilities in Taki Town, Mie Prefecture, MHI is managing the integrated supply of gas, electricity, and water and sewage infrastructure, and is the first energy company in Japan to do so. The same system is being used in this project, and DX is being used in the construction of infrastructure systems in various areas of our business.

In addition, our sales department uses tablets equipped with our proprietary software. The tablets allow us to use customer information and update sales information while on the go, enabling us to make optimal proposals to customers and improve the speed of service and response.



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Gas Base LPG and LNG



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How do the diverse companies within the group, such as Asahi Engineering and Asahi Tec, create synergy and support your company's strength in providing comprehensive services?

Asahi Engineering fills LP gas and inspects containers, while Asahi Tec supports comprehensive services such as delivery and insurance. Other Our company was founded as an LP gas supplier, and we have always been a company that continues to take on challenges. We have demonstrated resilience in response to the needs of our customers and the times, and have rapidly expanded into a comprehensive energy company that is now involved in LNG, LPG, hydrogen gas, industrial gases, solar power generation, and electricity retailing businesses, as well as water and sewage services in some regions. As a result, we have transformed ourselves into a conglomerate that includes several subsidiaries. The synergies among group companies are immeasurable, increasing corporate value, broadening the scope of our business, and enhancing our knowledge and technology. By combining these technologies, we will continue to push forward in providing comprehensive solutions to our customers.

In importing energy from Japan and exporting technologies and systems, it is essential to build local partnerships. Are you thinking of participating in such partnerships?

Are you already actively seeking new partners in overseas markets?

We established a wholly owned subsidiary in China (Tianjin) in 1995, and have been supplying LPG and industrial gases to Japanese and other local companies based on good relationships with local authorities and partner companies. We see Indonesia, Thailand, Vietnam, India, and other Southeast Asian countries as potential markets for future expansion. We are confident in our expertise and technology in LNG, LPG, hydrogen, and industrial gases that will enable us to enter these markets. We believe that partnerships with overseas companies are an option to take advantage of these things. Strengthening the expertise of our people in Japan will play a key role in attracting international partners and facilitating our entry into these foreign markets.

I spoke with JX, an ENEOS group company, and they told me that the supply chain disruption in China led them to rethink their import supply chain. They began to focus more on Indonesia and Malaysia for oil imports. You mentioned that those markets are attractive to your company, can you elaborate further on your plans for this expansion? What timelines do you envision and how do you hope to enter these markets?

Expanding into foreign markets presents challenges for companies based in rural areas that must be resolved. The first step is to develop business domestically. Establishing a solid position domestically will enable them to expand into foreign markets and export the services they currently provide in Japan. Many Japanese companies have found success by partnering with trading companies, which helps them promote their business internationally. We plan to take this approach in our expansion and work together with trading companies to promote international growth.

We also need to carefully and accurately communicate our unique service and technical capabilities to foreign companies. We believe that the key to our overseas expansion is to continue to communicate this information and to establish our position as a comprehensive energy company, aiming to be regarded as more than just a gas company.

You celebrated your 60th anniversary last year; if you were to celebrate your 70th anniversary, do you have any specific goals or personal ambitions you would like to achieve by then?

For 60 years, we have aimed to transform ourselves into a comprehensive energy company that can handle all types of energy. We are still pursuing this vision. Currently, we are working in line with national policies to achieve carbon neutrality. As the world is now facing major climate change, the microgrid integrated energy supply we provide is a system that is locally produced for local consumption and plays a role in disaster prevention and mitigation. In addition, our efforts to reduce CO2 emissions will greatly contribute to the SDGs. We believe that the most important need of this decade is to make our efforts to achieve carbon neutrality as smooth as possible.

We have achieved much success through outstanding service and innovative ideas. But what is most important to me personally is that our employees have a sense of pride in our company and are happy working here. I think about how happy we would be if our employees' children could be involved in our business in the future.

We have a responsibility to raise the next generation. Our employees' children can inherit our values and vision by being exposed to their parents' work ethic and company culture. I am committed to providing them with these great opportunities and opportunities for growth so that we can create an organization where the children of our employees want to work for us.

The Asahi Gas Group will focus on comprehensive energy proposals, technology, infrastructure network, and human resource development, and through the synergy of these efforts, we will provide advanced products and services to improve customer satisfaction and strengthen our market competitiveness.

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