

## Osaka Gas Takes a Stake in Progressive Energy Corporation

March 5, 2019  
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Takehiro Honjo, hereinafter, “Osaka Gas”) today concluded a share transfer agreement to acquire a 25% equity stake in Progressive Energy Corporation (President: Yoshio Minato, hereinafter, “Progressive Energy”) from the Okinawa Electric Power Company, Incorporated (President: Mitsuru Omine, hereinafter, “Okinawa Electric Power”). Progressive Energy is a subsidiary of Okinawa Electric Power and sells LNG.

In Okinawa Prefecture, energy demand is expected to grow because of plans to build hotels to keep pace with a rapid increase in tourists, promote large-scale urban development, and construct large-scale retail stores. Progressive Energy is a gas retailer on Okinawa’s main island, and its main business is supplying and transporting LNG by LNG trucks and gas conduits.

Osaka Gas provides energy solutions that meet customers’ needs by making use of its expertise and know-how in the use of natural gas, including LNG infrastructure construction and operation. Osaka Gas sells LNG wholesale to multiple business operators in Japan and hopes to expand its LNG wholesale business. Since it concluded an LNG sales agreement with Okinawa Electric Power in 2012, Osaka Gas has been supporting LNG demand development in Okinawa Prefecture. In March 2018, Osaka Gas took a stake in a subsidiary of Okinawa Electric Power to propose the best combination of electricity and gas to customers. The subsidiary, Reliance Energy Okinawa, Incorporated (President: Hiroyuki Motonaga), promotes energy service provider (hereinafter, “ESP”)\*<sup>1</sup> business. By taking a stake in Progressive Energy this time, Osaka Gas will accelerate its efforts to establish an LNG value chain that extends from LNG sales to the ESP business and contribute to expanding the use of natural gas, which is a clean energy, in Okinawa Prefecture.

In its long-term management vision “Going Forward Beyond Borders 2030,” the Daigas Group has set the goal of expanding its business into a wide range of fields within and outside Japan. In alliance with a wide variety of partner companies, we will continue to provide our business know-how and services in a wide range of fields and strive for “further evolution” of the daily lives and businesses of our customers.

\*1 ESPs own electrical and heat source equipment on behalf of their customers and supply electricity and gas to them in the forms of cold and hot water for air conditioning, hot running water, and steam.

(Appendix)

### 1. Operating company overview

Operating company name	Progressive Energy Corporation		
Head office	468-1 Tomari, Nakagusuku-son, Nakagami-gun, Okinawa Prefecture		
Representative	Yoshio Minato, President & Representative Director		
Capital	100 million yen		
Established	August 23, 2001		
Capital contribution ratio	The Okinawa Electric Power Company, Incorporated	66.0%	
	Osaka Gas Co., Ltd.	25.0%	
	Okidenkigyo Co., Ltd.	5.0%	
	Okidenko Co., Ltd.	2.0%	
	Okinawa Plant Kogyo Company, Inc.	2.0%	
Main businesses	- Gas supply - Energy services - Tiltable wind-generated electricity system (construction and maintenance)		

### 2. Business partner overview

Osaka Gas:

Company name	Osaka Gas Co., Ltd.
Head office	4-1-2 Hiranomachi, Chuo-ku, Osaka
Representative	Takehiro Honjo, President & Representative Director
Capital	132,166,660,000 yen
Established	April 10, 1897
Main businesses	Production, supply and sales of gas and electricity

Okinawa Electric Power:

Company name	The Okinawa Electric Power Company, Incorporated
Head office	5-2-1 Makiminato, Urasoe, Okinawa Prefecture
Representative	Mitsuru Omine, President & Representative Director
Capital	7,586 million yen
Established	May 15, 1972
Main businesses	- Electricity business

#### ■ For reference

Overview of the Reliance Energy Okinawa, Incorporated

Operating company name	The Reliance Energy Okinawa, Incorporated
Head office	Okiden Makiminato Building 7F, 4-11-3 Makiminato, Urasoe, Okinawa Prefecture
Representative	Hiroyuki Motonaga, President & Representative Director

Capital	100 million yen	
Established	December 1, 2017	
Capital	The Okinawa Electric Power Company, Incorporated	51.6%
contribution	Tokyo Toshi Service Company	33.4%
ratio	Osaka Gas Co., Ltd.	15.0%
Main	- Energy services	
businesses	- Sales, lease, installation, operation and maintenance of equipment that serves efficient energy use and environmental conservation	
	- Consultation on energy use	