

## Official Decision to Launch a Biomass Power Plant in Himeji, Hyogo Prefecture

March 7, 2019

Osaka Gas Co., Ltd.

Gas and Power Co., Ltd.

Osaka Gas Co., Ltd. (Head Office: Chuo-ku, Osaka City; Representative Director & President: Takehiro Honjo; hereinafter, “Osaka Gas”; the business group of which is hereinafter “Daigas Group”) and its 100% subsidiary Gas and Power Co., Ltd. (Head Office: Chuo-ku, Osaka City; Representative Director & President: Munehiro Ito; hereinafter, “G&P”), in cooperation with Kyuden Mirai Energy Co., Inc. (Head Office: Fukuoka City, Fukuoka Prefecture; Representative Director & President: Yasuji Akiyama; hereinafter, “QME”), have established the joint-venture company Hirohata Biomass Power Generation Co., Ltd., in order to build a dedicated biomass-fired power plant with a capacity of about 75,000 kW, the largest of its class in Japan.

This project is the seventh biomass power generation business participated in by the Daigas Group, following the Nagoya Power Plant and Nagoya Second Power Plant (Chita-gun, Aichi Prefecture), Ichihara Biomass Power Plant (Ichihara City, Chiba Prefecture, under construction), Matsusaka Woody Biomass Power Plant (Matsusaka City, Mie Prefecture), Sodegaura Biomass Power Plant (Sodegaura City, Chiba Prefecture, under construction), and Tokushima Tsuda Biomass Power Plant (Tokushima City, Tokushima Prefecture, decision already made).

The new power plant will use domestically grown woody biomass (chips) in addition to imported woody biomass from the start of operations for the first time among the large-scale biomass power plants owned by the Daigas Group. The domestically grown biomass fuel is to be steadily procured from Green Power Fuel Corporation established by Osaka Gas today on a long term basis. Part of the funds required for building and operating the new power plant is sourced from project financing.

As its company policy, the Daigas Group plans to secure about 1 million kW of renewable energy power sources in and outside Japan by about 2030 and this project follows that policy. The Daigas Group will continue contributing to realization of a low-carbon society through development and operation of renewable energy power sources.

### [Outline of company and business]

Name of new company	Hirohata Biomass Power Generation Co., Ltd.
Head office address	4-4-11 Awajimachi, Chuo-ku, Osaka City (moving to the construction site at the start of operation)
Representative	Munehiro Ito
Shareholders	G&P: 90%; QME: 10%
Business lines	Electricity supply

Construction site	1-79 Fujicho, Hirohata-ku, Himeji City, Hyogo Prefecture
Generation capacity	About 75,000 kW
Fuel	Imported woody chips, domestically grown woody chips, and palm kernel shell (PKS)
Start of operation	August 2023 (planned)