

**Investment Decision on the Power Generation Business
in Himeji City, Hyogo Prefecture**

September 26, 2019
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President and Representative Director: Takehiro Honjo, hereinafter, “Osaka Gas”; the business group of which is hereinafter “Daigas Group”) has been examining and preparing for the power generation business in Himeji City, Hyogo Prefecture through Himeji Natural Gas Power Generation Co., Ltd.* (President and Representative Director: Toshikazu Irie, hereinafter, “HNPG”) jointly established by Osaka Gas and Idemitsu Kosan Co., Ltd. (President and Representative Director: Shunichi Kito, hereinafter, “Idemitsu Kosan”) in April 2016.

As a result of examining the business, Osaka Gas has decided to invest in the power generation business with a capacity of approximately 1,200 MW of the total planned capacity of approximately 1,800 MW (hereinafter, the “Power Generation Business”) and has also reached agreement with Idemitsu Kosan that HNPG will be wholly owned by Osaka Gas.

The Power Generation Business includes the establishment of two high-efficiency GTCC (Gas Turbine Combined Cycle) power generation units (approximately 600 MW per unit) on Idemitsu Kosan’s property and the supply of natural gas as fuel to these units from Osaka Gas Himeji LNG Terminal. Toward the start of operation planned in January 2026, Osaka Gas will further proceed with the Power Generation Business.

To achieve the goal set in its long-term management vision to boost its domestic and overseas power generation and purchasing to 9,000 MW in the 2030s, the Daigas Group will continue to aim for expansion of its power generation and sales business inside and outside Japan by establishing a power-supply portfolio that covers a wide variety of power sources, including eco-friendly natural gas and renewable energy.

* Osaka Gas announced the establishment of HNPG in a press release on February 25, 2016.

[Overview of the business plan decided by Osaka Gas to invest in]

Name	Himeji Natural Gas Power Plant (tentative name)
Planned site	1-1 Megahida-cho, Shikama-ku, Himeji City, Hyogo Prefecture as the main address (Idemitsu Kosan's property)
Power generation method	GTCC (Gas Turbine Combined Cycle)
Fuel	Natural Gas (LNG)
Capacity of power generation (generating-end output)	1,245,200 kW (622,600 kW × 2 units)
Expected start of operation	Unit 1: January 2026 (planned) Unit 2: May 2026 (planned)

[Conceptional drawing (from the southwest)]

