

# Establishment of New Affiliates in the Energy Sector and Restructuring of Osaka Gas: Striving for Speedier Customer-Oriented Business Operations

September 26, 2019

Osaka Gas Co., Ltd.

To secure its sustainable growth in response to changes in business environment, Osaka Gas Co., Ltd. (Head office location: Chuo-ku, Osaka; President: Takehiro Honjo; hereinafter “Osaka Gas”) will establish three new affiliates that will play leading roles in the energy sector, as its wholly-owned subsidiaries (hereinafter “Core Energy Business Companies”) with their start-up scheduled for April 2020.

In concurrence with the start-up of the Core Energy Business Companies, Osaka Gas will mobilize its strengths and those of its affiliates for the Core Energy Business Companies and restructure its sales department, thereby striving for speedier customer-oriented business operations.

## 1. Principal Objectives

The above-stated measures are intended to achieve the two principal objectives that follow:

### (1) Enhancement of customer-oriented frontline mobility

We will establish an organizational structure centered on direct support to the frontline, thereby meeting the needs of customers in a speedier way.

### (2) Achievement of synergy with our affiliates that have their specific strengths

Taking advantage of Daigas Group’s ability to solve problems, we will acquire the capacity of offering customers and business partners optimum one-stop services.

## 2. Core Energy Business Companies

Three affiliates will be established as of October 1, 2019, whose start-up is scheduled for April 2020.

### (1) **Osaka Gas Marketing Co., Ltd.**

Its corporate mission is to conduct marketing and sales activities on energy and a variety of services for customers at home and to take over the business of selling housing equipment and the home-improvement business both of which Osaka Gas Housing & Equipment Co., Ltd. (Head office location: Chuo-ku, Osaka; President: Kazuyoshi Tarumoto; hereinafter “OGJ”) is engaged in, by way of absorption-type company split.

### (2) **Daigas Energy Co., Ltd.**

Its corporate mission is to conduct marketing and sales activities on energy and a variety of services for business/industry customers and to take over the business of OGCTS Co., Ltd. (Head office location: Chuo-ku, Osaka; President: Hiroyasu Suzuki; hereinafter “OGCTS”), by way of absorption-type merger of OGCTS.

### (3) **Daigas Gas and Power Solution Co., Ltd.**

Its corporate mission is to conduct operational and maintenance work at LNG terminals and power generation plants and to take over the businesses of Osaka Gas Engineering Co., Ltd. (Head office location: Chuo-ku, Osaka; President: Takeshi Yamawaki; hereinafter “OGE”) and those of Gas and Power Co., Ltd. (Head office location: Chuo-ku, Osaka; President: Munehiro Ito; hereinafter “G&P”), by way of absorption-type merger of OGE and G&P.

Note 1: From April 2020 on, Osaka Gas Marketing Co., Ltd. and Daigas Energy Co., Ltd. will conduct marketing and sales activities on energy and a variety of services. However, our customers will not see any impact on their contract with Osaka Gas on gas and electricity service and a variety of services. Osaka Gas will continue providing these services.

Note 2: From April 2020 on, any contract to which OGJ (as far as sales of housing equipment and home-improvement businesses are concerned), OGCTS, OGE or G&P is a party will be taken over by the corresponding Core Energy Business Company.

### 3. Restructuring of the Sales Department at Osaka Gas

Effective from April 2020, the Residential Energy Business Unit and the Commercial & Industrial Energy Business Unit, the former taking on the task of developing marketing strategy for energy supply and a variety of services for customers at home and the latter doing the same for business/industry customers, will be combined to form the Energy Solution Business Unit. Working together with the Core Energy Business Companies, the Energy Solution Business Unit will take on the task of accelerating the business expansion into growth areas and the creation of new businesses by the Company while developing business strategy and performing optimum allocation of management resources from a more comprehensive perspective based on an overview of the market.

### 4. Timetable for the Future

Time	Events
October 1, 2019	The Core Energy Business Companies will be formed in preparation for their start-up.
April 1, 2020	<p>Start-up of the Core Energy Business Companies</p> <ul style="list-style-type: none"> <li>▪ Osaka Gas Marketing Co., Ltd. will take over the business of selling housing equipment and the home-improvement business of OGJ by way of absorption-type company split. (At the same time, OGJ will continue to run a housing equipment business.)</li> <li>▪ Daigas Energy Co., Ltd. will take over OGCTS by way of absorption-type company merger.</li> <li>▪ Daigas Gas and Power Solution Co., Ltd. will absorb OGE and G&amp;P.</li> </ul> <p>The Energy Solution Business Unit will be set up.</p>

(Accompanying sheet)

[Brief Outline of the Main Subject]

- Osaka Gas Marketing Co., Ltd. [To be established on October 1, 2019, with its start-up scheduled for April 2020]

Head office	4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan
Representative person	Tsuyoshi Nakamura
Capital	100 million yen <To be wholly funded by Osaka Gas>
Main business line	Sales and maintenance of gas and electricity for customers at home; sales of housing equipment; and home-improvement renovation

- Daigas Energy Co., Ltd. [To be established on October 1, 2019, with its start-up scheduled for April 2020]

Head office	4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan
Representative person	Takayuki Tasaka
Capital	310 million yen <To be wholly funded by Osaka Gas>
Main business line	Sales of gas and electricity to business customers and maintenance work associated therewith; sales, engineering and construction of gas and electricity equipment; energy service business; sales of liquefied natural gas and liquefied petroleum gas; and heat supply business

- Daigas Gas and Power Solution Co., Ltd. [To be established on October 1, 2019, with its start-up scheduled for April 2020]

Head office	3-5-11 Doshomachi, Chuo-ku, Osaka, Japan
Representative person	Hisaichi Yoneyama
Capital	100 million yen <To be wholly funded by Osaka Gas>
Main business line	Operational and maintenance work at LNG terminals and power generation plants; power generation and supply business; and engineering services business