

## Osaka Gas Announces its Decision to Issue Publicly Offered Hybrid Corporate Bonds (Publicly Offered Subordinated Corporate Bonds)

August 3, 2020

Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Takehiro Honjo; hereinafter, “the company” ) today announced that it has decided to issue publicly offered hybrid corporate bonds (subordinated corporate bonds) (hereinafter, “the corporate bonds” ) of about 100 billion yen as outlined below. The company today also submitted amended shelf registration statements regarding the issuance of the corporate bonds to the Director-General of the Kanto Finance Bureau.

### Outline of the corporate bonds

#### 1. Purpose and background of the issuance of the corporate bonds

The Long-term Management Vision 2030 announced by the Daigas Group in March 2017 aims to practice portfolio management to meet the future changes in the business environment by focusing on three businesses (Domestic Energy Business, International Energy Business, and Life & Business Solutions (LBS) Business) and achieving growth of these businesses.

To accelerate the realization of the goal toward FY2030, Osaka Gas will issue the corporate bonds as a means of financing for maintaining its corporate financial health and making growth investments, following the issuance of the corporate bonds of 100 billion yen in December 2019.

#### 2. Characteristics of the corporate bonds

The corporate bonds are regarded as both capital and debt. Because they are debt, their issuance will not dilute the company’s shares. Their nature and characteristics are also similar to those of capital in terms of the optional deferral of interest payments, very long redemption periods (60 years), and subordination in the liquidation and bankruptcy proceedings, among others. Therefore, the company expects that 50% of the amount to be financed will be regarded as capital by the rating agencies (Rating and Investment Information, Inc. and S&P Global Ratings Japan Inc.).

#### 3. Future schedule

The company will appoint Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., and SMBC Nikko Securities Inc. as lead underwriters of the corporate bonds and will determine the terms and conditions, including the

issuance amount, in September 2020 or later by taking into account the overall situation, such as the demand and interest rate trend. The terms and conditions will be announced as soon as they are determined.