

# Notice Regarding the Conclusion of an Absorption-type Split Agreement for Spin-off of the Gas Pipeline Service Business

April 23, 2021  
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara) is pleased to announce that an absorption-type company split agreement has been concluded today between Osaka Gas and Osaka Gas Network Co., Ltd. (hereinafter, “Osaka Gas Network”) based on a decision to hand over Osaka Gas’s general gas pipeline business, etc. to Osaka Gas Network by means of a company split on April 1, 2022 (planned).

The absorption-type company split will take effect on the condition that approval is obtained at Osaka Gas’s annual shareholders meeting, which will be held in June 2021, and that approval necessary for the absorption-type company split will be obtained from related government agencies.

## 1. Purpose of the absorption-type company split

Pursuant to the June 2015 amendment of the Gas Business Act, the Company, a general gas pipeline service business operator, will be prohibited from engaging also in the retail gas business or the gas production business from April 2022. The purpose of this amendment is to further secure neutrality of the gas pipeline service sector.

In order to comply with the regulatory requirement and to establish a new organization to increase the value of our Group, we established Osaka Gas Network Co., Ltd., a wholly-owned subsidiary of the Company, on April 1 this year and executed an absorption-type split agreement with the subsidiary to transfer our general gas pipeline service business to the said subsidiary effective April 1, 2022.

After the absorption-type split, our Group, including Osaka Gas Network Co., Ltd., will continue to be a group of companies taking responsibility for the infrastructure sector including the energy business and to increase the value of our Group by fulfilling the obligation of companies of our Group and maximizing the value of our businesses.

## 2. Overview of the absorption-type company split agreement

### (1) Type of Split

This is an absorption-type split where the Company is a splitting company and Osaka Gas Network Co.,Ltd., our wholly-owned subsidiary, is a succeeding company.

### (2) Particulars of allotment due to the Split

In the company split, the succeeding company shall issue 6,700,000 common shares and allot all of them to the Company.

### (3) Increase or decrease in share capital due to the Split

There will be no change in share capital due to the Split.

### (4) Rights and obligations transferred to the succeeding company

Osaka Gas Network will succeed to the rights and obligations of the general gas pipeline business, etc., which is operated by Osaka Gas, on the effective date.

The obligations, etc. related to Osaka Gas's existing publicly offered corporate bonds will not be handed over to the succeeding company.

**(5) Future schedule**

Conclusion of an absorption-type company split agreement    April 23, 2021

Approval of the absorption-type company split agreement    Annual shareholders meeting  
June 2021 (planned)

Effective date of the absorption-type company split    April 1, 2022 (planned)

**3. Outline of parties to the Split (as of April 1, 2022 [planned])**

	Splitting company	Succeeding company
(1) Company name	Osaka Gas Co., Ltd.	Osaka Gas Network Co., Ltd.
(2) Location	4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan	4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan
(3) Title and name of authorized representative	Masataka Fujiwara , President and Representative Director	Tsuyoshi Nakamura , President and Representative Director
(4) Description of business	Manufacturing, supply, and sale of city gas, sale of LPG, and generation and sale of electricity, etc.	General gas pipeline business, etc.
(5) Share capital	132,166 million yen	6,000 million yen
(6) End of accounting period	March 31	March 31