

Osaka Gas Receives Its First Carbon Neutral LNG Cargo to
Start to Supply Carbon Neutral City Gas from August 1, 2021

July 6, 2021
Osaka Gas Co., Ltd.
Daigas Energy Co., Ltd.

Osaka Gas Co., Ltd. (“Osaka Gas”) received its first carbon neutral liquefied natural gas (“CNLNG”) cargo on July 6, 2021 at the Senboku LNG Terminal under an agreement (the “Agreement”) that Osaka Gas signed with Shell Eastern Trading Pte Ltd (“Shell”). This CNLNG cargo was delivered from Brunei, where the natural gas for this cargo was produced and liquefied.

Under this Agreement, Osaka Gas purchases LNG, and Shell’s nature-based credits* will be used to compensate for the emissions associating with the production, transport, processing, and end-use of natural gas.

Osaka Gas will start to supply carbon neutral city gas to the customers of its subsidiary, Daigas Energy Co., Ltd. (“Daigas Energy”), from August 1, 2021. Daigas Energy has signed agreements since April 1, 2021 to supply carbon neutral city gas to the following customers, who aim to fulfill their respective decarbonization goal.

- KOATSU CHEMICAL INDUSTRIES, LTD.
- Nippon Sheet Glass Co., Ltd. Kyoto Plant
- NESTA RESORT CO., Ltd. NESTA RESOURT KOBE
- Rock Field Co., Ltd. Kobe Head Office/Kobe factory

Osaka Gas will also start to wholesale carbon neutral city gas and CNLNG to the following gas utility companies, who are Osaka Gas’ city gas and LNG wholesale customers, under agreements signed with them respectively.

- Okayama Gas Co., Ltd.
- Shikoku Gas Co., Ltd.
- Shingu Gas Co., Ltd.
- DAIWA GAS Co., Ltd.
- Tottori Gas Co., Ltd.
- TOYOOKA ENERGY Co., Ltd.
- Nabari Kintetsu Gas Co., Ltd.
- BIWAKO BLUE ENERGY Co., Ltd.

“We are very pleased we received our first carbon neutral LNG cargo from Shell, a leading supplier of CNLNG,” said Keiji Takemori, Senior Executive Officer of Osaka Gas. “We would like to provide carbon neutral city gas to our customers as a way to enhance the value we offer to them. Through various initiatives including CNLNG, we strive to achieve our goal of becoming carbon neutral by 2050 in cooperation with our

partners and stakeholders under our Carbon Neutral Vision we announced in January.”

Steve Hill, Executive Vice President Shell Energy, stated, “We are proud to be working with Osaka Gas for its first carbon-neutral LNG cargo. What is unique about this deal is that it is an excellent example of collaborative action across the value-chain – a critical need for delivering on climate ambitions. Shell, Brunei LNG and Osaka Gas have collaborated to offset lifecycle CO₂e emissions of this cargo which is an important step in growing the market for carbon-neutral LNG. As more ways to avoid and reduce emissions develop at scale, the industry needs to work together to use high quality nature-based offsets to compensate for greenhouse gas (GHG) emissions along the LNG value chain that are otherwise hard-to-abate.”

*Shell will use carbon credits generated by the nature based projects Shell works with around the world that help reduce or avoid greenhouse gas emissions. Nature-based projects protect, transform or restore land and enable nature to add oxygen and absorb more CO₂ emissions from the atmosphere. Each carbon offset is subject to a third-party verification process and represents the avoidance or removal of one tonne of CO₂e.



About the Daigas Group

The Daigas Group is committed to developing and offering technologies and services for carbon neutrality and promoting global environmental conservation efforts in cooperation with customers. The Daigas Group aims to be a corporate group that powers continuous advancement of customers' lives and businesses.