

Notice Regarding Issuance of Transition Bonds

March 10, 2022
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara) hereby announces, as detailed below, that it has decided to issue transition bonds*¹ (hereinafter, the “Bonds”) with an issue amount of 10.0 billion yen. The Company submitted an amended shelf registration statement regarding the issuance of the Bonds to the Director-General of the Kanto Local Finance Bureau today.

1. Purpose of Issuance of the Bonds

The Daigas Group released the “Daigas Group Carbon Neutral Vision” in January 2021, and is working on initiatives toward “Realizing Carbon Neutrality by 2050.”

The Group established the “Green/Transition Finance Framework” (hereinafter, the “Framework”) as part of the procurement of funds necessary for the activity.

The Group obtained a “Second-Party Opinion” *² from DNV Business Assurance Japan K.K., a third-party reviewer, regarding the compliance with various principles, etc. pertaining to transition finance under the Framework.

The Bonds have been selected as a “Model Example for the 2021 Climate Transition Finance Model Projects” by the Ministry of Economy, Trade and Industry.

2. Purpose of Use of Funds from the Bonds

The funds procured through the issuance of the Bonds are planned to be used for the renewable energy business developed and invested in by the Daigas Group (Inami Wind Power plant, Noheji Mutsu Bay Wind Farm, Yokohama Town Wind Farm, and Daigas Oita Mirai Solar Power Plant (Nissan Green Energy Farm in Oita)),*³ and projects that contribute to fuel conversion at customer facilities to natural gas.*⁴

3. Future Schedule

The Group appointed Mizuho Securities Co., Ltd. as a structuring agent*⁵ for the issuance of the Bonds. After selecting the lead underwriter, the Group plans to issue the Bonds in or after May 2022, comprehensively taking into consideration the demand situation, interest rate trends, etc. The Group will make an announcement as soon as the decision is made.

*1 Transition bond

Corporate bonds issued for the purpose of using the funds from them for initiatives that are in line with the company’s long-term transition strategies to reduce greenhouse gas emissions

*2 Learn more about the details on the Second Party Opinion here: (Japanese)

https://www.osakagas.co.jp/en/whatsnew/pdf/220310_1_1.pdf

*3 Read our press releases regarding various initiatives in the renewable energy business here:

- Inami Wind Power Plant: (Japanese) https://www.osakagas.co.jp/company/press/pr_2018/1271028_37838.html

- Noheji Mutsu Bay Wind Farm: https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2020/10/28/20201028.pdf

- Yokohama Town Wind Farm: https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2021/07/19/210719.pdf

- Daigas Oita Mirai Solar Power Plant: https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2019/12/20/191216.pdf

*4 Read our press release regarding projects that contribute to fuel conversion at customer facilities to natural gas here:

https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2021/10/28/211015_2.pdf

*5 Structuring agent

An entity that provides support in the issuance of transition bonds, etc. in the form of advice on establishing a framework for transition bonds, etc. as well as advice and other support for receiving a third-party review (second-party opinion).