

Announcement Concerning Disposal of Treasury Shares as Restricted Stock Remuneration

Osaka Gas Co., Ltd. (hereinafter “Osaka Gas”) hereby announces that it has resolved, at the meeting of the Board of Directors held on June 28, 2022, to dispose of treasury shares as restricted stock remuneration (hereinafter “this disposal of treasury shares”), as described below.

1. Overview of the disposal

(1) Payment date	July 20, 2022
(2) Number and class of shares to be disposed of	52,700 common shares of Osaka Gas
(3) Disposal price	2,518 yen per share
(4) Total disposal amount	132,698,600 yen
(5) Method of contribution	Contribution-in-kind of rights to receive monetary remuneration
(6) Persons eligible for the allotment of shares, their number, and the number of shares to be allotted	Directors (excluding outside directors): 6 persons, 18,300 shares Executive officers: 20 persons, 34,400 shares
(7) Other matters	Osaka Gas has submitted a Written Notice of Securities in accordance with the Financial Instruments and Exchange Act regarding this disposal of treasury shares.

2. Purpose and reason for this disposal of treasury shares

It was resolved at the meeting of the Board of Directors held on March 10, 2021 to introduce a restricted stock remuneration plan (hereinafter the “Plan”) for directors of Osaka Gas (excluding the outside directors; hereinafter the “Eligible Directors”) and executive officers of Osaka Gas (hereinafter referred to collectively with Eligible Directors as “Eligible Directors, etc.”), for the purposes of strengthening the linkage between remuneration and mid- to long-term increase in corporate value and promoting sharing of the values with the shareholders. At the 203rd Annual Meeting of Shareholders held on June 25, 2021, matters were approved including the payment of monetary compensation for granting restricted stock to Eligible Directors, not exceeding 72,000,000 yen per year in total, and the allotment of common shares through issuance or disposal by Osaka Gas under the Plan, not exceeding 48,000 shares per year in total.

The Board of Directors has resolved to grant a total of 132,698,600 yen in rights to receive monetary remuneration to Eligible Directors, etc. as well as resolved to dispose of treasury shares to Eligible Directors, etc., considering the purposes of the Plan, their respective positions, the share price and other factors, conditional on the contribution

in kind of these rights in return for this disposal of treasury shares. The transfer restriction period pertaining to these shares will expire when the recipient retires, as set forth in 3. below, in order to achieve the purposes of the Plan, which are to strengthen the linkage between remuneration and mid- to long-term increase in corporate value and promote sharing of the values with the shareholders.

3. Overview of the restricted stock allotment agreement

When its common shares are issued or disposed of under the Plan, Osaka Gas will conclude a restricted stock allotment agreement (hereinafter the "Allotment Agreement") with each Eligible Director, etc.

A summary of the content of the Allotment Agreement is as follows.

(1) Transfer restriction period

The Eligible Directors, etc. shall not transfer, pledge or otherwise dispose of the common shares of Osaka Gas (hereinafter the "Transfer Restriction") allotted under the Allotment Agreement (hereinafter the "Allotted Shares") during the period that is between the date on which allotment is made under the Allotment Agreement and the date of retirement (hereinafter the "Transfer Restriction Period").

(2) Lifting of the Transfer Restriction

Osaka Gas shall lift the Transfer Restriction for all (or a portion equivalent to the completed term of office in the case of retirement before the relevant term of office expires) of the Allotted Shares held by Eligible Directors, etc. as of the time when the Transfer Restriction Period expires, provided that the Eligible Directors, etc. retire for reasons deemed reasonable by Osaka Gas or upon their demise. However, in addition to the cases detailed in (5) below, in the event of cases that fall under certain causes specified in the Allotment Agreement, the Transfer Restriction for all or a portion of the Allotted Shares may be lifted prior to the expiration of the Transfer Restriction Period.

(3) Acquisition of the Allotted Shares for no consideration

Osaka Gas shall rightfully acquire for no consideration the Allotted Shares for which the Transfer Restriction have not been lifted in accordance with the provisions of (2) above at the time specified in (2) above. In addition, Osaka Gas shall rightfully acquire for no consideration all or a portion of the Allotted Shares in the event of illegal conduct by the Eligible Director, etc., the filing of a petition for the commencement of bankruptcy proceedings, or cases that fall under certain causes otherwise specified in the Allotment Agreement.

(4) Management of the shares

During the Transfer Restriction Period, the Allotted Shares will be managed in a dedicated account established by each Eligible Director, etc. at Nomura Securities Co., Ltd., in order to prevent disposal of the shares by transfer, pledge or other means during the Transfer Restriction Period.

(5) Treatment in the event of organizational restructuring, etc.

In the event matters relating to merger agreements in which Osaka Gas becomes the non-surviving company or other forms of organizational restructuring, etc. are approved at the Meeting of Shareholders of Osaka Gas (or at a meeting of the Board of Directors if the said organizational restructuring, etc. does not require approval by the Meeting of Shareholders) during the Transfer Restriction Period, then Osaka Gas shall lift the Transfer Restriction before the effective date of the said organizational restructuring, etc. for a number of Allotted Shares reasonably determined by taking into account the period from the starting date of the Transfer Restriction Period to the effective date of said organizational restructuring, etc. Furthermore, in the case provided for above, Osaka Gas shall rightfully acquire for no consideration the Allotted Shares for which the Transfer Restriction have not been lifted, at the time immediately after the lifting of the Transfer Restriction.

4. Basis for calculation and specific details of the paid-in amount

In order to eliminate any arbitrary decisions on the disposal price of the treasury shares under this disposal of treasury shares to allottees, the price per share has been determined as 2,518 yen, the closing price of shares of Osaka Gas on the Tokyo Stock Exchange on the trading day immediately preceding the date of resolution of the meeting of the Board of Directors. The disposal price for this disposal of treasury shares does not unduly advantage allottees, and is considered reasonable.