

Notice Regarding the Issuance of Second Series of Transition Bonds

August 1, 2022
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara) hereby announces, as detailed below, that it has decided to issue a second series of transition bonds*¹ (hereinafter, the “Bonds”) with a 10-year maturity. 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 Bonds will be issued in accordance with the Daigas Group Green/Transition Finance Framework,*² which has already been developed. In issuing the Bonds, the Company has received an evaluation from a third-party evaluation organization, DNV Business Assurance Japan K.K., on the compatibility with various standards related to the issuance of transition bonds.*³

2. Purpose of Use of Funds from the Bonds

Funds raised through the issuance of the Bonds will be allocated to a Daigas Group-funded solar power generation project (Kuwaharajou Mega Solar (No. 4), the Extra-high-voltage Power Plant in Isohara-cho, Kitaibaraki City, Ibaraki Prefecture),*⁴ and Himeji Natural Gas Power Plant*⁵ currently under construction.

3. Future Schedule

The Company plans to determine the conditions for issuing the Bonds in late August 2022, comprehensively taking into consideration the demand situation, interest rate trends, etc., and will make an announcement as soon as the decision is made.

4. Lead Managing Underwriter

The Company has commissioned Nomura Securities Co. Ltd. (office work), Mizuho Securities Co. Ltd., Mitsubishi Morgan Stanley Securities Co. Ltd., Daiwa Securities Co. Ltd., and BofA Securities Co. Ltd.

*1 Transition Bonds

Corporate bonds issued for the purpose of using the funds raised 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 of the Daigas Group Green/Transition Finance Framework here:

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

*3 Evaluation of compatibility

Click here for details of the evaluation by DNV Business Assurance Japan K.K.

· Daigas Group Green/Transition Finance Framework Second Party Opinion (Master SPO) :

https://www.osakaqas.co.jp/en/whatsnew/pdf/220801_1_1.pdf

· Daigas Group Transition Bond Second Party Opinion (ANNEX) :

https://www.osakaqas.co.jp/en/whatsnew/pdf/220801_1_2.pdf

*4 Click here for a press release regarding the solar power generation project

Kuwaharajou Mega Solar (No. 4) : https://www.osakaqas.co.jp/en/whatsnew/_icsFiles/afiedfile/2020/12/23/20201217_2.pdf

Extra-high-voltage Power Plant in Isohara-cho, Kitaibaraki City, Ibaraki Prefecture :

https://www.osakaqas.co.jp/en/whatsnew/_icsFiles/afiedfile/2021/02/22/210201_2.pdf

*5 Click here for a press release regarding the Himeji Natural Gas Power Plant

https://www.osakaqas.co.jp/en/whatsnew/_icsFiles/afiedfile/2019/10/04/190926.pdf