

Acquisition of interest in Australian Integrated Carbon Pty Ltd
~ **Contributing to the reduction of CO₂ through regeneration project**~

9 June 2022
Osaka Gas Co., Ltd

Osaka Gas Co., Ltd., (President: Masataka Fujiwara, hereinafter as “Osaka Gas”) announced that, it has, through its subsidiary, Osaka Gas Energy Oceania Pty Ltd (Director: Yo Otsuka, hereinafter as “OGEO”), acquired a 16.7% interest in Australian Integrated Carbon Pty Ltd (hereinafter as “AI Carbon”), a company engaged in obtaining and selling carbon credits from regeneration of native woodlands in Australia.

AI Carbon’s efforts, since its establishment in 2016, has been focused on obtaining and selling carbon credits officially certified by the Australian Government from projects regenerating native woodland that has been deforested by overgrazing and clearing in the past. (Through improved grazing management and other farming processes, native woodlands are fostered to regenerate so that more CO₂ can be absorbed from the atmosphere. This is the Human-Induced regeneration, an established methodology in Australia). Regeneration of native woodland plays a significant role in achieving the CO₂ reduction goal set forth by the Australian Government and AI Carbon aims to reduce a total of approximately 100 million tons of CO₂ through expansion of its portfolio.

The global carbon credit demand is surging, and Australia is one of the leading carbon credit sources with an annual supply of 17 million tons in 2021 and growing. Since 2015, the Australian Government contributed over 4.5 billion AUD to establish the country’s carbon-credit auction market which has a track record of many auctions to date. In addition to the government’s purchases, there is now an increase in cases of businesses purchasing credits to offset their own CO₂ emissions.

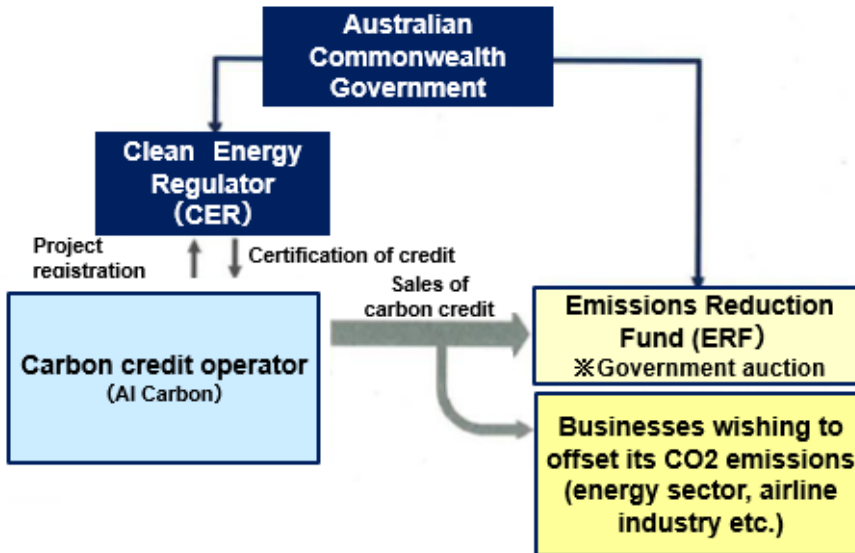
Osaka Gas maintains committed in making steadfast progress towards realizing a low carbon society and is thrilled with the opportunity to learn from the advanced expertise of Australia’s carbon credit business through this collaboration with AI Carbon.

Daigas Group, based on its “Carbon Neutral Vision” announced in January 2021, continues to focus its efforts in developing technologies and services that contribute to the decarbonization of society as well as lowering and decarbonizing on a global scale by proposing solutions to social challenges such as climate change issues. Our goal is to become a Group that serves to bring further advances in both business and lifestyle.

■ Outline of Australian Carbon Credit Units (ACCUs)

Clean Energy Regulator (CER) recognizes one Australian Carbon Credit Unit (ACCUs) to represent 1 ton of CO₂ equivalent emissions being offset.

Operators sell ACCUs certified by CER to the Australian Government or to businesses wishing to offset their CO₂ emissions.



■ Methodology for Human-Induced regeneration

Image of Human-Induced regeneration



Deforestation by overgrazing (livestock treading on vegetation etc.)



Regeneration of native woodland by improving management of grazing, setting of fences etc.

■ (Reference) Overview of AI Carbon

Company	Australian Integrated Carbon Pty Ltd (AI Carbon)
Location	14A William Street, Raymond Terrace New South Wales, Australia, 2324
Representative	Adam Townley, Chief Executive Officer
Established	2016
Main operation	Obtaining and selling carbon credits in Australia.

A Joint Venture between Mitsubishi Corporation and NYK Line has also invested in AI Carbon in 2021.