

Notice Regarding Issuance of Transition Bonds

May 10, 2023
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”). 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, 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 their compatibility with various standards related to the issuance of transition bonds.*²

2. Purpose of Use of Funds from the Bonds

Funds raised through the issuance of the Bonds will be allocated to the Himeji Natural Gas Power Plant*³ currently under construction.

3. Future Schedule

The Company plans to determine the conditions for issuing the Bonds in late May 2023 at the earliest, 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 Underwriters

The Company has commissioned Nomura Securities Co., Ltd. (book runner), Mizuho Securities Co., Ltd., Daiwa Securities Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., BofA Securities Japan Co., Ltd., and SMBC Nikko Securities Inc.

*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 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.osakagas.co.jp/en/whatsnew/pdf/220801_1_1.pdf

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

https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2019/10/04/190926.pdf

The compatibility of the Himeji Natural Gas Power Plant as a transition project was evaluated by DNV Business Assurance Japan K.K. when the previous transition bonds were issued (August 2022), and there is no change in the content of the project.

Click here for compatibility evaluation results from DNV Business Assurance Japan K.K. (These transition bonds do not include the solar power generation project.)

Daigas Group Transition Bonds Second Party Opinion (ANNEX) :

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