

- The Daigas Group to Participate in the Private REIT Business - Establishment of Osaka Gas Urban Development Private REIT, Inc. Following the Establishment of an Asset Management Company

Osaka Gas Urban Development Co., Ltd. (Headquarters: Osaka City, Osaka Prefecture; President: Yasuhiro Tomoda; "Osaka Gas Urban Development"), a wholly owned subsidiary of Osaka Gas Co., Ltd. (Headquarters: Osaka City, Osaka Prefecture; President: Masataka Fujiwara; "Osaka Gas"), has established Osaka Gas Urban Development Private REIT, Inc. ("REIT"), an unlisted open-ended REIT.*¹ Asset management will be outsourced to Osaka Gas Urban Development Asset Management Co., Ltd.,*² a wholly owned subsidiary of Osaka Gas Urban Development. As the sponsors*³ and as support for the REIT, Osaka Gas Urban Development will grant preferential negotiation rights for the sale of development properties*⁴ and provide support in terms of personnel and partial capital injections, while Osaka Gas will offer support such as the introduction of financial institutions and investors. Going forward, preparations will be made toward the start of investment scheduled in autumn 2023.

Osaka Gas Urban Development has been providing the Urbanex series of rental housing, which focuses on convenience, advanced specifications, and comfortable living space, mainly in the Kinki and Tokyo Metropolitan areas. As of the end of March 2023, the series has grown to more than approximately 6,600 units. The REIT aims for long-term stable management by focusing investments in rental housing, including the Urbanex series, and leveraging the real estate development knowhow accumulated by Osaka Gas Urban Development.

In its medium-term business plan, the Daigas Group aims to "co-create value for a sustainable future" and "evolve our corporate group." By combining the Daigas Group's accumulated know-how in real estate development and expertise in real estate securitization and by expanding the private REIT business through strengthening partnerships with institutional investors, we will enhance asset efficiency over the medium to long term, thereby evolving into an innovative energy and service company that continues to be the first choice of customers while striving to make contributions to realizing a sustainable society.

*1: Investment corporations established under the Act on Investment Trusts and Investment Corporations for the purpose of investing in real estate, etc., which are not listed on a stock exchange and are permitted to make refunds under certain conditions at the request of unitholders.

*2: Osaka Gas Urban Development Asset Management Co., Ltd. was established in May 2022 as the first step to participation in the private REIT business.

https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2022/07/20/220704_1.pdf

*3: A company that was the parent organization of the investment corporation

*4: The ability of the REIT to negotiate preferentially with Osaka Gas Urban Development when the latter considers selling properties it has developed, etc.

[Overview of the REIT]

Trade name	Osaka Gas Urban Development Private REIT, Inc.
Executive Officer	Yukinori Okubo
Date of establishment	June 1, 2023
Start of investment	Autumn 2023 (planned)
Assets	Approximately ¥18 billion (at the start of investment) (planned)
Investment targets	Quality rental housing, offices and commercial facilities in major cities in Japan, mainly in the Kinki and Tokyo Metropolitan areas
Investment areas	Kinki region (Osaka, Kyoto, Hyogo, Shiga, Nara, and Wakayama Prefectures) Tokyo Metropolitan area (Tokyo, Kanagawa, Saitama, and Chiba Prefectures) Major cities nationwide (ordinance-designated cities and other regional cities, excluding those in the Tokyo Metropolitan and Kinki areas)

[Overview of the Scheme of the REIT]

