

**- The Daigas Group to Participate in the Private REIT Business -**  
Start of Operations of Osaka Gas Urban Development Private REIT, Inc.

Osaka Gas Urban Development Co., Ltd. (Headquarters: Osaka City, Osaka Prefecture; Representative Director and 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, through Osaka Gas Urban Development Asset Management Co., Ltd.,\*<sup>1</sup> an asset management company, started the operation of Osaka Gas Urban Development Private REIT, Inc. ( “REIT” ), an unlisted open-ended private REIT.\*<sup>2</sup>

The REIT is a private REIT that mainly invests in quality rental housing centered on the “Urbanex” \*<sup>3</sup> series developed by Osaka Gas Urban Development in the Kinki region and Greater Tokyo Area, as well as in other offices, logistics facilities, etc. developed and owned by the company and others. The asset size at the start of operations is approximately 18 billion yen (12 properties), with a medium-term target of 40 billion yen and a long-term target of further expansion. By utilizing know-how in the real estate developments that Osaka Gas Urban Development has cultivated over the years, we will respond to the needs of investors seeking long-term stable profits.

The Daigas Group aims to achieve sustainable economic growth and solve social issues and also seeks to operate the REIT with an emphasis on ESG (Environment, Society, and Governance). Approximately 60% of the assets initially incorporated into the portfolio have been accredited with the Green Building Certification,\*<sup>4</sup> and Urbanex Kobe Rokko in particular is the first in the Kinki region in the multi-unit housing sector to have received rank S, the highest rating in the CASBEE Real Estate evaluation.\*<sup>5</sup> Furthermore, we have raised the funds required for asset acquisition through green loans since the start of operations after formulating a Green Loan Framework,\*<sup>6</sup> which received the highest rating of “Green 1 (F)” in the “JCR Green Loan Framework Evaluation” by Japan Credit Rating Agency, Ltd.

For the business of the REIT, Osaka Gas Urban Development acts as a sponsor to grant preferential negotiation rights for the sale of developed properties, etc. and provide such support as human resource assistance and partial capital injections while Osaka Gas offers other support, including the introduction of financial institutions and investors. Through this support, we will work together to support the stable growth of the REIT.

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: Osaka Gas Urban Development Asset Management Co., Ltd., a wholly owned subsidiary of Osaka Gas Urban Development that was established in May 2022 will manage the assets.  
[https://www.osakagas.co.jp/en/whatsnew/icsFiles/afieldfile/2022/07/20/220704\\_1.pdf](https://www.osakagas.co.jp/en/whatsnew/icsFiles/afieldfile/2022/07/20/220704_1.pdf)
- \*2: Investment corporations established under the Act on Investment Trusts and Investment Corporations for the purpose of investing in and managing real estate, etc. that are not listed on a stock exchange and are permitted to make refunds under certain conditions at the request of investors.
- \*3: Urban rental apartment series developed by Osaka Gas Urban Development that aims to provide environmentally friendly, comfortable, and high-quality living spaces. Approximately 6,600 units were provided as of the end of March 2023.
- \*4: A certification by a third party on such efforts as reducing the environmental impact and improving user comfort in a building to guarantee the performance of the building. The REIT incorporates assets that have obtained the CASBEE Real Estate Certification.
- \*5: Among the CASBEE rating systems promoted by the Ministry of Land, Infrastructure, Transport and Tourism to evaluate the environmental performance of buildings, CASBEE Real Estate was developed for the purpose of utilizing the results of environmental assessments of buildings in real estate evaluations. Targeting existing buildings that have been completed for at least one year, CASBEE Real Estate assigns scores for evaluation items in five categories: “Energy/Greenhouse Gas,” “Water,” “Resource Use/Safety,” “Biodiversity/Site,” and “Indoor Environment,” and rates the buildings on a four-point scale: “rank S ★★★★★,” “rank A ★★★★,” “rank B+ ★★★,” and “rank B ★★.”  
[https://ogud.co.jp/cms/files/CASBEE\\_20230531-2.pdf](https://ogud.co.jp/cms/files/CASBEE_20230531-2.pdf)
- \*6: This framework is a policy that describes the policies and procedures for green loan borrowing by the REIT. Specifically, it stipulates that the funds raised by the REIT through green loans should be used for assets that have the effect of improving the environment.

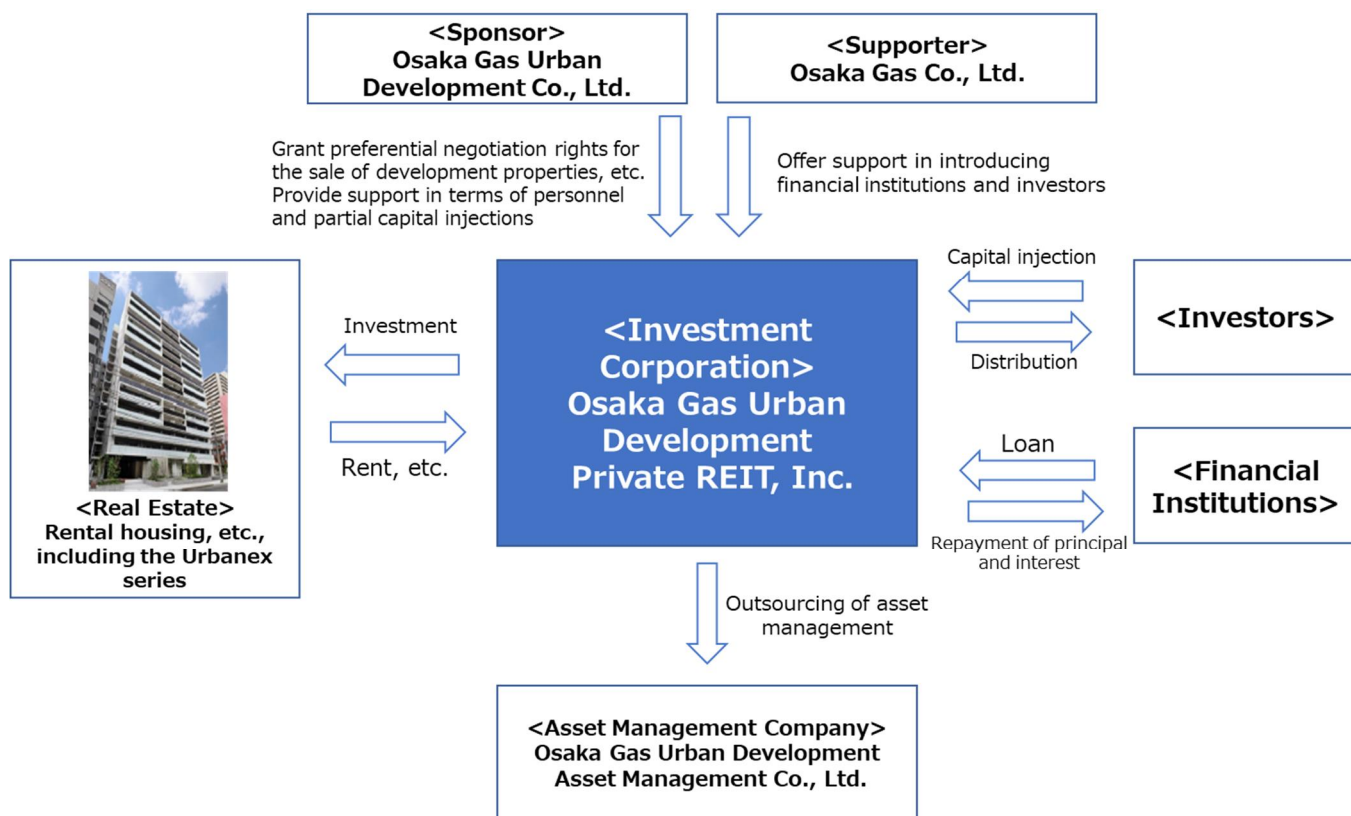
**[Overview of the REIT]**

Trade name	Osaka Gas Urban Development Private REIT, Inc.
Executive Officer	Yukinori Okubo
Date of establishment	June 1, 2023
Date of start of operations	September 1, 2023
Asset size	Approximately 18 billion yen (at the start of operations)
Investment targets	Quality rental housing, offices, commercial facilities, and logistics facilities in major cities in Japan, mainly in the Kinki region and Greater Tokyo Area
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)
Assets incorporated at the start of operations	12 rental housing properties, including Urbanex Kobe Rokko

**[Overview of the asset management company]**

Trade name	Osaka Gas Urban Development Asset Management Co., Ltd.
Date of establishment	May 23, 2022
Capital	100 million yen
Shareholder	Osaka Gas Urban Development Co., Ltd. (100%)
Location	4-2-16 Koraibashi, Chuo-ku, Osaka
Representative Director and President	Yukinori Okubo
Licenses, etc.	Real Estate Broker License, Osaka Prefectural Governor (1) No. 63780 Entrustment-Based Agency Services for Transactions, etc. License, Minister of Land, Infrastructure, Transport and Tourism License No. 149 Financial Instruments Business Registration, Director-General of Kinki Local Finance Bureau (FIBO) No. 427

[Overview of the Scheme of the REIT]



[Example of incorporated assets]



Urbanex Kobe Rokko (Nada-ku, Kobe City)