

Osaka Gas, Sumitomo, and JOIN to Invest in Expanding City Gas Distribution Business in India

OSAKA, Japan, April 8, 2024 Osaka Gas Co., Ltd. (Osaka Gas) today announced its subsidiary OSAKA GAS SINGAPORE PTE. LTD. (OGS) has reached an agreement with Sumitomo Corporation (Sumitomo) and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) to invest in AG&P LNG Marketing Pte. Ltd. (AG&P LNG Marketing), aiming to boost AG&P LNG Marketing's city gas distribution (CGD) business in India.

This investment will be made through a Japanese consortium jointly owned by OGS, Sumitomo, and JOIN. This marks OGS' second major investment in the CGD business in India, following the first one in 2021. OGS intends to establish a medium- to long-term revenue stream in India while contributing to a stable supply of low-carbon energy.

This investment allows AG&P LNG Marketing to expand its gas distribution coverage in India. Since 2021, the company has been developing CGD business in twelve geographical areas¹ (GAs) under the brand name AGP Pratham, primarily in the suburbs of southern India. With this new investment, AG&P LNG Marketing will also develop seven additional GAs under the brand name THINK Gas² in the urban areas of north and central India. The total area of these nineteen GAs represents approximately 320,000 km² or 10% of the country (comparable to approximately 90% of Japan's land).

AG&P LNG Marketing plans to construct compressed natural gas (CNG) stations and extend its gas distribution networks further, aiming to increase gas sales mainly in the transportation segment as well as household, commercial, and industrial segments. AG&P LNG Marketing's goal is to grow its gas sales volume in India to more than half the gas sales volume of Osaka Gas in Japan.³

AG&P LNG Marketing is led by an experienced management team that has demonstrated quality execution and O&M of the company's assets. The management will be guided by a competent board of directors which will have representation from I Squared Capital (an independent global infrastructure investment manager focusing on energy, utilities, telecom and transport in the Americas, Europe, and Asia), AG&P Group, Osaka Gas, Sumitomo (each of whom has taken on many overseas natural gas projects), and JOIN (a public-private infrastructure fund who supports Japanese businesses for overseas infrastructure projects

with their knowledge, expertise, and technology). In addition, Osaka Gas will provide technical and sales support.

The Indian government is promoting the use of natural gas,⁴ such as increasing the number of vehicles powered by compressed natural gas (CNG vehicles) by developing city gas distribution networks to meet the rising energy needs and reduce carbon emissions and air pollution as the country's economy is growing. City gas suppliers are selected in a bidding process for each GA and given exclusive gas sales and infrastructure rights (exclusive business rights) for an agreed period.

About Osaka Gas

Under the Medium-Term Business Plan 2026: Connecting Ambitious Dreams, Osaka Gas aims to fast-track its business development in the growth market in Asia. The company is working to invest and develop energy infrastructure and renewable energy in Asian countries to contribute to their economic growth driven by low-carbon and decarbonized energy.

- 1 Press release on December 20, 2021: [Osaka Gas Becomes the First Japanese Company to Participate in City Gas Distribution Business in India](#)
- 2 The holding company of AG&P's CGD business has merged with the holding company of THINK Gas' CGD business.
- 3 Osaka Gas' consolidated gas (45 MJ/m³) sales volume in fiscal 2022 was 6.845 billion m³.
- 4 In December 2019, the Indian government announced a goal of increasing the percentage of natural gas as a primary energy source from 6% in 2019 to 15% by 2030.

1. Overview of the city gas distribution business in India

(1) Investment structure

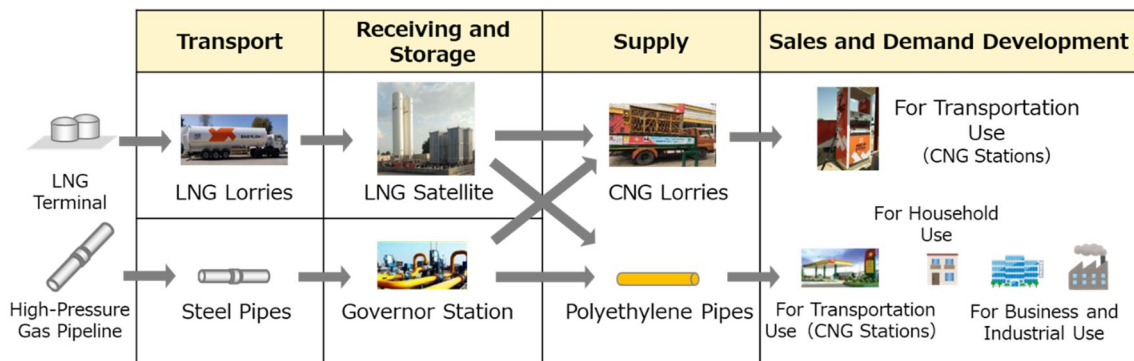
- The CGD businesses of THINK Gas and AG&P are owned by AG&P LNG Marketing.
- AG&P LNG Marketing is owned by I Squared Capital, AG&P SPV3, and the Japanese consortium.
- Osaka Gas will invest approximately USD 240 million in the Japanese consortium through OGS.
- The Japanese consortium jointly owned by Osaka Gas, Sumitomo, and JOIN will invest approximately USD 370 million in AG&P LNG Marketing.
- Osaka Gas has held equity in the target company through AG&P SPV3 since 2021, when Osaka Gas invested in AG&P SPV3 through OGS in 2021, alongside JOIN.

(2) Project Area



(3) Business operation

- Natural gas/LNG procurement, storage, distribution, sales, demand development.



2. Company Overview

【OGS】

Company Name	Osaka Gas Singapore Pte. Ltd.
Established	March 2013
Address	182 Cecil Street, #30-02 Frasers Tower, Singapore 069547
Representative	Hideomi Tsujimura
Main Business	Research, development, and investment in energy-related businesses, managing and operating businesses in Southeast and South Asia.

【Japanese Consortium】

Company Name	DAIGAS SJ CGD PTE. LTD.
Established	October 2023
Address	182 Cecil Street, #30-02 Frasers Tower, Singapore 069547
Representative	Hideomi Tsujimura
Main Business	Gas distribution in India.

【Target Company】

Company Name	AG&P LNG Marketing Pte. Ltd.
Established	January 2018
Address	65 Chulia Street, #47-04 OCBC Centre, Singapore 049513
Representative	Sayantana Lahiri
Main Business	Natural gas and LNG transport, storage, distribution, sales and demand development in 19 GAs in southern, north and central India.