

Information on Funding by Transition-Linked Loans, the First by a City Gas Company

September 11, 2024

Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara) hereby announces, as detailed below, that it has signed an agreement for the first transition-linked loans by a city gas company (hereinafter, the “Loans”).

1. Purpose of the Loans

Based on the “Daigas Group Carbon Neutral Vision” announced in January 2021 and the “Daigas Group Energy Transition 2030” announced in March 2023, the Daigas Group is working towards ensuring a stable and secure energy supply, as well as promoting carbon-neutral energy practices, with the aim of achieving carbon neutrality by 2050. In addition, in the “Daigas Group Medium-term Management Plan 2026” announced in March 2024, the group has positioned the three years from FY2024 to FY2026 as a period to pursue its mission of ensuring a stable supply and contribute to the transition period, as well as to build the foundation for 2030, when the movement toward realizing a carbon-neutral society will accelerate.

Funds are procured through the Loans in accordance with the Daigas Group Green/Transition Finance Framework.*¹ Based on the publicly released information reviewed by us, this is the first time a city gas company has ever raised funds through such loans.

The company has obtained a Second Party Opinion*² from DNV Business Assurance Japan K.K., a third-party reviewer, regarding the Framework’s compliance with various principles and guidelines.

2. Overview of the Loans

Borrower	Osaka Gas Co., Ltd.	
Amount of the Loans	Total amount: 30 billion yen	
Start of the Loan period	September 2024	
Contractors (in Japanese syllabary order)	Syndicated loan	• MUFG Bank, Ltd.
	Bilateral loans	• Sumitomo Mitsui Banking Corporation • Sumitomo Life Insurance Company • Dai-ichi Life Insurance Company, Limited • Taiju Life Insurance Company Limited • Daido Life Insurance Company • Meiji Yasuda Life Insurance Company
KPI	CO ₂ emissions in the Daigas Group's supply chains in Japan (Scopes 1, 2, and 3)	
SPT* ³	FY2031.3: A reduction of 5 million tons (compared to FY2018.3)	
Characteristics of the Loans	The terms and conditions for future interest rates will change depending on the status of achievement of the SPT.	

*1: For more information on the Green/Transition Finance Framework, click here:

https://www.osakagas.co.jp/en/whatsnew/pdf/240508_4_1.pdf

*2: For more information on the Second Party Opinion on the Framework, click here:

https://www.osakagas.co.jp/en/whatsnew/pdf/240508_4_2.pdf

*3: SPT

SPT stands for Sustainability Performance Target, which is set as a target to be achieved in terms of key performance indicators (KPIs).