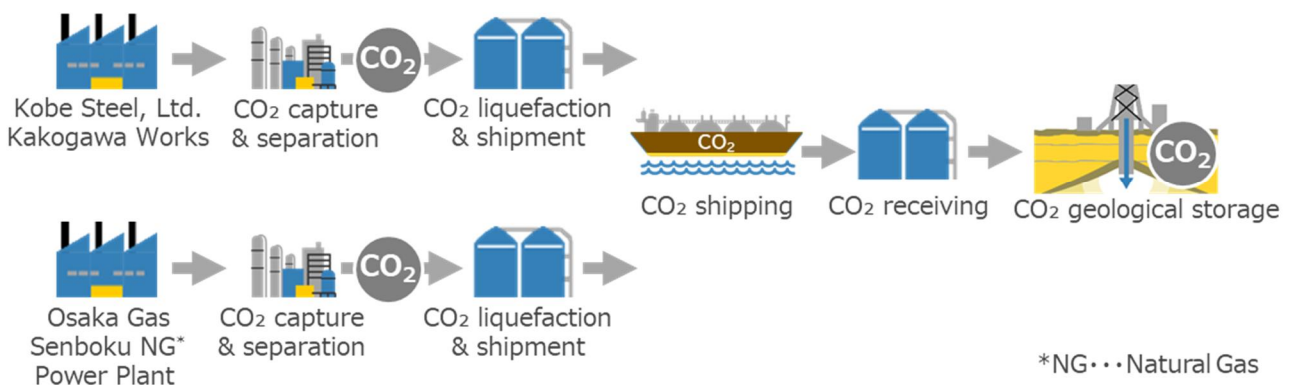


Osaka Gas and Kobe Steel Complete Pre-Feasibility Study on Large-Scale CCS Value Chain Targeting Steel Production and Thermal Power Generation in the Kansai Region

OSAKA, Japan, April 24, 2026—Osaka Gas Co., Ltd. and Kobe Steel, Ltd. announced today that they have jointly completed a pre-feasibility study on a large-scale carbon capture and storage (CCS) project targeting CO₂ emissions from hard-to-abate sectors such as steel production, as well as thermal power generation in the Kansai region. The completion of the study marks a step toward establishing a CCS value chain in the region, and the study identified key factors to be addressed in the next phase.

Osaka Gas and Kobe Steel, in collaboration with Shell Singapore Pte. Ltd. (“Shell”), conducted the study from June 2025 through March 2026, focusing on a steel plant operated by Kobe Steel in Kakogawa, Hyogo. The study examined an end-to-end CCS value chain, including CO₂ capture from steel plant emission sources, followed by liquefaction, storage, shipment, and marine transportation of the captured CO₂—including the consideration of joint transport with CO₂ emitted from the Senboku Natural Gas Power Plant in Osaka—as well as permanent storage in geological formations abroad.

Conceptual image of a CCS value chain originating from the Kansai area



The study provided a preliminary techno-economic assessment, including technical feasibility across each stage of the value chain, indicative cost estimates, and key regulatory and policy considerations. It also defines the basic configuration of the CCS value chain and identified key challenges for further evaluation, including cost competitiveness, policy support, regulatory frameworks, and stakeholder coordination.

This study builds on earlier work initiated in May 2023 in collaboration with Shell¹ to explore the development of a CCS value chain that captures CO₂ from domestic emission sources and stores it overseas. Osaka Gas is also studying CCU (carbon capture and utilization) and CCS initiatives using CO₂

captured at the Senboku Natural Gas Power Plant in Osaka.

In Japan's industrial and power sectors, various decarbonization measures are being implemented, including the expansion of renewable energy and fuel switching to natural gas. However, hard-to-abate sectors such as steel production, as well as thermal power generation, require a combination of solutions. CCS is increasingly considered, both in Japan and internationally, as a potential option for achieving mid- to long-term emissions reductions in these sectors.

Osaka Gas and Kobe Steel will continue to explore the potential of CCS from a mid- to long-term perspective and contribute to decarbonization.

This press release reflects preliminary findings at the current stage and does not represent any commitment to future commercialization or investment decisions.

FOOTNOTES:

1. Osaka Gas and Shell to collaborate in CCS value chain development

Osaka Gas press release dated May 9, 2023:

https://www.osakagas.co.jp/company/press/pr2023/1721439_54090.html

About the Daigas Group (Osaka Gas Group)

The Daigas Group is implementing its "Energy Transition 2050" plan, announced in February 2025, to advance technologies and services that support a decarbonized society and address societal challenges, including climate change. The Group aims to be a corporate group that enables continuous advancement in customers' lives and businesses.

About the Kobelco Group (Kobe Steel Group)

The Kobelco Group is advancing KOBELCO-X, a set of seven transformation initiatives aimed at transforming into a more appealing company. As part of KOBELCO-X, the Group is undertaking various green transformation (GX) efforts, including this joint study, and is committed to taking on the challenge of realizing carbon neutrality through its technologies, products, and services that contribute to reducing CO₂ emissions.