

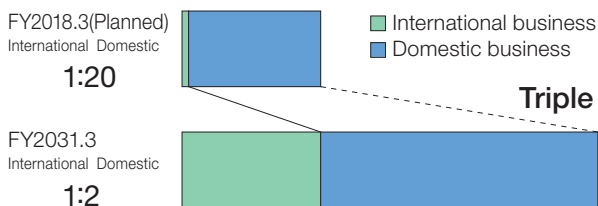
International Energy Business



What We Aim to Be in FY2031.3 and Summary of Current Situation

As an energy business operator, the Daigas Group has focused on the natural gas value chain from early on and has made investments abroad accordingly. In the future, we will continue to invest outside of Japan and by FY2031.3 will increase our international-to-domestic business ratio to 1:2. The Daigas Group will create a business model capable of generating balanced earnings streams from North America, Asia, and Oceania.

Anticipated FY2031.3 consolidated ordinary profit

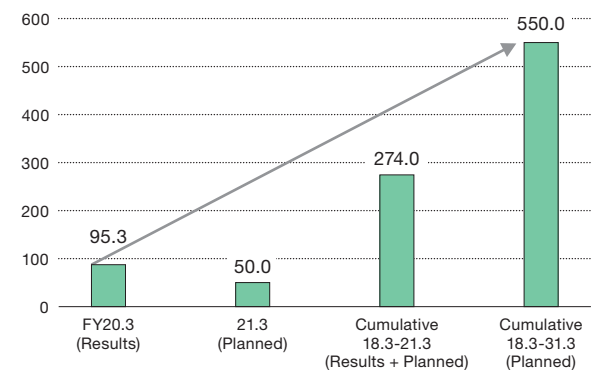


Results of Fiscal Year Ended March 31, 2020

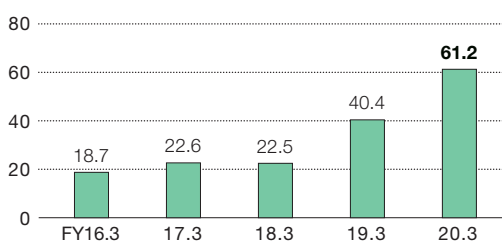
Net Sales ¥ **61.2** billion Segment Profit* ¥ **8.1** billion

* Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

Growth investment in international business (billion yen)



Net Sales (billion yen)



Segment Profit* (billion yen)



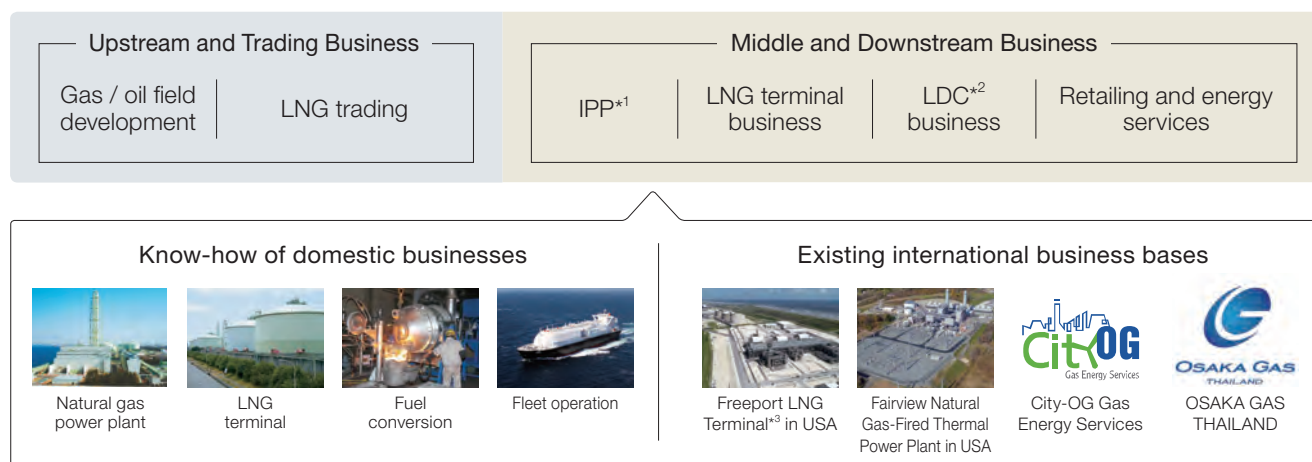
Note: Since FY18.3, Sumisho Osaka Gas Water UK Limited, an equity-method affiliate, changed its segment from "Life & Business Solutions" to "International Energy Business." FY17.3 results are calculated based on the contents after the change.

Efforts to Become What We Aim To Be in FY2031.3

In order to become what we aim to be in FY2031.3, we will promote expansion from upstream to middle and downstream businesses, centering on our priority areas, namely North America, Asia, and Oceania. To do so, we will make full use of the expertise we have cultivated in Japan and the international business infrastructure we have built. Also, we will expand our businesses based on the following three policy points.

- 1 Concentrating management resources on priority areas and priority business in each area
- 2 Accelerating business development by collaborating with mutually complementary partner companies and utilizing M&A
- 3 Increasing business engagement and improving business implementation capabilities (human resource development, development of a quick decision-making system, etc.)

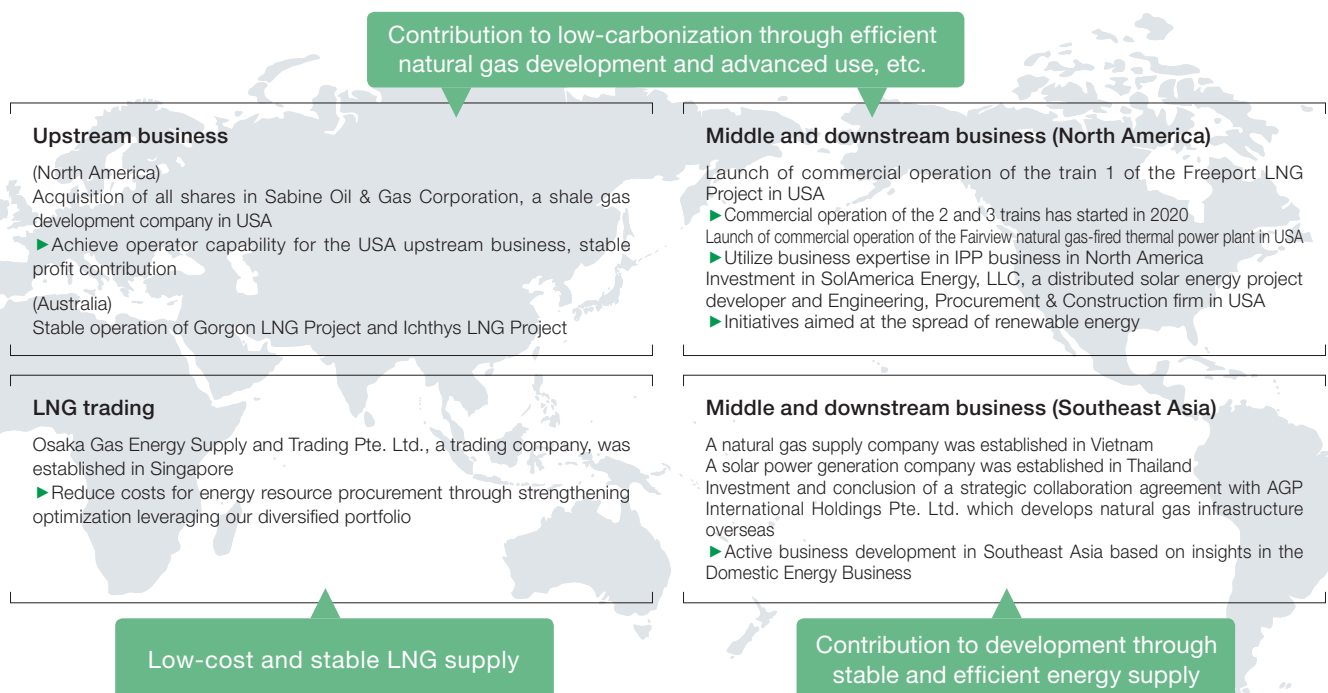
□ We will strengthen the profit structure of the international energy business by strengthening each business field.



*1 Independent Power Producer *2 Local Distribution Company *3 Freeport LNG Development, provided by L.P.

□ Efforts Toward Sustainable Growth

During the fiscal year ended March 31, 2020, we made significant progress in growth investment in the United States such as by acquiring all shares of Sabine Oil & Gas Corporation, a shale gas development company and launching commercial operation of Freeport LNG Project and Fairview natural gas-fired thermal power plant. As a result, we were able to grow the International Energy Business into a full-fledged pillar of business. We will continue to aim to acquire new projects and work to build a business portfolio towards achieving sustainable growth. Also, we will work to strengthen competitiveness in LNG procurement and expand the trading business.



Upstream and Trading Business

□ Business Overview and Characteristics

In upstream businesses, we are contributing to growth and stabilization of overall our group earnings, in addition to acquiring useful expertise in LNG procurement. While steadily proceeding with projects in which our participation is already decided, we aim to create an earnings platform and improve our business promotion by acquiring new projects in production or development.

During the fiscal year ended March 31, 2020, we were able to expand profits and acquire the capability to serve as an operator in the upstream business through the acquisition all shares in Sabine Oil & Gas Corporation an upstream business in the United States. We aim to achieve long-term and stable profit contribution by promoting the USA upstream business. With regard to existing projects, the Gorgon LNG Project and Ichthys LNG Project in Australia are operating stably, and we can expect continued profit contribution.

With regard to trading business, we established Osaka Gas Energy Supply and Trading Pte. Ltd., an LNG trading company in Singapore, and aim to reduce costs for energy resource procurement while responding to customer needs through optimization leveraging our diversified procurement portfolio.



Gorgon LNG Project in Australia



Ichthys LNG Project in Australia
Courtesy of INPEX CORPORATION



East Texas Shale Gas Project in USA

Middle and Downstream Business

□ Business Overview and Characteristics

In middle and downstream businesses, we aim to grow sustainably by utilizing the know-how and experience cultivated in the Domestic Energy Business and amassed expertise in the region to improve the business value of each project and operate the business independently. The Group participates in LNG terminal and IPP businesses and other business in North America,

Europe, the Middle East, and Australia. We are also engaged in natural gas sales and energy services in Southeast Asia and would like to expand into projects such as power plants and LNG terminals. We will continue to make use of business expertise amassed in the region to proactively develop our businesses.

□ Status of Investments

Participating in Electricity Business in USA

In USA, an environment-friendly natural gas-fired power plant is expected as demand for stable power supply is increasing due to the decommissioning of aging coal-fired power plants and the expansion of renewable energy sources. Since participating in North American natural gas thermal power plant projects in 2004, we have acquired projects, mainly in the US northeast including the PJM Market, one of the largest wholesale power markets in USA. In addition to expanding profit contributions, we have accumulated expertise on power plant operations, including fuel procurement and sales of electric power to the market. In recent years, we took a 100% stake in Michigan Power's natural gas-fired power plant in 2018 and have taken

other measures to accelerate the accumulation of business expertise by promoting more independent power plant operations, and



Michigan Power natural gas-fired thermal power plant in USA



Fairview natural gas-fired thermal power plant in USA

we are making further efforts to achieve sustainable growth in the IPP business in North America by applying our accumulated business expertise to the operation of the Fairview natural gas-fired thermal power plant, which launched commercial operations in 2019. In addition, we have



Solar power plant developed and constructed by SolAmerica Energy, LLC in USA
Courtesy of SolAmerica Energy, LLC

invested in SolAmerica Energy, LLC, a distributed solar energy project developer and Engineering, Procurement & Construction firm in 2020. We are proactively exploring other investment opportunities in renewable energy sources, which are expected to expand in USA.

Launch of commercial operation of Freeport LNG Project

In the liquefaction business at the Freeport LNG Project in Texas, USA, commercial operation of the train 1 has been launched in 2019. Commercial operation of the train 2 and 3 trains has been sequentially started in 2020. In addition to expanding stable profit contribution through the liquefaction business, we are starting LNG procurement from the USA to secure LNG without restrictions on the country of destination, and at the same time, promoting diversification of our supply sources and our LNG price indexation to achieve stable and flexible LNG procurement.

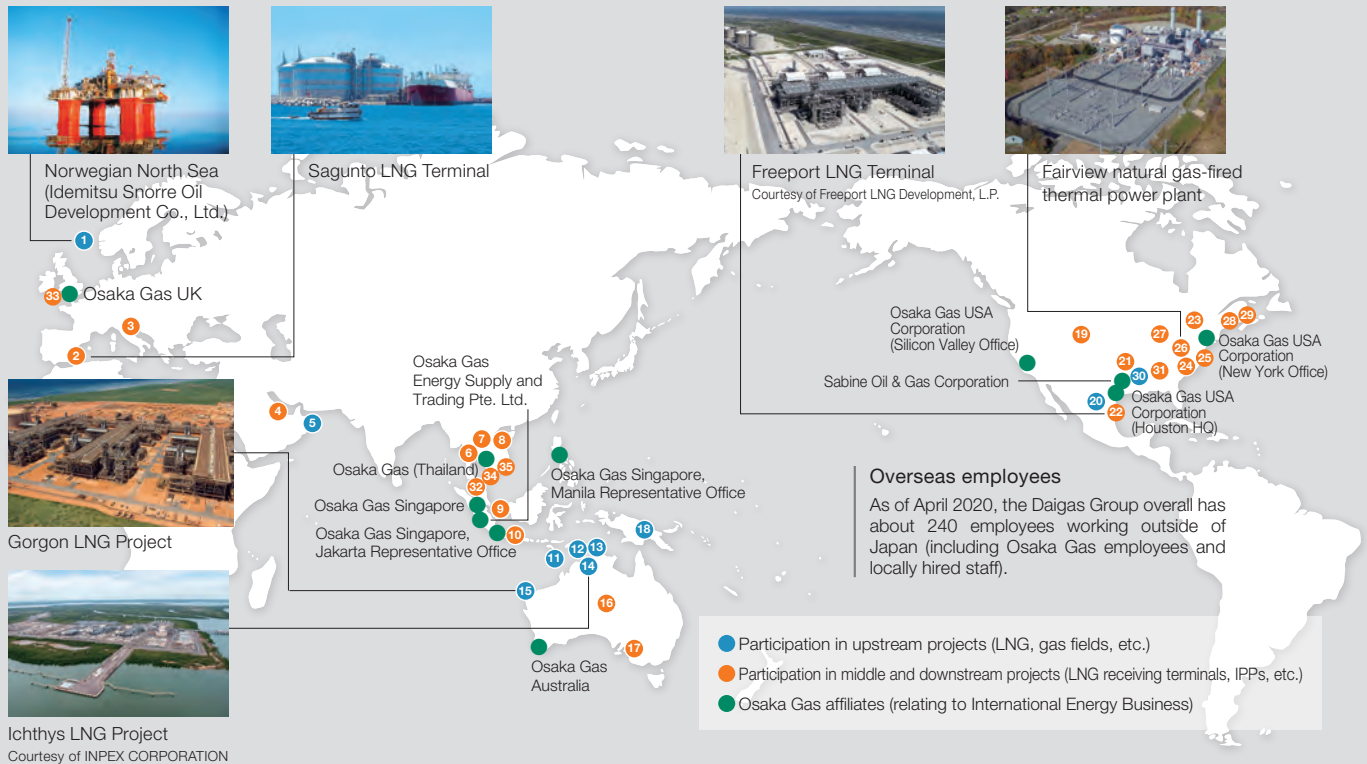
Business Development in Southeast Asia

In 2013 we set up a local representative company in Singapore and Thailand, and in 2018 we also set up a local company in Indonesia, to start selling natural gas and provide energy services. We are accelerating business development, such as the establishment of a natural gas supply company in Vietnam and a solar power generation company in Thailand in 2019, and investment and conclusion of a strategic collaboration agreement with AGP International Holdings Pte. Ltd. which develops natural gas infrastructure overseas. We will be expanding our International Energy Business by promoting business activities corresponding to local needs, particularly in Southeast Asia, where the demand for natural gas is expected to grow.



Artist's impression of completed Phu My 3 Specialized Industrial Park in Vietnam

Investments in the International Energy Business (As of April 2020)



Overseas employees
 As of April 2020, the Daigas Group overall has about 240 employees working outside of Japan (including Osaka Gas employees and locally hired staff).

Participation in upstream projects (LNG, gas fields, etc.)

- 1 Norwegian North Sea (Idemitsu Snorre Oil Development Co., Ltd.)**
Stake since 2005: 1-10%
- 5 Qalhat LNG**
Stake since 2006: 3% LNG output: 3.3 million tons/year
- 11 Crux Gas and Condensate Field**
Stake since 2007: 3%
- 12 Sunrise LNG Project**
Stake since 2000: 10%
- 13 Evans Shoal Gas Field**
Stake since 2000: 10%

- 14 Ichthys LNG Project**
Stake since 2012: 1.2% Projected LNG output: 8.4 million tons/year (planned)
- 15 Gorgon LNG Project**
Stake since 2009: 1.25% Projected LNG output: 15.0 million tons/year (planned)
- 18 Western Papua New Guinea Gas and Condensate Field**
Stake since 2014: 10 - 20% (ratio depends on field)
- 20 Pearsall Shale Gas and Liquids Development Project**
Stake since 2012: 35%
- 30 Sabine Shale Gas Project**
Stake since 2018: 100%

Participation in middle and downstream projects (LNG receiving terminals, IPPs, etc.)

- 2 Sagunto LNG Terminal**
Ownership interest since 2010: 20% Vaporization capacity: 6.4 million tons/year
- 3 Erogasmet**
Ownership interest since 2015: City gas distribution business
- 4 Shuweihat S2 IWPP**
Ownership interest since 2011: 10% (25% equity interest in the operation and maintenance company)
Power generation capacity: 151 MW Freshwater processing capacity: 10 million gallons/day
- 6 Osaka Gas (Thailand)**
Ownership interest since 2013: Energy services business
- 7 OGP Energy Solutions**
Ownership interest since 2015: Energy services business
- 8 NS-OG Energy Solutions**
Ownership interest since 2014: 30% Cogeneration business
- 9 CITY-OG Gas Energy Services**
Ownership interest since 2013: 49% Gas retail business
- 10 PT OSAKA GAS INDONESIA**
Ownership interest since 2018: Natural gas joint marketing business
- 16 EII (Energy Infrastructure Investments)**
Ownership interest since 2008: 30.2% Four pipelines, two gas-refining facilities, two power plants, two interconnected power transmission lines Power generation capacity: 18 MW
- 17 Hallett 4 Wind Farm Project**
Ownership interest since 2009: 39.9% Power generation capacity: 53 MW
- 19 Osaka Gas Power America**
Ownership interest since 2005: 6 IPP projects Power generation capacity: 301 MW
- 21 Tenaska Gateway IPP**
Ownership interest since 2004: 40% Power generation capacity: 338 MW
- 22 Freeport LNG Terminal (vaporization business)**
Ownership interest since 2008: 10.81% Vaporization capacity: 13 million tons/year

- 23 Freeport LNG Project**
Ownership interest since 2012: 25% (first train) LNG output: 4.64 million tons/year (planned)
- 23 Aurora Solar Power Generation Project**
Ownership interest since 2012: 50% Power generation capacity: 51 MW
- 24 St. Charles Energy Center Natural Gas-Fired Power Plant**
Ownership interest since 2015: 25% Power generation capacity: 181 MW
- 25 Shore Natural Gas-Fired Thermal Power Plant**
Ownership interest since 2017: 20% Power generation capacity: 145 MW
- 26 Fairview Natural Gas-Fired Thermal Power Plant**
Ownership interest since 2017: 50% Power generation capacity: 525 MW
- 27 Michigan Power Natural Gas-Fired Thermal Power Plant**
Ownership interest since 2018: 100% Power generation capacity: 125 MW
- 28 Kleen Energy Natural Gas-Fired Thermal Power Plant**
Ownership interest since 2018: 24.3% Power generation capacity: 151 MW
- 29 Towantic Natural Gas-Fired Thermal Power Plant**
Ownership interest since 2018: 49.5% Power generation capacity: 399 MW
- 31 SolAmerica Energy, LLC**
Ownership interest since 2020: Development and construction of distributed solar power generation
- 32 AGP International Holdings Pte. Ltd.**
Ownership interest since 2019: LNG business
- 33 Igloo Energy Supply Ltd.**
Ownership interest since 2019: Electricity and gas retail business
- 34 OE Solar Co., Ltd.**
Ownership interest since 2019: 49% Solar power generation business
- 35 Sojitz Osaka Gas Energy Company Ltd.**
Ownership interest since 2019: 49% Gas supply business