

Initiatives to Achieve Carbon Neutrality



Decarbonization of Power Generation

The Daigas Group is accelerating multiple projects in Japan and overseas to contribute to renewables development.

In FY2022.3, we conducted an environmental assessment of offshore wind power generation projects in Japan, as well as collaborating with other operators and investing in solar power generation projects in Japan and overseas.

Issuance of 1st Transition Bonds (44th unsecured corporate bonds)

Osaka Gas issued transition bonds* with an issue amount of 10 billion yen on June 2, 2022.

The procured funds will be put to use in renewable energy business and projects that contribute to fuel conversion at customer facilities to natural gas.

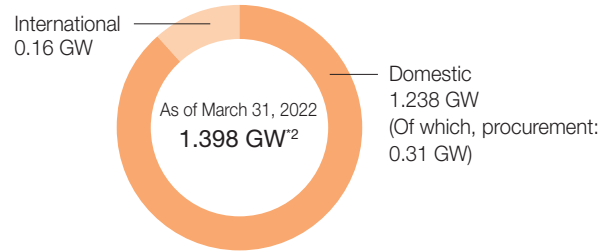
*Transition bond: Corporate bonds issued for the purpose of using the funds from them for initiatives that are in line with the company's long-term transition strategies to reduce greenhouse gas emissions

Progress of major initiatives from FY2022.3

	Plan and details of initiatives		Period	Main operators
Renewable power generation	Acquire and commence commercial operation of Brighter Future Solar Farm (U.S.A.) □□ P.61	Power generation capacity: 15.7 MW	Acquired September 2021 Commercial operation commenced January 2022	Osaka Gas USA Corporation Mitsubishi Heavy Industries America, Inc. Oriden LLC
	Commence commercial operation of Shiribetsu Wind Power Plant	Power generation capacity: 27 MW	Commercial operation commenced September 2021	Daigas Gas and Power Solution Co., Ltd.
	Acquisition of onshore wind power plant in Yokohama Town, Aomori Prefecture	Power generation capacity: 43.2 MW	Acquired July 2021 Commercial operation scheduled to commence April 2023	Osaka Gas Tokyu Land Corporation Development Bank of Japan Inc. GK Yokohama Town Wind Power
Thermal power generation	Examine study/development of offshore CCS project in Australia	Jointly examine the development of offshore CO ₂ capture and storage (CCS) hub project, deepC Store	Commenced examination in June 2021	Osaka Gas Osaka Gas Australia Pty. Ltd. JX Nippon Oil & Gas Exploration Corporation Toho Gas Co., Ltd. Commonwealth Scientific and Industrial Research Organisation (CSIRO; Australia) Kyushu Electric Power Company, Incorporated Mitsui O.S.K. Lines, Ltd. Tokyo Gas Australia Pty. Ltd. Technip Energies N.V. Add Energy Group
Issuance of Transition Bonds	As part of our efforts to procure the necessary funds for our initiatives toward carbon neutrality in 2050, we have formulated a Green/Transition Finance Framework. We have obtained a "Second-Party Opinion" from DNV Business Assurance Japan K.K., a third party reviewer, regarding the compliance with various principles, etc. pertaining to transition finance under the framework. The bonds were selected as a "Model Example for the 2021 Climate Transition Finance Model Projects" by the Ministry of Economy, Trade and Industry. [Purpose of Use of funds] • Renewable energy business • Projects that contribute to fuel conversion at customer facilities to natural gas		Issue date: June 2, 2022 Issue amount: 10 billion yen	[Target projects for use of funds] • Inami Wind Power Plant • Noheji Mutsu Bay Wind Farm • Yokohama Town Wind Power Plant • Daigas Oita Mirai Solar Power Plant • Natural gas supply business in Shikokuchuo City, Ehime Prefecture

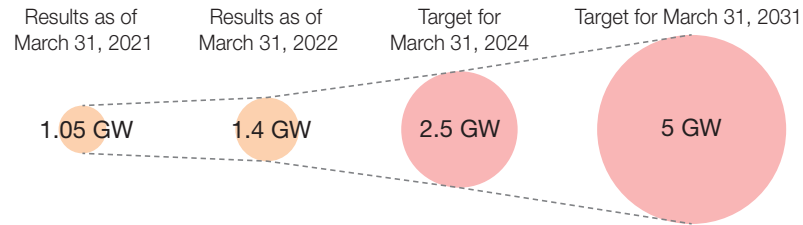
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Renewables development contribution*1



*1 Including power projects which are eligible for the feed-in tariff (FIT) scheme
 *2 Including power projects under construction and for which decisions have been made

Renewables development contribution - targets and results



Main renewable energy sources (most recent major projects)

