

Commencement of Commercial Operation of the Hirohata Biomass Power Plant

December 14, 2023

Osaka Gas Co., Ltd.

Daigas Gas and Power Solution Co., Ltd.

Green Power Fuel Corporation

The Hirohata Biomass Power Plant (hereinafter "Power Plant"), jointly invested in by Daigas Gas and Power Solution Co., Ltd. (President: Junji Doi, hereinafter "DGPS"), a wholly owned subsidiary of Osaka Gas Co., Ltd. (President: Masataka Fujiwara, hereinafter "Osaka Gas"), and Kyuden Mirai Energy Co., Inc. (President: Yutaka Mizumachi, hereinafter "KME"), commenced commercial operation today.

This marks the commencement of commercial operation of the fourth dedicated biomass-fired power plant for the Daigas Group, and it is the first power plant where the group has played a leading role since the initial stage of development.

This Japan's largest-class dedicated biomass-fired power plant with a generation capacity of about 75,000kW is located in Hirohata Ward, Himeji City, Hyogo Prefecture and realizes high-efficiency power generation.

In addition to imported wood chips and palm kernel shells (PKS), the plant uses domestically grown wood chips supplied by Green Power Fuel Corporation (hereinafter "GPF"), a subsidiary of Osaka Gas Co., Ltd. as fuel. The domestically produced wood chips procured by GPF are made from forest residue and underutilized thinnings, and the Power Plant can efficiently produce electricity with a limited supply of domestically produced biomass fuel.

The Daigas Group is making efforts for the sustainable utilization of domestic forest resources, including the expansion of procurement of domestically produced biomass fuel and the exploration of the utilization of "Fast Growing Trees"^{*1} as power generation fuel.

In addition, toward the achievement of carbon neutrality by 2050, the Daigas Group aims to contribute to increasing the use of renewable energy worth 5 GW^{*2} in Japan and overseas, including in-house development and ownership as well as procurement from other companies, by FY2030.

The group will continue to contribute to the realization of a low-carbon or decarbonized society through the development and supply of renewable energy.

^{*1}: A general term for trees that grow faster than the commonly planted tree species. Their shorter harvesting cycle compared to common tree species is expected to lead to increased procurement volume and cost

reduction.

(Reference) Agreement between GPF and Shiso City, Hyogo Prefecture, on the Utilization of Fast Growing Trees

https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2022/01/07/211217.pdf

*2: Including projects under construction or for which decisions have already been made, and power sources to which the FIT system is applicable

[Overview of Hirohata Biomass Power Plant]



Hirohata Biomass Power Plant (Photo taken in November 2023)

Operating company	Hirohata Biomass Power Generation Co., Ltd.
Investing companies	DGPS 90%, KME 10%
Location of the Power Plant	1-79 Fujicho, Hirohata-ku, Himeji City, Hyogo Prefecture
Generation capacity	Approx. 75 MW
Fuel used	Domestically produced wood chips, imported wood chips, palm kernel shell (PKS)
Operation commencement	December 14, 2023

Appendix: Overview of related companies

<Osaka Gas>

Company name	Osaka Gas Co., Ltd.
Headquarters	4-1-2 Hirano-machi, Chuo-ku, Osaka
Representative	Masataka Fujiwara, Representative Director and President
Capital	132,166,660,000 yen
Established	April 10, 1897
Main business	Production and sale of gas; generation and sale of electricity, etc.

<DGPS>

Company name	Daigas Gas and Power Solution Co., Ltd.
Headquarters	3-5-11, Dosho-machi, Chuo-ku, Osaka
Representative	Junji Doi, Representative Director and President
Capital	100 million yen
Established	October 1, 2019
Main business	Operation and maintenance of gas plants and power plants; generation and supply of electric power; engineering

<KME>

Company name	Kyuden Mirai Energy Co., Inc.
Headquarters	8th floor, KMG Building, 3-2-23 Yakuin, Chuo-ku, Fukuoka City, Fukuoka Prefecture
Representative	Yutaka Mizumachi, Representative Director and President
Capital	11,570,150,000 yen
Established	July 1, 2014
Main business	Renewable power generation (development to operation of solar, wind, biomass, geothermal, and hydraulic power generation), electricity retail, etc.

<GPF>

Company name	Green Power Fuel Corporation
Headquarters	3-5-11, Dosho-machi, Chuo-ku, Osaka
Representative	Koichiro Age, Representative Director
Capital	100 million yen
Established	March 7, 2019
Shareholders	Osaka Gas 55%, Seishin Shinrin Shigen 35%, Nippon Paper Lumber 10%
Main business	Procurement, transportation and sale of domestically produced fuel