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Tokyo Gas issues a transition bond for the first time as a city gas supplier

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. (President: UCHIDA Takashi, hereinafter, "Tokyo Gas") has determined to issue a transition bond*¹ (hereinafter, "the Corporate Bond") through a domestic public offering platform for the first time as a city gas supplier in Japan. The Corporate Bond has been selected as a model case for the Ministry of Economy, Trade and Industry's the 2021 Climate Transition Finance Model Project.

The Corporate Bond will be issued as a new financing method to promote low-carbon and decarbonization initiatives including by demand side during the transition period toward realizing a decarbonized society. The funds raised through the Corporate Bond will be used for investments in three projects promoted by Tokyo Gas Group (Niihama LNG Project, Smart Energy Network Project, and Harumi Hydrogen Project).

The Corporate Bond will be the second ESG bond to be issued by Tokyo Gas, following the green bonds issued in December 2020.

Toward achieving Group Management Vision "Compass 2030"², Tokyo Gas announced "Compass Action"³ in November 2021, with a vision to lead the transition toward carbon neutrality. While utilizing ESG finance, Tokyo Gas will invest approximately two trillion yen by 2030 in growth areas, including decarbonization, and contribute to the realization of a carbon neutral, decarbonized society by 2050.

■ Overview of the transition bond

Maturity	Maturing in 7 years and 10 years
Total amount of issuance	Approximately 20.0 billion yen
Date of issuance	March 2022 (scheduled)
Securities companies acting as lead managers	Mizuho Securities, Nomura Securities

Note: Other details will be announced when confirmed.

■ Formulation of a transition finance framework and obtainment of external evaluation

As a finance framework to lead the transition toward carbon neutrality, the Tokyo Gas Transition Finance Framework (hereinafter, "the Framework") has been formulated.

Tokyo Gas has obtained a second-party opinion from DNV BUSINESS ASSURANCE JAPAN K.K., a third-party evaluation company, with regard to the conformity of the Framework and the Corporate Bond to various guidelines.

*1: Bonds used to invest in projects that follow a long-term transition strategy being consistent with roadmap for each sector planned by the Japanese government to reduce greenhouse gas emissions. In gas sector, the Ministry of Economy, Trade and Industry announced [“Technology Roadmap for Transition Finance in the Gas Sector”](#) (in Japanese) on February 4, 2022

*2: [Tokyo Gas Group Management Vision Compass 2030 \(announced on November 27, 2019\)](#)

*3: [Compass Action -A detailed roadmap for achieving Compass 2030- \(announced on November 26, 2021\)](#)

Reference

■ Press releases for the projects to be funded through the Corporate Bond

(1) Niihama LNG Project

- [Establishment of Niihama LNG Co., Ltd. \(in Japanese\)](#)

(2) Smart Energy Network Project

- [Commencement of a Smart Energy Project at Kiyohara Industrial Park to Realize Significant Energy Saving through Collaboration Among Business Sites \(in Japanese\)](#)
- [Completion of the Tamachi Smart Energy Project and Future Outlook of Tokyo Gas Group’s Smart Energy Initiatives \(in Japanese\)](#)
- [Establishment of Tokyo Gas Nomura Real Estate Energy Co., Ltd. \(in Japanese\)](#)

(3) Harumi Hydrogen Project

- [Conclusion of Basic Agreement on the Olympic Village Energy Project \(in Japanese\)](#)