

First Issuance of Green Bonds by Tokyo Gas

Tokyo Gas Co., Ltd. (President: UCHIDA Takashi; “Tokyo Gas”) has decided to issue green bonds*¹ (hereinafter the “issuance”) via a public offering platform, a first for the Company. Management plans a total issuance of ¥10 billion and is scheduling the issuance of 10-year bonds in December 2020.

The capital to be procured from this issuance is slated to be allocated to the renewable energy project*² the Tokyo Gas Group is participating in.

The Tokyo Gas Group aims to contribute to the sustainable development of society. To this end, the group will continue to solve social issues through its business activities and thereby improve the group’s social and financial value to realize perpetual corporate management.

*1: Bonds uses to finance projects with environmental improvement benefits

*2: Press release for the renewable energy project to be financed through this issuance

- Acquisition of a solar power generation plant in Annaka, Gunma Prefecture (Japanese only)

<https://www.tokyo-gas.co.jp/Press/20200212-01.html>

- Establishment of a Subsidiary in the United States and the Acquisition of a 500MW Solar Power Project

<https://www.tokyo-gas.co.jp/IR/english/library/pdf/tekijikaiji/20200729-04e.pdf>

[Green Bond profile]

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|----------------|---|
| Maturity | 10-year bond |
| Total issuance | ¥10.0 billion |
| Issuance date | December 2020 (tentative) |
| Lead managers | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Inc. |

Notification of other details will be released after they have been decided.

[Determining green bond framework and acquisition of third-party assessment]

In line with the issuance of green bonds, Tokyo Gas has formulated the Tokyo Gas Green Bond Framework*³ (hereinafter “framework”) which specifies policies related to the four elements (1. Purpose of fundraising, 2. Project evaluation and selection, 3. Fundraising management, and 4. Reporting) stipulated in the green bond guidelines set forth by the International Capital Markets Association (ICMA).

DNV GL Business Assurance Japan K.K., a third-party assessment organization, is evaluating and verifying*⁴ conformity with various standards related to the issuance of green bonds. Tokyo Gas has received a preliminary evaluation from the Rating & Investment Information, Inc. (R&I) of GA1, the highest score possible in R&I green bond assessments. In addition, Tokyo Gas has received certification*⁵ under the standards of the Climate Bonds Initiative (CBI)*⁶.

*3: Framework URL: https://www.tokyo-gas.co.jp/Press_e/20201029-03e_framework.pdf

*4: URL for the DNV GL green bond eligible bond issuance pre-verification report:

https://www.tokyo-gas.co.jp/Press_e/20201029-03e_gnvgl.pdf

*5: CBI grants certification for bonds that undergo a third-party verification of conformity with the Climate Bonds Standard Version 3.0. That being said, the Climate Bonds Standard is an international standard established, based on rigorous scientific criteria, to confirm that the green bond issuance is consistent with the goals of the Paris Climate Agreement to limit warming to under 2 degrees.

*6: International NGO that stipulates strict standards to ensure the credibility and transparency of green bonds

[Reference]

The Sustainability Report, which was released in August 2020, covers Tokyo Gas' concepts and ideas on promoting sustainability, actions to contribute to the achievement of SDGs, and compiles ESG data.

- Sustainability website <https://tokyo-gas.disclosure.site/en/>
- Sustainability Report (PDF) <https://tokyo-gas.disclosure.site/en/themes/511>

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