

Notice Regarding Decision to Issue Our First Transition Bond

Toho Gas Co., Ltd. (“Toho Gas”, President: Nobuyuki Masuda) has decided to issue its first transition bond*1 (“the Bond”).

The funds raised by the Bond will be used for projects in the three areas of “Gas, Hydrogen, and Electricity” (Gas: methanation demonstration tests, Hydrogen: a hydrogen generating plant, and Electricity: NAS batteries and offshore wind power business) *2, which are key to the construction of our future energy system.

In response to the growing awareness of the global warming crisis, Toho Gas has set forth a goal of realizing “Carbon Neutrality” in its entire supply chain including its customers by 2050. Toho Gas will continue to steadily implement initiatives in accordance with its energy transition strategy.

【Outline of the Bond】

Securities Offered	The 47th Unsecured Corporate Bond (Transition Bond)
Amount of Issue	10 billion yen (planned)
Period	10 years (planned)
Issue Date	November 2022 (planned)
Joint Lead Managers	Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Mizuho Securities Co., Ltd.
Structuring Agent*3	Daiwa Securities Co. Ltd.

*1 A bond issued to finance a company's efforts to reduce greenhouse gas emissions in accordance with its long-term transition strategy.

*2 For more information on each project, please refer to the following URL:

- ["Methanation Demonstration Test Using Biogas-derived CO2" in Collaboration with Chita City](#) (Japanese version only)
- [Construction of Hydrogen Generating Plant at Chita-Midorihamma factory -Building hydrogen supply chain for contributions to Carbon Neutrality-](#)
- [Installation of NAS batteries for promoting the widespread use of renewable energy -First attempt in the Tokai Region](#)
- [Investment Participation in Offshore Wind Power Business in Taiwan](#)

*3 An entity that supports the implementation of green/transition finance by providing advice on the development of frameworks for green/transition finance, etc. and on obtaining second-party opinions, etc.

<Reference> Development of a Green/Transition Finance Framework and Acquisition of an External Review

In order to promote efforts to achieve carbon neutrality, Toho Gas has developed the Green/Transition Finance Framework*4 (“the Framework”) with an eye toward the future society.

The Framework has received the Second Party Opinion*5 from DNV Business Assurance Japan K.K., an external review provider, regarding its conformity with various principles, pertaining to the issuance of transition bonds, etc. The Bond is eligible for the "FY2022 Subsidy for Global Warming Countermeasures Promotion Project (Climate Innovation Finance Promotion Project)" from the Ministry of Economy, Trade and Industry (METI).

*4 For more information on the Green/Transition Finance Framework, please refer to the following URL:

<https://www.tohogas.co.jp/corporate/ir/stock-info/green-transition/pdf/framework.pdf> (Japanese version only)

*5 For more information on the Second Party Opinion, please refer to the following URL:

<https://www.tohogas.co.jp/lang/en/pdf/green-transition-master-spo.pdf> (Master SPO)

<https://www.tohogas.co.jp/lang/en/pdf/green-transition-spo-annex.pdf> (ANNEX)