

February 20, 2020

Company name: Tokyo Gas Co., Ltd.  
Name of representative: Takashi Uchida, President  
(Securities code: 9531, TSE1 & NSE1)  
Contact: Takahiro Tomiyama,  
General Affairs Group Manager

### Notice of Company Split (Simplified Absorption-type Company Split)

Tokyo Gas Co., Ltd. (hereinafter referred to as “Tokyo Gas”) hereby announces that the board of directors on February 20, 2020, decided to undertake a simplified absorption-type company split, wherein effective April 1, 2020, Tokyo Gas will transfer real estate owned by it and used mainly as business offices, commercial land and welfare facilities, and rights and obligations in regard to associated real estate businesses including ownership, maintenance, management, operation, leasing, and sale & purchase (hereinafter referred to as the “Business”), to Tokyo Gas Real Estate Co., Ltd. (hereinafter referred to as “Tokyo Gas Real Estate”).

Because the above transaction (hereinafter referred to as the “Company Split”) will be a simplified absorption-type split involving a consolidated subsidiary, some disclosure items and details are omitted from this notice.

#### **1. Purpose of the Company Split**

Given drastic changes in the business environment for the Tokyo Gas group triggered by recent full liberalization of the electricity and gas retail markets, Tokyo Gas will benefit from operational efficiency gained by transferring to Tokyo Gas Real Estate real estate owned by Tokyo Gas, which is utilized mainly as business offices, commercial land and welfare facilities, and associated real estate businesses, combining and integrating real estate ownership and management, and will aim to increase external income to enhance the group’s competitiveness.

By flexibly combining real estate and diverse products, services and technologies, the Tokyo Gas group will create new value together with its customers, society and business partners, and realize its Group Management Vision "Compass 2030" put forward in 2019.

#### **2. Overview of the Company Split**

##### (1) Schedule

Board of directors meeting to approve Company Split agreement: February 20, 2020

Execution of Company Split agreement: February 21, 2020 (planned)

Effective date of Company Split : April 1, 2020 (planned)

Note: Because the Company Split is the simplified absorption-type defined under Article 784 of the Companies Act, no general shareholders meeting will be held to resolve the Company Split.

##### (2) Method of Company Split

The Company Split will be carried out in the form of a simplified absorption-type split, in which Tokyo Gas is the splitting company and Tokyo Gas Real Estate is the succeeding company.

##### (3) Allotments in relation to the Company Split

No shares will be allotted or any other consideration delivered upon the Company Split.

##### (4) Treatment of stock acquisition rights and bonds with stock acquisition rights

Tokyo Gas has issued no stock acquisition rights or bonds with stock acquisition rights.

(5) Reduction in equity capital

There will be no reduction in the amount of equity capital of Tokyo Gas due to the Company Split.

(6) Rights/obligations to be taken over by the succeeding company

Tokyo Gas Real Estate will succeed to assets, liabilities, rights and obligations associated with the Business.

(7) Prospects for fulfillment of obligations

There are expected to be no issues as to Tokyo Gas's or Tokyo Gas Real Estate's ability to fulfill its obligations arising on and after the effective date.

### **3. Overview of the parties involved in the Company Split**

	Splitting company	Succeeding company
(1) Name	Tokyo Gas Co., Ltd.	Tokyo Gas Real Estate Co., Ltd.
(2) Address	Kaigan 1-5-20, Minato-ku, Tokyo	Nishi-shinjuku 3-7-1, Shinjuku-ku, Tokyo
(3) Name of representative	Takashi Uchida, President	Hiroaki Kobayashi, President
(4) Business	Production, supply and sale of city gas, liquid gas business, LNG sales, production, supply and sale of electricity, etc.	Management, development, lease, brokerage of real estate, etc.
(5) Equity capital	141,844 million yen	11,894 million yen
(6) Foundation	October 1, 1885	May 20, 1953
(7) Outstanding shares	442,436,059 shares	8,252 shares
(8) End of financial year	March 31	March 31
(9) Major shareholders & their ownership percentages (as of Dec. 31, 2019)	Nippon Life Insurance Co. 7.0% The Master Trust Bank of Japan (Trust Account) 6.3% The Dai-ichi Life Insurance Co., Ltd. 5.4% Japan Trustee Services Bank, Ltd. (Trust Account) 4.4%	Tokyo Gas Co., Ltd. 100.0%
(10) Financial position and business performance for the latest financial year (FY2018)		
Net assets	1,171,345 million yen (consolidated)	106,279 million yen
Total assets	2,428,149 million yen (consolidated)	154,409 million yen
Net assets per share	2,575.99 yen (consolidated)	411,455.84 yen
Revenue	1,962,308 million yen (consolidated)	25,404 million yen
Operating income	93,704 million yen (consolidated)	7,404 million yen
Ordinary income	89,386 million yen (consolidated)	7,777 million yen
Net income attributable to owners of the parent	84,555 million yen (consolidated)	5,403 million yen
Net income per share	187.60 yen (consolidated)	21,258.19 yen

#### **4. Overview of the business (to be split)**

(1) Business profile

Real estate mainly used as business offices, commercial land and welfare facilities, and associated real estate businesses including ownership, maintenance, management, operation, leasing, and sale & purchase (the “Business”).

(2) Performance of the business (to be split) (million yen)

	The Business (a)	FY2019 (end-March) results (consolidated) (b)	Percentage (a/b)
Revenue	1,633	1,962,308	0.1%

(3) Assets and liabilities subject to the Company Split (million yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Fixed assets	36,104	Fixed liabilities	887
Investments and other assets	112	Current liabilities	174
Current assets	41	Total liabilities	1,062
Total assets	36,258		

Note: As of September 30, 2019. The actual amounts of assets and liabilities will be determined by adjusting the above amounts to reflect changes up to the effective date of the Company Split.

#### **5. Post-split status of Tokyo Gas**

There will be no changes to Tokyo Gas in regard to its name, location, name and title of representative, business profile, amount of equity capital, or financial year.

#### **6. Outlook**

The succeeding company is a consolidated subsidiary of Tokyo Gas; thus the Company Split will not affect the consolidated operational results of Tokyo Gas.