

Press Release

Company: Tokyo Gas Co., Ltd.
 Representative: UCHIDA Takashi,
 Representative Director, President
 (Securities code: 9531, TSE 1 & NSE 1)
 Contact: NAKAJIMA Kei,
 General Affairs Group Manager

Notice regarding Spin-off (Simplified Absorption-type Company Split)

Tokyo Gas Co., Ltd. (hereinafter, the “Company”) hereby announces it will succeed the automatic meter reading and centralized surveillance services currently operated by TOKYO GAS i NET CORP. (hereinafter, “TOKYO GAS i NET”) via a company spin-off on August 1, 2022 (tentative) and has signed an absorption-type company split agreement with TOKYO GAS i NET, based on a resolution passed today by the Company’s Board of Directors. (Hereinafter, the “Spin-off”)

Note that given this Spin-off entails the succession by the Company of an operating unit owned by a wholly-owned subsidiary, some of the disclosure items and details of the Spin-off have been omitted from this release.

1. Background and purpose of Spin-off

The Company provides services mainly to check if a customer forgot to turn off their gas and a remote shut-off service which uses an automatic meter reader, remote valve operator and an alarm acquisition function, by connecting a communication line from gas meters equipped with communication functions and “Station 24,” a 24-hour surveillance center. Meanwhile, TOKYO GAS i NET, a wholly-owned subsidiary of the Company, operates automatic meter reading and centralized surveillance services for its customers, that is LPG operators, city gas operators and water suppliers. The automatic meter reading and centralized surveillance services provide customers with the automatic meter reader, remote valve operator and an alarm acquisition function, the same as Station 24, by connecting a communication line from gas meters equipped with communication functions to a 24-hour remote surveillance center operated by TOKYO GAS i NET.

The Spin-off will make it possible for the Company to achieve efficient business operations by integrating technology and knowhow through the concentration of Station 24 and equivalent services operated by subsidiaries.

2. Outline of Spin-off

(1) Spin-off schedule

Board of Directors resolution for signing of absorption-type company split agreement (the Company)	May 19, 2021
Directors’ decision for signing of absorption-type	May 19, 2021

company split agreement (spin-off company)	
Signing of absorption-type company split agreement	May 19, 2021
Date the absorption-type company split takes effect	August 1, 2021 (tentative)

(2) Spin-off method

An absorption-type company split with TOKYO GAS i NET as the spin-off company and the Company as the successor company.

(3) Allotment pertaining to Spin-off

No allocation will be implemented.

(4) Treatment of share acquisition rights and corporate bonds with share acquisition rights following Spin-off

The Company shall issue neither share acquisition rights nor corporate bonds with share acquisition rights.

(5) Changes in paid-in capital due to Spin-off

There will be no changes in the paid-in capital of the Company.

(6) Rights and obligations assumed by successor company

Pursuant to the provision of the absorption-type company split agreement dated May 19, 2021 that was entered into with the spin-off company, the successor company (the Company) will assume on the date of effect the rights and obligations related to the automated meter reading and centralized surveillance services operated by spin-off company.

That said, any assumption of debt due to the Spin-off by the successor company (the Company) shall be undertaken without recourse.

(7) Prospect of fulfillment of obligations

No problems are foreseen in the fulfillment of obligations by the Company and the spin-off company after the Spin-off since the assets of both the Company and the spin-off company are expected to exceed liabilities after the Spin-off and at present there are no circumstances anticipated that could impede the fulfillment of obligations to arise after the Spin-off.

3. Outline of companies involved in Spin-off

(1) Successor company (as of March 31, 2021)

(1) Company name	Tokyo Gas Co., Ltd.
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo
(3) Name and title of representative	UCHIDA Takashi, Representative Director, President
(4) Business	Gas business, etc.

(5) Capital	141,844 million yen										
(6) Establishment	October 1, 1885										
(7) Number of shares issued and outstanding	442,436,059 shares										
(8) Closing date	March 31										
(9) Major shareholder(s) and shareholding ratio	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>8.54%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>7.10%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>4.94%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account 7)</td> <td>2.89%</td> </tr> <tr> <td>Tokyo Gas Group Employees Shareholding Association</td> <td>1.97%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.54%	Nippon Life Insurance Company	7.10%	Custody Bank of Japan, Ltd. (Trust Account)	4.94%	Custody Bank of Japan, Ltd. (Trust Account 7)	2.89%	Tokyo Gas Group Employees Shareholding Association	1.97%
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Custody Bank of Japan, Ltd. (Trust Account 7)	2.89%										
Tokyo Gas Group Employees Shareholding Association	1.97%										
(10) Financial position and operating results of the latest fiscal year (Fiscal year ended March 31, 2021)											
Net assets	1,178,271 million yen (Consolidated)										
Total assets	2,738,348 million yen (Consolidated)										
Net assets per share	2,616.37 yen (Consolidated)										
Net sales	1,765,146 million yen (Consolidated)										
Operating profit	77,675 million yen (Consolidated)										
Ordinary profit 70,500 million	70,500 million yen (Consolidated)										
Profit attributable to owners of parent	49,505 million yen (Consolidated)										
Profit per share	112.26 yen (Consolidated)										

(2) Spin-off company (As of March 31, 2020*)

(1) Company name	TOKYO GAS i NET CORP.
(2) Address	2-3-1 Hamamatsucho, Minato-ku, Tokyo
(3) Name and title of representative	SHIGITANI Ayumi, Representative Director, President
(4) Business	· Information processing using computers, information provision, communication services and related consulting, etc.
(5) Capital	400 million yen
(6) Establishment	July 1, 1987
(7) Number of shares outstanding	9,600 shares
(8) Closing date	March 31
(9) Major shareholder(s) and shareholding ratio	Tokyo Gas Co., Ltd. 100%
(10) Financial position and operating results of the latest fiscal year (Fiscal year ended March 31, 2020)	
Net assets	4,140 million yen
Total assets	17,379 million yen
Net assets per share	431,305 yen
Net sales	55,320 million yen

Operating profit	1,422 million yen
Ordinary profit 70,500 million	1,422 million yen
Profit per share	65,632 yen

*Tokyo Gas i-Net Co., Ltd. has not finalized its financial results for the fiscal year ended March 31, 2021, therefore the financial results for the fiscal year ended March 31, 2020 were utilized.

4. Outline of the operating unit to be succeeded

(1) Business of the operating unit to be succeeded

Business operations comprise of automatic meter reading and centralized surveillance services, and peripheral operations

(2) Financial results of the operating unit to be succeeded (fiscal year ended March 31, 2020)

Business of the operating unit to be succeeded	Net sales at the business to be succeeded (a)	The Company's net sales (b)	Ratio (a/b)
Automatic meter reading and centralized surveillance services	192 million yen	1,925,235 million yen	0.01%

Note: External sales are mentioned herein.

(3) Asset and liability items to be spun off and respective value (As of March 31, 2021)

Assets		Liabilities	
Item	Value	Item	Value
Non-current assets	95 million yen	Non-current liabilities	—
Current assets	8 million yen	Current liabilities	—
Total	103 million yen	Total	—

Note: The aforementioned values were calculated based on the balance sheet statement as of March 31, 2021. In light of this, the actual value to be succeeded will reflect fluctuations to the above values up to the business day prior to the date the spin-off takes effect.]

5. Status of the Company after the Spin-off (as of August 2, 2021 (tentative))

(1) Company name	Tokyo Gas Co., Ltd.
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo
(3) Name and title of representative	UCHIDA Takashi, Representative Director, President
(4) Business	Gas business, etc.
(5) Capital	141,844 million yen
(6) Closing date	March 31

(2) Status of the spin-off company after the Spin-off (As of August 1, 2021 (tentative))

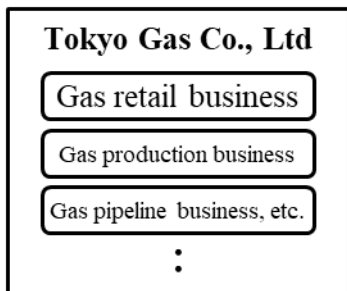
(1) Company name	TOKYO GAS i NET CORP.
(2) Address	2-3-1 Hamamatsucho, Minato-ku, Tokyo
(3) Name and title of representative	SHIGITANI Ayumi, Representative Director, President
(4) Business	· Information processing using computers, information provision, communication services and related consulting, etc.
(5) Capital	400 million yen
(6) Closing date	March 31

(7) Outlook

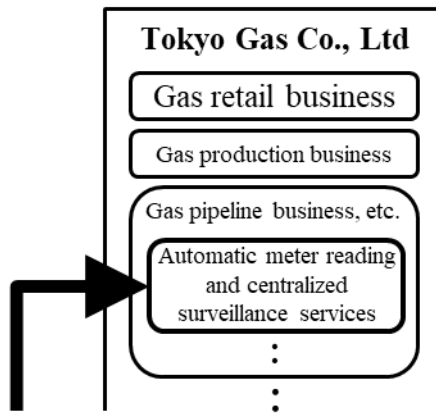
Impact from the Spin-off to the Company's consolidated earnings will be minimal as the spin-off company is a wholly-owned subsidiary.

[Reference] Illustration of the Spin-off

○At present



○August 2021



Absorption-type company split

