

Press Release

Company: Tokyo Gas Co., Ltd.
Representative: UCHIDA Takashi,
Representative Corporate Executive Officer,
President and CEO
(Securities code: 9531, TSE Prime Market &
NSE Prime Market)
Contact: NAGATOMO Osamu,
General Manager of Legal Sect,
General Administration Dept.

Notice Regarding Corporate Demerger (Simplified Absorption-type Demerger, Short Form Absorption-type Demerger) of Wholly-owned Subsidiary (Nijio Co., Ltd.)

Tokyo Gas Co., Ltd. (hereinafter, the “Company”) hereby announces as detailed below the succession of the assets and liabilities of the business of procuring LNG from the Pluto LNG Project (hereinafter, the “Business”) operated by Nijio Co., Ltd. (hereinafter, “Nijio”), a wholly-owned subsidiary of the Company, and the rights and obligations related to the Business to the Company by means of a corporate demerger on April 1, 2023, and the signing of an absorption-type demerger agreement with Nijio (hereinafter, the “Demerger”).

Since the Demerger is a corporate demerger in which an operating unit of the Company’s wholly-owned subsidiary is assumed by the Company, certain disclosure items and details have been omitted.

1. Purpose of the Demerger

Currently, part of the procurement of LNG for Tokyo Gas Group’s power generation operations is conducted by Nijio, a consolidated subsidiary of the Company. The Company has decided to assume the rights and obligations related to the Business by means of an absorption-type demerger for the purpose of strengthening the Group’s competitiveness and further streamlining its business operations.

2. Outline of the Demerger

(1) Demerger schedule

Date of approval of the absorption-type demerger	February 2, 2023
Date of signing of the absorption-type demerger agreement	February 2, 2023
Effective date of the absorption-type demerger agreement	April 1, 2023 (scheduled)

Note: Since the Demerger is a simplified absorption-type demerger for the Company pursuant to Article 796, paragraph (2) of the Companies Act, and a short form absorption-type demerger for Nijio pursuant to Article 784, paragraph (1) of the Companies Act, the approval of a general meeting of shareholders is omitted.

(2) Demerger method

An absorption-type demerger with the Company as the successor company and Nijio as the demerged company.

(3) Allotment related to the Demerger

There will be no allotment.

(4) Treatment of share acquisition rights and corporate bonds with share acquisition rights following the Demerger

The Company issues neither share acquisition rights nor corporate bonds with share acquisition rights.

(5) Changes in share capital due to the Demerger

There will be no changes to the share capital of the Company.

(6) Rights and obligations assumed by the successor company (the Company)

Pursuant to the provisions of the absorption-type demerger agreement, dated February 2, 2023, that has been entered into with the demerged company, the successor company (the Company) will, on the effective date, assume the assets and liabilities of the Business operated by the demerged company as well as the rights and obligations related to the Business.

The successor company (the Company)'s assumption of debt due to the Demerger shall be done without recourse to the demerged company.

(7) Prospect of fulfillment of obligations

No problems are foreseen in the fulfillment of obligations by the Company and the demerged company after the Demerger since the assets of both the Company and the demerged company are expected to exceed liabilities after the Demerger, and no circumstances that could impede the fulfillment of obligations to be borne after the Demerger are anticipated at present.

●Note

The Demerger requires the signing of an agreement with a third-party for assuming the rights and obligations related to the Business. Therefore, the Demerger may not be executed in the event of a failure to reach an agreement on the signing.

3. Outline of companies involved in the Demerger

(1) Successor company (As of September 30, 2022)

(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 Corporate Executive Officer, President and CEO
(4) Business description	Gas business, etc.

(5) Share capital	141,844 million yen										
(6) Establishment	October 1, 1885										
(7) Number of shares issued	434,875,059 shares										
(8) Account closing date	March 31										
(9) Major shareholder(s) and percentage of shares held	<table> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>16.05%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>7.22%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Trust Account)</td> <td>6.19%</td> </tr> <tr> <td>Tokyo Gas Group Employees Shareholding Association</td> <td>2.04%</td> </tr> <tr> <td>STATE STREET BANK WEST CLIENT – TREATY 505234</td> <td>1.93%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust Account)	16.05%	Nippon Life Insurance Company	7.22%	Custody Bank of Japan, Ltd. (Trust Account)	6.19%	Tokyo Gas Group Employees Shareholding Association	2.04%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.93%
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(10) Financial position and results of the latest fiscal year (Fiscal year ended March 2022 (Consolidated))											
Net assets	1,281,150 million yen (Consolidated)										
Total assets	3,187,627 million yen (Consolidated)										
Book value per share	2,847.88 yen (Consolidated)										
Net sales	2,154,860 million yen (Consolidated)										
Operating profit	127,525 million yen (Consolidated)										
Ordinary profit	136,481 million yen (Consolidated)										
Profit attributable to owners of parent	95,702 million yen (Consolidated)										
Earnings per share	217.67 yen (Consolidated)										

(2) Demerged company (As of March 31, 2022)

(1) Company name	Nijio Co., Ltd.		
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo		
(3) Name and title of representative	SUGESAWA Nobuhiro, Representative Director		
(4) Business description	Purchase of natural gas (including LNG), purchase and sale of electricity		
(5) Share capital	47 million yen		
(6) Establishment	May 1, 2002		
(7) Number of shares issued	6,011 shares		
(8) Account closing date	March 31		
(9) Major shareholder(s) and percentage of shares held	<table> <tr> <td>Tokyo Gas Co., Ltd.</td> <td>100%</td> </tr> </table>	Tokyo Gas Co., Ltd.	100%
Tokyo Gas Co., Ltd.	100%		
(10) Financial position and results of the latest fiscal year (Fiscal year ended March 2022)			
Net assets	30,782 million yen		
Total assets	54,770 million yen		
Book value per share	5,120,993 yen		
Net sales	167,550 million yen		
Operating profit	3,715 million yen		

Ordinary profit	3,803 million yen
Earnings per share	446,718 yen

4. Outline of operating unit to be assumed

(1) Description of operations to be assumed

Assets and liabilities of the Business, and rights and obligations related to the Business

(2) Financial results of the unit to be assumed

	The unit (a)	Performance of FY ended March 2022 (Consolidated) (b)	Ratio (a/b)
Net sales	0	0	0.00%

(3) Category and amount of assets and liabilities to be demerged (As of March 31, 2022)

Assets		Liabilities	
Category	Amount	Category	Amount
Non-current assets	—	Non-current liabilities	2,190 million yen
Current assets	2,190 million yen	Current liabilities	—
Total	2,190 million yen	Total	2,190 million yen

Note: The category and amount of assets and liabilities to be assumed are based on balance sheet values as of March 31, 2022. The actual amounts to be assumed will reflect the addition or deduction of any changes that occur before the effective date.

5. Status of the successor company (the Company) after the Demerger

There will be no changes to the name, address, business description, share capital, and account closing date of the Company after the Demerger. The name and title of the representative are scheduled to be changed as follows on April 1, 2023.

As of April 1, 2023

Name	New title	Current title
SASAYAMA Shinichi	Representative Corporate Executive Officer, President and CEO	Representative Corporate Executive Officer, Vice President
UCHIDA Takashi	Director	Director Representative Corporate Executive Officer, President and CEO

SASAYAMA Shinichi will become Director subject to approval at the Ordinary General Meeting of Shareholders scheduled in June 2023, and UCHIDA Takashi will become Chairperson of the Board by resolution of the Board of Directors to be held after said General Meeting of Shareholders.

6. Status of the demerged company after the Demerger

There will be no changes to the name, address, name and title of representative, business description, share capital, and account closing date of the demerged company after the Demerger.

7. Financial outlook

The impact of the Demerger on the Company's consolidated financial results will be minor, as the Demerger involves the Company and its wholly-owned subsidiary.