

July 21, 2023

Company: Tokyo Gas Co., Ltd.
Representative: SASAYAMA Shinichi
Representative Corporate Executive Officer,
President and CEO
(Securities code: 9531, TSE Prime Market &
NSE Prime Market)
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Press Release

Investment Decision-Making Concerning the LNG-fired Thermal Power Generation Business in Anticipation of the Realization of Carbon Neutrality

Tokyo Gas Co., Ltd. ("Tokyo Gas") hereby announces the following regarding an ongoing feasibility study of the LNG-fired thermal power generation business.

Details

1. Outline of facts and reasons for decision

In relation to our timely disclosure on June 15, 2022, titled "Notice of Continuation of Study on the LNG-fired Thermal Power Plant Project in Sodegaura City, Chiba Prefecture," Tokyo Gas has made an investment decision today based on its plans to commercialize the LNG-fired thermal power station (the "Business") at an industrial site owned by Idemitsu Kosan Co., Ltd. in Sodegaura City, Chiba Prefecture. This site is the target of a feasibility study being carried by a wholly-owned subsidiary of Tokyo Gas, Chiba-Sodegaura Power Co., Ltd. (President:SUZUKI Junichi; "Chiba Sodegaura Power") since September 2019.

In the Group's Management Vision, Compass 2030, Tokyo Gas sets forth "Challenge to achieve Net-Zero CO₂". In a step toward attaining this goal, we are targeting a renewable power source transaction volume of 6 million kW. In addition to a stable supply of energy, we aim to responsibly lead a transition using gaseous bodies and renewable energy through the enhancement of gas-fired power generation owing to its adjustment capability essential for the introduction of renewable energy to contribute to the "realization of a decarbonized society" along with our customers.

2. Outlook

In the Business, in anticipation of the use of hydrogen in the future, Tokyo Gas is scheduled to introduce a cutting-edge 1.95 million kW high-efficiency, gas turbine combined cycle power generator capable of hydrogen co-firing, and plans to launch operations successively starting from FY2029^{*1}. In addition, ahead of the realization of carbon neutrality in 2050, we believe that the Business will play an important role in both the development of a next-generation/high efficiency power generation systems and the replacement of thermal power generation systems with decarbonized models, through the modification of gas turbines and other equipment that enables hydrogen firing.

Moving forward, Tokyo Gas plans to accelerate initiatives with the view of utilizing a variety of options, including e-methane^{*2}, CCS^{*3} and other fuel alternatives, not only hydrogen.

Chiba-Sodegaura Power is in charge of the practical operations of the Business. Through the environmental impact assessment and other procedures, Tokyo Gas plans to move forward with its initiatives while continuing to factor in the opinions of community members and those of related administrative agencies.

The impact to consolidated earnings at Tokyo Gas in FY2023 reflecting this investment decision is expected to be minimal. However, Tokyo Gas will promptly give notice of those matters that require disclosure regarding the impact to earnings in FY2023.

*1: The establishment of a hydrogen supply network is the prerequisite for hydrogen co-firing

*2: Synthetic methane manufactured as a raw material from non-fossil energy sources, for instance, green hydrogen

*3: Carbon dioxide Capture and Storage

3. Overview of Chiba-Sodegaura Power Co., Ltd. and power station plans (as of July 21, 2023)

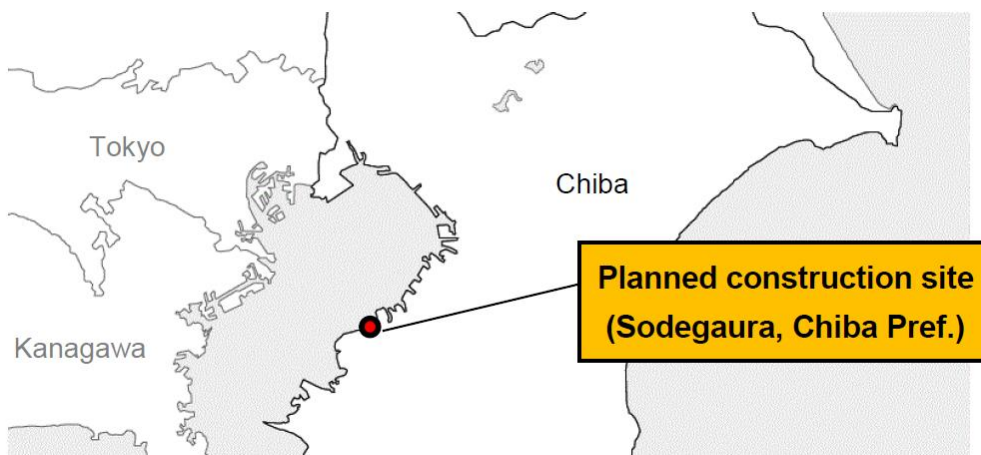
[Company profile]

Company name	:	Chiba-Sodegaura Power Co., Ltd.
Representative	:	SUZUKI Junichi, President
Headquarters location	:	Sodegaura City, Chiba Prefecture
Business office location	:	4-29-12 Kotobashi, Sumida-ku, Tokyo
Date of establishment	:	September 2, 2019
Paid-in capital, etc.	:	100 million yen
Ownership ratio	:	Tokyo Gas Co., Ltd. (100%)

[Overview of power station plans]

Proposed site	:	3-1 Nakasode, Sodegaura City, Chiba Prefecture
Power generation method	:	Gas turbine combined cycle method
Power generation scale	:	1,950,000 kW (650,000 kW class × 3 units)
Fuel	:	LNG (Liquefied natural gas)
Scheduled start of operations	:	Commence operations sequentially from FY2029

<Reference: Schematic location map>



<Reference: Rendering>

