

December 22, 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)
 Contact: ISHII Wataru
 Chief Manager of Legal Sect.I, Legal Dept.

Establishment of Subsidiaries in the United States and the Acquisition of a 174MW Battery Energy Storage System (BESS) Project

Tokyo Gas America Ltd., a wholly owned subsidiary of Tokyo Gas Co., Ltd. (hereinafter “Tokyo Gas”), is pleased to announce the establishment of subsidiaries (TG Longbow Holdings LLC and its subsidiaries) in the United States and the acquisition of the 174MW Longbow BESS Project (hereinafter “Longbow”) in the state of Texas in the USA, through the subsidiaries. Longbow has been developed by Clean Capital Partners, LLC, a renewable energy development company headquartered in the USA.

1. Reasons

Texas has one of the highest GDP and population growth rates among the USA power markets and has seen frequent spikes of electricity prices in the power market, due to the destabilization of supply resulting from the rapid increase in renewable energy in recent years.

The planned construction site for Longbow is located near Houston, a city with a high demand for electricity, also with a high demand for balancing power. We will contribute to the stabilization of the power supply in ERCOT by discharging electricity during periods of high electricity prices due to insufficient supply and balancing capacity in the market. We are also committed to achieving our corporate group's management vision, "Compass2030", which sets a profit target of 50 billion yen for global business.

2. Overview of the Subsidiaries

(1) Name	TG Longbow Holdings, LLC	TG Longbow Holdings2, LLC	TG LB BESS Holdings, LLC	TG Longbow, LLC	TG LB TE Finance, LLC
(2) Address	Delaware, USA				
(3) Representative	KIRIISHI Ken			None	
(4) Main Business	Investment and management of BESS projects				
(5) Capital Contribution	Approx. 216 million USD				
(6) Date of Establishment (planned)	December 23, 2023				
(7) Member and Interest Percentage	Tokyo Gas 100% through Tokyo Gas America Ltd. and its subsidiaries				
(8) Relationship with Tokyo Gas	Capital	Tokyo Gas 100%			
	Personnel	Employee from Tokyo Gas will be appointed as manager.			None
	Transaction	N/A			

3. Overview of the subsidiaries to be acquired

(1)	Name	Longbow BESS, LLC
(2)	Address	Texas, USA
(3)	Representative	Tiffany Elliott
(4)	Main Business	Development of BESS projects
(5)	Date of Establishment	January 20, 2023

4. Overview of the counterparty of the acquisition

(1)	Name	Longbow BESS HoldCo, LLC
(2)	Address	Texas, USA
(3)	Representative	Tiffany Elliott
(4)	Main Business	Parent company of Longbow BESS, LLC
(5)	Date of Establishment	June 14, 2023
(6)	Member and Interest Percentage	Clean Capital Partners, LLC (100% indirect ownership)

5. Percentage interest acquired, acquisition price and status of interest held before and after acquisition

(1)	Interest held before the transaction	0%
(2)	Interest held after the transaction	100%

6. Schedule

(1)	Date of Establishment of Subsidiary	December 23, 2023
(2)	Date of contract signing and closing	Within 2023

7. Prospective

The acquisition is scheduled within this year and commercial operation is aimed for within 2024. As this project will utilize the USA tax incentive program, Tokyo Gas's actual investment in the project will decrease. The impact of the transaction on consolidated performance for the fiscal year is expected to be relatively small.

Tokyo Gas Group, in its management vision "Compass 2030", has committed to the "challenge of achieving net-zero CO2 emissions". In response to the growing demand for adjustment power sources in the power market, as the adoption of renewable energy accelerates, we will also promote our BESS business. This will contribute to the stable supply of electricity and the realization of a decarbonized society.