

February 6, 2024

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 and Acquisition of Interest in Gas M&T Company in North America

Tokyo Gas Co., Ltd. (“Tokyo Gas”) announced that Tokyo Gas America Ltd. (“Tokyo Gas America”), a wholly owned subsidiary of Tokyo Gas, has decided to establish two subsidiaries (TGAM Trading, LLC and TGARM Investment, LLC) in the United States in order to promote its gas marketing and trading (M&T) business* in North America. In addition, Tokyo Gas has entered into a Membership Interest Purchase Agreement with ARM Energy Holdings, LLC (“AEH”), an energy marketing and infrastructure company in North America, and through the newly established subsidiaries, Tokyo Gas decided to acquire a 49% equity interest in ARM Energy Trading, LLC (“AET”), which will be established by AEH.

* Business that generate profit from sales agency and trading of natural gas procured from gas fields, utilizing pipelines and storage facilities, etc.

1. Background

The strengths of AET are its customer relationships and capabilities in natural gas procurement and sales. Through the investment to AET, Tokyo Gas Group intends to expand its natural gas M&T business in North America, where demand for natural gas is expected to increase. This opportunity will accelerate the "strengthening of the overseas revenue base" set forth in the "Compass Transformation 23-25" medium-term management plan, and we aim to increase our profit using synergies with the shale gas business that Tokyo Gas Group is expanding in North America.

2. Overview of the subsidiary to be established

(1)	Corporate Name	TGAM Trading, LLC	TGARM Investment, LLC
(2)	Address	Houston, Texas, USA	
(3)	President	SOMEYA Takefumi	TSUCHIYA Tomoaki
(4)	Main business	Marketing and trading in North America	Natural gas marketing and trading in North America
(5)	Establishment (Planned)	February 5, 2024 (local time)	
(6)	Member and Interest Percentage	Tokyo Gas America Ltd. 100%	TGAM Trading, LLC 100%

(7)	Amount of investment	Approx. 115 million USD	
(8)	Relationship with Tokyo Gas (Planned)	Capital	100% indirectly owned by Tokyo Gas
		Human Resources	Three directors and a secondee from Tokyo Gas
		Transaction	N/A

Note: The amount of investment refers to the total investment in the subsidiary to be established

3. Overview of the company to be acquired

(1)	Corporate Name	ARM Energy Trading, LLC	
(2)	Address	Houston, Texas, USA	
(3)	Main business	Natural gas marketing and trading in North America	
(4)	Establishment	February 1, 2024	
(5)	Member and Interest Percentage	ARM Energy Holdings, LLC 100%	
(6)	Relationship with Tokyo Gas	Capital	N/A
		Human Resources	N/A
		Transaction	N/A

4. Overview of the counterparty of the acquisition

(1)	Corporate Name	ARM Energy Holdings, LLC	
(2)	Address	Houston, Texas, USA	
(3)	President	Chief Executive Officer, Zach Lee	
(4)	Main business	Natural gas marketing and trading in North America	
(5)	Establishment	April 11, 2014	
(6)	Relationship with Tokyo Gas	Capital	N/A
		Human Resources	N/A
		Transaction	N/A

5. Purchase price and status of interest held before and after acquisition

(1)	Interest held before the transaction	-
(2)	Purchase price	Not disclosed due to the intention by counterparty of the acquisition
(3)	Interest held after the transaction	49%

6. Schedule(Planned)

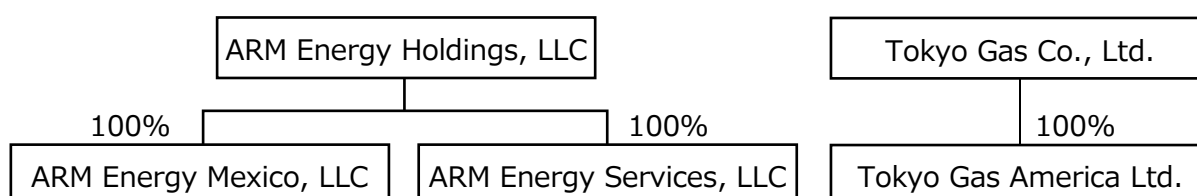
(1)	Signing of contracts	February 5, 2024 (local time)
(2)	Establishment of subsidiaries	February 5, 2024 (local time)
(3)	Closing	February 19, 2024 (local time)

7. Prospective

Tokyo Gas Group, in its management vision "Compass 2030", has committed to the "transformation of the LNG value chain" and "challenge of achieving net-zero CO2 emissions". We will build up a business model that utilizes the capacity to respond to volatility in the energy market to stabilize our revenues, and accelerate efforts to achieve both decarbonization of society and economic growth through responsible implementation of transitions. The impact of the transaction on consolidated performance for the fiscal year is expected to be relatively small.

8. Investment Structure

Before investment



After investment

