

March 19, 2024

## Establishment of a Local Subsidiary to Develop e-Methane Business in the U.S.

Tokyo Gas Co., Ltd.

Tokyo Gas Co., Ltd. ("Tokyo Gas") has decided to establish Tokyo Gas GX1, LLC ("TGX1") in the U.S. in April 2024 as a subsidiary of its wholly owned subsidiary Tokyo Gas America Ltd. to develop an e-methane<sup>\*1</sup> business in the U.S.

Tokyo Gas is working to establish large-scale overseas supply chains for e-methane in the U.S., Southeast Asia, the Middle East, and Australia. The U.S. in particular is considered a highly promising region for early development of a supply chain, as it already has infrastructure enabling stable sourcing of the renewable energy and CO<sub>2</sub> needed to produce e-methane. The launch of TGX1 will accelerate the development of the e-methane business in the U.S. and will enable the early establishment of the supply chain.

Working in collaboration with various partners in Japan and overseas, Tokyo Gas is carrying out initiatives combining renewable energy, hydrogen, e-methane, biomethane<sup>\*2</sup>, CCUS<sup>\*3</sup> and other approaches to realize the net-zero CO<sub>2</sub> goal set forth in the Tokyo Gas Group's management vision "Compass 2030." In particular, we aim to introduce e-methane on a level equivalent to 1%<sup>\*4</sup> of Tokyo Gas' gas sales volume in 2030, as a step toward the full-scale real-world deployment of this resource. Efforts will be made to construct e-methane supply chains as soon as possible, and thereby contribute to the realization of the Japanese government's goal of carbon neutrality by 2050.

### Outline of TGX1

Company name	Tokyo Gas GX1, LLC
President	KURIMOTO Kazuya
Businesses	Development and implementation of e-methane projects in the U.S., among other activities
Establishment	April 1, 2024
Owner	Tokyo Gas America Ltd.
Location	Houston (U.S.A)

\*1: Synthetic methane produced from non-fossil energy sources such as green hydrogen (H<sub>2</sub>)

\*2: Biogas is purified to increase methane concentration to the same level as natural gas.

\*3: Carbon dioxide (CO<sub>2</sub>) capture, utilization and storage

\*4: 1% of Tokyo Gas' city gas sales volume, excluding wholesale and power generation (approx. 80 million m<sup>3</sup> in FY2020)