

Press Release

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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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 of the LNG procurement, electricity procurement and electricity sales business (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 January 1, 2025, 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, Nijio, a consolidated subsidiary of the Company, conducts LNG procurement, electricity procurement from power plants under tolling arrangements and electricity sale for the Tokyo Gas Group's power generation business. 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 further streamlining the Group’s business operations.

2. Outline of the Demerger

(1) Demerger schedule

Date of approval of the absorption-type demerger	November 1, 2024
Date of signing of the absorption-type demerger agreement	November 1, 2024
Effective date of the absorption-type demerger agreement	January 1, 2025 (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 November 1, 2024, 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.

3. Outline of companies involved in the Demerger

(1) Successor company (As of October 31, 2024)

(1) Company name	Tokyo Gas Co., Ltd.
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo
(3) Name and title of representative	SASAYAMA Shinichi, 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	388,893,859 shares
(8) Account closing date	March 31

(9) Major shareholder(s) and percentage of shares held (As of September 30, 2024)	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.18%
	Nippon Life Insurance Company	8.07%
	Custody Bank of Japan, Ltd. (Trust Account)	4.67%
	BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	3.34%
	STATE STREET BANK WEST CLIENT – TREATY 505234	2.27%
(10) Financial position and results of the latest fiscal year (Fiscal year ended March 2024 (Consolidated))		
Net assets	1,733,218 million yen (Consolidated)	
Total assets	3,888,855 million yen (Consolidated)	
Book value per share	4,249.83 yen (Consolidated)	
Net sales	2,664,518 million yen (Consolidated)	
Operating profit	220,308 million yen (Consolidated)	
Ordinary profit	228,179 million yen (Consolidated)	
Profit attributable to owners of parent	169,936 million yen (Consolidated)	
Earnings per share	411.88 yen (Consolidated)	

(2) Demerged company (As of March 31, 2024)

(1) Company name	Nijio Co., Ltd.	
(2) Address	1-5-20 Kaigan, Minato-ku, Tokyo	
(3) Name and title of representative	HORISAKA Kentaro, 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	Tokyo Gas Co., Ltd.	100%
(10) Financial position and results of the latest fiscal year (Fiscal year ended March 2024)		
Net assets	30,562 million yen	
Total assets	46,093 million yen	
Book value per share	5,084,459 yen	
Net sales	236,051million yen	
Operating profit	11,380 million yen	
Ordinary profit	11,398 million yen	
Profit	8,050 million yen	
Earnings per share	1,339,259 yen	

4. Outline of operating unit to be assumed

(1) Description of operations to be assumed

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

(2) Financial results of the unit to be assumed

Net sales: 236,051 million yen (Fiscal year ended March 2024)

(3) Category and amount of assets to be demerged (As of March 31, 2024)

Assets	
Category	Amount
Current assets	1,825 million yen
Non-current assets	370 million yen
Total	2,196 million yen

Note: The category and amount of assets to be assumed are based on balance sheet values as of March 31, 2024. 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.

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.