

April 1st, 2025

Joint Development Agreement for Shale Gas business with Chevron in the United States to expand revenue through Energy Value Chain Development

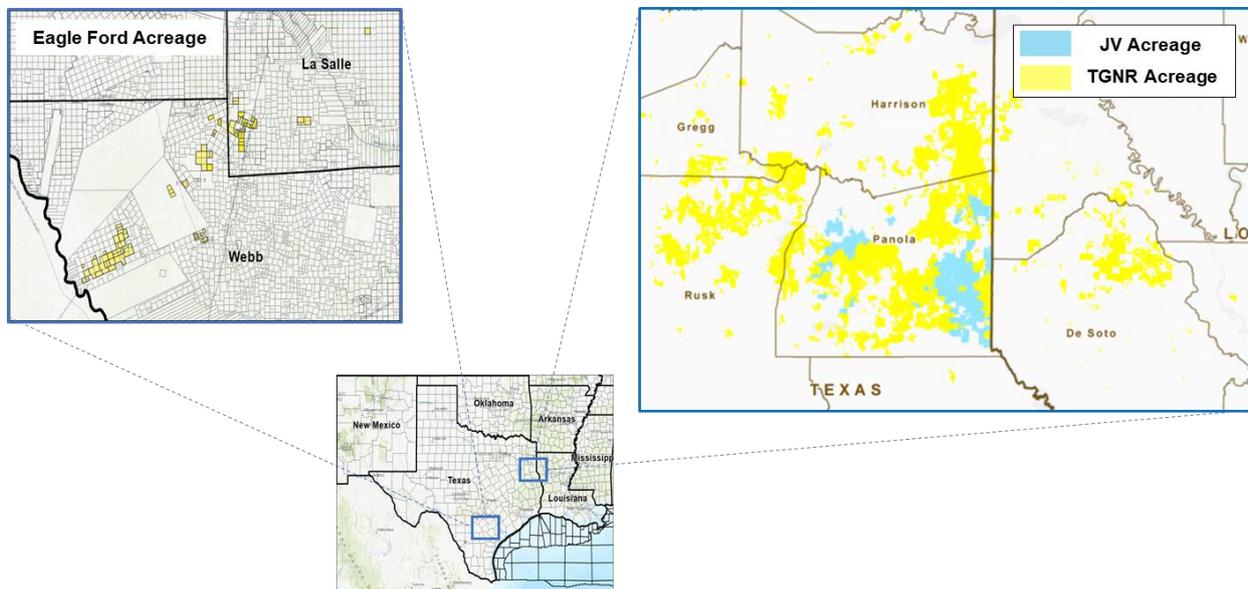
Tokyo Gas Co., Ltd.

Tokyo Gas America Ltd.

Tokyo Gas Co., Ltd. (President: SASAYAMA Shinichi, "Tokyo Gas") announced today that its wholly-owned subsidiary, Tokyo Gas America Ltd., through its majority-owned subsidiary TG Natural Resources LLC ("TGNR") has closed on a transaction to purchase a 70% interest in the East Texas gas assets of Chevron U.S.A. Inc. ("Chevron"), a subsidiary of Chevron Corporation, in exchange for \$75 million paid in cash and \$450 million as a capital carry to fund development within the Haynesville formation over multiple years.

The capital carry allows for staged development and payment within TGNR's existing cash flow. This asset is expected to have a high profit margin and contribute to improved return on assets for Tokyo Gas's U.S. shale gas business. This transaction will extend TGNR's inventory life beyond 20 years at the current development pace.

This agreement, along with the \$130 million sale of assets to Shizuoka Gas Co., Ltd. ^{*1}, is part of Tokyo Gas's ongoing initiatives to optimize its asset portfolio and improve asset efficiency. Tokyo Gas remains committed to these initiatives.



Tokyo Gas will continue optimizing its shale gas assets in the United States, strengthening an integrated energy value chain anchored in its shale business. Success in shale gas operations hinges on holding highly efficient development acreage. By concentrating development and operations around TGNR's core assets, ^{*2}, Tokyo Gas aims to drive cost synergies with existing infrastructure and further enhance asset efficiency and secures a long-term supply of competitively priced natural gas.

^{*Note:} The description of core assets in the footnote is at the following URL.

^{*1} : <https://www.tokyo-gas.co.jp/en/IR/support/pdf/20250221-01e.pdf>

^{*2} : <https://www.tokyo-gas.co.jp/news/press/20231216-01.html>

To mitigate the impact of commodity price fluctuations, Tokyo Gas will also expand its midstream and downstream business, including securing stable energy sales contracts, to further stabilize earnings. These initiatives will accelerate earnings growth and stability in the United States.

Tokyo Gas's Group Vision, "Compass2030," emphasizes the transformation of the LNG value chain. By streamlining its U.S. shale gas operations and further developing its natural gas and LNG value chain, including expanding its LNG trading business, Tokyo Gas will contribute to stable energy supply in Japan and other countries.

About TGNR

Company Name	TG Natural Resources LLC
Established	April 2017
Headquarters	Houston, Texas, USA
President	Craig Jarchow
Ownership	TG East Texas Resources LLC (subsidiary of Tokyo Gas America): Approximately 93%, CCI US Asset Holdings LLC (subsidiary of CCI): Approximately 7%
Business	Natural gas exploration and production in the Haynesville and Cotton Valley formations, among others, in Texas and Louisiana.
Acreage	Approximately 1,820+ km ² (approximately 450,000+ net acres, equivalent to roughly 80% of the area of Tokyo).
Production	Approximately 1.2 billion cubic feet per day

About Tokyo Gas America

Company Name	Tokyo Gas America Ltd.
Established	February 2013
Headquarters	Houston, Texas, USA
President	FUJII Eiichiro *Appointed on April 1st, Japan Standard Time
Ownership	Tokyo Gas Co., Ltd. (100%)
Business	Investment and operational management in the U.S.

Enhancing asset efficiency through strategic Shale Gas transactions

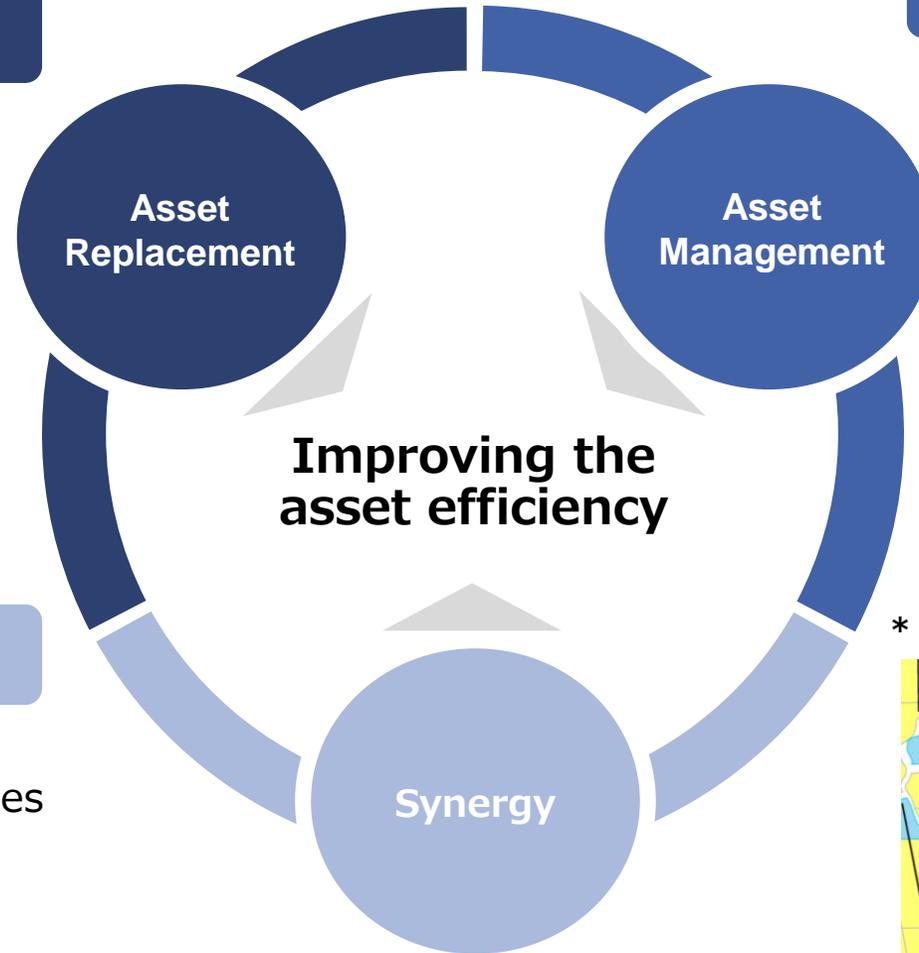
- ✓ Optimizing TG's shale gas assets by reallocating resources to TGNR, leveraging its experienced management team to enhance operational efficiency

Selection and Concentration

- Focus operations on TGNR's assets in the East Texas and North Louisiana to maximize capital utilization
- Proceeds from the Eagle Ford divestiture will be utilized to support the new joint venture with Chevron in East Texas, enhancing operational efficiency and growth

Integrated Development

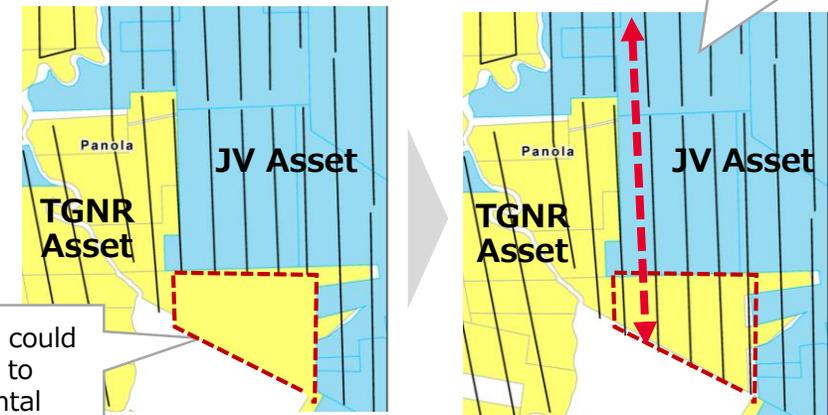
- Reduce costs by utilizing shared infrastructure and existing facilities
- Drive cost efficiency through economy of scale
- Maximize mutual benefits through strategic land optimization and reclaim stranded acreage



Phased Investment Approach

- Joint venture structure adopts a phased investment approach, enabling high capital efficiency
- Extends TGNR's inventory life beyond 20 years at the current development pace

* Development Optimization



Establishing a US energy value chain supported by LNG trading

- ✓ Drive earnings growth by developing a comprehensive energy value chain centered on the shale gas business
- ✓ Reduce exposure to commodity price volatility and achieve stable earnings by expanding into midstream and downstream operations in the U.S. supported by LNG trading business

Linking with Asian value chain

Expansion of US value chain

Linking with Europe value chain

