

TOKYO GAS Acquires U.S. Natural Gas Development and Production Company—No Immediate Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the acquisition of Rockcliff Energy II LLC by TOKYO GAS CO., LTD (security code: 9531).

- (1) On December 16, 2023, TOKYO GAS CO., LTD. (the "Company") announced that it would acquire all shares of Rockcliff Energy II LLC, a U.S. natural gas development and production company, through TG Natural Resources LLC Group, in which its wholly owned subsidiary Tokyo Gas America Ltd. has a stake. The acquisition price is approximately USD 2,700 million (approx. 405 billion yen), and is scheduled to be completed on December 29, 2023.
- (2) In its mid-term management plan "Compass Transformation 23-25," the Company states that it will expand its shale gas business in North America, and this acquisition will contribute to that goal. Although the acquisition price is not small, JCR expects at this time that the acquisition will not have a significant impact on the Company's financial structure, given that the Company has sufficient equity capital and liquidity on hand and that it is in the process of selling assets to secure funds for growth. Going forward, JCR will pay attention to the financing policy for this acquisition and direction of business performance and financials.

Tadashi Ono, Seiya Nagayasu

<Reference>

Issuer: TOKYO GAS CO., LTD.

Long-term Issuer Rating: AAAP Outlook: Stable

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