



December 25, 2025

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Notice Concerning Company Split (Simplified Absorption-Type Split and Short-Form Absorption-Type Split) with Wholly Owned Subsidiary

HOKKAIDO GAS CO., LTD. (the “Company”) hereby announces that, it has resolved to transfer the assets associated with its thermal power generation business at Kitagas Ishikari Power Plant (the “Business”), as well as the rights and obligations related to the Business, to Energy Solution Co., Ltd. (“Energy Solution”), a wholly owned subsidiary of the Company, effective February 1, 2026, by way of a company split, and has entered into an absorption-type split agreement with Energy Solution on December 25, 2025, as described below (the “Company Split”).

A part of the disclosure items and content thereof is omitted as the Company Split is a split in which the business is transferred to a wholly owned subsidiary of the Company.

1. Purpose of the Company Split

The Company regards natural gas-fired thermal power generation as a key power source with long-term competitiveness. In order to consolidate and accumulate operational and technical know-how relating to gas-fired power generation, the Company has decided to transfer the assets as well as rights and obligations related to the thermal power generation business at Kitagas Ishikari Power Plant to Energy Solution, an entity with operational experience in power generation, including cogeneration, by way of an absorption-type split.

2. Summary of the Company Split

(1) Schedule of the Company Split

Date of resolution on the absorption-type split	December 25, 2025
Date of conclusion of the absorption-type split agreement	December 25, 2025
Effective date for the absorption-type split	February 1, 2026 (scheduled)

(Note) The Company Split is a simplified absorption-type split as stipulated in Article 784, Paragraph (2) of the Companies Act for the Company, and a short-form absorption-type split as stipulated in Article 796, Paragraph (1) of the Companies Act for Energy Solution. Therefore, the Company Split is to be carried out without seeking an approval from the General Meeting of Shareholders at either of the two companies.

(2) Method of the Company Split

This is an absorption-type split in which the Company is the splitting company and Energy Solution is the succeeding company.

- (3) Details of allotment related to the Company Split
No shares or other consideration will be allotted upon the Company Split.
- (4) Handling of share acquisition rights and bonds with share acquisition rights in connection with the Company Split
No share acquisition rights or bonds with share acquisition rights will be issued in connection with the Company Split.
- (5) Increase or decrease in share capital due to the company split
There will not be any increase or decrease in the share capital as a result of the Company Split.
- (6) Rights and obligations to be succeeded by the succeeding company
The succeeding company will succeed, as of the effective date, the assets related to the Business conducted by the Company as well as the rights and obligations associated with the Business, in accordance with the absorption-type split agreement entered into between the Company as of December 25, 2025.
- (7) Prospect of fulfillment of obligations
Both the Company and the succeeding company are expected to continue to have assets exceeding liabilities after the Company Split, and no circumstances are currently anticipated that would hinder the performance of obligations to be assumed after the Company Split. Accordingly, the Company has determined that there will be no impediment to the fulfillment of obligations to be assumed by either the Company or the succeeding company following the Company Split.

3. Overview of companies involved in the Company Split

	Splitting company (as of March 31, 2025)		Succeeding company (as of March 31, 2025)	
(1) Name	HOKKAIDO GAS CO., LTD.		Energy Solution Co., Ltd.	
(2) Location	2-1-1 Kita-7jo-higashi, Higashi-ku, Sapporo		2-1-1 Kita-7jo-higashi, Higashi-ku, Sapporo	
(3) Job title and name of representative	Chisato Kawamura		Kiyotaka Kondo	
(4) Description of business	Gas business, etc.		Energy services business, etc.	
(5) Share capital	¥7,515 million		¥350 million	
(6) Date of establishment	July 12, 1911		September 12, 2005	
(7) Number of issued shares	88,689,030 shares		7,000 shares	
(8) Fiscal year-end	March 31		March 31	
(9) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.55%	HOKKAIDO GAS CO., LTD.	100.00%
	Tokyo Gas Co., Ltd.	4.84%		
	Nippon Life Insurance Co.	3.89%		
	The Hokkaido Bank, Ltd.	3.89%		
	North Pacific Bank, Ltd.	3.88%		
	HOKKAIDO GAS Employee Shareholding Association	3.14%		
	Tomohiro Yoshida	3.01%		
	Custody Bank of Japan, Ltd. as trustee for Mizuho Bank, Ltd.; Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	2.98%		
	JA-Hokkaido Shinren	2.80%		
	City of Sapporo	2.54%		

(10) Financial positions and operating results for the fiscal year immediately preceding the Company Split (Fiscal year ended March 31, 2025)		
Net assets	¥88,486 million (Consolidated)	¥1,052 million
Total assets	¥195,431 million (Consolidated)	¥4,132 million
Net assets per share	¥978.72 (Consolidated)	¥150,382.33
Net sales	¥170,295 million (Consolidated)	¥850 million
Operating profit	¥14,328 million (Consolidated)	¥78 million
Ordinary profit	¥10,428 million (Consolidated)	¥85 million
Profit attributable to owners of parent	¥10,404 million (Consolidated)	¥57 million
Basic earnings per share	¥118.07 (Consolidated)	¥8,274.01

4. Overview of businesses to be succeeded

(1) Description of the businesses to be split

Thermal power generation business at Kitagas Ishikari Power Plant

(2) Operating results of division to be split

No net sales, etc. are recorded for the Business as it involves the operation of a power plant.

(3) Items and value of assets to be split (as of September 30, 2025)

Assets	
Items	Value
Non-current assets	¥8,599 million
Current assets	¥54 million
Total	¥8,653 million

(Note) The figures presented above are calculated based on the balance sheet as of September 30, 2025. Accordingly, the actual amounts to be succeeded will reflect increases or decreases up to the day immediately preceding the effective date to be added to or subtracted from the above amounts.

5. Status of the Company after the Company Split

There will be no change to the Company's name, location, job title and name of representative, description of business, share capital, legal capital surplus, other capital surplus, or fiscal year-end as a result of the Company Split.

6. Status of succeeding company after the Company Split

There will be no change to the succeeding company's name, location, job title and name of representative, description of business, share capital, legal capital surplus, other capital surplus, or fiscal year-end as a result of the Company Split.

7. Future outlook

As the Company Split is a company split with the Company and its wholly owned subsidiary as the parties thereto, its impact on the Company's consolidated financial results is expected to be minimal.