



FY2022 1Q Financial Results **ended June, 2022**

July 27, 2022

[Revised on August 9, 2022]



01

FY2022 Consolidated Financial Results ended June, 2022

Note: Figures for FY2021 reflect the retrospective application of a change in accounting policies.

Highlights: Sales Up, Profit Up

(+/- indicate impact on profit, billion yen)

Net sales	+ 208.8	Increase in city gas unit price due to resource costs adjustment, etc.
Operating expenses	-175.7	Impact from the increase in crude oil prices, etc.
Operating profit	+ 33.1	Increase in gross margin from the change in city gas unit prices due to the impact from the economic framework assumptions, etc.
Extraordinary profit/loss	—	

(Unit: billion yen)

	FY2022 1Q	FY2021 1Q	Change	%
City gas sales volume (million m3, 45MJ)	2,857	2,775	82	2.9
Electricity sales volume (million kWh)	7,429	5,858	1,571	26.8
(Breakdown)				
Retail (million kWh, receiving end)	2,283	2,091	192	9.2
Wholesale, etc. (million kWh)	5,145	3,766	1,379	36.6
Net sales	609.9	401.1	208.8	52.0
Operating expenses	558.7	383.0	175.7	45.9
Operating profit	51.2	18.1	33.1	182.5
Segment profit (operating profit + equity income of subsidiaries)	52.5	18.8	33.7	178.5
Ordinary profit ⁽¹⁾	57.7	16.0	41.7	259.8
Extraordinary profit/loss	0	0	0	—
Profit attributable to owners of parent	38.4	10.4	28.0	267.0
(Adjustment items)				
Temperature effect ⁽²⁾	-0.4	-3.0	2.6	—
Sliding effect ⁽³⁾ (city gas + LNG sales)	21.5 (19.1+2.4)	-11.8 (-11.1+ -0.7)	33.3 (30.2+3.1)	—
Amortization of actuarial differences ⁽⁴⁾	-1.0	2.7	-3.7	—
Adjusted ordinary profit (1)-((2)+(3)+(4))	37.6	28.1	9.5	33.8

Economic framework	FY2022 1Q	FY2021 1Q
Exchange rate (¥/\$)	129.73 (+20.21)	109.52
Crude oil price (\$/bbl)	110.80 (+43.85)	66.95
Avg. air temp (°C)	19.0 (-0.1)	19.1

Pension assets	FY2022 1Q (as of June 30, 2022)
Investment yield (costs deducted)	-1.77%
Year-end assets (billion yen)	250

<Expected annual rate of return: 2%>

City Gas sales volume: (Unit : mil. m³)

+82mil.m³ (+2.9%)

including temperature effect
+45mil.m³, +1.6%

■ Residential +4mil.m³(+0.6%)

Temperature effect	+38 mil.m ³
Number of days	±0 mil.m ³
Number of customers	-13 mil.m ³
Others	-21 mil.m ³

■ Commercial +6mil.m³(+1.4%)

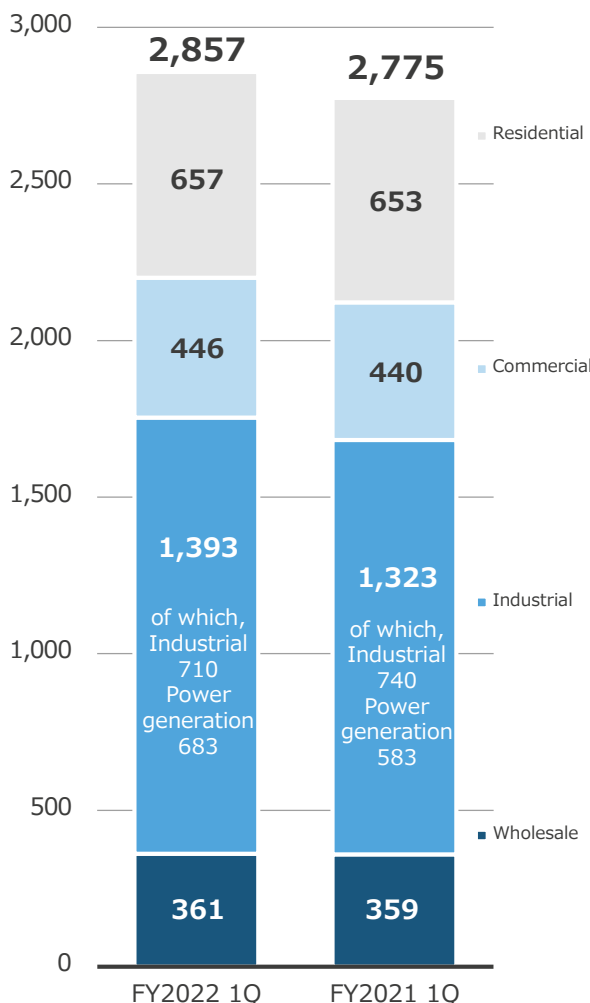
Temperature effect	+6 mil.m ³
Number of days	±0 mil.m ³
Number of customers	-9 mil.m ³
Others	+9 mil.m ³

■ Industrial +70mil.m³(+5.3%)

Industrial	-30 mil.m ³
Power generation	+100 mil.m ³

■ Wholesale +2mil.m³(+0.4%)

Temperature effect	+1 mil.m ³
Others	+1 mil.m ³ Increase in wholesale demand, etc.



Number of customers(City Gas), LNG sales volume, Average temperature

	FY2022 1Q	FY2021 1Q	Change
Number of customers for city gas retail sales (10 thousands) *1	868.9	881.8	-12.9 (-1.5%)
Number of customers (meters) (10 thousands, meter) *2	1,222.3	1,210.3	+12.0 (+1.0%)
LNG sales volume (thousands t)	316	167	149 (+88.9%)
Average temperature (°C)	19.0	19.1	-0.1

*1. Number of billed customers for city gas retail sales

*2. Number of meters installed for gas supply

Gas Sales Volume , Gas volume used in-house (Unit : million m³)

	FY2022 1Q	FY2021 1Q	Change
City gas sales volume (financial accounting basis)	2,857	2,775	+82 (+2.9%)
Gas volume used in-house under tolling arrangement	539	634	-95 (-15.0%)
LNG sales volume (m ³ basis)	395	209	186 (+88.9%)
Total	3,790	3,618	172 (+4.8%)

*Each value is rounded.

Number of customers for city gas retail sales (Tokyo gas consolidated, 10thousands)

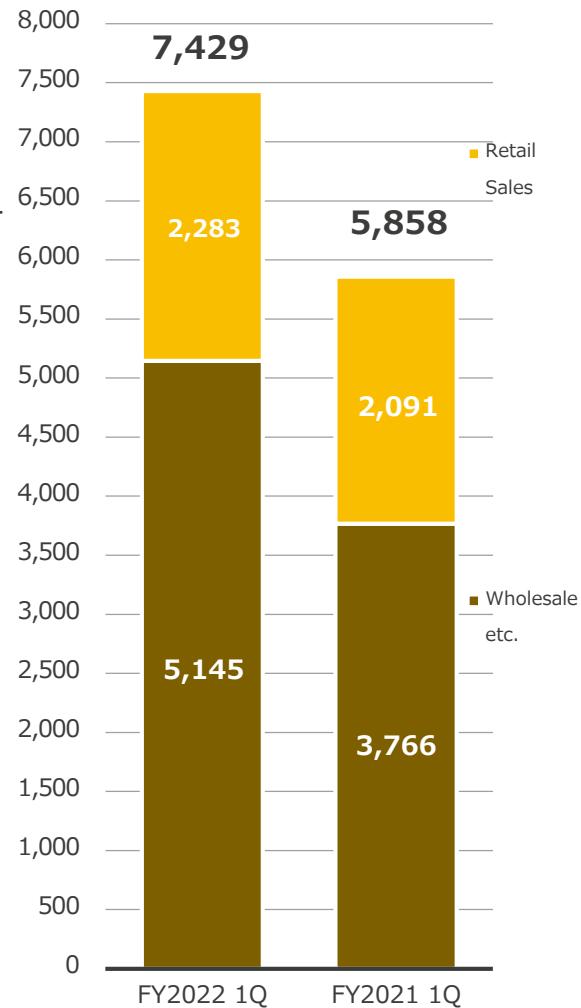
	2017.9	2018.3	2018.9	2019.3	2019.9	2020.3	2020.9	2021.3	2021.9	2022.3	2022.6
Number (Change)	1,028.9	1,020.9 (-8.0)	1,008.9 (-12.0)	982.1 (-26.8)	940.5 (-41.6)	912.9 (-27.6)	897.5 (-15.4)	886.3 (-11.2)	876.2 (-10.1)	868.8 (-7.4)	868.9 (+0.1)

Electricity sales volume :

**+1,571mil. kWh
(+26.8%)**

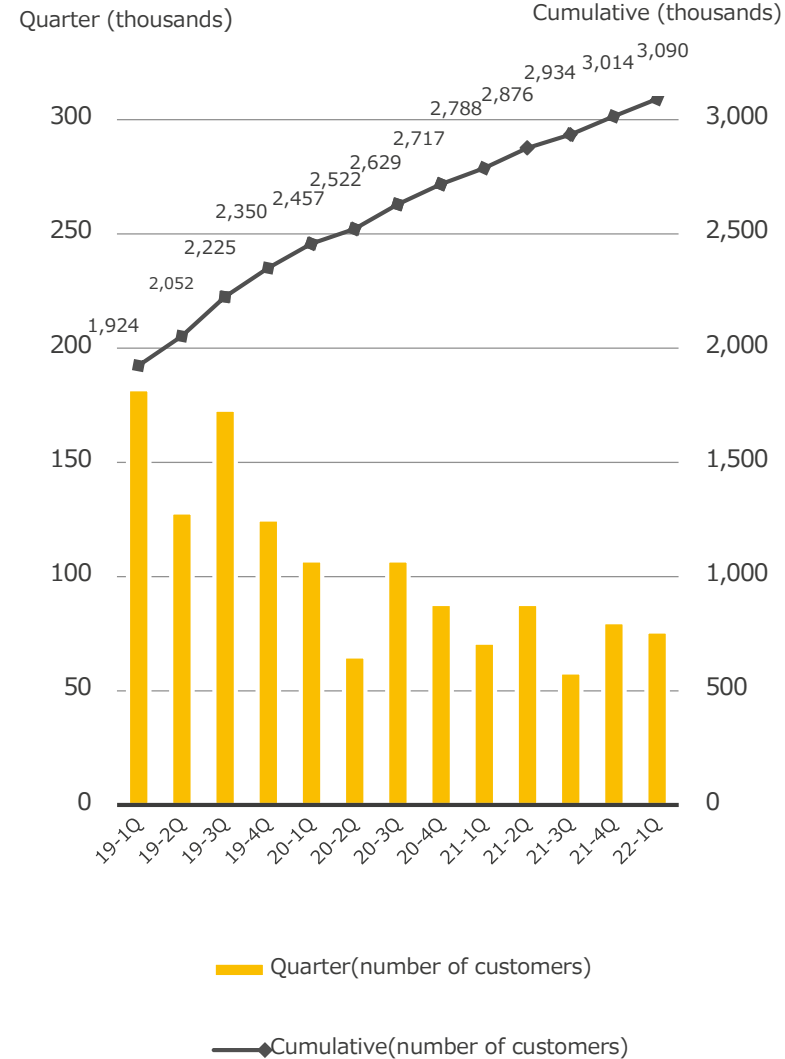
■ Retailing sales +192 mil. kWh(+9.2%)
■ Wholesale etc. +1,379mil. kWh(+36.6%)

(Unit : mil. kWh)



*Each value is rounded.

New electricity retail customers won by Tokyo Gas



[New Segments]
FY2022 1Q Results : Sales and Operating Profit/Loss by Business Segments

vs. FY2021 1Q



(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiaries)			
	FY2022 1Q Results	FY2021 1Q Results	Change	%	FY2022 1Q Results	FY2021 1Q Results	Change	%
Energy solution*1 (including equity income of subsidiaries)	558.6	—	—	—	38.8	—	—	—
City gas (excluding Network)*2	331.9	—	—	—	28.6	—	—	—
Electric Power	153.2	81.1	72.1	88.9	4.0	3.6	0.4	12.0
Network	88.6	—	—	—	2.3	—	—	—
Estimated value Energy Solution and Network	647.2	382.7	264.5	69.1	41.2	※3 19.3	21.9	113.5
Overseas business	35.0	20.5	14.5	70.3	16.0	5.3	10.7	199.9
(equity income of subsidiaries)	—	—	—	—	1.1	0.5	0.6	122.1
Urban Development (including equity income of subsidiaries)	14.9	14.0	0.9	7.0	4.0	4.2	-0.2	-4.5
Adjustment*4	-87.3	-16.2	-71.1	—	-8.7	-10.0	1.3	—
Consolidated	609.9	401.1	208.8	52.0	52.5	18.8	33.7	178.5
(equity income of subsidiaries)	—	—	—	—	1.3	0.7	0.6	81.4

*1 Includes city gas (excl. Network), LPG, industrial gas, LNG sales, trading, electric power, engineering solutions, gas equipment, construction, credit, information processing service, and shipping, among others.

*2 Includes city gas (excl. Network), LNG sales, and trading.

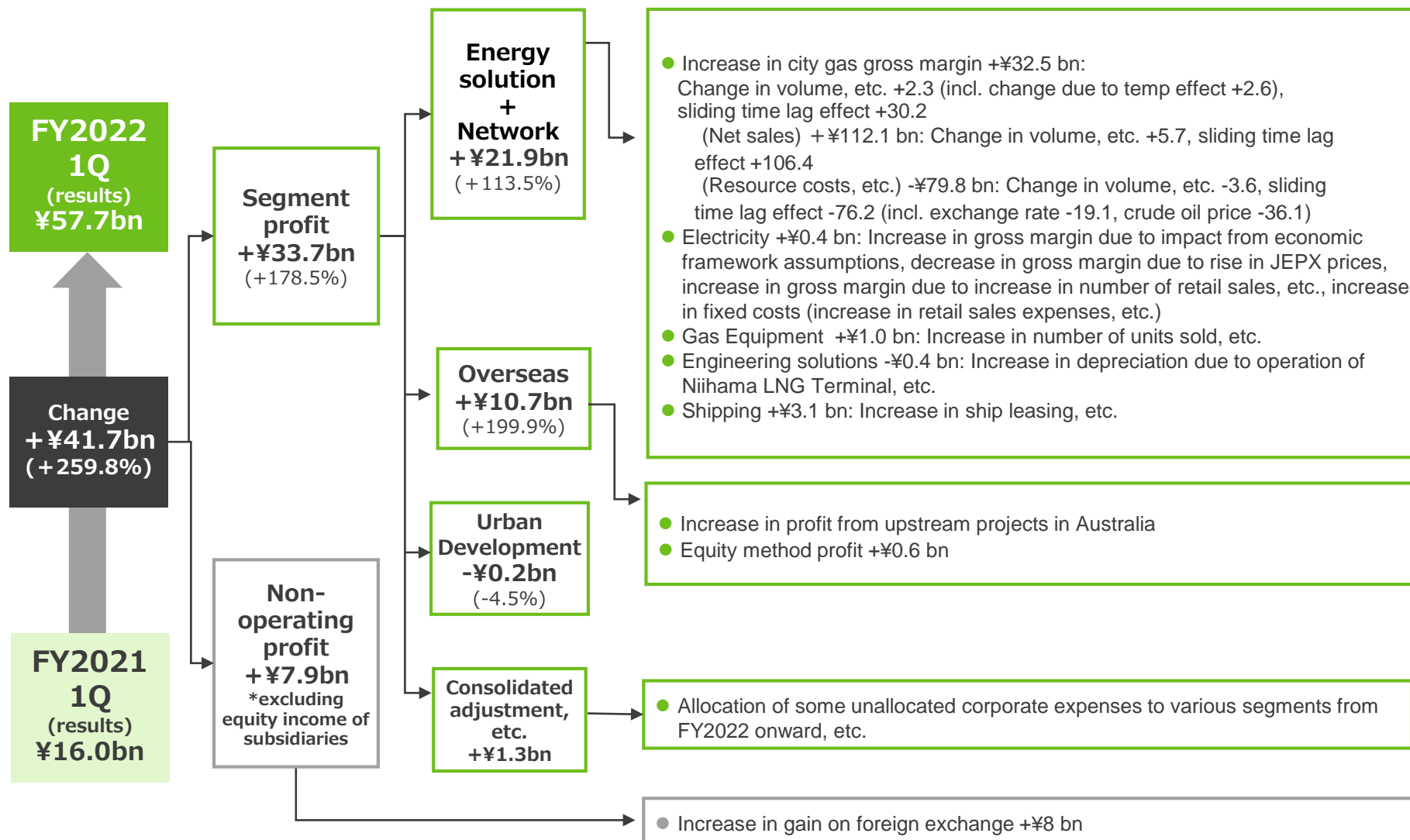
*3 Since the FY2021 results for Energy Solutions and Network cannot be calculated, the total profit for these two segments has been estimated and is presented for reference purposes.

*4 Adjustments in segment profits include mainly corporate expenses not allocated to the segments. In the case of FY2022 segment results that are adjusted, the portions of corporate expenses pertaining to the segment in question have been directly allocated to the segment. However, in the FY2021 segment results, only allocable portions have been allocated.

*5 Segment sales include internal transactions made between business units.

【 New Segments 】 FY2022 1Q Results : Ordinary Profit Analysis

vs. FY2021 1Q



*+/- indicate contributions to profit.

【 Former Segments 】
FY2022 1Q Results : Sales and Operating Profit/Loss by Business Segments

vs. FY2021 1Q

8

(unit : billion yen)

Revised in red on Aug 9th,2022

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiaries)			
	FY2022 1Q Results	FY2021 1Q Results	Change	%	FY2022 1Q Results	FY2021 1Q Results	Change	%
Gas	403.1	266.2	136.9	51.4	31.7	14.2	17.5	123.3
Electric Power	153.3	81.2	72.1	88.8	4.1	3.5	0.6	15.4
Overseas business	35.0	20.5	14.5	70.3	16.5	5.7	10.8	186.2
(equity income of subsidiaries)	—	—	—	—	1.1	0.5	0.6	122.1
Energy-related	76.8	69.2	7.6	10.9	3.3	2.1	1.2	51.4
Real estate (including equity income of subsidiaries)	14.9	14.0	0.9	7.0	4.1	4.2	-0.1	-3.8
Others (including equity income of subsidiaries)	22.5	24.0	-1.5	-5.9	3.6	-0.8	4.4	—
Adjustment	-96.0	-74.1	-21.9	—	-10.9	-10.3	-0.6	—
Consolidated	609.9	401.1	208.8	52.0	52.5	18.8	33.7	178.5
(equity income of subsidiaries)	—	—	—	—	1.3	0.7	0.6	81.4

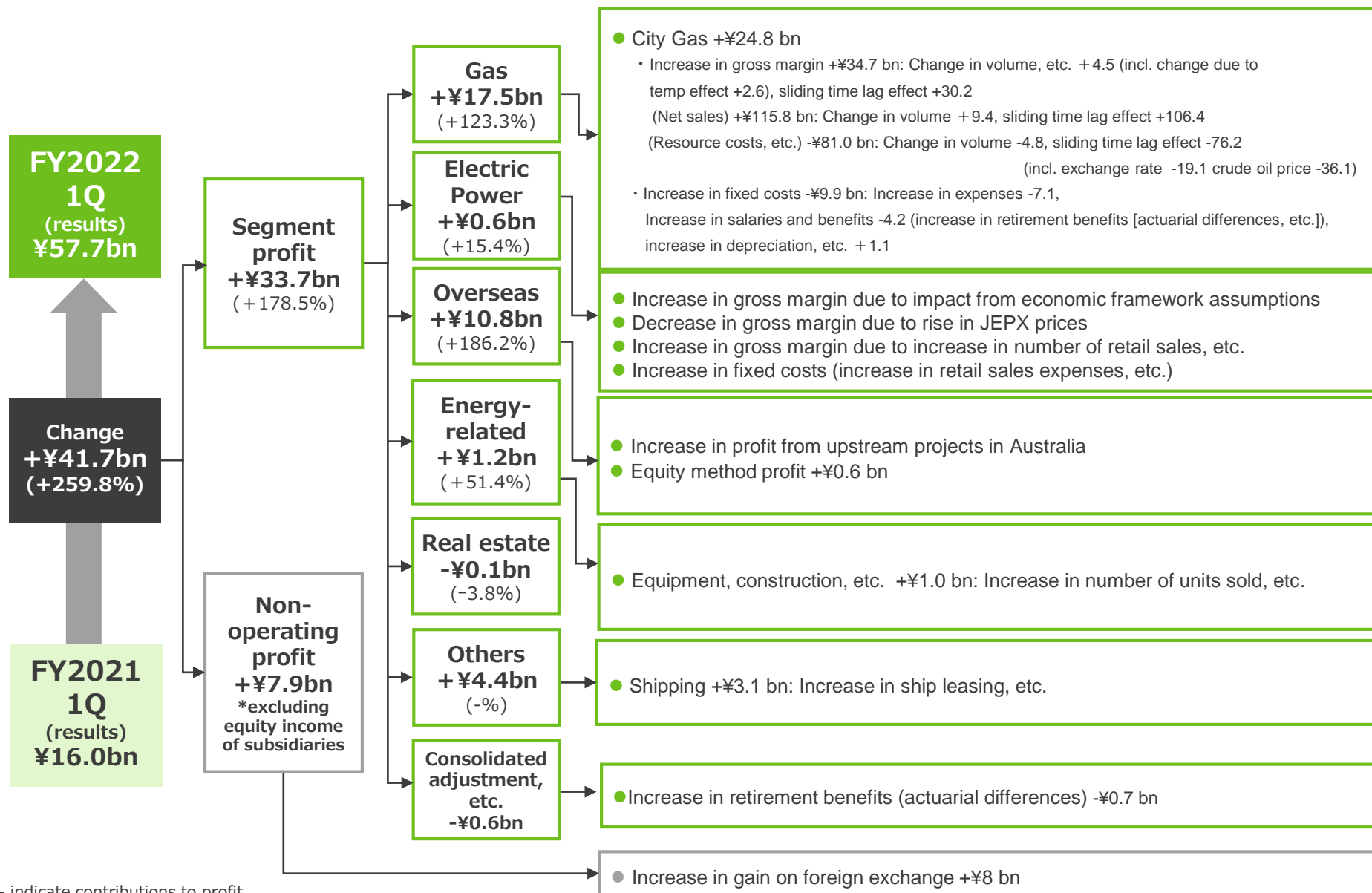
Notes

- Net sales by business segments include internal transactions.
- “Gas” includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales , trading, etc.. “Energy-related” includes businesses in engineering solutions, gas appliances sales, gas pipe installation, construction and credit, etc. “Others” includes businesses in information processing service and shipping, etc.
- The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.

【 Former Segments 】 FY2022 1Q Results: Ordinary Profit Analysis

vs. FY2021 1Q

9



*+/- indicate contributions to profit.



02

FY2022 Full Year Forecast

Note: Figures for FY2021 reflect the retrospective application of a change in accounting policies.

Highlights: Sales UP, Profits: Unchanged(vs. Previous Forecast)

(+/- indicate impact on profit, billion yen)

	vs. Previous Forecast	
Net sales	+418	Increase in city gas unit price due to resource costs adjustment, etc.
Operating expenses	-418	Impact from the increase in crude oil prices, etc.
Operating profit	0	Increase in profits of Overseas businesses due to impact from economic framework assumptions, decrease in gross margin of Electric Power due to rise in JEPX prices and other factors, etc.
Extraordinary profit/loss	0	

(Unit: billion yen)

	Forecast	Previous Forecast	Change	%	FY2021 Result	Change	%		Economic framework	Forecast	Previous forecast	FY2021 Results
City gas sales volume (million m3, 45MJ)	12,642	12,398	244	2.0	13,146	-504	-3.8		Exchange rate (¥/\$)	126.18 (+6.18)	120.00	112.39
Electricity sales volume (million kWh)	34,358	34,801	-443	-1.3	28,288	6,070	21.5		Crude oil price (\$/bbl)	110.20 (+25.20)	85.00	77.15
Net sales	2,948.0	2,530.0	418.0	16.5	2,154.8	793.2	36.8		Avg. air temp (°C)	16.3 (+0.1)	16.2	16.2
Operating expenses	2,808.0	2,390.0	418.0	-17.5	2,027.4	780.6	38.5					
Operating profit	140.0	140.0	0	—	127.4	12.6	9.9					
Segment profit (operating profit + equity income of subsidiaries)	143.5	143.5	0	—	131.1	12.4	9.4					
Ordinary profit⁽¹⁾	127.0	127.0	0	—	136.3	-9.3	-6.9					
Extraordinary profit/loss	0	0	0	—	0.1	-0.1	—					
Profit attributable to owners of parent	92.0	92.0	0	—	95.7	-3.7	-3.9					
Temperature effect⁽²⁾	-0.4	0	-0.4	—	-2.3	1.9	—		Pension assets	FY2021	FY2020	FY2019
Sliding effect⁽³⁾ (city gas + LNG sales)	20.7 (16+4.7)	27.9 (22.4+5.5)	-7.2 (-6.4+-0.8)	—	-0.6 (1.1+-1.7)	21.3 (14.9+6.4)	—		Investment yield (costs deducted)	0.37%	4.94%	0.33%
Amortization of actuarial differences⁽⁴⁾	-4.3	-4.3	0	—	10.9	-15.2	—		Discount rate	Annuity portion 0.481%	0.318%	0.264%
										Lump-sum portion 0.192%	0.075%	0.012%
Adjusted ordinary profit (1)-((2)+(3)+(4))	111	103.4	7.6	7.4	128.3	-17.3	-13.5		Year-end assets (billion yen)	256.0	263.0	259.0

<Expected annual rate of return: 2%>

City Gas sales volume:

VS. Previous Forecast

+244mil.m³ (+2.0%)including temperature effect
-9mil.m³, -0.1%Residential -19mil.m³(-0.6%)Others +263mil.m³(+2.8%)

VS. FY2021 Results

-504mil.m³ (-3.8%)including temperature effect
+34mil.m³, +0.3%Residential -41mil.m³(-1.3%)Others -463mil.m³(-4.6%)

*Each value is rounded.

(Unit : mil. m³)

15,000

10,000

5,000

0

12,642

3,042

9,600

12,398

3,061

9,337

13,146

3,083

2,256

6,198

1,609

Residential

Commercial

Industrial

Wholesale

FY2022
forecastPrevious
ForecastFY2021
resultsNumber of customers(City Gas), LNG sales
volume,Average temperature

	Forecast	Previous Forecast	Change	FY2021 Results	Change
Number of customers (meters) (10 thousands, meter) *1	1,235.1	1,235.1	0	1,220.2	+14.9 (+1.2%)
LNG sales volume (thousands t)	1,366	1,407	-41 (-2.9%)	1,155	+211 (+18.3%)
Average temperature (°C)	16.3	16.2	+0.1	16.2	0.1

*1. Number of meters installed for gas supply

Gas Sales Volume , Gas volume used in-house
(Unit : million m³)

	Forecast	Previous Forecast	Change	FY2021 Results	Change
City gas sales volume (financial accounting basis)	12,642	12,398	+244 (+2.0%)	13,146	-504 (-3.8%)
Gas volume used in- house under tolling arrangement	2,890	2,675	+215 (+8.0%)	2,513	+377 (+15.0%)
LNG sales volume (m ³ basis)	1,708	1,759	-51 (-2.9%)	1,443	+265 (+18.3%)
Total	17,240	16,832	+408 (+2.4%)	17,102	+138 (+0.8%)

Electricity sales volume :

VS. Previous Forecast

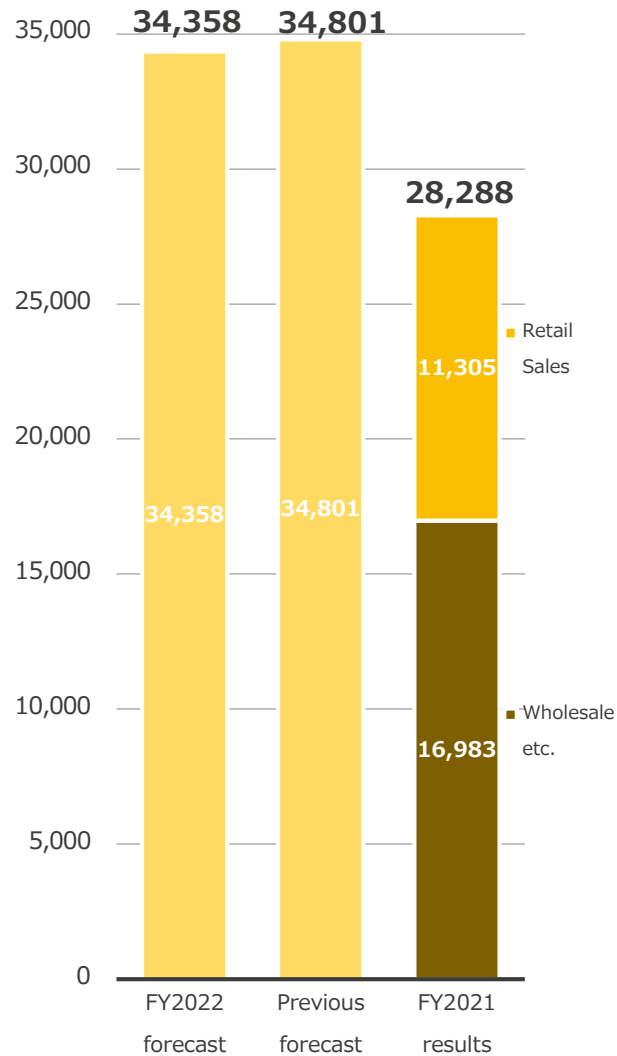
**-443mil. kWh
(-1.3%)**

VS. FY2021 Results

**+6,070mil. kWh
(+21.5%)**

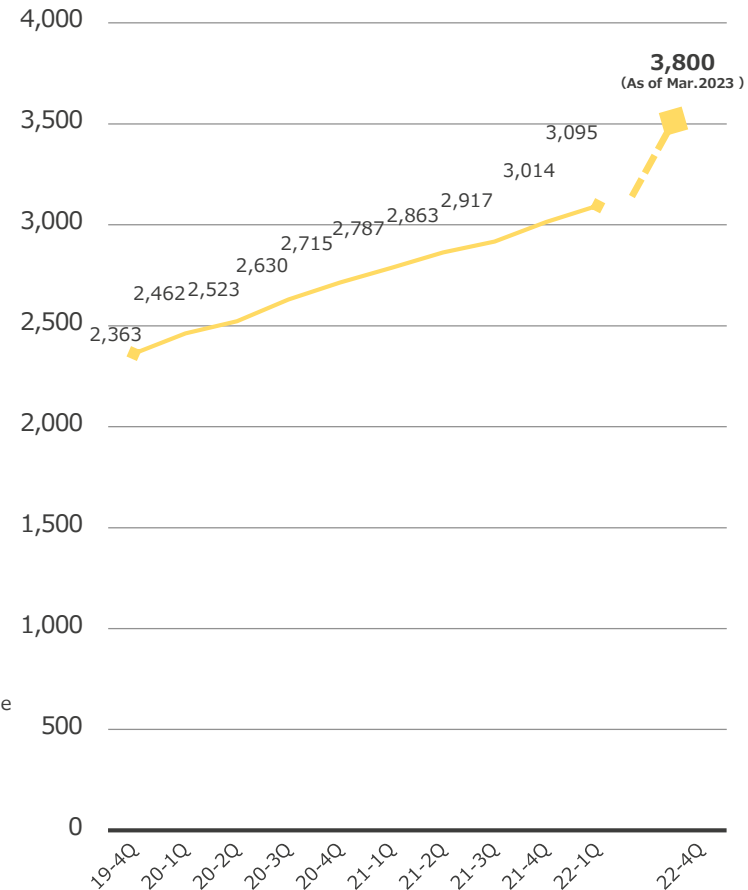
*Each value is rounded.

(Unit : mil. kWh)



New electricity retail customers won by Tokyo Gas

Cumulative (1,000s)



【New Segments】
FY2022 Full Year Forecast: Sales and Operating Profit/Loss by Business Segments

vs. Previous
Forecast

14

(unit : billion yen)

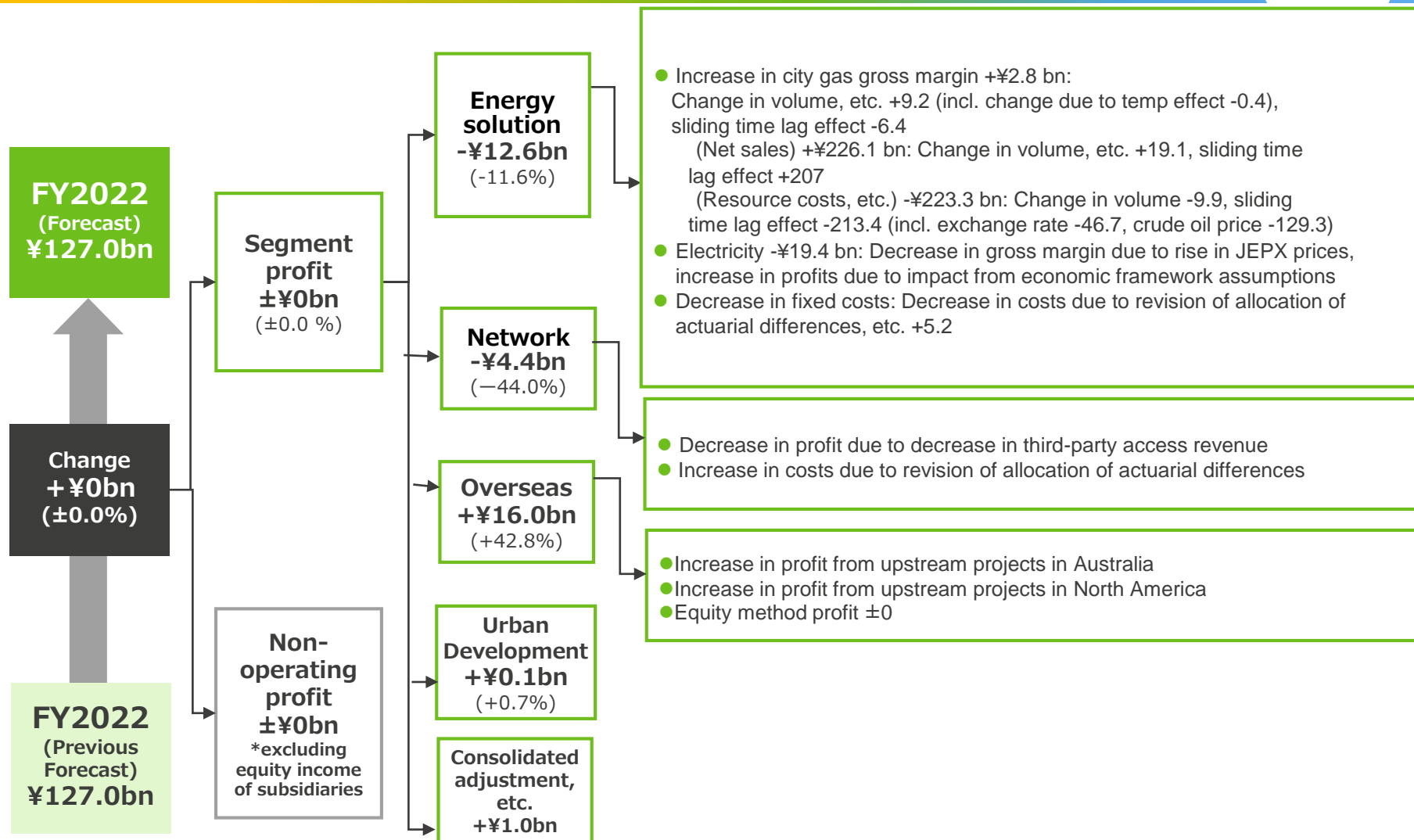
	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiaries)			
	FY2022 Forecast	Previous Forecast	Change	%	FY2022 Forecast	Previous Forecast	Change	%
Energy solution*1 (including equity income of subsidiaries)	2,683.1	2,296.1	387.0	16.9	96.0	108.6	-12.6	-11.6
City gas (excluding Network)*2	1,557.3	1,273.3	284.0	22.3	75.1	71.2	3.9	5.5
Electric Power	771.5	643.5	128.0	19.9	5.9	25.3	-19.4	-76.6
Network	379.9	378.3	1.6	0.4	5.6	10.0	-4.4	-44.0
Overseas business	134.8	111.1	23.7	21.3	53.4	37.4	16.0	42.8
(equity income of subsidiaries)	—	—	—	—	2.7	2.7	0	—
Urban Development (including equity income of subsidiaries)	61.6	61.2	0.4	0.7	13.6	13.5	0.1	0.7
Adjustment*3	-311.4	-316.7	5.3	—	-25.0	-26.0	1.0	—
Consolidated	2,948.0	2,530.0	418.0	16.5	143.5	143.5	0	—
(equity income of subsidiaries)	—	—	—	—	3.5	3.5	0	—

*1 Includes city gas (excl. Network), LPG, industrial gas, LNG sales, trading, electric power, engineering solutions, gas equipment, construction, credit, information processing service, and shipping, among others.

*2 Includes city gas (excl. Network), LNG sales, and trading.

*3 Adjustments in segment profits include mainly corporate expenses not allocated to the segments.

*4 Segment sales include internal transactions made between business units.



*+/- indicate contributions to profit.

[New Segments]
FY2022 Full Year Forecast: Sales and Operating Profit/Loss by Business Segments

vs. FY2021
Results

16

(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiaries)			
	FY2022 Forecast	FY2021 Results	Change	%	FY2022 Forecast	FY2021 Results	Change	%
Energy solution*1 (including equity income of subsidiaries)	2,683.1	—	—	—	96.0	—	—	—
City gas (excluding Network)*2	1,557.3	—	—	—	75.1	—	—	—
Electric Power	771.5	467.5	304.0	65.0	5.9	10.8	-4.9	-45.4
Network	379.9	—	—	—	5.6	—	—	—
Estimated value Energy Solution and Network	3,063.0	2,083.9	979.1	47.0	101.6	^{*3} 133.8	-32.2	-24.1
Overseas business	134.8	85.8	49.0	56.9	53.4	26.5	26.9	101.3
(equity income of subsidiaries)	—	—	—	—	2.7	2.7	-0	-0.8
Urban Development (including equity income of subsidiaries)	61.6	57.9	3.7	6.3	13.6	13.2	0.4	2.3
Adjustment*4	-311.4	-72.8	-238.6	—	-25.0	-42.5	17.5	—
Consolidated	2,948.0	2,154.8	793.2	36.8	143.5	131.1	12.4	9.4
(equity income of subsidiaries)	—	—	—	—	3.5	3.7	-0.2	-4.4

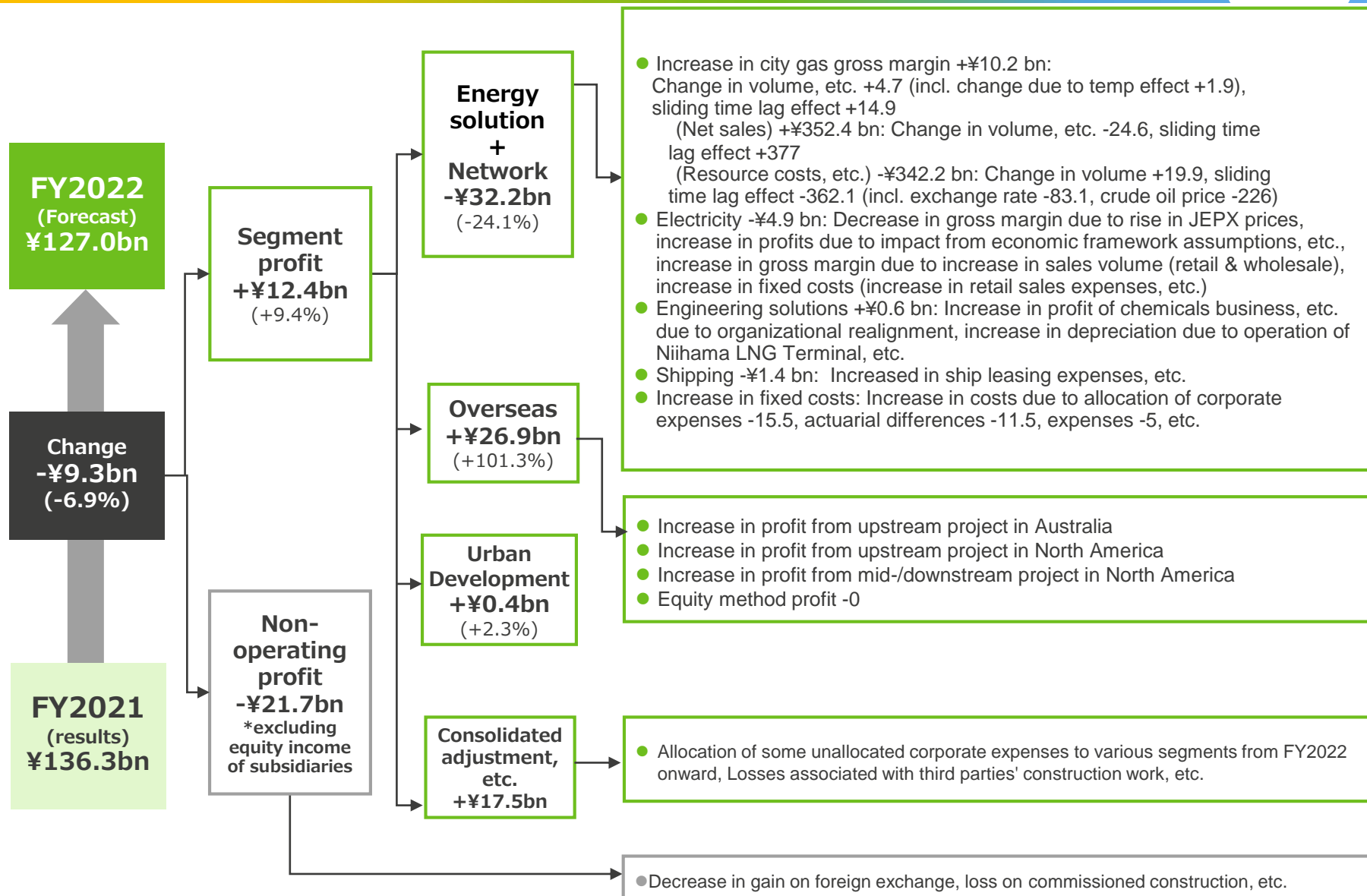
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*3 Since the FY2021 results for Energy Solutions and Network cannot be calculated, the total profit for these two segments has been estimated and is presented for reference purposes.

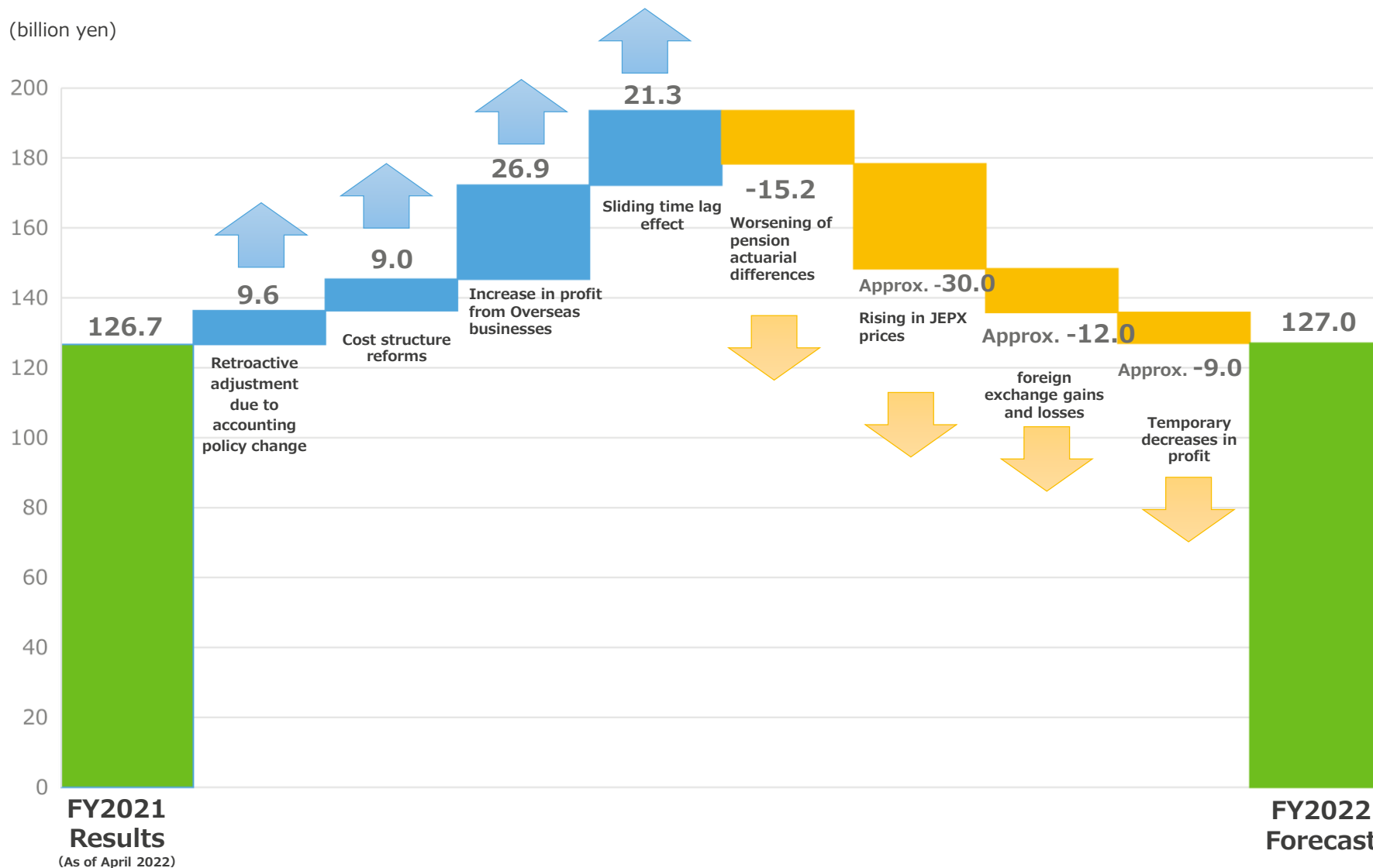
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*5 Segment sales include internal transactions made between business units.



*+/- indicate contributions to profit.

Factors for Changes from FY2021 Ordinary profit



FY2022 Uses of Cash Flow (Capex , Investments and financing)

(Unit: billion yen)

19

	Forecast	Main Items	Previous Forecast	Change	%	FY2021 Results	Change	%
Capital Expenditure								
Energy solution	106.6		106.6	0	—	67.9	38.7	56.9
City gas(excluding Network)*1	52.8	Production facilities : 14.0 Other Production facilities, etc. Service and maintenance facilities : 38.8 System related, etc.	52.8	0	—	27.2	25.6	94.0
Electric Power	21.5	Domestic renewable power etc.	21.5	0	—	9.0	12.5	138.4
Network	89.7	Distribution facilities : New demand development & stable supply-related, etc.	89.7	0	—	84.4	5.3	6.3
Overseas	55.4	Upstream(Australia, North America), Global renewable power etc.	55.4	0	—	51.9	3.5	6.7
Urban Development	19.9	Real estate leasing business, building renovations, etc.	19.9	0	—	10.2	9.7	93.7
Adjustment	-4.7		-4.7	0	—	-7.4	2.7	—
Sub Total	267.0		267.0	0	—	207.2	59.8	28.8
Investments and Fainacing(before offset)								
Energy solution	82.8	Engineering business (TGES) etc.	82.8	0	—	17.3	65.5	378.6
City gas(excluding Network)*1	0		0	0	—	0	0	—
Electric Power	12.4	Domestic renewable power etc.	12.4	0	—	14.1	-2.5	-17.7
Network	0		0	0	—	0	0	—
Overseas	17.9	Upstream(Australia), Mid/Downstream(Asia), Global renewable power etc.	17.9	0	—	6.0	11.9	198.3
Urban Development	0		0	0	—	3.9	-3.9	-100.0
Sub Total	100.7		100.7	0	—	27.3	73.4	268.8
Capital Expenditure +Investments and Financing (before offset)	367.7		367.7	0	—	234.6	133.1	56.8
Collections Total	8.9		8.9	0	—	9.1	-0.2	-2.7
Capital Expenditure +Investments and Financing (after offset)	358.8		358.8	0	—	225.4	133.4	59.2

*1: Includes city gas (excluding Network) and LNG sales/trading.

(Unit: billion yen)

	FY2022 Forecast	FY2021 Results	FY2020 Results	※2
Total assets (a)	3,234.0	3,241.5	2,738.3	
Shareholders' equity (b)	1,323.0	1,251.7	1,153.8	
Shareholders' equity ratio (b)/(a)	40.9%	38.6%	42.1%	
Interest-bearing debt (c)	1,329.0	1,220.5	1,065.9	
D/E ratio (c)/(b)	1.00	0.98	0.92	
Profit attributable to owners of parents (d)	92.0	95.7	49.5	
Profit per share (EPS, yen per share)	211.89	217.67	112.26	
Depreciation (e)	202.0	200.9	179.8	
Operating cash flow (d) + (e)	294.0	296.6	229.3	
Capital Expenditure	267.0	207.2	246.4	
Investments and Financing (before offset)	100.7	27.3	85.3	
Total	367.7	234.6	331.7	
ROA (d)/(a)	2.8%	3.2%	1.9%	
ROE (d)/(b)	7.1%	8.0%	4.3%	
WACC	2.2%	2.3%	2.6%	
Total return ratio	Approx. 50%	46.4%※1	60.1%	

*1 The total return for FY2021 based on the profit attributable to owners of parent prior to the retrospective application (as of April earnings announcement) is 50.2%.

*2 Changes in accounting policies are applied retroactively to FY 2021 results and are not applicable to FY 2020 results.

Note: Shareholders' equity = Net assets - minority interests
 ROA = Net profit / Total assets (average of the amounts as of the end of the previous period and end of the current period)
 ROE = Net profit / Shareholders' equity (average of the amounts as of the end of the previous period and end of the current period)
 Balance sheet figures are as of the corresponding term-end
 Operating cash flow = Net profit + Depreciation (including depreciation of long-term prepaid expenses)
 Total payout ratio = [FY-N dividends + FY-(N+1) treasury stock purchased] / FY-N consolidated net profit

■ Items for WACC calculation (FY2022 forecast)
 • Cost of interest-bearing debt : forecast interest rate (0.63%, after tax)
 • Cost rate for shareholders' equity
 • Risk free rate : 10-year JGB yield 0.06%
 • Market Risk premium : 5.5%
 • β : 0.75



03

Reference Materials

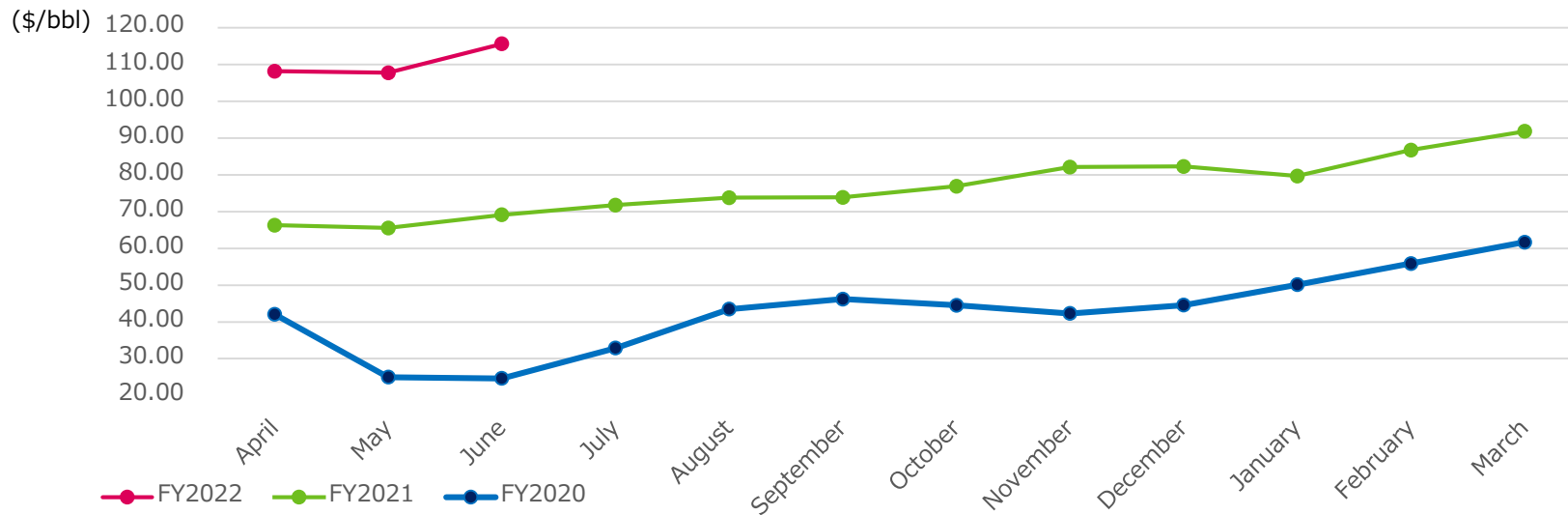
Impact of rising JCC (Japan Crude Cocktail Prices) by \$1/bbl

		Impact on earnings				(Unit: billion yen)
		2Q	3Q	4Q	Full year	
Period	2Q	-0.1	-0.6	+0.9	+0.2	
	3Q	—	-0.2	-1.0	-1.2	
	4Q	—	—	-0.1	-0.1	
	Full year	-0.1	-0.8	-0.2	-1.1	

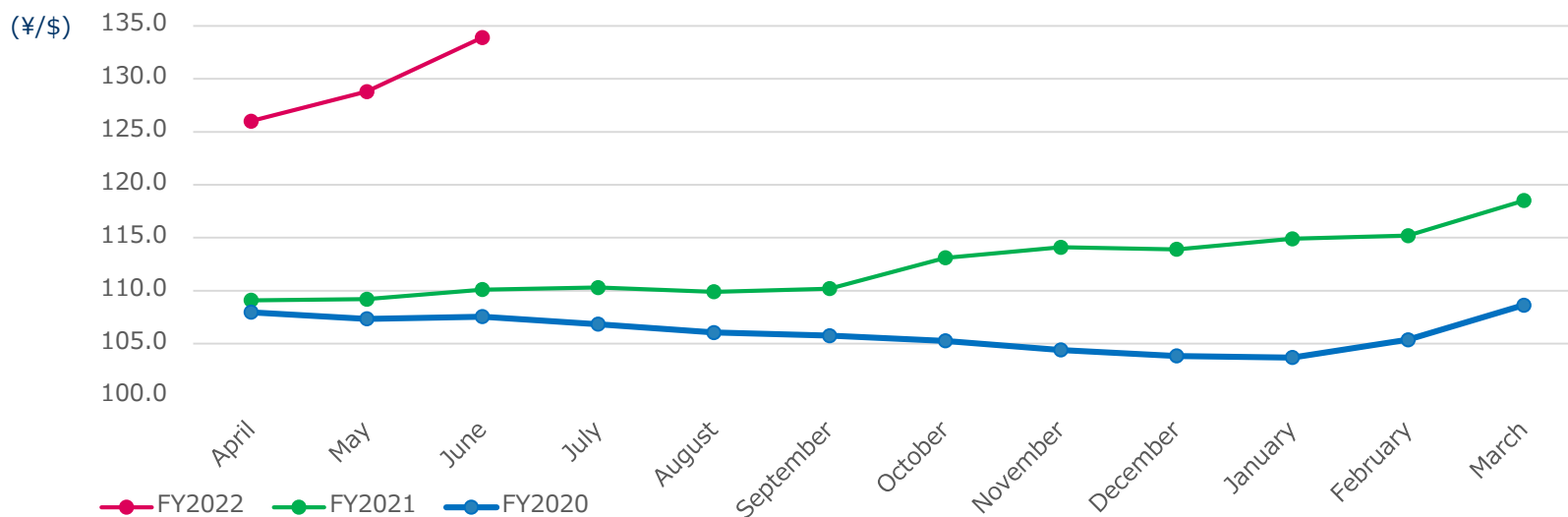
Impact of depreciation of the yen by ¥1/\$

		Impact on earnings				(Unit: billion yen)
		2Q	3Q	4Q	Full year	
Period	2Q	-0.8	+0.8	+0.4	+0.4	
	3Q	—	-1.0	+1.2	+0.2	
	4Q	—	—	-1.4	-1.4	
	Full year	-0.8	-0.2	+0.2	-0.8	

Crude oil price (Japan Crude Cocktail Prices)



Exchange rate



Key topics of press releases issued in 1Q FY2022

(1) Business & financial topics

(2) Nonfinancial ESG-related topics & related initiatives

(1) Business & financial topics

*1 Press releases issued by Tokyo Gas Engineering Solutions

*2 Press releases issued by Tokyo Gas Network

Gas Electric Power	<p>Launch of Non-FIT/FIP renewable energy balancing service (Apr.18)</p> <p>Number of electric power contracts reaches 3 million (Apr.22)</p> <p>Tohoku Bio Food Recycle plant begins full-scale power generation using biogas from recycled food (May 18)</p>
Services	<p>Provision of remote monitoring and control solutions for infrastructural facilities of gas suppliers*² (Jun. 13)</p>
Finance and Shareholder Returns	<p>Notification of Resolution to Acquire of Treasury Shares (Apr.27)</p> <p>Notice Regarding the Appropriation of Surplus (Apr.27)</p> <p>Notice Regarding Market Purchase of Treasury Stock and Completion of Acquisition (Jun. 24)</p>
Management Strategy	<p>Announcement of Group's Management Philosophy (Apr.1)</p> <p>Notice regarding Tokyo Gas Network Co., Ltd.'s commencement of operation*² (Apr.1)</p> <p>Tokyo Gas concludes a share sales agreement with Iwatani Corporation (Apr.27)</p> <p>Notice regarding separation and transfer of Capty Co., Ltd.'s pipeline construction business (May 11)</p>

(2) Nonfinancial ESG topics

*1 Press releases issued by Tokyo Gas Engineering Solutions
 *2 Press releases issued by Tokyo Gas Network

Major related materiality

Transition to a holdings group structure	● Governance & compliance
Selection as an implementer of NEDO Green Innovation Fund Projects: Development of Technology for Producing Fuel Using CO ₂ , etc. (Apr.19)	● Climate change
Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Tsuchiura City (Apr.20) Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Akishima City (May 11) Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Atsugi City (May 24) Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Ota City (Jun. 7) Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Tomioka City (Jun. 29)	● Establishment of relationships with communities ● Climate change
Notice regarding signing of partnership agreement for ensuring safe and stable supply and spreading the use of city gas* ² (Apr.20)	● Climate change; Access to energy; Safety & disaster preparedness
Tokyo Gas launches Demand Response services and delivers one-day worth of renewable energy-based electric power (Apr.22)	● Climate change; Creation of customer value
Notice regarding signing of basic agreement on efforts to streamline infrastructure business and solve community challenges* ² (May 17)	● Establishment of relationships with communities ● Safety & disaster preparedness
Introduction of carbon-neutral city gas at Fujisawa City Hall (May 30)	● Climate change
Launch of sales of G-Sketto, small generators for use in disasters that support city gas/LP gas switching* ¹ (Jun. 2)	● Safety & disaster preparedness
MOU Signed with Shell for Joint Exploration of Decarbonization (Jun. 6)	● Climate change

Tokyo Gas Group Materialities

The Tokyo Gas Group strives to realize ESG-focused management and broadly contribute to achievement of the SDGs by responding to materialities (key sustainability-related issues) through its business activities. Materialities are identified by evaluating the issues meriting consideration along two axes: stakeholder expectations, and social impact of organization and business.

Leadership in the effort to achieve Net-Zero CO₂	● Climate change ● Access to energy ● Safety and disaster preparedness ● Creation of customer value
Sound relationships with society	● Resource efficiency and recycling society ● Establishment of relationships with communities ● Diversity & Inclusion ● Satisfaction through work and labor productivity
Actions as a responsible company	● Supply chain management ● Information security ● Governance and compliance

ESG-related topics: Climate change

Methanation is a technology for synthesizing methane, the primary component of city gas, by reacting hydrogen and CO₂. The existing technologies for manufacturing methane face diverse challenges regarding equipment costs, the limited efficiency of synthesizing methane through water electrolysis, scaling up, and heat management. We are pursuing the development of innovative methanation technologies that can overcome those challenges by lowering costs, comprehensively improving energy conversion efficiency, supporting scalability, and realizing effective heat management, with an eye on achieving early real-world deployment of those technologies across a broad spectrum of users in a time-sensitive manner.

Selection as an implementer of NEDO Green Innovation Fund Projects: Development of Technology for Producing Fuel Using CO₂, etc.

April 19, 2022 release

Based on a joint proposal with the Japan Aerospace Exploration Agency (JAXA) and IHI Corporation, Tokyo Gas Co., Ltd. was selected on April 19, 2022 as an implementer of a "Development of Innovative Methane Production Technologies" project under the "Development of Technology for Producing Fuel Using CO₂, etc." category of the Green Innovation Fund Projects operated by the New Energy and Industrial Technology Development Organization (NEDO).^{*1}

- **Project aim**

Develop innovative technologies for methane production using a low-temperature process

- **Period**

FY2022 – 2030 (9 years)

- **Key R&D focuses**

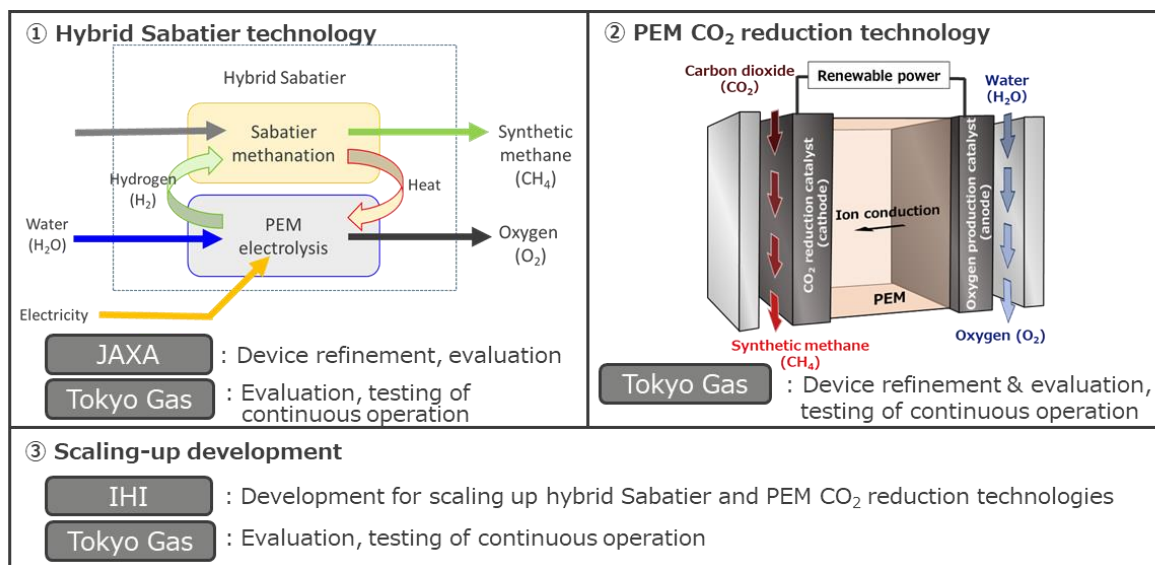
This project seeks to establish innovative technologies that promise to outperform existing technologies in general energy conversion efficiency in the processes for synthesizing methane (production of hydrogen using renewables, methanation).

- ① Hybrid Sabatier technology^{*2}: Develop integrated device that can use Sabatier reaction heat in water electrolysis
- ② PEM^{*3} CO₂ reduction technology^{*2}: Directly synthesize methane from water and CO₂ using a PEM
- ③ Scaling-up development: Elevate the aforementioned technologies from the laboratory level to a methane production scale of 10 Nm³/h and carry out demonstration testing

^{*1}: Promotion of development and use of fuel using CO₂ as a Green Innovation Fund Project (announced April 19, 2022)

^{*2}: Launch of joint research project with JAXA and Yamaguchi University for demonstrating methanation technology (announced Dec. 22, 2021)

^{*3}: Polymer electrolyte membrane

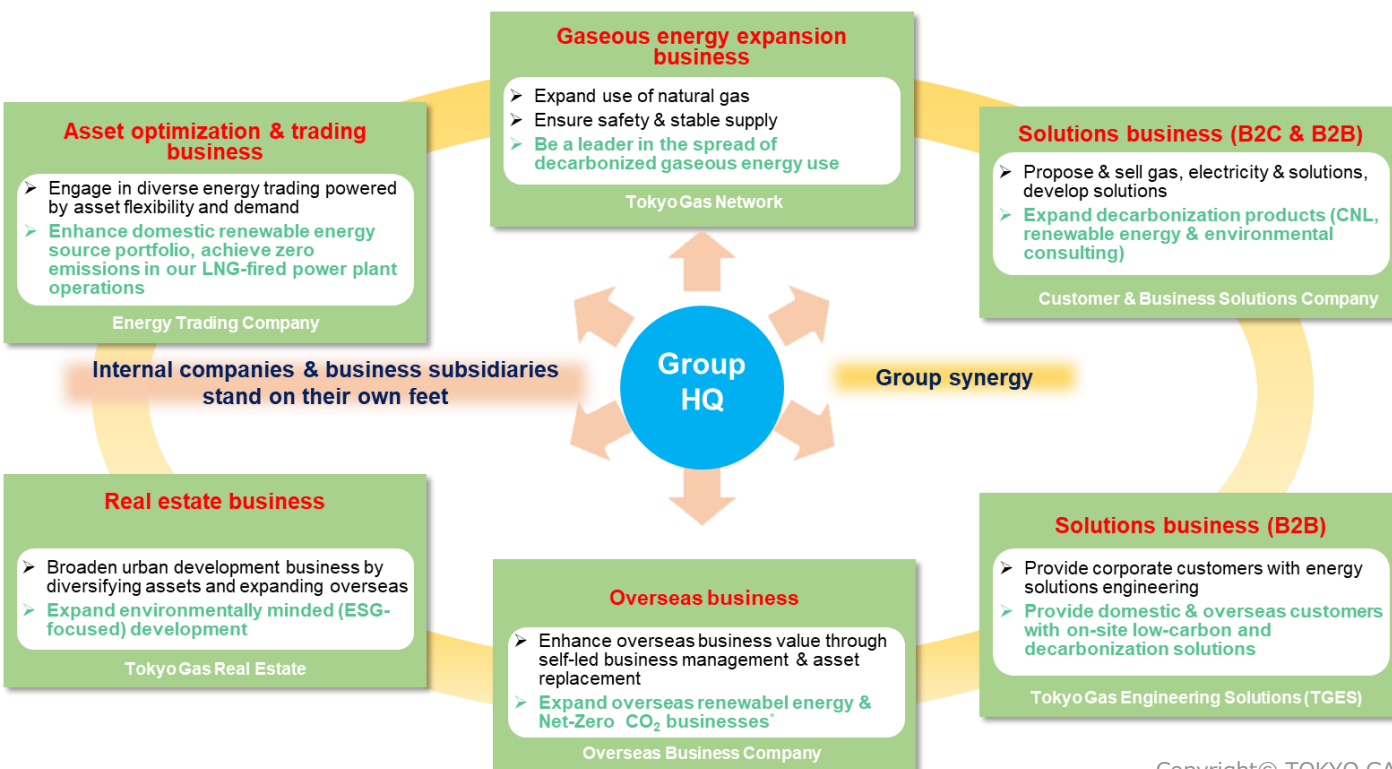


ESG-related topics: Governance

Partially modified from
Compass Action
(Nov. 26, 2021)

Transition to a holdings group structure

The Tokyo Gas Group transitioned to a holdings group structure as of April 2022 to become an organization that brings change to the LNG value chain while each business unit can stand on its own feet to achieve growth. In order to transform growing energy market deregulation and volatility into business opportunities, we are moving away from our traditional business structure of earning income at the end of the LNG value chain to one where we operate in each function of the chain, with each business boosting its earning power through engagement with its customers and market.



- We will transition to a group structure where internal companies (quasi branch companies) and business subsidiaries will stand on their own feet and independently grow as they engage with their markets and customers
- The internal companies and business subsidiaries will be given greater discretion in order to realize agile decision-making, and we will pursue group synergy through collaboration within the Group

*: Hydrogen, afforestation, CCS, renewable gas, etc.



Area	No	Country	Subject	Main Business	Participation year
North America	①	U.S.A	Eagle Ford	Upstream Shale gas	2016
			TG Natural Resources	Upstream Shale gas	2017
			TGES America	Downstream Energy Service	2015
			Birdsboro Power Plant	Downstream Natural gas power	2017
			Aktina	Downstream Solar power	2020
			Acario Ventures	Other Open Innovation	2017
	②	Mexico	Bajio	Downstream Natural gas power	2004
			MT Falcon	Downstream Natural gas power	2010
			Heolios EnTG	Downstream Renewable venture(Solar・wind power generation)	2019
Southeast Asia	③	Malaysia	GAS MALASIA Bhd.	Downstream City gas	1992
			GAS MALASIA ENERGY ADVANCE Sdn.Bhd.	Downstream Energy Service	2014
	④	Thailand	Bang bo	Downstream Natural gas power	2016
			GWHAMT	Downstream Gas Supply	2018
	⑤	Vietnam	One Bangkok	Downstream District Cooling Solutions and power distribution	2020
			PVGD	Downstream CNG Supply	2017
	⑥	Indonesia	PRA	Downstream Gas Supply, Transfer	2017
			Super Energy	Downstream Gas Supply, Transfer	2020
Oceania	⑦	Philippines	FGEN LNG	Downstream Construction, operation and maintenance of the LNG terminal	2020
			Darwin	Upstream Production, liquefaction and sales of LNG	2003
			Pluto	Upstream Production, liquefaction and sales of LNG	2008
			Gorgon	Upstream Production, liquefaction and sales of LNG	2009
			Queensland Curtis	Upstream Production, liquefaction and sales of LNG	2011
			Ichthys	Upstream Production, liquefaction and sales of LNG	2012
Europe	⑨	Denmark	TOWII Renewables	Downstream Onshore wind power	2022

Changes in Disclosable Segments (mapping of key changes)

29

- In accordance with our approach to accounting management, we changed our classifications for legally disclosable segments in order to better align them with management practices under the holdings-type group structure instituted in FY2022 (units considered in decision-making on resource allocation, etc., and in performance assessments).
- The business segments required to be disclosed in financial accounting (in annual securities reports, etc.) changed from five segments (Gas, Electric Power, Overseas, Energy-related, Real Estate) and Other into four segments (Energy Solution, Network, Overseas, Urban Development). In step with these changes, the subsegments voluntarily disclosed in IR materials have also been changed.
- For practical purposes, our financial performance for FY2022 is disclosed in financial accounting reports as two sets of data reflecting the former segments and the new segments.

Former Segments

(bold-lined: financial accounting segments)

Segment sales & profits

Gas

City gas

City gas (retail)

City gas (pipeline), city gas subsidiaries

LNG sales & trading

LPG, industrial gas

Electric power

Overseas

Energy-related

Engineering solutions, gas equipment, construction

Gas construction work

Real estate

Other

Shipping, information processing

Consolidated adjustment
(mainly company-wide costs)

New Segments

(bold-lined: financial accounting segments)

Segment sales & profits

Energy solution

City gas (retail)

LNG sales & trading

Electric power

Engineering solutions, gas equipment, construction

Shipping, information processing

LPG, industrial gas

Network

City gas (pipeline), city gas subsidiaries

Gas construction work

Overseas

Urban Development

Consolidated adjustment
(mainly company-wide costs)

Key changes

Separate network business from former Gas segment. Consolidate electric power, engineering solution, shipping, and information processing businesses, among others. Also, transfer company-wide costs that are directly allocatable.

Pipeline business of Gas segment made independent. Transfer company-wide costs that are directly allocatable.

Transfer company-wide costs that are directly allocatable.

Change name. Transfer company-wide costs that are directly allocatable.

Unallocatable corporate expenses



< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies and beliefs, and other statements herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. As such, they are based on management's assumptions and opinions stemming from currently available information and therefore involve risks and uncertainties.

The Company's actual performance may greatly differ from these projections, due to these risks and uncertainties which include without limitation general economic conditions in Japan, crude oil prices, the weather, changes in the foreign exchange rate of the yen, rapid technological innovations and the Company's responses to the progress of deregulation.