TSE:9531

FY2022 1Q Financial Results
ended June, 2022

July 27, 2022

[Revised on August 9,2022]

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FY2022
Consolidated Financial Results
ended June, 2022

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

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FY2022 1Q Consolidated Results (Apr. 1, 2021 – June 30, 2022)

vs. FY2021 1Q

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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 (℃)	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%>

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Both sales and profits increased in 1Q FY2022 compared to the corresponding period of the previous year.

Please note that figures for FY2021 reflect the retrospective application of a change in accounting policies.

Net sales increased by ¥208.8 billion. This was mainly attributable to an increase in city gas unit price due to resource cost adjustments in the Energy solution segment.

Operating expenses increased by ¥175.7 billion. This mainly reflected an increase in resource costs due to a rise in crude oil prices in the Energy solution segment.

As a result, operating profit increased by ¥33.1 billion and ordinary profit rose by ¥41.7 billion. Profit attributable to owners of parent grew by ¥28.0 billion to ¥38.4 billion.

FY2022 1Q Consolidated Gas Sales Volume/ Number of Customers vs. FY2021 1Q

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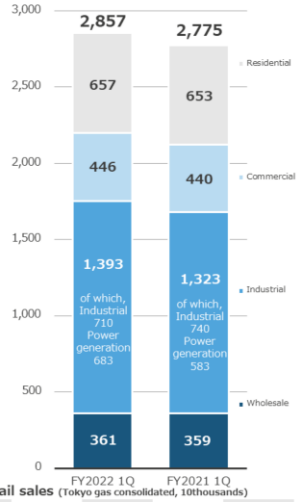
City Gas sales volume: (Unit : mil. m³)

+82mil.m³ (+2.9%)
including temperature effect +45mil.m³, +1.6%

■Residential	**+4mil.m³(+0.6%)**
Temperature effect	+38 mil.m³
Number of days	±0 mil.m³
Number of customers	-13 mil.m³
Others	-21 mil.m³
■Commercial	**+6mil.m³(+1.4%)**
Temperature effect	+6 mil.m³
Number of days	±0 mil.m³
Number of customers	-9 mil.m³
Others	+9 mil.m³
■Industrial	**+70mil.m³(+5.3%)**
Industrial	- 30 mil.m³
Power generation	+100 mil.m³
■Wholesale	**+ 2 mil.m³(+0.4%)**
Temperature effect	+1 mil.m³
Others	+1 mil.m³ 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 (℃)	**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 (m³ 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)

Full deregulation of the retail market (2017.04)

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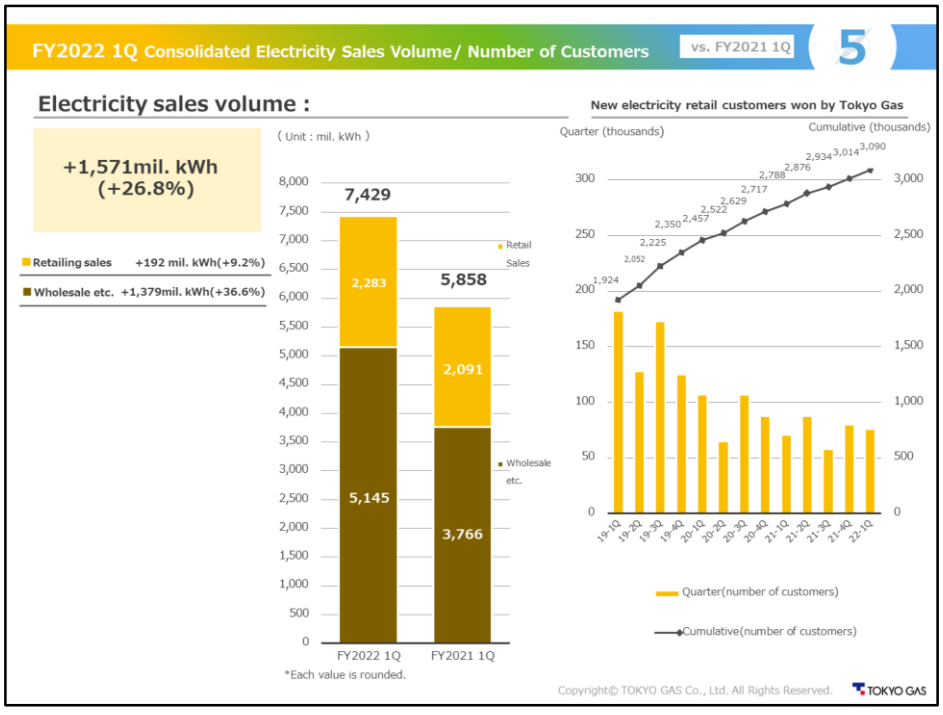
The city gas sales volume in 1Q FY2022 increased by 2.9% overall, thanks to an increase in sales to power generation customers and an increase in sales volume to residential customers due to a temperature effect as compared to high temperatures in the same period of the previous year. These offset the negative impact of a decrease in the number of customers and diminished demand for staying at home.



Total electricity sales volume in 1Q FY2022 increased by 26.8%.

Retail electricity sales rose by 9.2% due to an increase in the number of customers, while the wholesale and other electricity sales volume grew by 36.6%.

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

vs. FY2021 1Q

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(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**	19.3 ※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.

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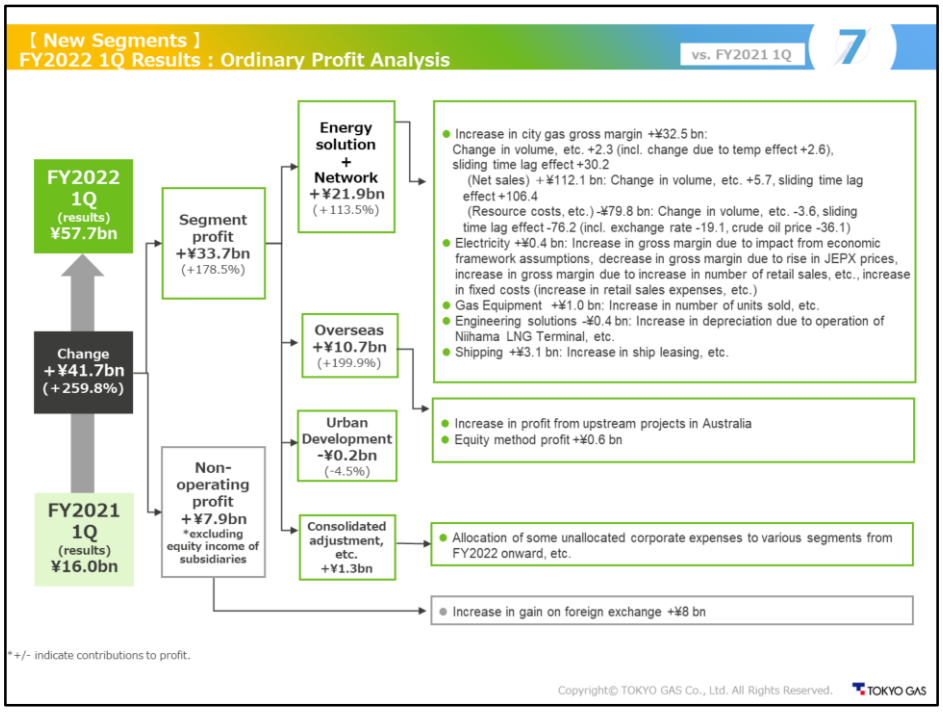
This slide shows net sales by segment and segment profit, which is operating profit plus equity income/loss of subsidiaries, and changes thereof.



The ¥21.9 billion increase in profit of the Energy solution segment and the network segment combined mainly reflected a rise in the gross margin of city gas due to a sliding time lag effect.

In the Overseas segment, profit increased by ¥10.7 billion due to a rise in profit from the upstream projects in Australia owing to higher oil prices.

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

vs. FY2021 1Q

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Revised in red on Aug 9th.2022

(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	%
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.

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For your reference, slides 8 and 9 show year-on-year changes in segment net sales and profits under the previous segment classification before the segment changes in April 2022.

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

vs. FY2021 1Q

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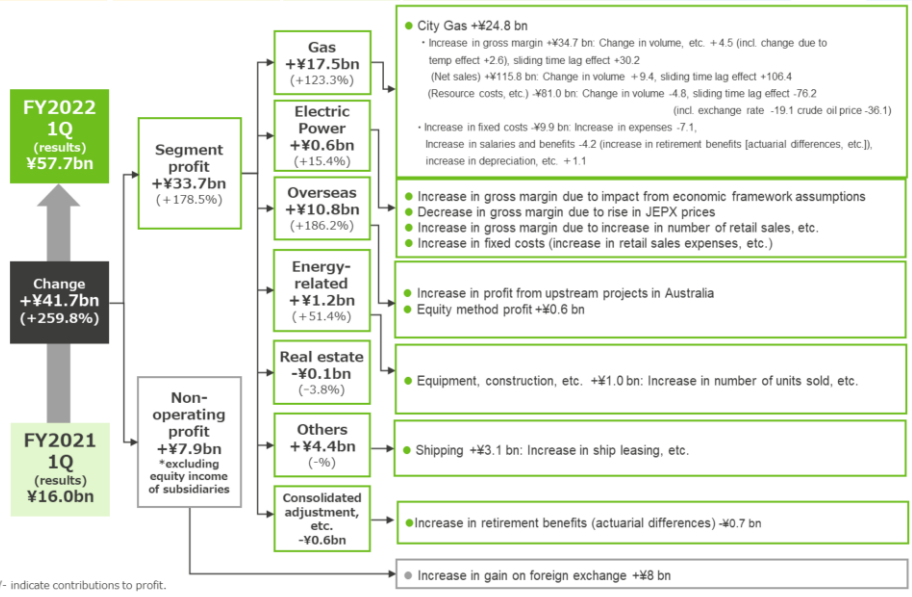

*+/- indicate contributions to profit.

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FY2022 Full Year Forecast

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

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FY2022 Consolidated Forecast (Apr. 1, 2022 – Mar. 31, 2023)

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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	%
City gas sales volume (million m3, 45MJ)		12,642	12,398	244	2.0	13,146	-504	-3.8
Electricity sales volume (million kWh)		34,358	34,801	-443	-1.3	28,288	6,070	21.5
Net sales		2,948.0	2,530.0	418.0	16.5	2,154.8	793.2	36.8
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
(Adjustment items)	Temperature effect(2)	-0.4	0	-0.4	—	-2.3	1.9	—
	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)	—
	Amortization of actuarial differences(4)	-4.3	-4.3	0	—	10.9	-15.2	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		111	103.4	7.6	7.4	128.3	-17.3	-13.5

Economic framework	Forecast	Previous forecast	FY2021 Results
Exchange rate (¥/$)	126.18 (+6.18)	120.00	112.39
Crude oil price ($/bbl)	110.20 (+25.20)	85.00	77.15
Avg. air temp (℃)	16.3 (+0.1)	16.2	16.2

Pension assets		FY2021	FY2020	FY2019
Investment yield (costs deducted)		0.37%	4.94%	0.33%
Discount rate	Annuity portion	0.481%	0.318%	0.264%
	Lump-sum portion	0.192%	0.075%	0.012%
Year-end assets (billion yen)		256.0	263.0	259.0

<Expected annual rate of return: 2%>

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The following is an explanation of the full-year forecast for FY2022 in comparison with the previous forecast.

For the FY2022 full-year, our forecast for net sales has been upgraded while our forecast for profit has remained unchanged. The economic framework for July onward, which serves as a basis of our forecast, has been changed as follows: the foreign exchange rate has been revised from ¥120/$ to ¥125/$ and crude oil price has been revised from $85/barrel to $110/barrel.

Our forecast for net sales has been upgraded by ¥418.0 billion . This is mainly attributable to a rise in city gas unit price due to resource cost adjustments in the Energy solution segment.

Our forecast for operating expenses has also been revised upward (increase) by ¥418.0 billion due mainly to an impact from an increase in crude oil prices.

As a result, our full-year forecast of profit attributable to owners of parent has remained unchanged from the forecast announced at the end of April, which is ¥92.0 billion.

FY2022 Full Year Forecast Consolidated Gas Sales Volume/ Number of Customers

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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%)

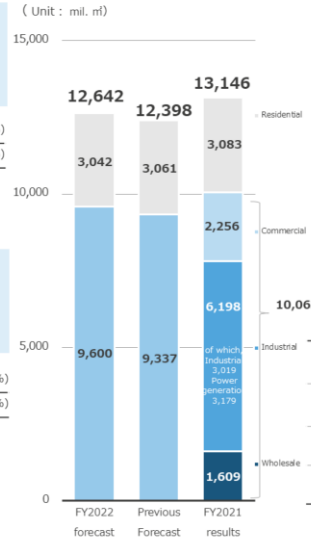
VS. FY2021 Results

-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.



Number 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 (℃)	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 (m³ 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%)

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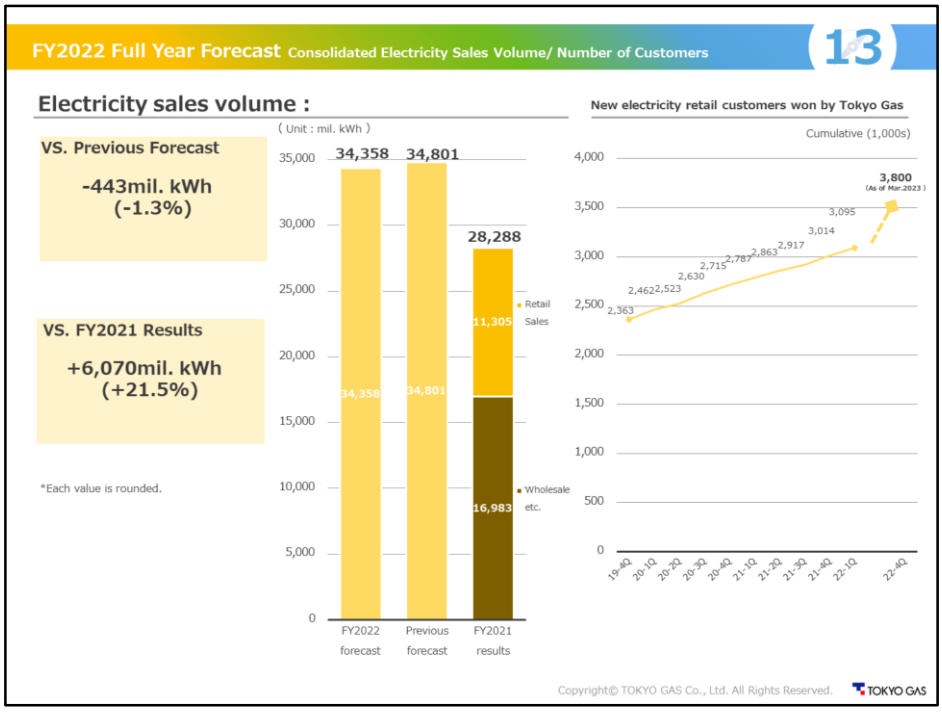
Our forecast of gas sales volume has increased by 2.0% from our previous forecast. This mainly reflects an expected increase in operation of power generation customers.



Our forecast of electricity sales volume has decreased by 1.3% from our previous forecast, mainly reflecting an expected drop in the wholesale and other electricity sales volume.

【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.

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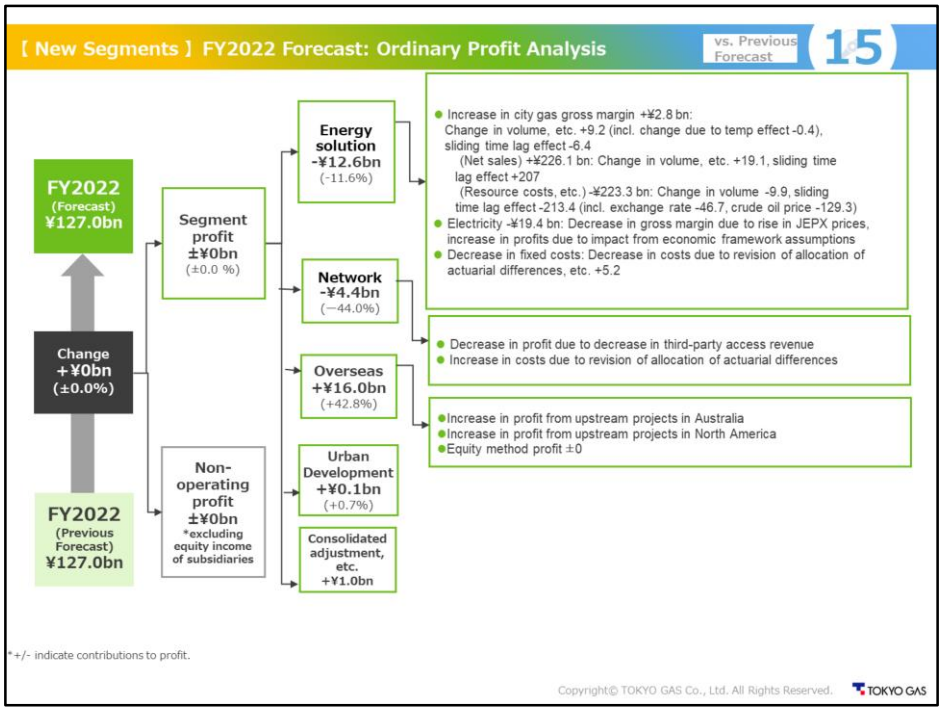
This slide shows segment sales and profit forecasts and changes from the previous forecasts.

The total segment profit is expected to be in line with the previous forecast.

The major profit forecast changes for each segment are explained in the next slide.



For the Energy solution segment, we have revised our profit forecast downward by ¥12.6 billion. This mainly reflects an expected drop in gross margin due to the impact of a rise in unit transaction prices on JEPX in the electricity business.

For the Network segment, we have revised our profit forecast downward by ¥4.4 billion due to a drop in third-party access revenue following a decrease in gas sales volume to residential customers.

For the Overseas segment, we have revised our profit forecast upward by ¥16.0 billion due to an increase in profit from upstream projects in Australia and North America following rises in crude oil and gas prices.

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

vs. FY2021 Results

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(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

*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.

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Slides 16, 17, and 18 show comparisons between our current full-year forecasts and the actual performance of the previous year.

【 New Segments 】 FY2022 Forecast: Ordinary Profit Analysis

vs. FY2021 Results

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FY2022 (Forecast) ¥127.0bn

Change -¥9.3bn (-6.9%)

FY2021 (results) ¥136.3bn

Segment profit +¥12.4bn (+9.4%)

Non-operating profit -¥21.7bn *excluding equity income of subsidiaries

Energy solution + Network -¥32.2bn (-24.1%)

- Increase in city gas gross margin +¥10.2 bn: Change in volume, etc. +4.7 (incl. change due to temp effect +1.9), sliding time lag effect +14.9
  (Net sales) +¥352.4 bn: Change in volume, etc. -24.6, sliding time lag effect +377
  (Resource costs, etc.) -¥342.2 bn: Change in volume +19.9, sliding time lag effect -362.1 (incl. exchange rate -83.1, crude oil price -226)
- Electricity -¥4.9 bn: Decrease in gross margin due to rise in JEPX prices, increase in profits due to impact from economic framework assumptions, etc., increase in gross margin due to increase in sales volume (retail & wholesale), increase in fixed costs (increase in retail sales expenses, etc.)
- Engineering solutions +¥0.6 bn: Increase in profit of chemicals business, etc. due to organizational realignment, increase in depreciation due to operation of Niihama LNG Terminal, etc.
- Shipping -¥1.4 bn: Increased in ship leasing expenses, etc.
- Increase in fixed costs: Increase in costs due to allocation of corporate expenses -15.5, actuarial differences -11.5, expenses -5, etc.

Overseas +¥26.9bn (+101.3%)

- Increase in profit from upstream project in Australia
- Increase in profit from upstream project in North America
- Increase in profit from mid-/downstream project in North America
- Equity method profit -0

Urban Development +¥0.4bn (+2.3%)

Consolidated adjustment, etc. +¥17.5bn

- Allocation of some unallocated corporate expenses to various segments from FY2022 onward, Losses associated with third parties' construction work, etc.

- Decrease in gain on foreign exchange, loss on commissioned construction, etc.

*+/- indicate contributions to profit.

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FY2022 Consolidated Forecast (Apr. 1, 2022 – Mar. 31, 2023)

vs. FY2021

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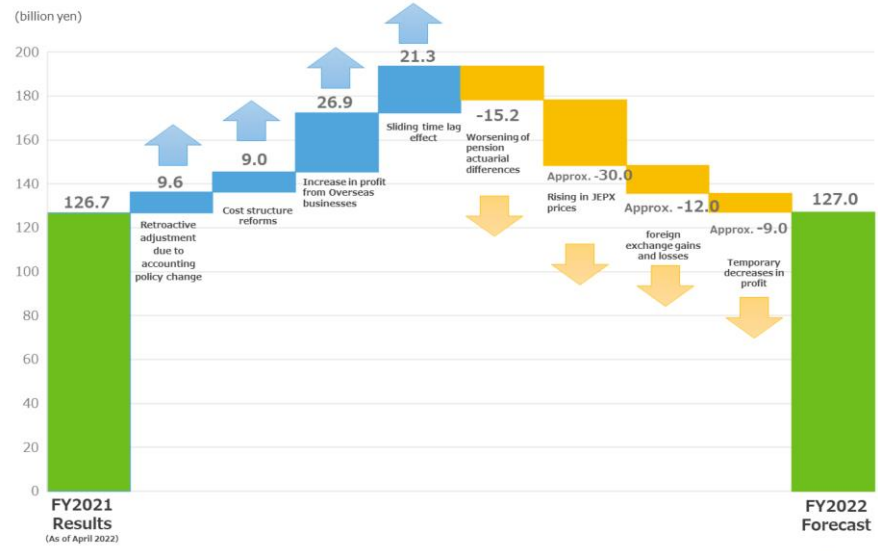
Factors for Changes from FY2021 Ordinary profit



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

(Unit: billion yen)

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		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.

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This slide details the expected use of cash flows in FY2022.

Key Indicators (Consolidated)

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(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 Fainacing (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 retroactivly 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 ration= [FY-N dividends + FY-(N+1) treasury stock purchased] / FY-N consolidated net profit

■Items for WACC calculation (FY2022 forecast)
- Cost of interest-beating 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

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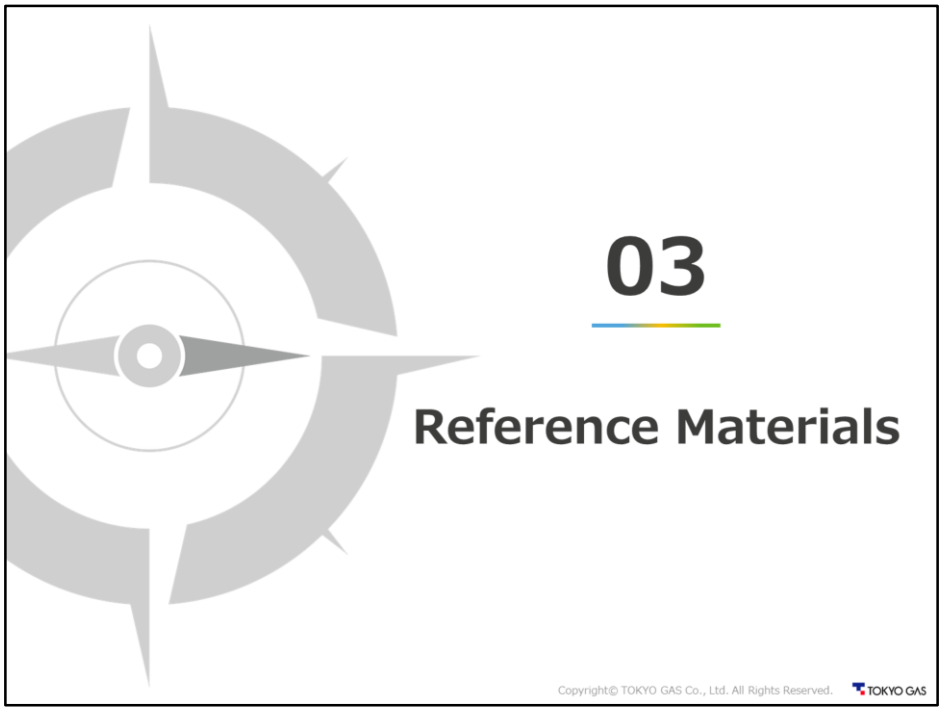
This slide shows key indicators on a consolidated basis.



The following reference materials include a table on the sensitivity to the economic framework assumption, the trend of crude oil prices and exchange rates, key topics in 1Q FY2022, and a list of major overseas investment projects, etc.

From this fiscal period, the key topics shown on slide 24 onward have been grouped into “business & financial topics” and “nonfinancial ESG-related topics,” with ESG-related initiatives indicated in relation to materiality, or key sustainability issues, identified by the Group.

Gas Gross Margin Sensitivity to Change in Crude Oil Price and Exchange Rate

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

(Unit: billion yen)

		Impact on earnings			
		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/$

(Unit: billion yen)

		Impact on earnings			
		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**

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Crude oil price・Exchange rate

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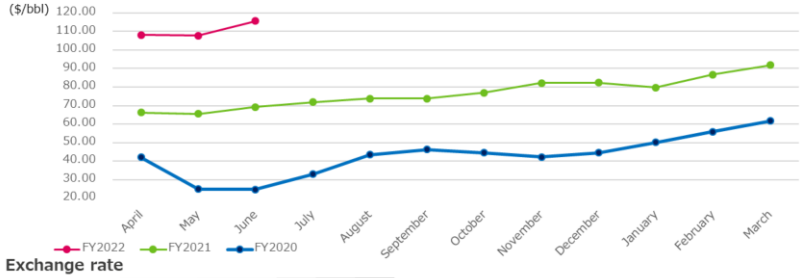
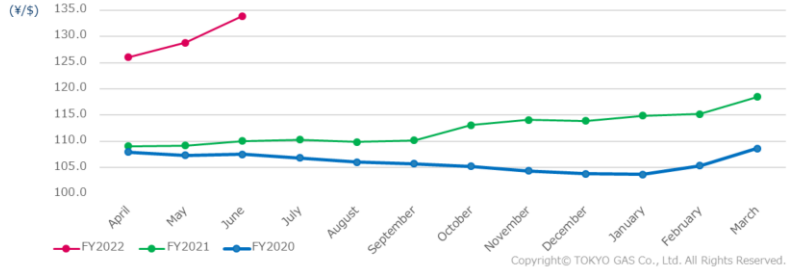
Crude oil price（Japan Crude Cocktail Prices）



Exchange rate



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Key Topics in FY2022 1Q (Excerpted from Press Releases)

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

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Key Topics in FY2022 1Q (Excerpted from Press Releases)

(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 CO_2	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

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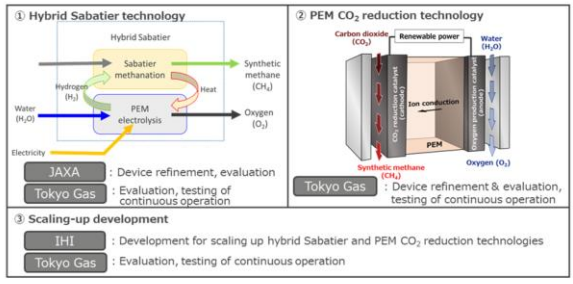
ESG-related topics: Climate change

Methanation is a technology for synthesizing methane, the primary component of city gas, by reacting hydrogen and CO_2. 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 CO_2, 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 CO_2, 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 CO_2 reduction technology*2: Directly synthesize methane from water and CO_2 using a PEM
  ③ Scaling-up development: Elevate the aforementioned technologies from the laboratory level to a methane production scale of 10 Nm^3/h and carry out demonstration testing

*1: Promotion of development and use of fuel using CO_2 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

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Key Topics in FY2022 1Q (Excerpted from Press Releases)

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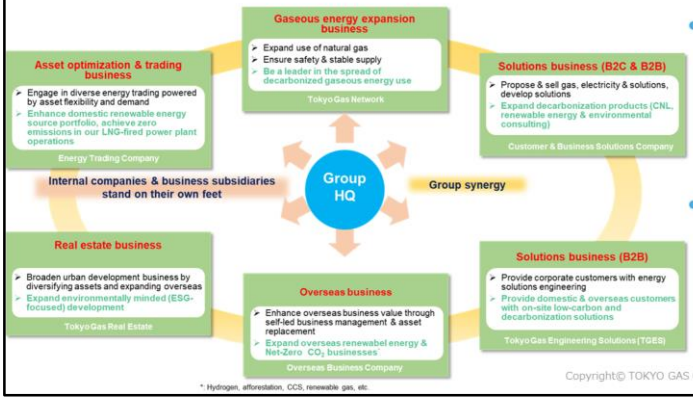
ESG-related topics: Governance

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.



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

- 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

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Overseas Projects

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
			One Bangkog	Downstream	District Cooling Solutions and power distribution	2020
	5	Vietnam	PVGD	Downstream	CNG Supply	2017
	6	Indonesia	PRA	Downstream	Gas Supply, Transfer	2017
			Super Energy	Downstream	Gas Supply, Transfer	2020
	7	Philippines	FGEN LNG	Downstream	Construction, operation and maintenance of the LNG terminal	2020
Oceania	8	Australia	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

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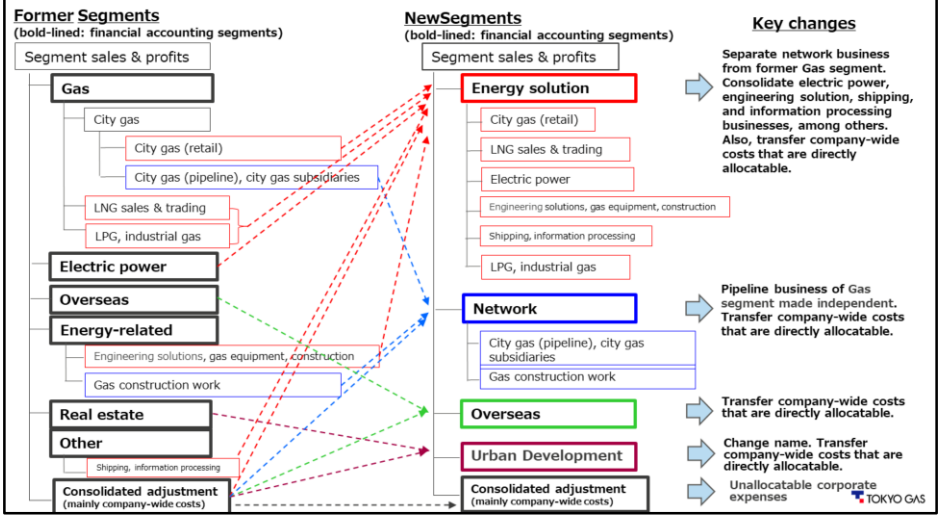
Changes in Disclosable Segments (mapping of key changes) 29

- 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.



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< 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.

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