TSE:9531

FY2020 3Q Financial Results
ended December, 2020

January 28, 2021

TOKYO GAS

01

FY2020
Consolidated Financial Results
ended December, 2020

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FY2020 3Q Consolidated Results (Apr. 1, 2020 – Dec. 31, 2020)

vs. FY2019 3Q

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Highlights: Sales Down, Profit Up

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

Net sales	-128.5	Decrease in city gas unit price due to resource costs adjustment, decrease in city gas sales volume from the impact of COVID-19, etc.
Operating expenses	+139.6	The impact from the decline in crude oil prices, decrease in city gas sales volume from the impacts of COVID-19, etc.
Operating profit	+11.0	Increase in electricity retail sales volume (due to increase in number of customers, increase in time staying at home), decrease in fixed costs, etc.
Extraordinary profit/loss	+4.2	FY2020 3Q -¥3.8: (Extraordinary loss) Impairment loss: -¥7.5, loss on valuation of investment securities -¥4.0 (Extraordinary profit) Gain on sales of investment securities ¥4.7, Gain on negative goodwill ¥2.9 FY2019 3Q -¥8.0: (Extraordinary loss) Impairment loss: ¥-8.0

(Unit: billion yen)

		FY2020 3Q	FY2019 3Q	Change	%
City gas sales volume (million m3, 45MJ)		**8,912**	9,923	-1,011	-10.2%
Electricity sales volume (million kWh)		**17,685**	14,158	3,527	24.9%
(Breakdown)	Retail (million kWh, receiving end)	**7,152**	5,766	1,386	24.0%
	Wholesale, etc. (million kWh)	**10,533**	8,392	2,141	25.5%
Net sales		**1,233.5**	1,362.0	-128.5	-9.4%
Operating expenses		**1,167.7**	1,307.3	-139.6	-10.7%
Operating profit		**65.7**	54.7	11.0	20.0%
Segment profit (operating profit + equity income of subsidiaries)		**66.0**	59.3	6.7	11.1%
Ordinary profit(1)		**62.3**	56.9	5.4	9.6%
Extraordinary profit/loss		**-3.8**	-8.0	4.2	—
Profit attributable to owners of parent		**45.3**	33.6	11.7	34.9%
(Adjustment items)	Temperature effect(2)	**-1.1**	-2.1	1.0	—
	Sliding time lag effect(3) (city gas + LNG sales)	**14.0 (11.5+2.5)**	5.0 (3.4+1.6)	9.0 (8.1+0.9)	—
	Amortization of actuarial differences(4)	**0.6**	-5.7	6.3	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		**48.8**	59.7	-10.9	-18.3%

Economic framework	FY2020 3Q	FY2019 3Q
Exchange rate (¥/$)	**106.10** (-2.55)	108.65
Crude oil price ($/bbl)	**39.04** (-28.80)	67.84
Avg. air temp (℃)	**19.4** (-0.1)	19.5

Pension assets	FY2020 3Q
Investment yield (costs deducted)	**5.06%**
Year-end assets (billion yen)	**271.0**

<Expected annual rate of return: 2%>

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Sales decreased but profits increased in 3Q FY2020.

Net sales were ¥1,233.5 billion, a decrease of ¥128.5 billion year on year. This was mainly attributable to a decrease in the city gas unit price due to gas rate adjustments and a drop in the city gas sales volume of the gas segment due to the impact of the new coronavirus (COVID-19).

Operating expenses totaled ¥1,167.7 billion, a rise of ¥139.6 billion. This mainly reflected the impact from the decline in crude oil prices and a decrease in the city gas sales volume due to the impact of COVID-19.

As a result, both operating profit and ordinary profit increased, by ¥11.0 billion and ¥5.4 billion to ¥65.7 billion and ¥62.3 billion, respectively.

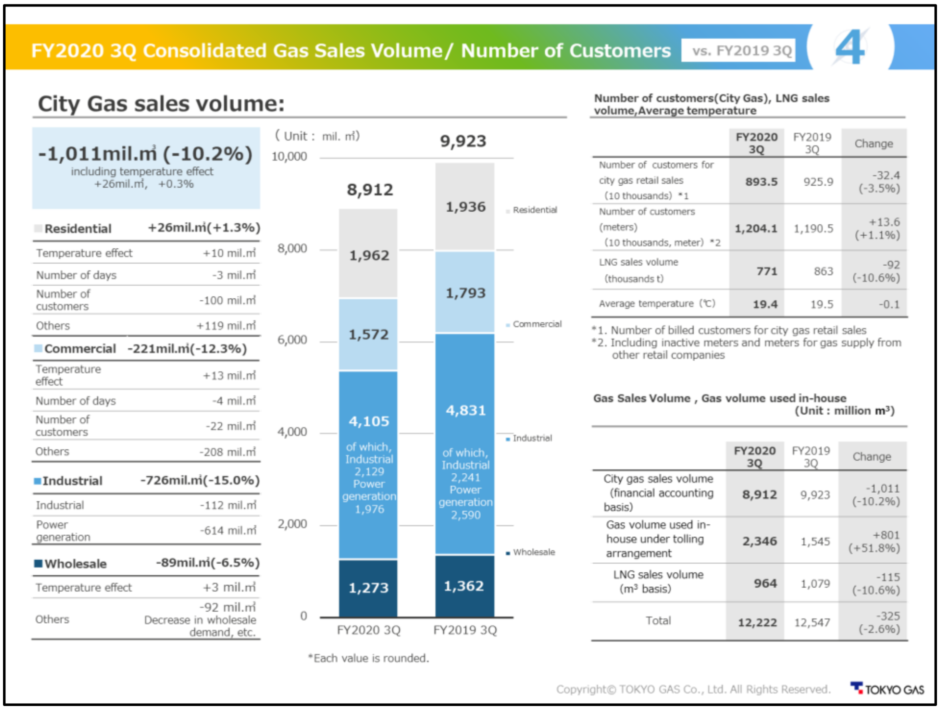
Additionally, we posted -¥3.8 billion in extraordinary profit/loss and deducted income taxes, which resulted in an increase in profit attributable to owners of parent by ¥11.7 billion to ¥45.3 billion.

For reference, the impairment loss of ¥7.5 billion is for the same project as the impairment loss on overseas businesses of ¥6.4 billion recorded in 2Q. It reflects a reassessment of the oil price outlook, etc. in 3Q.

The ¥4.0 billion loss on valuation of investment securities and the ¥2.9

billion gain on negative goodwill after making Castleton Resources a subsidiary have not changed from 2Q.

A gain on sales of investment securities of ¥4.7 billion was posted due to a partial sale of cross-shareholdings in 3Q.

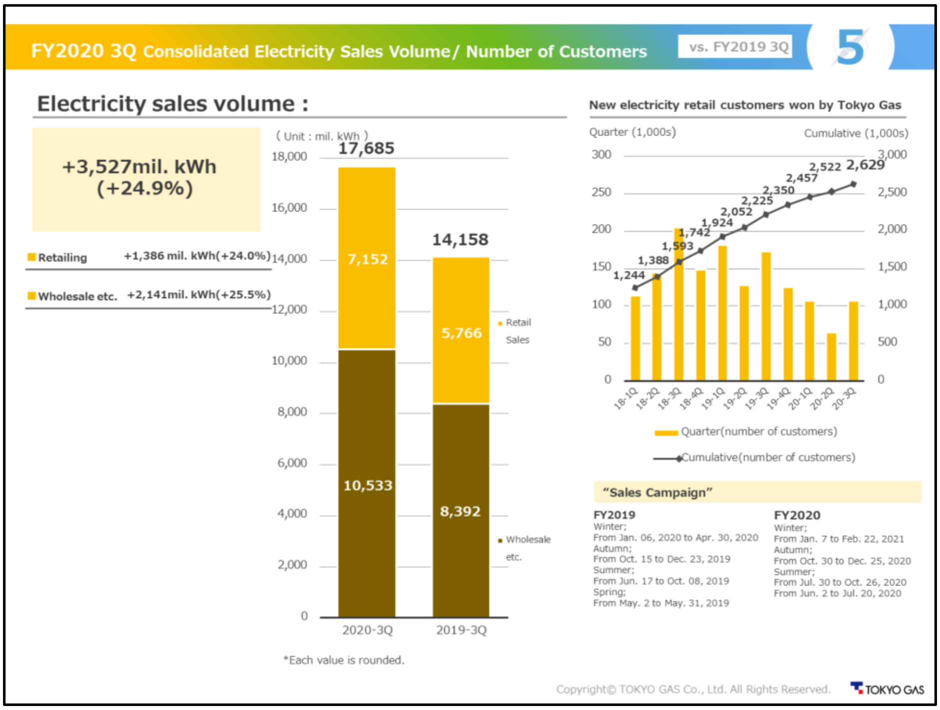


The city gas sales volume in 3Q FY2020 was 8,912 million m^3, down 10.2% year on year. This was mainly attributable to a 614 million m^3 decrease in sales volume to power generation customers due to the expiry of a contract with a large customer and a drop in operation owing to the impact of COVID-19.

The impact of COVID-19 is also included in the “others” category of residential, commercial and wholesale sales. Demand increased among residential customers as customers stayed at home due to the COVID-19 pandemic.

There were drops in demand mainly at restaurants and hotels among commercial customers. However, demand gradually began to recover in November as economic activity resumed.

Demand for power generation among industrial customers increased due to factors such as a rise in demand for electricity in December.



Total electricity sales volumes in 3Q was 17,685 million kWh, up 24.9% year on year.

Retail electricity sales increased 24.0% year on year to 7,152 million kWh, due to an increase in the number of customers. Wholesale and other electricity sales volumes also increased 25.5% to 10,533 million kWh on the back of an increase in sales to the wholesale power exchange, among others.

As in 2Q, we believe that COVID-19 had an impact in the increase in retail electricity sales as customers stayed at home due to the pandemic.

FY2020 3Q Results : Sales and Operating Profit/Loss by Business Segments

vs. FY2019 3Q

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(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiary)			
	FY2020 3Q Results	FY2019 3Q Results	Change	%	**FY2020 3Q Results**	FY2019 3Q Results	Change	%
Gas	**795.8**	955.3	-159.5	-16.7	**64.4**	56.1	8.3	14.8
(City gas)	**672.1**	807.3	-135.2	-16.7	**65.9**	52.4	13.5	25.8
(LNG sales)	**100.6**	118.1	-17.5	-14.8	**-1.4**	3.6	-5.0	—
Electric Power	**282.3**	249.7	32.6	13.0	**14.8**	5.1	9.7	185.7
Overseas business	**31.1**	33.9	-2.8	-8.3	**1.7**	11.1	-9.4	-84.4
(equity income of subsidiaries)	**—**	—	—	—	**-0.4**	4.0	-4.4	—
Energy-related	**236.1**	244.9	-8.8	-3.6	**11.7**	11.7	0	0.2
(Engineering Solutions)	**96.0**	94.9	1.1	1.2	**4.5**	3.7	0.8	21.8
Real estate (including equity income of subsidiaries)	**35.5**	33.7	1.8	5.4	**6.6**	8.4	-1.8	-21.2
Others (including equity income of subsidiaries)	**78.9**	85.2	-6.3	-7.4	**2.4**	3.6	-1.2	-32.6
Adjustment	**-226.5**	-240.9	14.4	—	**-35.9**	-36.9	1.0	—
Consolidated	**1,233.5**	1,362.0	-128.5	-9.4	**66.0**	59.3	6.7	11.1
(equity income of subsidiaries)	**—**	—	—	—	**0.2**	4.6	-4.4	-93.8

Notes
- Net sales by business segments include internal transactions.
- "Gas" includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales , trading. "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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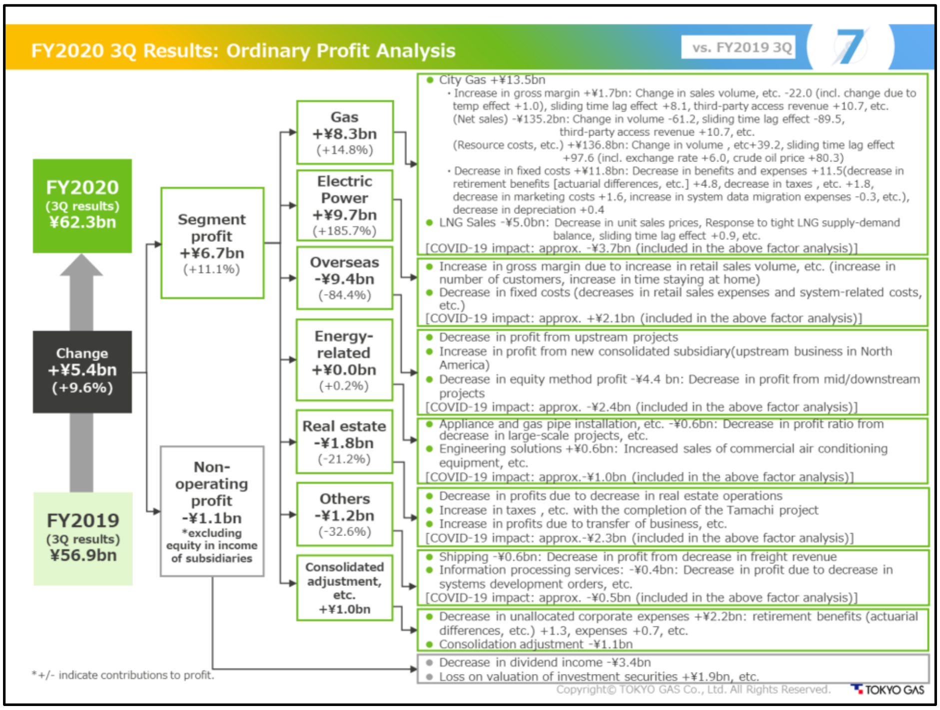
Slide 6 shows net sales by segment and segment profit, which is operating profit plus equity income/loss of subsidiaries, and changes thereof.

In segment profit, a ¥8.3 billion increase in the gas segment and a ¥9.7 billion increase in the electric power segment pushed up the overall profit.



The ¥8.3 billion profit increase of the gas segment constitutes a ¥5.0 billion drop in LNG sales offset by a ¥1.7 billion increase in gross margin of city gas and a ¥11.8 billion decrease in fixed costs for city gas.

The profit of the electric power segment increased by ¥9.7 billion, reflecting an increase in sales volumes due to a rise in the number of retail customers and an increase in sales volumes as consumers stayed at home longer, as well as a drop in fixed costs owing to a cut in retail sales expenses, among others.

Profit of the overseas segment decreased by ¥9.4 billion. This reflected a drop in profit from upstream projects and a decline in profit at equity method companies carrying out mid/downstream projects, despite an increase in profit at a new consolidated subsidiary conducting upstream business in North America.

As in 2Q, a rough estimate of the impact of COVID-19 is indicated at the bottom of the box of each segment. Please note that the amount is included in the factors affecting segment profit described for each segment, since it is difficult to single out the impact of COVID-19.

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FY2020 Full Year Forecast

FY2020 Consolidated Forecast (Apr. 1, 2020 – Mar. 31, 2021)

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Highlights: Sales UP, Profit Down (vs. previous forecast)

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

	vs. Previous Forecast	
Net sales	+27.0	Increase in city gas sales volume from the impact of low temperatures
Operating expenses	-35.0	Impact from the sharp rise in JEPX prices, etc.
Operating profit	-8.0	Decrease in gross margin from the sharp rise in JEPX prices, etc.
Extraordinary profit/loss	+0.4	Forecast -1.4: (Extraordinary loss) impairment loss, loss on valuation of investment securities (Extraordinary profit) gain on negative goodwill, gain on sales of assets Previous Forecast -1.8: (Extraordinary loss) impairment loss, loss on valuation of investment securities (Extraordinary profit) gain on negative goodwill, gain on sales of assets

(Unit: billion yen)

		Forecast	Previous Forecast	Change	%	FY2019 Result	Change	%
City gas sales volume (million m3, 45MJ)		12,940	12,570	370	2.9%	13,855	-915	-6.6%
Electricity sales volume (million kWh)		24,615	24,146	469	1.9%	20,604	4,011	19.5%
Net sales		1,801.0	1,774.0	27.0	1.5%	1,925.2	-124.2	-6.5%
Operating expenses		1,722.0	1,687.0	35.0	2.1%	1,823.8	-101.8	-5.6%
Operating profit		79.0	87.0	-8.0	-9.2%	101.4	-22.4	-22.1%
Segment profit (operating profit + equity income of subsidiaries)		78.8	87.9	-9.1	-10.4%	106.6	-27.8	-26.1%
Ordinary profit(1)		68.0	80.0	-12.0	-15.0%	102.6	-34.6	-33.8%
Extraordinary profit/loss		-1.4	-1.8	0.4	—	-35.1	33.7	—
Profit attributable to owners of parent		49.0	56.0	-7.0	-12.5%	43.2	5.8	13.2%
(Adjustment items)	Temperature effect(2)	-1.1	0.2	-1.3	—	-9.8	8.7	—
	Sliding time lag effect(3) (city gas + LNG sales)	-1.1 (-2.4+1.3)	-0.3 (-1.3+1.0)	-0.8 (-1.1+0.3)	—	1.3 (0+1.3)	-2.4 (-2.4+0)	—
	Amortization of actuarial differences(4)	0.8	0.8	0	—	-7.6	8.4	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		69.4	79.3	-9.9	-12.5%	118.7	-49.3	-41.5%

* The provisional accounting treatment pertaining to business combinations was determined in the 2020 3Q consolidated accounting period, and all figures pertaining to FY 2019 have been retroactively adjusted to match the determined accounting treatment.

Economic framework	Forecast	Previous forecast	FY2019 results
Exchange rate (¥/$)	105.84 (-2.62)	108.46	108.71
Crude oil price ($/bbl)	41.29 (+0.95)	40.34	67.79
Avg. air temp (℃)	16.2 (+0.1)	16.1	16.7

*4Q~$50.00/bbl , ¥105/$

Pension assets		FY2019	FY2018	FY2017
Investment yield (costs deducted)		0.33%	1.65%	1.03%
Discount rate	Annuity portion	0.264%	0.156%	0.293%
	Lump-sum portion	0.012%	0.000%	0.046%
Year-end assets (billion yen)		259.0	267.0	271.0

<Expected annual rate of return: 2%>

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For the FY2020 full year, we are forecasting an increase in sales and a decrease in profits. With regard to the economic framework for January and later, which serves as a basis of our forecast, we have revised the foreign exchange rate assumption from ¥110/$ to ¥105/$ and the crude oil price assumption from $45/barrel to $50/barrel.

We have revised our net sales forecast by ¥27.0 billion from the previous forecast to ¥1,801.0 billion. The main reason is an increase in city gas sales volume for power generation in the gas segment, due to the impact of low temperatures.

We have increased our forecast of operating expenses by ¥35.0 billion to ¥1,722.0 billion. This is mainly attributable to a sharp rise in JEPX prices.

As a result, our forecast of operating profit, ordinary profit and profit attributable to owners of parent have been revised downward by ¥8.0 billion to ¥79.0 billion, by ¥12.0 billion to ¥68.0 billion, and by ¥7.0 billion to ¥49.0 billion, respectively.

The main reason for the downward revisions to profits is the negative impact of the electric power segment due to the sharp rise in JEPX prices.

FY2020 Full Year Forecast Consolidated Gas Sales Volume / Number of Customers (10)

City Gas sales volume:

VS. Previous Forecast

+370mil.m³ (+2.9%)

including temperature effect -26mil.m³, -0.2%

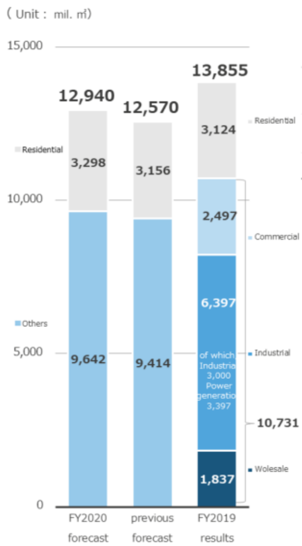
■Residential	+142mil.m³(+4.5%)
■Others	+228mil.m³(+2.4%)

VS. FY2019 Results

-915mil.m³ (-6.6%)

including temperature effect +170mil.m³, +1.2%

■Residential	+174mil.m³(+5.6%)
■Others	-1,089mil.m³(-10.1%)



*Each value is rounded.

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

	Forecast	Previous Forecast	Change	FY2019 Results	Change
Number of customers (meters) (10 thousands, meter) *1	**1,207.5**	1,207.5	0	1,195.4	+12.1 (+1.0%)
LNG sales volume (thousands t)	**1,083**	1,056	+27 (+2.5%)	1,183	-100 (-8.4%)
Average temperature (℃)	**16.2**	16.1	+0.1	16.7	-0.5

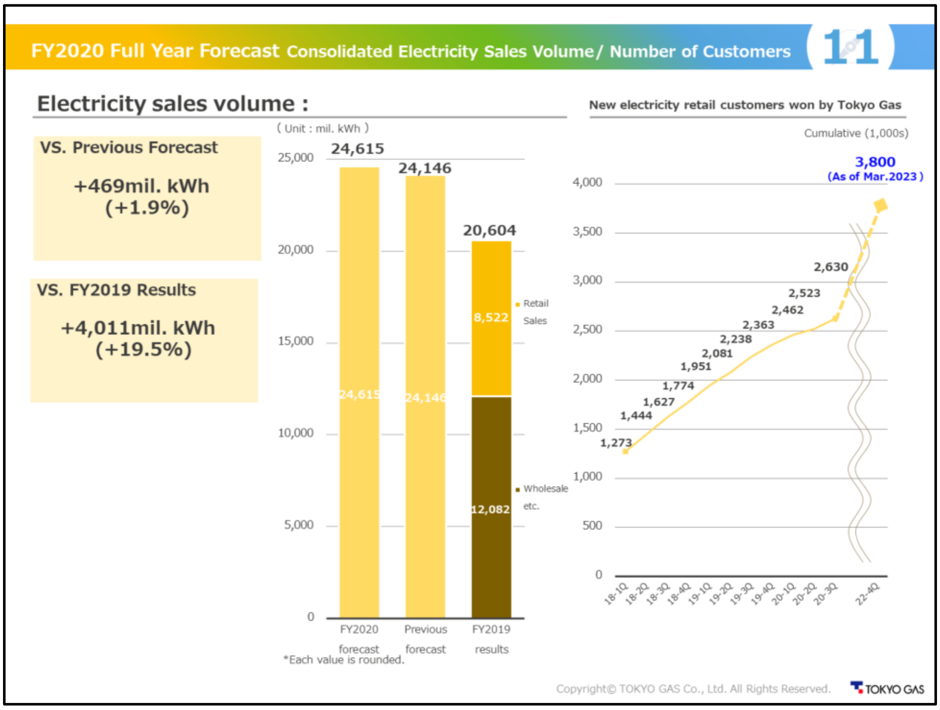
*1. Including inactive meters and meters for gas supply from other retail companies

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

	Forecast	Previous Forecast	Change	FY2019 Results	Change
City gas sales volume (financial accounting basis)	**12,940**	12,570	+370 (+2.9%)	13,855	-915 (-6.6%)
Gas volume used in-house under tolling arrangement	**3,250**	3,155	+95 (+3.0%)	2,333	+917 (+39.3%)
LNG sales volume (m³ basis)	**1,354**	1,321	+33 (+2.5%)	1,479	-125 (-8.4%)
Total	**17,544**	17,046	+498 (+2.9%)	17,666	-122 (-0.7%)

I would like to describe our forecast of city gas sales volume, the basis of our full-year forecasts.

We have made an upward revision to our city gas sales volume forecast by 370 million m³ (+2.9%) from the previous forecast, of which -26 million m³ (-0.4%) is due to a temperature effect. The revision from the previous forecast is a reflection of the business performance up to December and the impact of customers staying at home on residential sales.



Let me now describe the electricity sales volume.

The forecast of electricity sales volume has been revised upward from the previous forecast by 1.9% to 24,615 million kWh, mainly reflecting an expected increase in sales volume in wholesale, etc.

FY2020 Full Year Forecast: Sales and Operating Profit/Loss by Business Segments

vs. Previous Forecast

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(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiary)			
	FY2020 Forecast	Previous Forecast	Change	%	FY2020 Forecast	Previous Forecast	Change	%
Gas	1,152.8	1,132.1	20.7	1.8	100.1	96.2	3.9	4.1
(City gas)	975.3	954.0	21.3	2.2	106.4	96.3	10.1	10.5
(LNG sales)	135.4	134.7	0.7	0.5	-7.0	-0.6	-6.4	—
Electric Power	392.7	388.4	4.3	1.1	3.1	15.6	-12.5	-79.7
Overseas business	48.7	49.6	-0.9	-1.8	3.1	3.5	-0.4	-11.4
(equity income of subsidiaries)	—	—	—	—	-0.8	0.3	-1.1	-366.7
Energy-related	337.2	339.1	-1.9	-0.6	13.9	14.5	-0.6	-4.1
(Engineering Solutions)	142.7	142.3	0.4	0.3	5.4	4.7	0.7	15.1
Real estate (including equity income of subsidiaries)	48.3	48.5	-0.2	-0.4	6.8	5.8	1.0	17.2
Others (including equity income of subsidiaries)	109.1	112.3	-3.2	-2.8	2.8	1.6	1.2	75.0
Adjustment	-287.9	-296.1	8.2	—	-51.1	-49.4	-1.7	—
Consolidated	1,801.0	1,774.0	27.0	1.5	78.8	87.9	-9.1	-10.4
(equity income of subsidiaries)	—	—	—	—	-0.2	0.8	-1.0	-123.0

Notes
- Net sales by business segments include internal transactions.
- "Gas" includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales , trading. "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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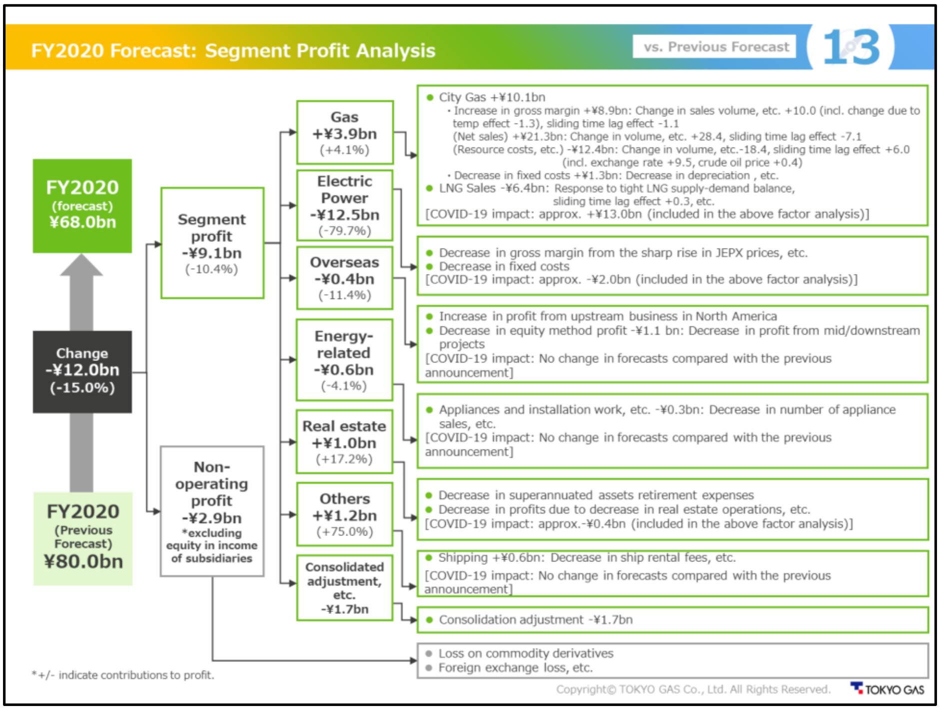
This slide shows our FY2020 net sales and profit forecasts by business segment and changes from the previous forecast.

Our segment profit forecast has been revised downward from the previous forecast by ¥9.1 billion to ¥78.8 billion.



I would like to describe the major changes in our segment profit forecast.

In the gas segment, we raised our forecast by ¥3.9 billion as the increase in profit due to a rise in gross margin following an increase in the city gas sales volume offset the decrease in profit due to the response to tight LNG supply-demand balance.

The ¥12.5 billion downward revision in the electric power segment reflects the drop in gross margin from the sharp rise in JEPX prices, among others.

We have made a downward revision to our segment profit forecast as factors such as the tight LNG supply-demand balance and the surge in JEPX prices have eaten into profits that have been accumulated up to 3Q.

FY2020 Full Year Forecast: Sales and Operating Profit/Loss by Business Segments

vs. FY2019 Results

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(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiary)			
	FY2020 Forecast	FY2019 Results	Change	%	**FY2020 Forecast**	FY2019 Results	Change	%
Gas	**1,152.8**	1,355.4	-202.6	-14.9	**100.1**	102.4	-2.3	-2.3
(City gas)	**975.3**	1,142.8	-167.5	-14.7	**106.4**	97.8	8.6	8.7
(LNG sales)	**135.4**	169.9	-34.5	-20.3	**-7.0**	3.9	-10.9	-276.9
Electric Power	**392.7**	358.6	34.1	9.5	**3.1**	10.0	-6.9	-68.5
Overseas business	**48.7**	43.9	4.8	10.7	**3.1**	13.2	-10.1	-76.6
(equity income of subsidiaries)	—	—	—	—	**-0.8**	4.6	-5.4	-117.2
Energy-related	**337.2**	351.9	-14.7	-4.2	**13.9**	16.9	-3.0	-18.2
(Engineering Solutions)	**142.7**	139.4	3.3	2.4	**5.4**	5.8	-0.4	-7.5
Real estate (including equity income of subsidiaries)	**48.3**	44.5	3.8	8.5	**6.8**	9.6	-2.8	-29.9
Others (including equity income of subsidiaries)	**109.1**	123.2	-14.1	-11.4	**2.8**	5.7	-2.9	-51.4
Adjustment	**-287.9**	-352.4	64.5	—	**-51.1**	-51.5	0.4	—
Consolidated	**1,801.0**	1,925.2	-124.2	-6.5	**78.8**	106.6	-27.8	-26.1
(equity income of subsidiaries)	—	—	—	—	**-0.2**	5.2	-5.4	-103.9

Notes

- Net sales by business segments include internal transactions.
- "Gas" includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales , trading. "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.

* The provisional accounting treatment pertaining to business combinations was determined in the 2020 3Q consolidated accounting period, and all figures pertaining to FY 2019 have been retroactively adjusted to match the determined accounting treatment.

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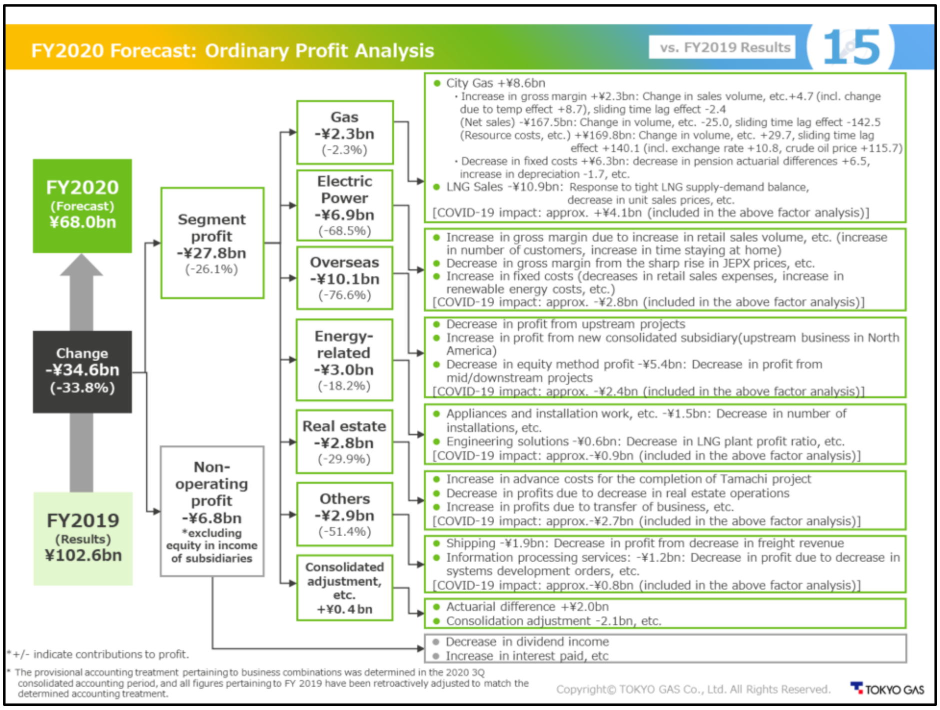
This slide shows net sales forecasts by segment and segment profit forecasts as compared to the results of the previous year.



In the gas segment, our forecast is -¥2.3 billion mainly due to a drop in LNG sales following the response to tight LNG supply-demand balance, despite an expected increase in city gas gross margin due to an increase in residential city gas sales volume as customers stay at home.

Our forecast for the electric power segment is -¥6.9 billion, owing to a drop in gross margin from the sharp rise in JEPX prices, etc., despite an increase in gross margin due to an increase in sales volume following an increase in the number of retail customers.

In the overseas segment, we expect -¥10.1 billion, which reflects a significant impact from the drop in profit from upstream projects on the back of the decline in crude oil prices.

In the energy-related segment, we expect -¥3.0 billion owing in part to a decrease in the number of installations due to COVID-19.

Ordinary profit for the real estate segment is expected to be -¥2.8 billion due to the large impact from advance costs for the completion of Tamachi project.

Our forecast for the "others" segment is -¥2.9 billion due to a decrease in ship rental fees of the shipping business.

Factors for Changes from FY2019

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

Item	Main contents	Forecast as of 1Q Impact*1	Forecast as of 2Q Impact*2	Forecast as of 3Q Impact*3
Sliding time lag effect, etc.	(+) Sliding time lag (+) City gas temperature affect (+) Pension actuarial differences	Approx. +22.0	Approx. +17.0	Approx. +15.0
Cost Structure reform	(+) Rationalization of expenses	Approx. +10.0	Approx. +10.0	Approx. +10.0
One-time expenses	(-) Data migration expenses due to operation of core system (-) Superannuated assets retirement expenses, etc.	Approx. -11.0	Approx. -11.0	Approx. -11.0
Other profit increase and decrease	(+) Increase in electric power retail sales volume (-) Impact from the sharp rise in JEPX prices (-) Decrease in sales volume from decline in gas demand from customers switching to other providers (-) Increase in depreciation (-) Increase in new service area development expenses (DX-related expenses, etc.) (-) Decrease in profits on overseas projects, etc.	Approx. -22.0	Approx. -12.0	Approx. -36.0
Impact of COVID-19*4	(-) LNG supply and demand adjustment expenses (-) Decrease in profits from business segments other than gas (appliances, construction, hotels, etc.) (+) Increase in city gas gross margin(Sales volume: Residential up, Others down) (+) Postponement and restriction of expenses with the impact of COVID-19 (+) Increase in electric power retail sales volume from more time staying at home, etc.	Approx. -30.0	Approx. -22.0	Approx. -6.0

*1. Economic framework from July: crude oil price $45/bbl; exchange rate ¥110/$.
*2. Economic framework from October: crude oil price $45/bbl; exchange rate ¥110/$.
*3. Economic framework from October: crude oil price $50/bbl; exchange rate ¥105/$.
*4. The impact from COVID-19 is estimated under assumptions as of the present time, and may greatly change in the future.

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As reference information, here are our forecasts as of 3Q in terms of the same items as in “Factors for Changes from FY2019” that we presented in 1Q.

Looking at the changes by item, the forecast for “other profit increase and decrease” has been decreased due to the impact of the surge of JEPX prices, while the forecast for “impact of COVID-19” has improved due to an increase in city gas gross margin on the back of a rise in residential city gas sales volume as customers stay at home.

FY2020 Uses of Cash Flow（Capex , Investment and financing）

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(Unit: billion yen)

		Forecast	Main Items	Previous Forecast	Change	%	FY2019 Results	Change	%
Capital Expenditure									
	Gas	156.6	Production facilities ：14.0（vs. Previous-4.5） Hitachi LNG terminal expansion, etc. Distribution facilities：100.3（vs. Previous+2.4） Ibaraki Line installation, New demand development, etc. Service and maintenance facilities：42.2（vs. Previous-22.9） System related, etc.	181.6	-25.0	-13.8	166.3	-9.7	-5.9
	Electric Power	13.0	Domestic renewable power etc.	16.6	-3.6	-21.5	2.3	10.7	459.9
	Overseas	48.8	Upstream(Australia, North America), Global renewable power etc.	60.7	-11.9	-19.5	9.0	39.8	440.9
	Energy-related	17.0	Energy Service(TGES) etc.	22.0	-5.0	-23.0	17.5	-0.5	-3.3
	Real Estate	19.8	Tamachi project etc.	30.0	-10.2	-34.0	33.7	-13.9	-41.3
	Others	4.6		4.9	-0.3	-6.7	2.7	1.9	66.6
	Adjustment	-5.0		-6.1	1.1	—	-4.8	-0.2	—
	Sub Total	255.0		310.0	-55.0	-17.7	227.0	28.0	12.3
Investment and Fainacing(before offset)									
	Gas	0		0	0	—	0	0	—
	Electric Power	58.1	Domestic renewable power, investment in overseas electricity retail company etc.	39.6	18.5	46.4	20.3	37.8	185.9
	Overseas	26.8	Upstream(Australia), Mid/Downstream(Asia), Global renewable power etc.	31.7	-4.9	-15.3	29.3	-2.5	-8.3
	Energy-related	10.6	Engineering business (TGES) etc.	10.6	0	-0.2	9.7	0.9	8.8
	Real Estate	0.3		0.3	0	—	0	0.3	—
	Others *1	0.3		58.3	-58.0	-99.4	0.4	-0.1	-18.2
	Sub Total	96.2		140.7	-44.5	-31.6	59.8	36.4	61.0
Capital Expenditure +Investments and Financing (before offset)		351.2		450.7	-99.5	-22.1	286.8	64.4	22.5
Collections Total		2.7		2.8	-0.1	-3.4	7.2	-4.5	-62.6
Capital Expenditure +Investments and Financing (after offset)		348.5		447.8	-99.3	-22.2	279.5	69.0	24.7

*1 Including a budget with an undetermined investment target

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This slide details the use of cash flow in FY2020.

We expect our use of cash to substantially exceed the previous year's level due to capital expenditure and investments and financing that were decided before 3Q.

On the other hand, the use of cash is expected to drop significantly from the previous forecast as we scrutinized the use of cash in view of the progress of each project.

Key Indicators (Consolidated)

(Unit: billion yen)

	FY2020 Forecast	FY2019 Results	FY2018 Results
Total assets (a)	**2,694.0**	2,539.9	2,428.1
Shareholders' equity (b)	**1,151.0**	1,147.7	1,159.0
Shareholders' equity ratio (b)/(a)	**42.7%**	45.2%	47.7%
Interest-bearing debt (c)	**1,072.0**	905.0	803.2
D/E ratio (c)/(b)	**0.93**	0.79	0.69
Profit attributable to owners of parents (d)	**49.0**	43.2	84.5
Profit per share (EPS, yen per share)	**111.11**	97.86	187.60
Depreciation (e)	**181.0**	169.6	161.8
Operating cash flow (d) + (e)	**230.0**	212.9	246.4
Capital Expenditure	**255.0**	227.0	223.7
Investment and Fainacing (before offset)	**96.2**	59.8	33.6
Total	**351.2**	286.8	257.4
ROA (d)/(a)	**1.9%**	1.7%	3.6%
ROE (d)/(b)	**4.3%**	3.8%	7.4%
WACC	**2.5%**	2.7%	3.0%
Total payout ratio	**—**	61.0%	60.3%

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

* The provisional accounting treatment pertaining to business combinations was determined in the 2020 3Q consolidated accounting period, and all figures pertaining to FY 2019 have been retroactively adjusted to match the determined accounting treatment.

■Items for WACC calculation (FY2020 forecast)
- Cost of interest-beating debt : forecast interest rate (0.66%, after tax)
- Cost rate for shareholders' equity
  - Risk free rate : 10-year JGB yield 0.02%
  - Market Risk premium : 5.5% β: 0.75

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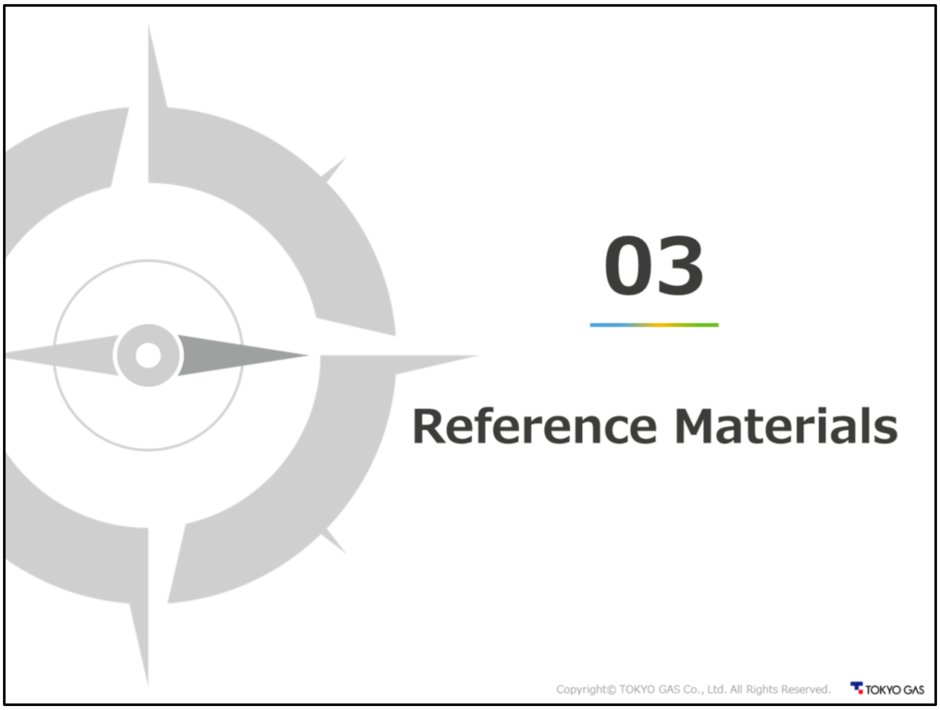
This slide shows key indicators on a consolidated basis.



The following reference materials include a table on the sensitivity to the economic framework assumption, plus the trend of crude oil prices and the exchange rate, a list of major year-to-date press releases, a list of major overseas investment projects, and the number of switches to other electricity and city gas service providers.

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

Impact of rising JCC by $1/bbl

(Unit: billion yen)

		Impact on earnings
		4Q
Period	4Q	-0.1

Impact of depreciation by ¥1/$

(Unit: billion yen)

		Impact on earnings
		4Q
Period	4Q	-0.8

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Crude oil price・Exchange rate

vs. FY2019 Results

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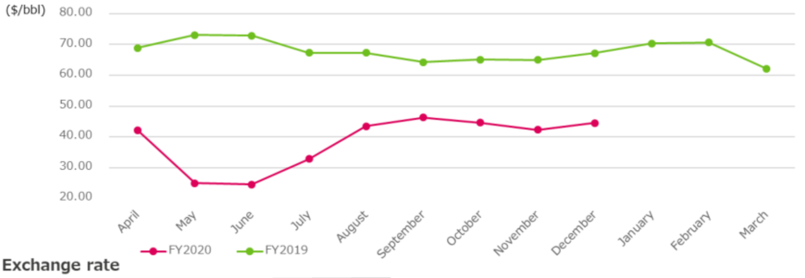
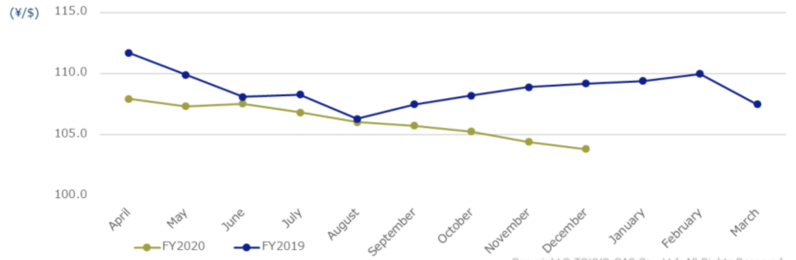
Crude oil price（Japan Crude Cocktail Prices）



Exchange rate



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Key Topics in FY2020 (Excerpted from Press Releases up to 28th Jan.)

Management Strategy (Including ESG)	・Management Reform Initiatives of the Tokyo Gas Group in View of the COVID-19 Pandemic (Nov.30) ・Notice of Transition to a Company with a Nominating Committee, etc. (Nov.30) ・Notice regarding Company Form after Split of Gas Pipeline Business and Company Split Method (Nov.30)
Gas Electric Power (Including ESG)	・Launched free solar power system provision service "Zuttomo Solar × Toyota Home" (Apr.20) ・Tokyo Gas Invests In Principle Power, A Leading Floating Wind Power Technology Company (May.27) ・Tokyo Gas began handling the first effective renewable energy electricity using Feed-in Tariff Scheme for Renewable Energy (FIT) non-fossil fuel energy certificates (Jul.2) ・Tokyo Gas acquisition of wood pellet biomass power generation facilities in Toyama and Chiba Prefecture (Aug.26) ・Establishment of the "TG Global Trading" (Sep.1) ・Progress Report about Electricity Sales for Retail Market(Sep.3) ・Launched "HUS ECO ZERO × Zuttomo Solar" – providing two solar power generation service plans including one with Ene-Farm home fuel cells (Sept.8) ・Began carbon neutral city gas supply service first in the hotel industry (Oct.8) ・Launched the "Hinatao Solar" solar energy service for condominiums and buildings (Oct.14) *1 ・Commencing Acceptance of Applications for New Electricity Rate Plan, "Moraeru Denki," for Which Subscribers Will Receive an AmazonGift Card Every Month—Tokyo Gas' First Sales of Low-pressure Electric Power Outside the Kanto (Oct.15) ・Expansion of surplus solar power buyback service – commencing storage battery purchase support plan and Amazon gift card payment plan (Oct.16) ・Tokyo Gas to Join Joint Venture for Offshore Wind Projects in Japan (Nov.25) ・Joint development of smart meter systems (Dec.2) ・Establishment of a Subsidiary in the United Kingdom and Formation of Strategic Alliance with UK-based Octopus Energy (Dec.23)
Services (Including ESG)	◆ Engineering Solutions ・Establishment of Ekimachi Energy Create (Apr.7) ・Establishment of Ryukyu Energy Service LLC. (May 11)*2 ・Began verification of virtual power plants using Ene-Farm home fuel cells (Jun.1) ・Initiation of energy service to the "Kirameki Terrace" redevelopment project at the site of the former Kagoshima City Transportation Bureau using a smart energy network – Providing area energy that is environmentally friendly and disaster resistant (Jul.1)*2 ・Initiation of energy service to the Miyazaki Medical Association Hospital (Jul.1)*2 ・Tokyo Gas Invests in Heila Technologies (Nov.20) ・Achieved CO_2 emissions reductions and improved resilience from local production/consumption of energy using gas co-generation systems: advancing environmentally friendly manufacturing at the Panasonic Oizumi Base (Dec.11)*2 ・Implemented environmental initiative using renewable energy at Tokyo Tatemono's "T-LOGI" logistics facility – Tokyo Gas and Tokyo Tatemono sign basic agreement (Jan.13) ・Basic agreement concluded on special high-voltage joint power receipt business at Mizunosato Industrial Park, Uonuma City, Niigata Prefecture - initiative to upgrade energy supply infrastructure through public-private collaboration (Jan.14)*2

*1 Press releases issued by HINATAO ENERGY.
*2 Press releases issued by Tokyo Gas Engineering Solutions.

Key Topics in FY2020 (Excerpted from Press Releases up to 28th Jan.)

Services (Including ESG)	◆ Others ・Integration of Tokyo Gas Living Engineering Co., Ltd. and Tokyo Gas Remodeling Co., Ltd. (Apr.6)*3 ・Tokyo Gas venture Sumilena Co., Ltd. initiates "fixed monthly fees appliances rental services" and implements "Rest HOME" campaign in collaboration with 4 companies, mostly startups (Jun. 17)*4 ・Completion of Station Tower N of the "msb Tamachi" large-scale joint development project directly connected to the east exit of JR Tamachi Station (Jul.15)*5 ・LINE Pay and Tokyo Gas sign basic agreement to make payment forms paperless – industry first from gas & electricity charges through to customer payments complete on LINE (Sept.10) ・Expanded "Gas Appliance Special Support" menu – peace of mind with fixed-fee system! Launched plumbing and electric equipment repair service (Oct.1) ・Began large-scale office project at the international business hub for the new era "Toranomon 2 Chome Redevelopment Project Office Building" (Oct.19) *5 ・Tokyo Gas invests in SIRC Co., Ltd. (Jan.15) ・Cumulative sales of ENE-FARM residential fuel cell systems surpass 140,000 units (Jan.19)
Overseas (Including ESG)	・Establishment of a Subsidiary in the United States and the Acquisition of a 500MW Solar Power Project(Jul.29) ・Tokyo Gas Acquires Oil and Gas Assets in Louisiana Through Castleton Resources and Takes Majority Interest in Castleton Resources(Jul.29) ・Signing of a Joint Cooperation Agreement with First Gen to Pursue Construction and Operation of Interim Offshore LNG Terminal in the Philippines(Oct.7) ・Investment in gas distribution company in Indonesia (Nov. 26)
ESG	・Tokyo Gas Group's Interim Initiatives Based on the Emergency Declaration(Apr.7) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak(Apr.24) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak(May.13) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak(Jun.24) ・Conclusion of the "Basic Agreement on Mutual Assistance During Disasters" with Tochigi Prefecture (Jul.3) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak(Jul.20) ・President's Message to Our Stakeholders duringtheCOVID-19Pandemic (Jul.29) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak (Aug.6) ・Tokyo Gas selected in "Digital Transformation Stock Selection 2020" (Aug.25) ・Publication of Tokyo Gas Group Sustainability Report 2020 (Aug.31) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak (Sep.2) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak (Oct.14) ・Five companies agree to joint examinations of "FOURE Concept" for reciprocal and regional revitalization with renewable energy (Oct.19) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak (Nov.18) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2020 COVID-19 outbreak (Dec.21) ・Additional special measures pertaining to gas and electricity bill payments in relation to the 2021 COVID-19 outbreak (Jan.22)
Finance and shareholder returns	・Notice of Posting Extraordinary Loss and Revision to Results Forecast(Apr.23) ・Announcement of issue of the 58th, the 59th, the 60th and the 61th Domestic unsecured notes (May.22) ・Announcement of issue of the 62th, the63th, the 64thand the 65th Domestic unsecured notes (Sep.4) ・First Issuance of Green Bonds by Tokyo Gas (Oct.29) ・Green Bond Issuance (66th Unsecured Bonds) (Dec.4)

*3 Press releases issued by Tokyo Gas Living Engineering and Tokyo Gas Remodeling.
*4 Press releases issued by Sumilena.
*5 Press releases issued by Tokyo Gas Real Estate.

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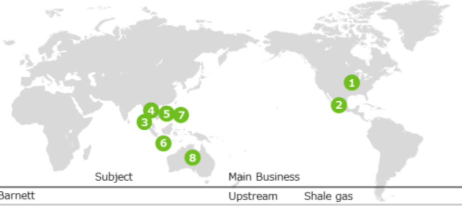
Overseas Projects



Area	No	Country	Subject	Main Business		Participation year
North America	1	U.S.A	Barnett	Upstream	Shale gas	2013
			Eagle Ford	Upstream	Shale gas	2016
			East Texas	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

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Trends in city gas/electricity switching(published data), Number of customers for city gas retail sales(Tokyo gas consolidated)

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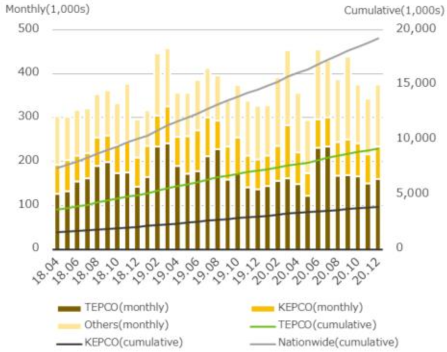
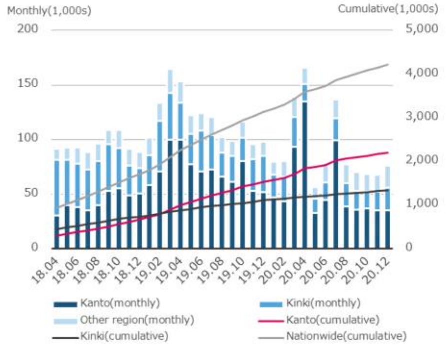
Electricity switchers (based on applications)



* Based on data published by the Organization for Cross-regional Coordination of Transmission Operators.

City gas switchers (based on applications)



* Based on data published by the Agency for Natural Resources and Energy.

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

Full deregulation of the retail market (2017.04)

	2017.3	2017.6	2017.9	2017.12	2018.3	2018.6	2018.9	2018.12	2019.3	2019.6	2019.9	2019.12	2020.03	2020.06	2020.09	2020.12
Number (Change)	1,026.9 (—)	1,031.4 (+4.5)	1,028.9 (-2.5)	1,029.6 (+0.7)	1,020.9 (-8.7)	1,018.9 (-2.0)	1,008.9 (-10.0)	998.2 (-10.7)	982.1 (-16.1)	960.7 (-21.4)	940.5 (-20.2)	925.9 (-14.6)	912.9 (-13.0)	904.4 (-8.5)	897.5 (-6.9)	893.5 (-4.0)

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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.