

# Reference Materials (FY2020)

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## Reference Materials (FY2020)

### 1. <Consolidated>Financial Results

<FY2020 vs. FY2019>

<FY2021 Forecast vs. FY2020 Results>

100 million yen

	<FY2020 vs. FY2019>				<FY2021 Forecast vs. FY2020 Results>				
	FY20	FY19	Change		Reference	FY21 Forecast	Change		Reference
Net sales	17,651	19,252	-1,601	-8.3%	Gas -2,087, Others -128, Energy-related -125, Electric power +373, Real estate +39, Overseas +20, etc.	18,160	509	2.9%	Overseas +269, Real estate +112, Electric power -70, Others -123, Energy-related -97, Gas -27, etc.
Operating profit	776	1,014	-238	-23.4%	Gas -140, Overseas -53, Real estate -26, Others -19, Electric power -14, Energy-related +1, etc.	870	94	12.0%	Electric power +53, Real estate +51, Overseas +38, Gas -90, Others -26, Energy-related -5, etc.
Ordinary profit	705	1,026	-321	-31.3%	Decrease in overseas equity income Decrease in dividend income, etc.	720	15	2.1%	Decrease in overseas equity income, Increase in loss on commissioned construction, Increase in interest expenses, etc.
Profit attributable to owners of parent	495	432	63	14.3%	[FY20] Impairment loss, Loss on valuation of investment securities, Gain on sales of investment securities, Gain on sales of non-current assets, Gain on negative goodwill [FY19] Impairment loss, Loss on valuation of investment securities, Gain on settlement of contracts	520	25	5.0%	[FY20] Gain on sales of investment securities, Gain on sales of non-current assets, Gain on negative goodwill, Impairment loss, Loss on valuation of investment securities, etc. [Forecast] None
Total assets(*1)	27,383	25,399	1,984	7.8%	Non-current assets +2,101 (Intangible assets +1,395, Property, plant and equipment +363, , Investments and other assets +342), Current assets -117 (Raw materials and supplies -182, etc.)	28,650	1,267	4.6%	
Equity(*1)	11,538	11,477	61	0.5%	Net profit +495, Dividend payments -264, Foreign currency translation adjustments -181, etc.	11,760	222	1.9%	
Equity ratio(*1) (%)	42.1%	45.2%	-3.1%	-	Went down because increase in equity (+0.5%) was smaller than that in total assets (+7.8%)	41.0%	-1.1%	-	
Total assets turnover(*2) (times)	0.67	0.78	-0.1	-		0.65	-0.02	-	
ROA(*2) (%)	1.9%	1.7%	0.2%	-	Went up due to increase in profit attributable to owners of parent (+63)	1.9%	0.0%	-	
ROE(*2) (%)	4.3%	3.8%	0.5%	-	Went up due to increase in profit attributable to owners of parent (+63)	4.5%	0.2%	-	
Interest-bearing debt(*1)	10,659	9,050	1,609	17.8%	Tokyo Gas +753, Consolidation of new subsidiaries, etc.	12,420	1,761	16.5%	
D/E ratio	0.92	0.79	0.13	-		1.06	0.13	-	
Profit attributable to owners of parent	495	432	63	14.3%		520	25	5.0%	
Depreciation(*3·4)	1,798	1,698	100	5.8%		1,920	122	6.8%	
Operating cash flow(*5)	2,293	2,131	162	7.6%		2,440	147	6.4%	
Capital expenditure(*3)	2,464	2,270	194	8.5%	Consolidated subsidiaries, etc. +381, Tokyo Gas -188	2,460	-4	-0.2%	
Investments and Financing(after offset)	820	525	295	56.2%		1,154	334	40.6%	
WACC (%)	2.6%	2.7%	-0.1%	-		2.4%	-0.2%	-	
EPS (¥/share)	112.26	97.86	14.40	14.7%	Went up due to increase in profit attributable to owners of parent (+63)	117.91	5.66	4.8%	
BPS(*1) (¥/share)	2,616.37	2,602.53	13.84	0.5%		2,666.68	50.31	1.9%	
Total payout ratio(*6)	60.1%	61.0%	-	-		-	-	-	

(\*1)Figures in B/S items for FY19 are the figures as of the end of FY19 (end of March 2020)

(\*2)The calculation of total assets turnover, ROA, and ROE are based upon average Total assets and Shareholders' equity in each period.

(\*3)Amounts for capital Expenditure and depreciation are after offsetting of internal transactions.

(\*4)Depreciation includes amortization of long-term prepaid expenses.

(\*5)Operating cash flow is calculated using the simplified accounting treatment of "Net profit attributable to the parent + Depreciation and amortization."(simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(\*6)FYn Gross payout ratio = ((FYn total annual dividend) + (FYn +1 stock repurchases)) / (FYn profit attributable to owners of the parent)

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.

2. <Consolidated>Breakdown of Segments(FY2020 vs. FY2019)

100 million yen

Segment	Breakdown	Net sales				Reference	Operating profit				Reference
		FY20	FY19	Change			FY20	FY19	Change		
Gas Segment	Liquefied petroleum gas	232	257	-25	-9.7%	Decrease in sales due to decrease in sales volume and lower unit prices	5	1	4	256.0%	
	Industrial gas	211	227	-16	-7.0%	Decrease in sales due to decrease in sales volume and lower unit prices	8	6	2	18.3%	
Energy-related Segment	Gas appliances	1,215	1,272	-57	-4.5%	Decrease in sales due to decrease in sales volume	83	73	10	13.1%	Increase in profit due to higher profitability in maintenance business
	Gas pipe Installation work	384	433	-49	-11.2%	Decrease in sales due to decrease in number of new projects	2	8	-6	-70.5%	Decrease in profit ratio from decrease in large-scale projects
	Construction etc.	531	622	-91	-14.6%	Decrease in sales due to decrease in number of installations	12	24	-12	-48.9%	Decrease in profit due to decrease in number of installations
	Credit	83	78	5	6.4%		6	7	-1	-13.7%	
Other Segment	IT services	459	553	-94	-17.1%	Decrease in sales due to decrease in orders received for system development	2	14	-12	-83.9%	Decrease in profit due to decrease in sales
	Shipping	301	352	-51	-14.6%	Decrease in sales due to decrease in freight revenue	36	41	-5	-11.9%	Decrease in profit due to decrease in freight revenue

\*"City gas", "LNG sales", "Engineering Solutions" are described in Presentation Material.

3. <Consolidated>Main Consolidated Subsidiaries Results

(1) FY2020 vs. FY2019

100 million yen

Segment	Company name	Net sales				Reference	Operating profit				Reference
		FY20	FY19	Change			FY20	FY19	Change		
Gas etc.	Tokyo Gas Co.,Ltd.	16,129	17,879	-1,750	-9.8%		470	620	-150	-24.1%	
Electric Power seg.	Nijio Co.,Ltd	1,669	1,458	211	14.5%	Increase in sales due to increase in sales volume	25	18	7	40.7%	
Overseas seg.	TG Australia Group(*)	274	390	-116	-29.7%	(TG Pluto) Decrease in sales due to lower unit prices (TG Gorgon) Decrease in sales due to decrease in sales volume	28	116	-88	-75.3%	Decrease in profit due to decrease in sales
Energy-related seg.	Tokyo Gas Engineering Solutions Group(*)	1,413	1,394	19	1.3%		68	60	8	14.2%	
Real Estate seg.	Tokyo Gas Real Estate Co., Ltd.	430	313	117	37.4%	Increase in sales due to increase in rent income as a result of transfer of assets	81	95	-14	-14.2%	Decrease in profit due to increase in depreciation, taxes, etc. as a result of the completion of the Tamachi project
Others	Tokyo LNG Tanker Co., Ltd.	314	369	-55	-14.7%	Decrease in sales due to decrease in freight revenue	37	49	-12	-23.2%	Decrease in profit due to decrease in freight revenue
Other		3,657	3,896	-239	-6.1%	(TGinet) Decrease in sales due to decrease in orders received for system development	35	116	-81	-69.6%	Decrease in profit due to decrease in sales
Consolidated subsidiaries total		7,759	7,822	-63	-0.8%		278	455	-177	-39.0%	
Consolidated total		17,651	19,252	-1,601	-8.3%		776	1,014	-238	-23.4%	

(\*)Consolidated figures are simple sums before elimination of intra-company transactions.

(2) FY2021 Forecast vs. FY2020 Results

100 million yen

Segment	Company name	Net sales				Reference	Operating profit				Reference
		FY21Forecast	FY20	Change			FY21Forecast	FY20	Change		
Gas etc.	Tokyo Gas Co.,Ltd.	16,000	16,129	-129	-0.8%		460	470	-10	-2.2%	
Electric Power seg.	Nijio Co.,Ltd	1,653	1,669	-16	-1.0%	Decrease in sales due to decrease in sales volume	62	25	37	140.9%	Increase in profit due to higher unit sales prices
Overseas seg.	TG Australia Group(*)	312	274	38	13.9%	(TG Gorgon) Increase in sales due to increase in volume (TG Pluto) Increase in sales due to higher unit prices	48	28	20	67.9%	
Energy-related seg.	Tokyo Gas Engineering Solutions Group(*)	1,277	1,413	-136	-9.6%	(TGES) Decrease in large-scale projects	41	68	-27	-39.5%	(TGES) Decrease in profit due to decrease in sales and increase in selling, general and administrative expenses
Real Estate seg.	Tokyo Gas Real Estate Co., Ltd.	531	430	101	23.7%	Increase in sales due to increase in rent income from Tamachi project	124	81	43	52.2%	Increase in profit due to increase in sales from the Tamachi project and decrease in taxes
Others	Tokyo LNG Tanker Co., Ltd.	261	314	-53	-17.0%	Increase in sales due to decrease in operations	7	37	-30	-80.5%	
Other		3,865	3,657	208	5.7%	(TGNR) Increase in sales as a result of inclusion of the company into consolidated subsidiaries (Aug. 2020)	106	35	71	200.9%	(TGNR) Increase in sales as a result of inclusion of the company into consolidated subsidiaries (Aug. 2020)
Consolidated subsidiaries total		7,902	7,759	143	1.8%		390	278	112	40.5%	
Consolidated total		18,160	17,651	509	2.9%		870	776	94	12.0%	

(\*)Consolidated figures are simple sums before elimination of intra-company transactions.

4. <Consolidated>Breakdown of Capital Expenditure/Investments and Financing

〈FY2020 vs. FY2019〉					〈FY2021 Forecast vs. FY2020 Results〉					100 million yen
	FY20	FY19	Change		Reference	FY21Forecast	Change		Reference	
<b>【Capital Expenditure】</b>										
Production facilities	111	101	10	9.3%	Other production facilities, etc.	104	-7	-5.7%	Hitachi LNG receiving terminal-related, etc.	
Distribution facilities	959	1,057	-98	-9.3%	Stable supply-related, etc.	820	-139	-14.4%	Stable supply-related, etc.	
Service and maintenance facilities etc.	383	482	-99	-20.5%	IT, etc.	374	-9	-2.5%	IT, etc.	
Tokyo Gas Total	1,454	1,642	-188	-11.4%		1,300	-154	-10.6%		
Capital expenditure at consolidated subsidiaries	1,043	677	366	54.1%	Overseas, etc.	1,208	165	15.9%	Overseas, etc.	
Adjustment	-33	-48	15	—		-48	-15	—		
Capital Expenditure total	2,464	2,270	194	8.5%		2,460	-4	-0.2%		
<b>【Investments and Financing】</b>										
Investment and financing	853	598	255	42.7%		1,184	331	38.8%		
Collections	32	72	-40	-54.9%		30	-2	-7.4%		
Investments and Financing total(after offset)	820	525	295	56.2%		1,154	334	40.6%		
Capital Expenditure total + Investments and Financing (after offset)	3,285	2,795	490	17.5%		3,614	329	10.0%		

5. <Consolidated>Balance Sheets (as of Mar. 31, 2021 vs. as of Mar. 31, 2020)

							100 million yen
	Mar.31,2021 (%)		Mar.31,2020 (%)		Change		Reference
<b>【Assets】</b>							
Noncurrent assets	21,876	(79.9%)	19,774	(77.9%)	2,102	10.6%	Property, plant and equipment, intangible assets: Capex +2,464, Consolidation of new subsidiaries +1,285, Depreciation -1,798, Foreign exchange -76 Investments and other assets: Investment securities +147, Other investments and other assets +144
Current assets	5,507	(20.1%)	5,624	(22.1%)	-117	-2.1%	Raw materials and supplies -183, Cash and deposits +66
Total Assets	27,383	(100.0%)	25,399	(100.0%)	1,984	7.8%	
<b>【Liabilities】</b>							
Interest-bearing debt	10,659	(38.9%)	9,050	(35.6%)	1,609	17.8%	Bonds payable: Issuance +900, Redemption -200 Long-term loans payable: Consolidation of new subsidiaries +867, New borrowings +332, Payments -344, Foreign exchange -21
Provision for retirement benefits	584	(2.1%)	719	(2.8%)	-135	-18.8%	
Notes and accounts payable-trade	842	(3.1%)	785	(3.1%)	57	7.2%	Accounts payable - trade +59
Other liabilities	3,514	(12.8%)	3,251	(12.8%)	263	8.1%	Other noncurrent liabilities +356, Asset retirement obligations +84, Income taxes payable -180
Total Liabilities	15,600	(57.0%)	13,807	(54.4%)	1,793	13.0%	
<b>【Net Assets】</b>							
Shareholders' equity	11,298	(41.3%)	11,077	(43.6%)	221	2.0%	Profit attributable to owners of parent +495, Dividend payments -264
Accumulated other comprehensive income	239	(0.9%)	399	(1.6%)	-160	-40.1%	Foreign currency translation adjustment -181
Non-controlling interests	244	(0.9%)	113	(0.4%)	131	114.7%	Consolidation of new subsidiaries +143
Total Net Assets	11,782	(43.0%)	11,591	(45.6%)	191	1.7%	Equity ratio 42.1% (Mar. 31, 2021) ←45.2% (Mar. 31, 2020)
Total (Liabilities and Net Assets)	27,383	(100.0%)	25,399	(100.0%)	1,984	7.8%	

6. <Non-consolidated> Financial Results

(FY2020 vs. FY2019)

< FY2021 Forecast vs. FY2020 Results >

100 million yen

	FY20	FY19	Change		Reference	FY21Forecast	Change		Reference
Net sales	16,129	17,879	-1,750	-9.8%		16,000	-129	-0.8%	
Operating profit	470	620	-150	-24.1%		460	-10	-2.2%	
Ordinary profit	467	683	-216	-31.6%		400	-67	-16.8%	
Net profit	425	567	-142	-25.0%		300	-125	-41.7%	
Impact of Sliding Time Lag(*1)									
Revenue from sliding system	-1,588	-162	-1,426	-		-1,249	339	-	
Increase in gas cost	-1,468	-162	-1,306	-		-1,080	388	-	
Change	-120	0	-120	-		-169	-49	-	
Economic Frame									
JCC \$/bbl	43.35	67.76	-24.41	-36.0%		55.00	11.65	26.9%	
EX Rate ¥/\$	106.10	108.71	-2.61	-2.4%		105.00	-1.10	-1.0%	
Gas sales	8,789	10,717	-1,928	-18.0%		8,494	-295	-3.4%	
Transmission service income	416	275	141	51.2%					
Intercompany adjustment income	72	72	0	0.4%		586	98	19.8%	
LNG regasification and calorie	0	0	0	0.0%					
Gas Business Sales	9,278	11,065	-1,787	-16.1%	Volume/composition -502, Sliding time lag effect -1,426, Third-party access revenue +141, etc.	9,080	-198	-2.1%	Volume/composition, etc. -537, Sliding time lag effect +339
Raw materials and supplies	4,522	6,156	-1,634	-26.5%	Volume/composition, etc. -328, Sliding time lag effect -1,306 (Foreign exchange -102, Oil price -1,132, etc.)	4,472	-50	-1.1%	Volume/composition, etc. -438, Sliding time lag effect +388
(Gross profit)	4,756	4,909	(-153)	(-3.1%)	Volume/composition, etc. -174, Sliding time lag effect -120, Third-party access revenue +141, etc.	4,608	(-148)	(- 3.1%)	Volume/composition, etc. -99, Sliding time lag effect -49
Personnel expenses	739	820	-81	-9.8%	Retirement allowance -80 (Actuarial differences -85), etc.	603	-136	-22.6%	Retirement allowance -98 (Actuarial differences -100), etc.
General expenses	2,629	2,651	-22	-0.9%		2,700	71	2.6%	Consignment costs +54, Expendable costs +14, etc.
Depreciation	1,220	1,213	7	0.6%		1,290	70	5.7%	Increase as a result of acquisition of new assets
LNG regasification	-37	-37	0	-		-41	-4	-	
Operating costs	9,074	10,804	-1,730	-16.0%		9,024	-50	-0.6%	
Installation work	3	8	-5	-65.2%		12	9	75.0%	
Others	311	245	66	26.7%	Appliances +10, etc.	305	-6	-2.0%	
Miscellaneous operating profit	314	254	60	23.6%		317	3	0.9%	
Expenses for incidental businesses	-47	105	-152	-	LNG sales -140, Electric power -11, etc.	87	134	154.0%	LNG sales +103, Electric power +32, etc.
Operating profit	470	620	-150	-24.1%		460	-10	-2.2%	
Non operating profit	-3	62	-65	-	Dividends received from affiliates -61, Rent, etc. -42 (Transfer of assets), etc.	-60	-57	-	Dividends received from affiliates -24, etc.
Ordinary profit	467	683	-216	-31.6%		400	-67	-16.8%	
Extraordinary income	47	96	-49	-50.6%	[FY20] Gain on sales of investment securities 47 [FY19] Gain on settlement of contracts 96	0	-47	-	[FY20] Gain on sales of investment securities 47 [Forecast] None
Extraordinary loss	0	20	-20	-100.0%	[FY19] Loss on valuation of investment securities 20	0	0	-	
Taxes	90	192	-102	-53.2%		100	10	9.7%	
Net profit	425	567	-142	-25.0%		300	-125	-41.7%	
Net profit	425	567	-142	-25.0%		300	-125	-41.7%	
Depreciation(*2)	1,285	1,285	0	0.0%		1,350	65	4.8%	
Operating cash flows (Net profit+Depreciation)	1,711	1,852	-141	-7.7%		1,650	-61	-3.7%	

(\*1)Change from standard average resource cost

(\*2)Depreciation includes amortization of long-term prepaid expenses.

Breakdown of General Expenses	FY20	FY19	Change		Reference
Repair costs	295	350	-55	-15.6%	Transfer of assets/operation, etc.
Expendable costs	145	163	-18	-11.0%	
Rent	277	200	77	38.6%	Transfer of assets, etc.
Consignment costs	861	821	40	4.9%	Transfer of operation, Increase in costs for system data transfer, etc.
Taxes	409	441	-32	-7.2%	Decrease in enterprise tax due to decreased net sales, etc.
Marketing costs	106	134	-28	-20.7%	Decrease in advertisement expenses, etc.
Others	536	542	-6	-1.4%	

7. <Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis

(1) Breakdown of Gas Sales

(FY2020 vs. FY2019)

(FY2021 Forecast vs. FY2020 Results)

100 million yen

	FY20	FY19	Change		change factors	(100 million yen)	(million m3)	FY21Forecast	Change	
Residential	4,108	4,425	-317	-7.2%	Volume, etc.	50	80	4,027	-81	-2.0%
					(Temp. effect)	(48)	(41)			
					Sliding	-367				
Others (Commercial・Industrial・Wholesale)	5,170	6,640	-1,470	-22.1%	Volume, etc.	-552	-943	5,053	-117	-2.2%
					(Temp. effect)	(21)	(-80)			
					Sliding	-1,059				
Total	9,278	11,065	-1,787	-16.1%	Volume, etc.	-502	-863	9,080	-198	-2.1%
					(Temp. effect)	(69)	(72)			
					Sliding	-1,426				
					Other	141				

(2) Gas Gross Profit Analysis

100 million yen

	Change(FY20 vs. FY19 )						Change(FY2021 Forecast vs. FY2020 Results)								
	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Other	Total	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Total
Gas Business Sales	-502	Temp. effect	69	-1,426	Sliding	-1,426	141	-1,787	-537	Temp. effect	104	339	Sliding	339	-198
		Other	-571		Other	0				Other	-641		Other	0	
		Raw materials and supplies	-328		Temp. effect	31				-1,306	Sliding		-1,306	0	
Other	-359	(crude oil price)		(-1,132)	(exchange rate)	(-34)	(exchange rate)	(-34)							
Gross profit	-174	Temp. effect		38	-120	Sliding	-120	141	-153		-99	Temp. effect	54		-49
Other		-212	Other	0		Other	-153			Other		0			

8. <Assumptions> Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

(1) Economic Frame<Consolidated/Non-consolidated>

		FY21 Forecast				
		1Q	2Q	3Q	4Q	Full-year
FY21 Forecast	JCC \$/bbl	55.00		55.00		55.00
	EX Rate ¥/\$	105.00		105.00		105.00
		FY20 Results				
		1Q	2Q	3Q	4Q	Full-year
FY20 Results	JCC \$/bbl	36.45		49.80		43.35
	EX Rate ¥/\$	106.93		105.28		106.10

(2) Gross Profit Sensitivity<Non-consolidated>

■ Gross Profit Sensitivity to Changes in Oil Price

100 million yen

	1Q	2Q	3Q	4Q	年度
Net sales	16	11	4	0	31
Gas resource cost	15	14	14	2	45
Gross profit	1	-3	-10	-2	-14

■ Gross Profit Sensitivity to Changes in EX Rate

100 million yen

	1Q	2Q	3Q	4Q	年度
Net sales	8	11	9	2	30
Gas resource cost	7	11	9	8	35
Gross profit	1	0	0	-6	-5

< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies, and other information herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. The Company's actual performance may greatly differ from these projections due to critical factors which include 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.