

Reference Materials (FY2021 3Q)

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Reference Materials (FY2021 3Q)

1. <Consolidated> Financial Results

	<FY2021 3Q vs. FY2020 3Q>				<FY2021 Forecast vs. FY2020 Results>				<FY2021 Forecast vs. Previous Forecast (Oct.)>				100 million yen	
	FY21 3Q	FY20 3Q	Change		Reference	FY21 Forecast	FY20	Change		Reference	Previous	Change		Reference
Net sales	13,875	12,341	1,534	12.4%	Gas +962, Overseas +307, Electric power +263, Real estate +78, Energy-related -86, Others -52, etc.	20,900	17,651	3,249	18.4%	Gas +2,291, Electric power +635, etc.	19,700	1,200	6.1%	Gas +1,018, Electric power +295, etc.
Operating profit	375	662	-287	-43.4%	Gas -480, Electric power -32, Others -11, Energy-related -8, Overseas +152, Real estate +62, etc.	1,050	776	274	35.2%	Overseas +215, Real estate +61, Electric power +34, etc.	1,000	50	5.0%	Gas +91, Overseas +44, Electric power -80, etc.
Ordinary profit	462	609	-147	-24.1%	Gain on foreign exchange +96, etc.	1,030	705	325	46.1%	Increase in overseas equity income, Gain on foreign exchange, etc.	930	100	10.8%	Increase in overseas equity income, Gain on foreign exchange, etc.
Profit attributable to owners of parent	338	424	-86	-20.3%	[FY21] Gain on sales of investment securities [FY20] Impairment loss, Loss on valuation of investment securities, Gain on sales of investment securities, Gain on negative goodwill	760	495	265	53.5%	[Forecast] Gain on sales of investment securities [FY20] Impairment loss, Loss on valuation of investment securities, Gain on sales of investment securities, etc.	670	90	13.4%	[Forecast] Gain on sales of investment securities
Total assets(*1)	31,440	27,383	4,057	14.8%	Non-current assets +763 (Investments and other assets +691, Property, plant and equipment +79), Current assets +3,293 (Other current assets +2,134, Notes and accounts receivable - trade, and contract assets +688, Raw materials and supplies +388, etc.)	29,370	27,383	1,987	7.3%		29,200	170	0.6%	
Equity(*1)	11,558	11,538	20	0.2%		12,100	11,538	562	4.9%		12,090	10	0.1%	
Equity ratio(*1) (%)	36.8%	42.1%	-5.3%	—	Went down because increase in equity (+0.2%) was smaller than that in total assets (14.8%)	41.2%	42.1%	-0.9%	—		41.4%	-0.2%	—	
Total assets turnover(*2) (times)	0.47	0.47	0.00	—		0.74	0.67	0.07	—		0.70	0.04	—	
ROA(*2) (%)	—	—	—	—		2.7%	1.9%	0.8%	—		2.4%	0.3%	—	
ROE(*2) (%)	—	—	—	—		6.4%	4.3%	2.1%	—		5.7%	0.7%	—	
Interest-bearing debt(*1)	13,181	10,659	2,522	23.7%	Tokyo Gas +2,583	12,020	10,659	1,361	12.8%		12,720	-700	-5.5%	
D/E ratio	—	—	—	—		0.99	0.92	0.07	—		1.05	-0.06	—	
Profit attributable to owners of parent	338	424	-86	-20.3%		760	495	265	53.5%		670	90	13.4%	
Depreciation(*3-4)	1,482	1,309	173	13.2%		1,980	1,798	182	10.1%		1,950	30	1.5%	
Operating cash flow(*5)	1,820	1,734	86	5.0%		2,740	2,293	447	19.5%		2,620	120	4.6%	
Capital expenditure(*3)	1,326	1,669	-343	-20.5%	Tokyo Gas -252, Consolidated subsidiaries, etc. -91	2,230	2,464	-234	-9.5%		2,460	-230	-9.3%	
Investments and Financing(after offset)	181	600	-419	-69.8%		491	820	-329	-40.1%		1,148	-657	-57.2%	
WACC (%)	—	—	—	—		2.4%	2.6%	-0.2%	—		2.4%	0.0%	—	
EPS (¥/share)	76.99	96.26	-19.27	-20.0%	Went down due to decrease in profit attributable to owners of parent (-86)	172.86	112.26	60.60	54.0%		152.39	20.47	13.4%	
BPS(*1) (¥/share)	2,629.68	2,595.17	34.51	1.3%		2,751.41	2,616.37	135.04	5.2%		2,749.12	2.29	0.1%	
Total return ratio(*6)	—	—	—	—		approximately 50%	60.1%	—	—		approximately 50%	—	—	

(*1) Figures in B/S items for FY20 are the figures as of the end of FY20 (end of March 2021)

(*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 return 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 FY2020 and the figures for the third quarter of FY2020 reflect the determined contents of the provisional accounting treatment.

2. <Consolidated> Breakdown of Segments (FY2021 3Q vs. FY2020 3Q)

100 million yen

Segment	Breakdown	Net sales				Reference	Operating profit				Reference
		FY21 3Q	FY20 3Q	Change			FY21 3Q	FY20 3Q	Change		
Gas Segment	Liquefied petroleum gas	238	146	92	62.3%	Increase in sales due to increase in sales volume and unit sales prices	5	0	5	—	
	Industrial gas	127	143	-16	-11.1%	Influence of the accounting standard for revenue recognition	6	5	1	20.7%	
Energy-related Segment	Gas appliances	790	864	-74	-8.5%		67	63	4	6.3%	
	Gas pipe Installation work	244	256	-12	-4.7%		-3	-4	1	—	
	Construction etc.	324	386	-62	-16.0%	Decrease in sales due to decrease in number of installations	-3	9	-12	—	Decrease in profit due to decrease in sales
	Credit	62	58	4	6.2%		5	5	0	-1.6%	
Other Segment	IT services	209	321	-112	-34.7%	Decrease in sales due to decrease in orders received for system development	-7	-1	-6	—	
	Shipping	241	210	31	14.7%	Increase in sales due to increase in North American LNG transportation	15	22	-7	-31.5%	Decrease in profit due to increase in costs for shiprenting

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

3. <Consolidated> Main Consolidated Subsidiaries Results (FY2021 3Q vs. FY2020 3Q)

100 million yen

Segment	Company name	Net sales				Reference	Operating profit				Reference
		FY21 3Q	FY20 3Q	Change			FY21 3Q	FY20 3Q	Change		
Gas etc.	Tokyo Gas Co.,Ltd.	12,189	11,306	883	7.8%		-193	446	-639	—	
Electric Power seg.	Nijio Co.,Ltd	1,099	1,219	-120	-9.9%	Decrease in sales due to decrease in sales volume	59	20	39	184.5%	Increase in profit due to increase in unit sales prices
Overseas seg.	TG Australia Group*	353	228	125	54.9%	(TG Gorgon) Increase in sales due to increase in sales volume (TG Pluto) Increase in sales due to increase in unit sales prices	155	37	118	314.5%	(TG Gorgon) Increase in profit due to increase in sales (TG Pluto) Increase in profit due to increase in sales
Energy-related seg.	Tokyo Gas Engineering Solutions Group*	1,011	962	49	5.1%		48	46	2	4.2%	
Real Estate seg.	Tokyo Gas Real Estate Co., Ltd.	395	317	78	24.5%	Increase in sales due to increase in rent income from Tamachi project	133	73	60	83.3%	Increase in profit due to increase in sales from Tamachi project
Others	Tokyo LNG Tanker Co., Ltd.	253	216	37	16.9%	Increase in sales due to increase in North American LNG transportation	20	24	-4	-13.6%	Decrease in profit due to increase in costs for shiprenting
Other		2,761	2,626	135	5.1%	(TGNR) Increase in sales as a result of inclusion of the company into consolidated subsidiaries (FY2020 3Q)	190	-60	250	—	(TGNR) Increase in profit due to increase in sales, etc.
Consolidated subsidiaries total		5,875	5,571	304	5.4%		608	141	467	330.7%	
Consolidated total		13,875	12,341	1,534	12.4%		375	662	-287	-43.4%	

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

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

100 million yen

	<FY2021 3Q vs. FY2020 3Q>				Reference	<FY2021 Forecast vs. FY2020 Results>				Reference	<FY2021 Forecast vs. Previous Forecast (Oct.)>			
	FY21 3Q	FY20 3Q	Change			FY21 Forecast	FY20	Change			Previous	Change	Reference	
[Capital Expenditure]														
Production facilities	46	68	-22	-32.9%	Hitachi LNG receiving terminal-related, etc.	85	111	-26	-22.9%	Hitachi LNG receiving terminal-related, etc.	89	-4	-3.7%	Other production-related, etc.
Distribution facilities	522	630	-108	-17.1%	Stable supply-related, etc.	801	959	-158	-16.5%	Stable supply-related, etc.	804	-3	-0.4%	Stable supply-related, etc.
Service and maintenance facilities etc.	132	254	-122	-47.7%	IT, etc.	312	383	-71	-18.5%	IT, etc.	405	-93	-22.9%	IT, etc.
Tokyo Gas Total	701	953	-252	-26.4%		1,200	1,454	-254	-17.5%		1,300	-100	-7.7%	
Capital expenditure at consolidated subsidiaries	632	742	-110	-14.7%	Real estate, Overseas, etc.	1,068	1,043	25	2.4%	Overseas, etc.	1,202	-134	-11.2%	Overseas, Energy-related, etc.
Adjustment	-8	-26	18	—		-38	-33	-5	—		-42	4	—	
Capital Expenditure total	1,326	1,669	-343	-20.5%		2,230	2,464	-234	-9.5%		2,460	-230	-9.3%	
[Investments and Financing]														
Investment and financing	242	620	-378	-61.0%		554	853	-299	-35.1%		1,184	-630	-53.2%	
Collections	61	20	41	205.0%		62	32	30	93.8%		35	27	77.1%	
Investments and Financing total(after offset)	181	600	-419	-69.8%		491	820	-329	-40.1%		1,148	-657	-57.2%	
Capital Expenditure total+ Investments and Financing (after offset)	1,507	2,270	-763	-33.6%		2,721	3,285	-564	-17.2%		3,608	-887	-24.6%	

5. <Non-consolidated> Financial Results

<FY2021 3Q vs. FY2020 3Q>					<FY2021 Forecast vs. FY2020 Results>					<FY2021 Forecast vs. Previous Forecast (Oct.)>					100 million yen
	FY21 3Q	FY20 3Q	Change	Reference	FY21 Forecast	FY20	Change	Reference	Previous	Change	Reference				
Net sales	12,189	11,306	883	7.8%		18,870	16,129	2,741	17.0%		17,700	1,170	6.6%		
Operating profit	-193	446	-639	—		410	470	-60	-12.9%		420	-10	-2.4%		
Ordinary profit	-223	442	-665	—		350	467	-117	-25.2%		370	-20	-5.4%		
Net profit	-159	382	-541	—		290	425	-135	-31.8%		290	0	—		
Impact of Sliding Time Lag(*1)															
Revenue from sliding system	-293	-933	640	—		312	-1,588	1,900	—		-246	558	—		
Increase in gas cost	-53	-1,048	995	—		309	-1,468	1,777	—		-32	341	—		
Change	-240	115	-355	—		3	-120	123	—		-214	217	—		
Economic Frame															
JCC(Japan Crude Cocktail' \$/bbl	73.95	39.05	34.90	89.4%		74.21	43.35	30.86	71.2%		70.15	4.06	5.8%		
EX Rate ¥/\$	111.14	106.10	5.04	4.8%		112.11	106.10	6.01	5.7%		109.91	2.20	2.0%		
Gas Business Sales	7,041	6,433	608	9.5%	Volume/composition -62, Sliding time lag effect +640, Third-party access revenue +30, etc	11,109	9,278	1,831	19.7%	Volume/composition, etc. -69, Sliding time lag effect +1,900	10,258	851	8.3%	Volume/composition, etc. +293, Sliding time lag effect +588	
Raw materials and supplies	4,090	3,082	1,008	32.7%	Volume/composition, etc. +13, Sliding time lag effect +995 (Foreign exchange +146, Oil price +690, etc.)	6,301	4,522	1,779	39.3%	Volume/composition, etc. +2, Sliding time lag effect +1,777	5,670	631	11.1%	Volume/composition, etc. +290, Sliding time lag effect +341	
(Gross profit)	(2,951)	(3,351)	(-400)	(-11.9%)	Volume/composition, etc. -75, Sliding time lag effect -355, Third-party access revenue +30, etc.	(4,808)	(4,756)	(52)	(1.1%)	Volume/composition, etc. -71, Sliding time lag effect +123	(4,588)	(220)	(4.8%)	Volume/composition, etc. +3, Sliding time lag effect +217	
Personnel expenses	454	540	-86	-15.9%	Retirement allowance -74 (Actuarial differences -74), etc.	613	739	-126	-17.1%	Retirement allowance -98 (Actuarial differences -100), etc.	603	10	1.7%		
General expenses	1,845	1,830	15	0.8%		2,650	2,629	21	0.8%		2,700	-50	-1.9%		
Repair costs	196	201	-5	-2.5%		302	295	7	2.1%		302	0	—		
Others	1,649	1,629	20	1.2%	Consignment costs +53 (Transfer of operation +29, System maintenance expenses +26, etc.), Fixed assets retirement cost -22, etc.	2,348	2,334	14	0.6%		2,398	-50	-2.1%	Decrease in consignment costs, etc.	
Depreciation	1,013	887	126	14.2%		1,370	1,220	150	12.3%	Increase as a result of acquisition of new assets	1,320	50	3.8%		
LNG regasification	-26	-27	1	—		-37	-37	0	—		-41	4	—		
Operating costs	7,378	6,314	1,064	16.9%		10,897	9,074	1,823	20.1%		10,252	645	6.3%		
Installation work	-3	-4	1	—		1	3	-2	-67.0%		5	-4	-80.0%		
Others	231	233	-2	-1.2%		292	311	-19	-6.2%		310	-18	-5.8%		
Miscellaneous operating profit	228	229	-1	-0.6%		293	314	-21	-6.8%		315	-22	-7.0%		
Expenses for incidental businesses	-85	98	-183	—	LNG sales -122, Electric power -63, etc.	-95	-47	-48	—	LNG sales -67, Electric power +21, etc.	99	-194	—	LNG sales -129, Electric power -64, etc.	
Operating profit	-193	446	-639	—		410	470	-60	-12.9%		420	-10	-2.4%		
Non operating profit	-29	-4	-25	—	Foreign exchange loss -73, Dividends received from affiliates -13, Gain on sales of raw materials +78, etc.	-60	-3	-57	—	Foreign exchange loss -70, etc.	-50	-10	—		
Ordinary profit	-223	442	-665	—		350	467	-117	-25.2%		370	-20	-5.4%		
Extraordinary income	21	47	-26	-55.2%	[FY2021] Gain on sales of investment securities 21 [FY2020] Gain on sales of investment securities 47	21	47	-26	-56.1%	Gain on sales of investment securities -26	0	21	—	Gain on sales of investment securities +21	
Extraordinary loss	0	0	0	—		0	0	0	—		0	0	—		
Taxes	-43	106	-149	—		81	90	-9	-10.3%		90	-9	-10.0%		
Net profit	-159	382	-541	—		290	425	-135	-31.8%		290	0	—		
Net profit	-159	382	-541	—		290	425	-135	-31.8%		290	0	—		
Depreciation(*2)	1,058	936	122	13.0%		1,430	1,285	145	11.3%		1,380	50	3.6%		
Operating cash flows (Net profit + Depreciation)	899	1,319	-420	-31.9%		1,720	1,711	9	0.6%		1,670	50	3.0%		

(*1)Change from standard average resource cost

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

6. <Non-consolidated> Breakdown of Gas Sales/Analysis of Gross Profit

(1) Breakdown of Gas Sales

100 million yen

	<FY2021 3Q vs. FY2020 3Q>				<FY2021 Forecast vs. FY2020 Results>				<FY2021 Forecast vs. Previous Forecast (Oct.)>					
	FY21 3Q	FY20 3Q	Change		FY21 Forecast	FY20	Change		Previous	Change				
Residential	2,596	2,732	-136	-5.0%	Volume, etc.	-176	-134	4,324	4,108	216	5.3%	4,209	115	2.7%
					(Temp. effect)	(-54)	(-49)							
					Sliding	40								
Others (Commercial·Industrial·Wholesale), Third-party access revenue, etc.	4,445	3,701	744	20.1%	Volume, etc.	114	243	6,785	5,170	1,615	31.2%	6,049	736	12.2%
					(Temp. effect)	(-24)	(-37)							
					Sliding	600								
					Other	31								
Total	7,041	6,433	608	9.5%	Volume, etc.	-62	109	11,109	9,278	1,831	19.7%	10,258	851	8.3%
					(Temp. effect)	(-78)	(-86)							
					Sliding	640								
					Other	31								

(2) Gas Gross Profit Analysis

100 million yen

	Change <FY21 3Q vs. FY20 3Q>						Change <FY2021 Forecast vs. FY2020 Results>						Change <FY2021 Forecast vs. Previous Forecast (Oct.) >						
	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Volume, etc.	(Breakdown)		Unit price	(Breakdown)		
Gas Business Sales	-62	Temp. effect	-78	640	Sliding	640	-69	Temp. effect	6	1,900	Sliding	1,900	293	Temp. effect	-36	558	Sliding	558	851
		Other	16		Other	0		Other	-75		Other	0		Other	329		Other	0	
Raw materials and supplies	13	Temp. effect	-40	995	Sliding	995	2	Temp. effect	2	1,777	Sliding	1,777	290	Temp. effect	-17	341	Sliding	341	631
		Other	53		(crude oil price)	690		Other	0		(crude oil price)	1,388		Other	307		(crude oil price)	187	
					(exchange rate)	146					(exchange rate)	287					(exchange rate)	107	
Gross profit	-75	Temp. effect	-38	-355	Sliding	-355	-71	Temp. effect	4	123	Sliding	123	3	Temp. effect	-19	217	Sliding	217	220
		Other	-37		Other	0		Other	-75		Other	0		Other	22		Other	0	

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

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

		FY21 Results			FY21 Forecast	
		1Q	2Q	3Q	4Q	Full-year
FY21 Forecast	JCC \$/bbl	73.95			75.00	74.21
	EX Rate ¥/\$	111.14			115.00	112.11
		FY21 Results			FY21 Forecast	
		1Q	2Q	3Q	4Q	Full-year
FY21 Previous Forecast As of Oct.	JCC \$/bbl	70.29			70.00	70.15
	EX Rate ¥/\$	109.81			110.00	109.91
		FY21 Results			FY21 Forecast	
		1Q	2Q	3Q	4Q	Full-year
FY21 Previous Forecast As of Jul.	JCC \$/bbl	66.91			65.00	65.48
	EX Rate ¥/\$	109.52			110.00	109.88

(2) Gross Profit Sensitivity<Non-consolidated>

■ Gross Profit Sensitivity to Changes in Oil Price 100 million yen

	4Q	Full-year
Net sales	0	0
Gas resource cost	0	0
Gross profit	0	0

■ Gross Profit Sensitivity to Changes in EX Rate 100 million yen

	4Q	Full-year
Net sales	3	3
Gas resource cost	13	13
Gross profit	-10	-10

< 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.