TSE:9531

FY2021 Financial Results
ended March, 2022

April 27, 2022

TOKYO GAS

01

FY2021
Consolidated Financial Results
ended March, 2022

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TOKYO GAS

FY2021 Consolidated Results (Apr. 1, 2021 – Mar. 31, 2022)

vs. FY2020

3

Highlights: Sales Up, Profit Up

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

Net sales	+380.0	Increase in city gas unit price due to resource costs adjustment, etc.
Operating expenses	-340.0	Impact from the increase in crude oil prices, etc.
Operating profit	+40.1	Increase in profit from consolidation of upstream business company in North America (FY2020 3Q), etc.
Extraordinary profit/loss	+4.4	FY2021 +0.1: (Extraordinary gain) Gain on sale of investment securities 4.1, gain on sale of non-current assets 2.2 (Extraordinary loss) Impairment loss -3.7, loss on valuation of investment securities -2.4 FY2020 -4.3 : (Extraordinary loss) Impairment loss -10.2, loss on valuation of investment securities -4.4 (Extraordinary gain) Gain on sale of investment securities 5.2, gain on sale of non-current assets 3.1, gain on negative goodwill 2.0

(Unit: billion yen)

		FY2021	FY2020	Change	%
City gas sales volume (million m3, 45MJ)		13,131	12,990	141	1.1
Electricity sales volume (million kWh)		28,288	24,761	3,527	14.2
(Breakdown)	Retail (million kWh, receiving end)	11,305	10,482	823	7.9
	Wholesale, etc. (million kWh)	16,983	14,279	2,704	18.9
Net sales		2,145.1	1,765.1	380.0	21.5
Operating expenses		2,027.4	1,687.4	340.0	20.1
Operating profit		117.7	77.6	40.1	51.6
Segment profit (operating profit + equity income of subsidiaries)		121.5	79.1	42.4	53.5
Ordinary profit(1)		126.7	70.5	56.2	79.8
Extraordinary profit/loss		0.1	-4.3	4.4	—
Profit attributable to owners of parent		88.7	49.5	39.2	79.3
(Adjustment items)	Temperature effect(2)	-3.6	-5.4	1.8	—
	Sliding time lag effect(3) (city gas + LNG sales)	-0.6 (1.1+-1.7)	-12.1 (-12.0+-0.1)	11.5 (13.1+-1.6)	—
	Amortization of actuarial differences(4)	10.9	0.8	10.1	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		120.0	87.2	32.8	37.6

Economic framework	FY2021	FY2020
Exchange rate (¥/$)	112.39 (+6.29)	106.10
Crude oil price ($/bbl)	77.15 (+33.79)	43.36
Avg. air temp (℃)	16.3 (-0.2)	16.5

Pension assets	FY2021 (as of Mar. 31, 2022)
Investment yield (costs deducted)	0.37%
Year-end assets (billion yen)	256

<Expected annual rate of return: 2%>

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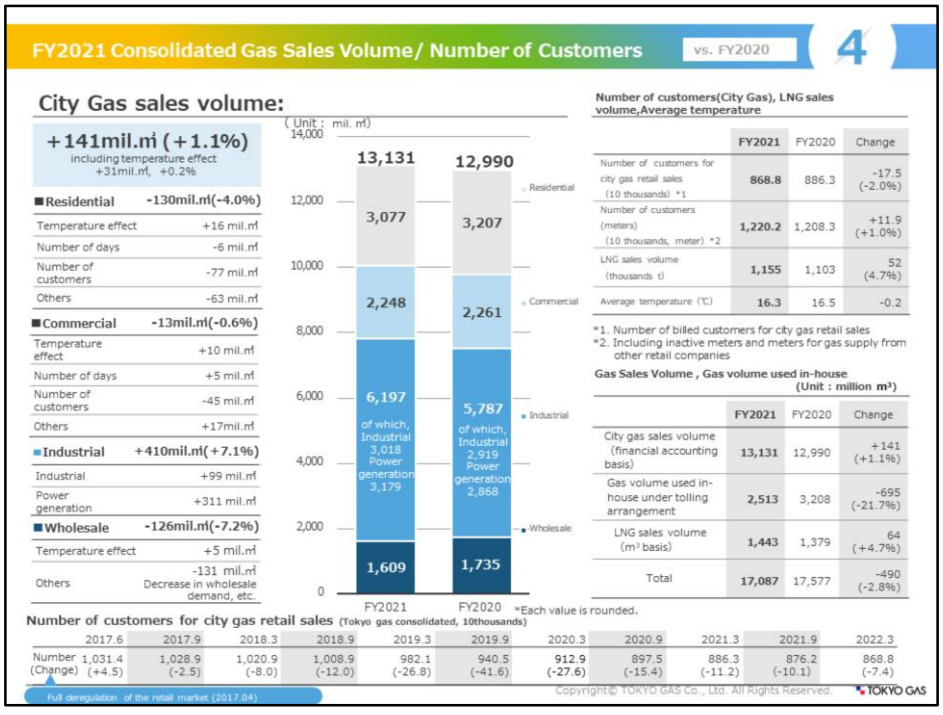
Both sales and profit increased in FY2021, based on profit attributable to owners of parent.

Net sales increased by 21.5%, or ¥380.0 billion, to ¥2,145.1 billion. This was mainly attributable to a rise in the city gas unit price due to resource cost adjustments in the gas segment.

Operating expenses rose by 20.1%, or ¥340.0 billion, to ¥2,027.4 billion. This mainly reflected an increase in resource costs due to a rise in crude oil prices in the gas segment.

As a result, operating profit increased by 51.6%, or ¥40.1 billion, to ¥117.7 billion and ordinary profit rose by 79.8%, or ¥56.2 billion, to ¥126.7 billion.

Profit attributable to owners of parent grew by 79.3%, or ¥39.2 billion, to ¥88.7 billion.



FY2021 Consolidated Gas Sales Volume / Number of Customers

vs. FY2020

4

City Gas sales volume:

+141mil.m³ (+1.1%)
including temperature effect +31mil.m³, +0.2%

■Residential	**-130mil.m³(-4.0%)**
Temperature effect	+16 mil.m³
Number of days	-6 mil.m³
Number of customers	-77 mil.m³
Others	-63 mil.m³
■Commercial	**-13mil.m³(-0.6%)**
Temperature effect	+10 mil.m³
Number of days	+5 mil.m³
Number of customers	-45 mil.m³
Others	+17mil.m³
■Industrial	**+410mil.m³(+7.1%)**
Industrial	+99 mil.m³
Power generation	+311 mil.m³
■Wholesale	**-126mil.m³(-7.2%)**
Temperature effect	+5 mil.m³
Others	-131 mil.m³ Decrease in wholesale demand, etc.

*Each value is rounded.

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

	FY2021	FY2020	Change
Number of customers for city gas retail sales (10 thousands) *1	**868.8**	886.3	-17.5 (-2.0%)
Number of customers (meters) (10 thousands, meter) *2	**1,220.2**	1,208.3	+11.9 (+1.0%)
LNG sales volume (thousands t)	**1,155**	1,103	52 (4.7%)
Average temperature (℃)	**16.3**	16.5	-0.2

*1. Number of billed customers for city gas retail sales
*2. Including inactive meters and meters for gas supply from other retail companies

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

	FY2021	FY2020	Change
City gas sales volume (financial accounting basis)	**13,131**	12,990	+141 (+1.1%)
Gas volume used in-house under tolling arrangement	**2,513**	3,208	-695 (-21.7%)
LNG sales volume (m³ basis)	**1,443**	1,379	64 (+4.7%)
Total	**17,087**	17,577	-490 (-2.8%)

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

	2017.6	2017.9	2018.3	2018.9	2019.3	2019.9	2020.3	2020.9	2021.3	2021.9	2022.3
Number	1,031.4	1,028.9	1,020.9	1,008.9	982.1	940.5	**912.9**	897.5	886.3	876.2	868.8
(Change)	(+4.5)	(-2.5)	(-8.0)	(-12.0)	(-26.8)	(-41.6)	**(-27.6)**	(-15.4)	(-11.2)	(-10.1)	(-7.4)

Full deregulation of the retail market (2017.04)

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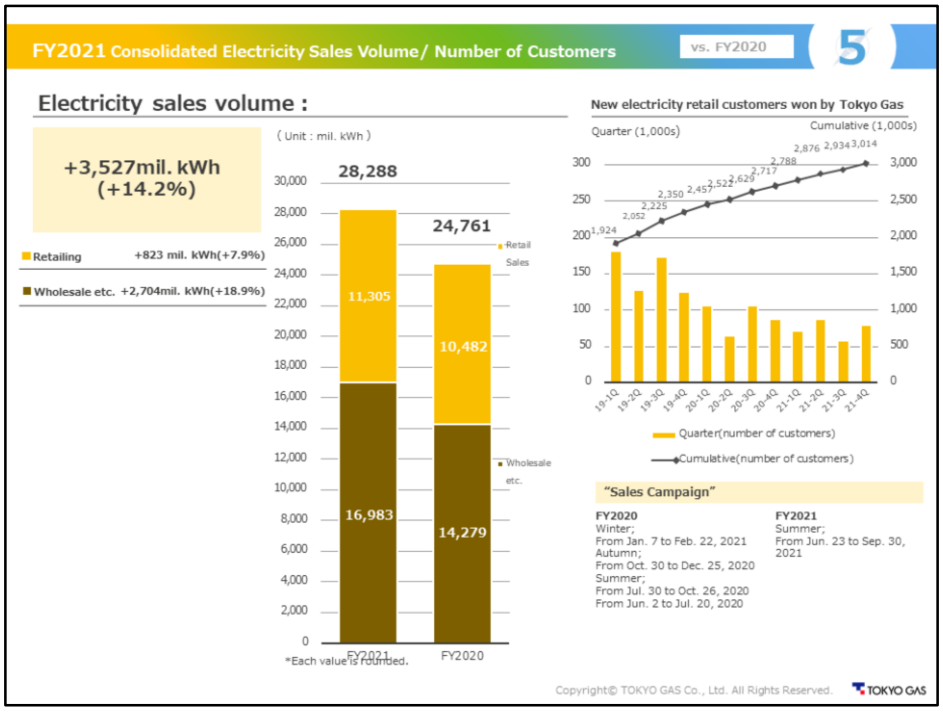
The city gas sales volume in FY2021 increased by 1.1%, or 141 million m^3, to 13,131 million m^3. Although the sales volume to residential customers decreased by 4.0% primarily due to a drop in the number of customers, the sales volume to industrial customers increased by 7.1% mainly due to an increase in sales to power generation customers.



Total electricity sales volume increased by 14.2% to 28,288 million kWh.

Retail electricity sales rose by 7.9% mainly due to an increase in the number of customers, while wholesale and other electricity sales volume grew by 18.9%.

FY2021 Results : Sales and Operating Profit/Loss by Business Segments

vs. FY2020

6

(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiary)			
	FY2021 Results	FY2020 Results	Change	%	FY2021 Results	FY2020 Results	Change	%
Gas	1,444.0	1,146.7	297.3	25.9	102.6	88.4	14.2	16.0
(City gas)	1,171.8	967.7	204.1	21.1	100.3	95.6	4.7	4.8
(LNG sales)	177.5	139.4	38.1	27.3	-15.9	-7.4	-8.5	—
Electric Power	467.8	395.9	71.9	18.2	11.1	8.6	2.5	27.8
Overseas business	85.9	45.9	40.0	87.1	28.2	3.8	24.4	625.2
(equity income of subsidiaries)	—	—	—	—	2.7	0.4	2.3	457.4
Energy-related	331.3	339.4	-8.1	-2.4	12.8	17.0	-4.2	-24.8
(Engineering Solutions)	149.7	139.7	10.0	7.2	4.6	6.6	-2.0	-30.7
Real estate (including equity income of subsidiaries)	57.9	48.4	9.5	19.7	13.4	7.5	5.9	78.5
Others (including equity income of subsidiaries)	107.5	110.4	-2.9	-2.6	2.0	3.8	-1.8	-46.8
Adjustment	-349.3	-321.8	-27.5	—	-48.8	-50.2	1.4	—
Consolidated	2,145.1	1,765.1	380.0	21.5	121.5	79.1	42.4	53.5
(equity income of subsidiaries)	—	—	—	—	3.7	1.4	2.3	151.4

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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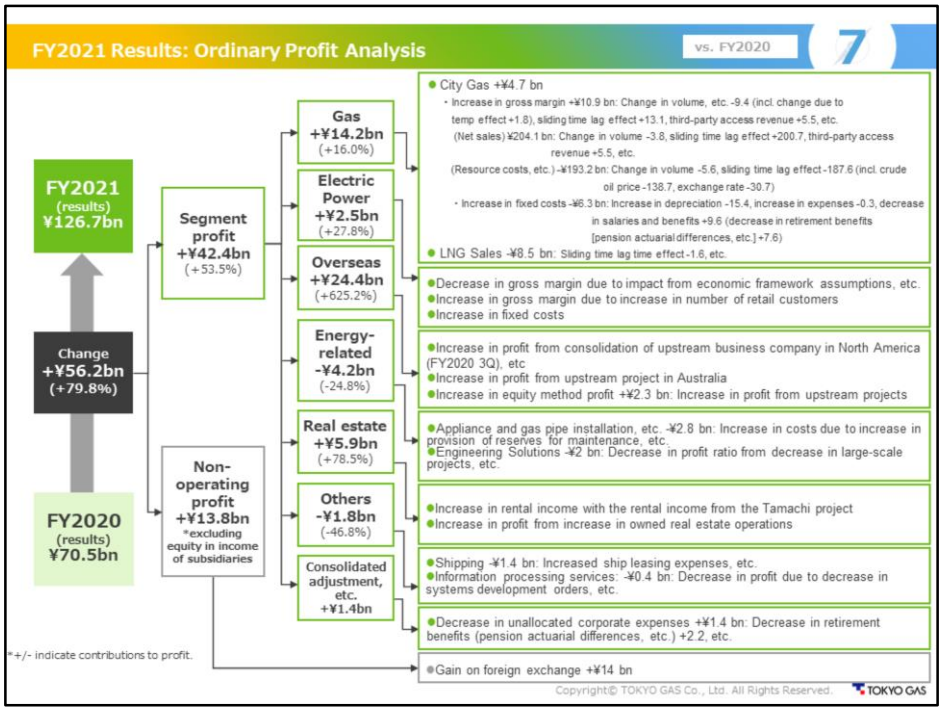
Slide 6 shows net sales by segment profit, which is operating profit plus equity income/loss of subsidiaries, and changes thereof. Slide 7 shows the profit analysis of each segment.



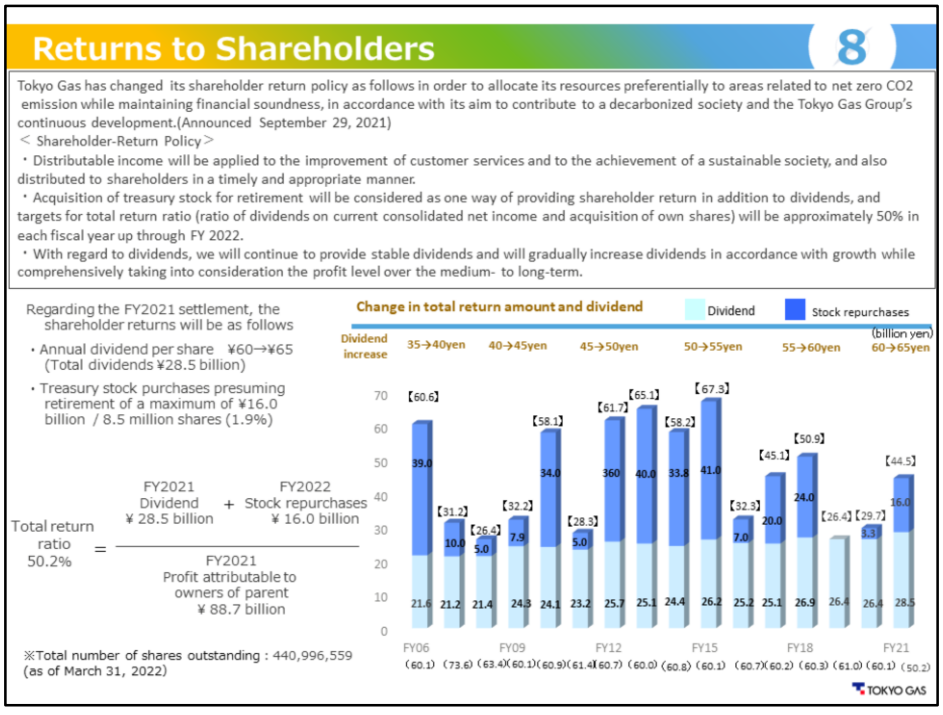
In the gas segment, ordinary profit increased by ¥14.2 billion, mainly reflecting a rise in gross margin due to a reduction in the sliding time lag effect caused by crude oil price fluctuation.

In the electric power segment, profit grew by ¥2.5 billion, despite a rise in costs following the sharp rise in JEPX prices, mainly due to an increase in the wholesale sales volume and a rise in gross margin from the increase in retail customers.

In the overseas segment, profit rose by ¥24.4 billion, mainly owing to the new consolidation of a subsidiary engaged in upstream business in North America, profit contribution by the U.S. shale business due to the rise in gas prices, and profit growth in the upstream project in Australia owing to higher oil prices.

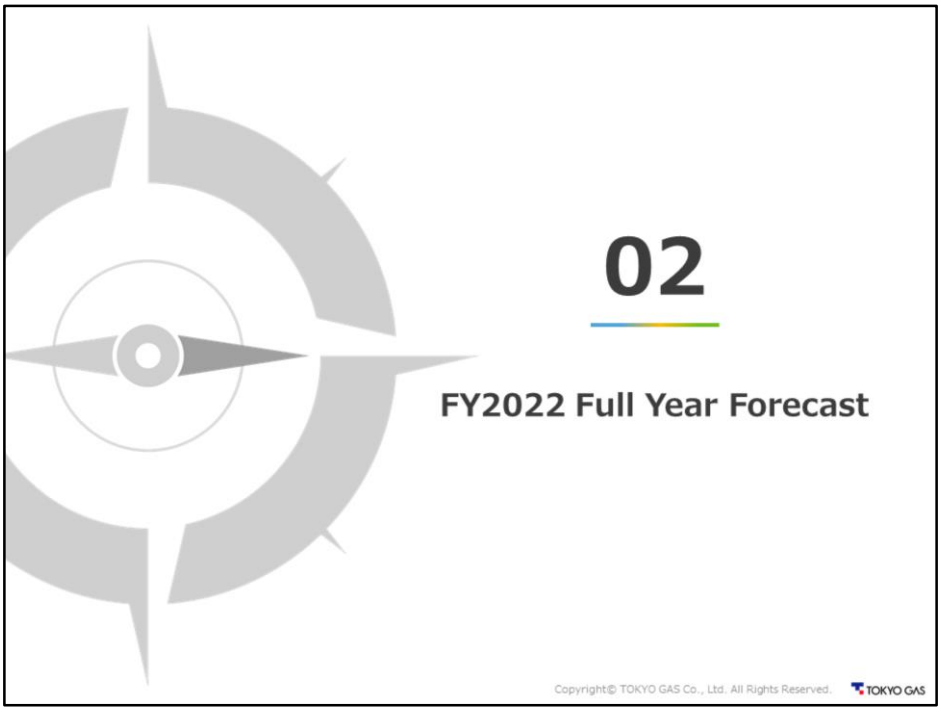
In the energy-related segment, profit dropped by ¥4.2 billion, mainly as a result of a cost increase due to the provision of reserve for maintenance.

In the real estate segment, profit grew by ¥5.9 billion mainly due to an increase in rent income following the launch of the office lease business in Tamachi.



With regard to shareholder return, we plan to pay an annual dividend of ¥65 per share as well as purchase treasury stock of up to ¥16 billion and 8.5 million shares during FY2022 in accordance with our shareholder return policy that was revised in September 2021.

We are making efforts to pay dividends to shareholders earlier by changing the decision-making body regarding dividends, etc. from the general meeting of shareholders to the board of directors last year.



I would like to explain our FY2022 full-year forecast as compared to the results of the previous year.

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

vs. FY2021 **10**

Highlights: Sales UP, Profit UP

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

	vs. FY2021	
Net sales	+384.9	Increase in city gas unit price due to resource costs adjustment, increase in electricity sales volume, etc.
Operating expenses	-362.6	Impact from the increase in crude oil prices, increase in electricity sales volume, etc.
Operating profit	+22.3	Increase in city gas gross margin due to change in city gas unit price from impact of economic framework assumptions, increase in electricity sales gross margin due to impact from economic framework assumptions, etc.
Extraordinary profit/loss	-0.1	Forecast 0 FY2021+ 0.1: (Extraordinary gain) Gain on sale of investment securities 4.1, gain on sale of non-current assets 2.2 (Extraordinary loss) Impairment loss -3.7, loss on valuation of investment securities -2.4

(Unit: billion yen)

		Forecast	FY2021 Result	Change	%
City gas sales volume (million m3, 45MJ)		**12,398**	13,131	-733	-5.6
Electricity sales volume (million kWh)		**34,801**	28,288	6,513	23.0
Net sales		**2,530.0**	2,145.1	384.9	17.9
Operating expenses		**2,390.0**	2,027.4	362.6	17.9
Operating profit		**140.0**	117.7	22.3	18.9
Segment profit (operating profit + equity income of subsidiaries)		**143.5**	121.5	22.0	18.1
Ordinary profit[1]		**127.0**	126.7	0.3	0.2
Extraordinary profit/loss		**0**	0.1	-0.1	—
Profit attributable to owners of parent		**92.0**	88.7	3.3	3.7
(Adjustment items)	Temperature effect[2]	0	-2.3	2.3	—
	Sliding time lag effect[3] (city gas + LNG sales)	27.9 (22.4+5.5)	-0.6 (1.1+-1.7)	28.5 (21.3+7.2)	—
	Amortization of actuarial differences[4]	-4.3	10.9	-15.2	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		103.4	118.7	-15.3	-12.9

Economic framework	Forecast	FY2021 Results
Exchange rate (¥/$)	**120.00** (+7.61)	112.39
Crude oil price ($/bbl)	**85.00** (+7.85)	77.15
Avg. air temp (℃)	**16.2** (-0.1)	16.3

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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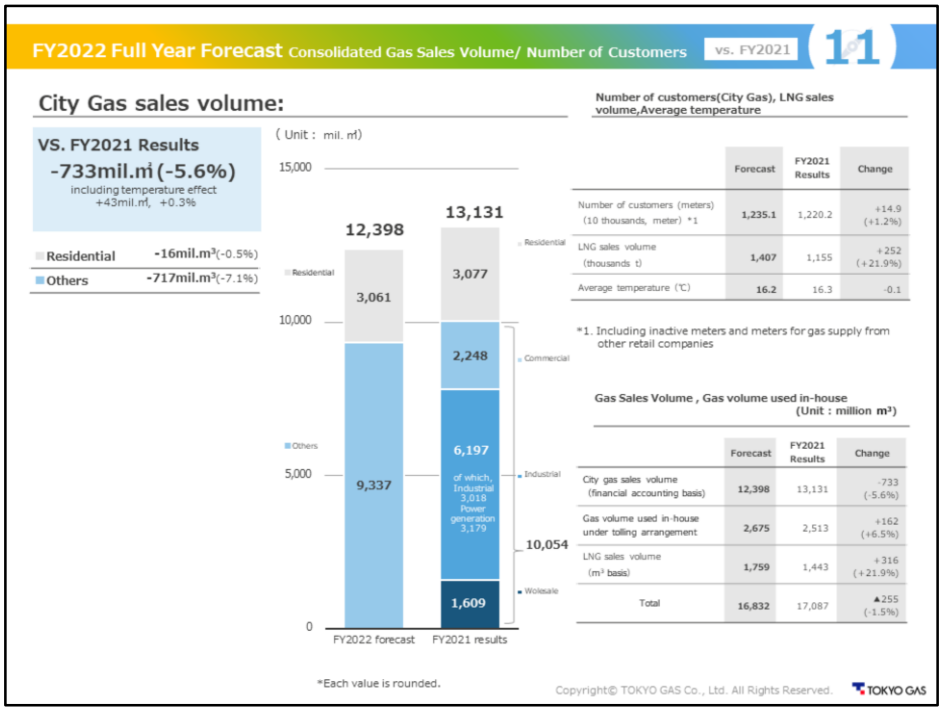
For FY2022, we are forecasting an increase in both sales and profit based on profit attributable to owners of parent. The economic framework, which serves as a basis of our forecast, is a foreign exchange rate of ¥120/$ and crude oil price of $85/barrel.

For net sales, we are forecasting an increase by 17.9%, or ¥384.9 billion, to ¥2,530.0 billion, mainly due to a rise in city gas unit price and an increase in electricity sales volume.

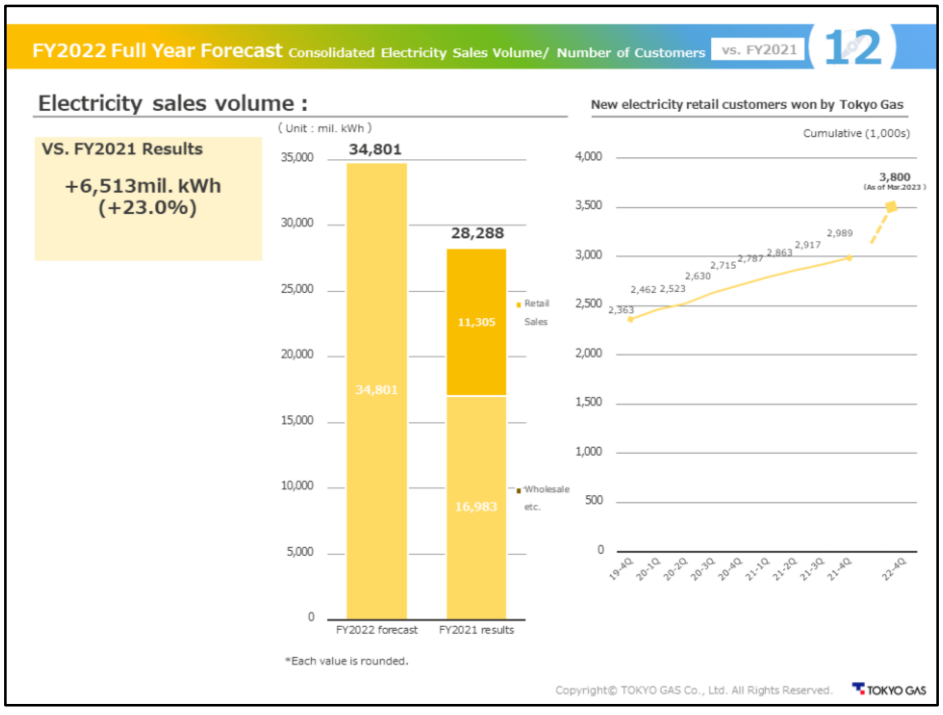
For operating expenses, we expect a rise of ¥362.6 billion to ¥2,390.0 billion, mainly attributable to a rise in resource costs due to higher crude oil prices and an increase in electricity sales volume. As a result, we expect operating profit to grow by 18.9%, or ¥22.3 billion, to ¥140.0 billion, ordinary profit to increase by 0.2%, or ¥0.3 billion, to ¥127.0 billion, and profit attributable to owners of parent to rise by 3.7%, or ¥3.3 billion, to ¥92.0 billion.

The adjusted ordinary profit, which is derived by adjusting the ¥27.9 billion sliding time lag effect following changes in resources prices and the -¥4.3 billion amortization of actuarial differences, is forecast at ¥103.4 billion.



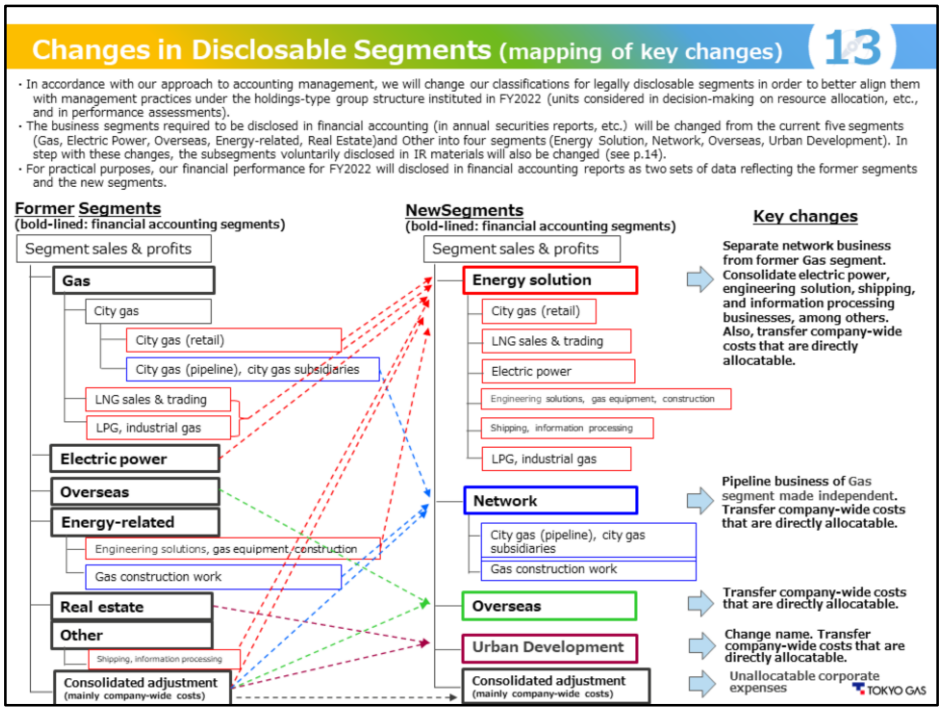
I would like to describe our forecast of the city gas sales volume.

For the city gas sales volume in FY2022, we expect a decrease of ¥733 million m^3 in total to 12,398 million m^3 due mainly to a decrease in sales volume to a large industrial customer.



This slide shows our forecast of electricity sales volume.

We expect electricity sales volume to increase by 23.0% to 34,801 million kWh due to a rise in the number of retail customers and an increase in wholesale sales volume.



Before moving on to the segment forecast, I would like to explain about the changes to our reporting segment classification, which are applied from this results announcement.

Please turn to slide 13. Following our transition to a holdings company group structure, we have decided to change our reporting segment classification for securities reports, etc., to one that more suits the reality of our business.

As shown in the illustration, we are changing our reporting segments from the current five segments of “gas,” “electric power,” “overseas,” “energy-related,” “real estate,” and other, to the four segments of “energy solution,” “network,” “overseas,” and “urban development” However, of the energy solution segment, we have decided to disclose “gas excluding network” and “electric power” as a subsegment on a voluntary basis, in view of their importance and scale.

In a later slide of this presentation material, we present a comparison of net sales and segment profit under the old segment classification so as to show the performance changes between FY2022 and FY2021, which are before and after the segment change.

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

vs. FY2021

14

(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiary)			
	FY2022 Forecast	FY2021 Results	Change	%	FY2022 Forecast	FY2021 Results	Change	%
Energy solution	**2,296.1**	—	—	—	**108.6**	—	—	—
City gas (excluding Network)*1	**1,273.3**	—	—	—	**71.2**	—	—	—
Electric Power	**643.5**	467.5	176.0	37.6	**25.3**	10.8	14.5	132.8
Network	**378.3**	—	—	—	**10.0**	—	—	—
Estimated value: Sum of Energy Solution and Network segment profits. *2					**118.6**	128.6	-10.0	-7.8
Overseas business	**111.1**	85.9	25.2	29.3	**37.4**	28.2	9.2	32.4
(equity income of subsidiaries)	—	—	—	—	**2.7**	2.7	-0	-0.8
Urban Development (including equity income of subsidiaries)	**61.2**	57.9	3.3	5.6	**13.5**	13.4	0.1	0.2
Adjustment*3	**-316.7**	—	—	—	**-26.0**	-48.8	22.8	—
Consolidated	**2,530.0**	2,145.1	384.9	17.9	**143.5**	121.5	22.0	18.1
(equity income of subsidiaries)	—	—	—	—	**3.5**	3.7	-0.2	-4.4

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

*2: Since financial performance figures for the preceding fiscal year cannot be separately calculated for the Energy Solution segment and the Network segment, we have listed for reference purposes an estimated total for the two segments combined.

*3: In the "Adjustment" to each segment's profit in the FY2022 forecast, certain formerly unallocated corporate expenses are directly allocated to the corresponding segment. These are not allocated in the FY2021 results.

Notes

- Segment sales include internal transactions made between business units.
- Energy Solution includes businesses such as City Gas, LPG, Industrial Gas, LNG Sales/Trading, Electric Power, Engineering Solutions, Gas Equipment, Construction, Credit, Information Processing, and Shipping.
- Adjustments in segment profits include mainly company-wide costs not allocated to the segments.

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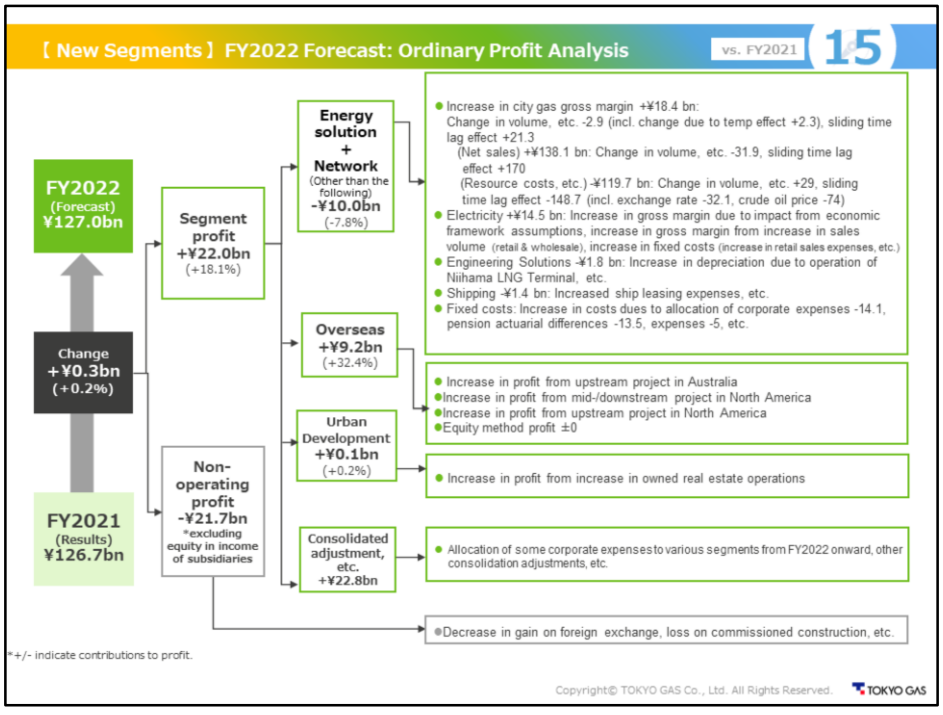
This slide shows our FY2022 net sales and segment profit forecasts and year-on-year comparisons of the new segments.

For the energy solution and network segments, we are presenting a year-on-year comparison based on the sum figures of the two segments, since it is practically impossible to calculate last year's performance under these two new segments.

I will explain the major profit changes of each segment in the next slide.



The ¥10.0 billion drop in profit for the energy solution segment and the network segment combined is mainly due to the allocation of companywide expenses to each segment following the segment change, although there was an increase in gross profit in city gas owing to a sliding time lag effect and a growth in gross profit in electricity due to the impact from the economic framework assumptions and a rise in sales volume.

The ¥9.2 billion rise in profit of the overseas segment is mainly attributable to an increase in profit of an upstream project in Australia owing mainly to higher crude oil prices.

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

vs. FY2021

16

(unit : billion yen)

	Net sales				Segment Profit(Operating profit + Equity income/loss of subsidiary)			
	FY2022 Forecast	FY2021 Results	Change	%	FY2022 Forecast	FY2021 Results	Change	%
Gas	1,627.8	1,444.0	183.8	12.7	93.4	102.6	-9.2	-9.0
Electric Power	643.5	467.8	175.7	37.6	25.3	11.1	14.2	127.9
Overseas business	111.1	85.9	25.2	29.3	39.3	28.2	11.1	39.4
(equity income of subsidiaries)	—	—	—	—	2.7	2.7	-0	-0.8
Energy-related	341.1	331.3	9.8	3.0	14.6	12.8	1.8	14.1
Real estate (including equity income of subsidiaries)	58.8	57.9	0.9	1.6	13.5	13.4	0.1	0.7
Others (including equity income of subsidiaries)	98.3	107.5	-9.2	-8.6	0.5	2.0	-1.5	-75.0
Adjustment	-350.6	-349.3	-1.3	—	-43.1	-48.8	5.7	—
Consolidated	2,530.0	2,145.1	384.9	17.9	143.5	121.5	22.0	18.1
(equity income of subsidiaries)	—	—	—	—	3.5	3.7	-0.2	-4.4

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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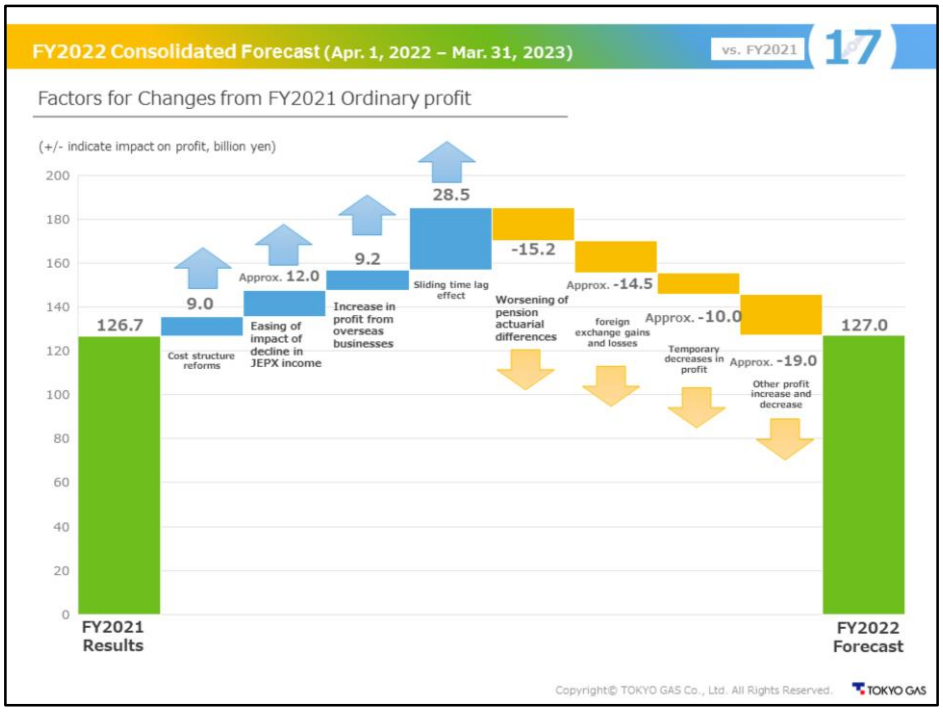
Slide 16 shows year-on-year comparisons of FY2022 net sales and segment profit under the old segment classification, as mentioned earlier.



Slide 17 illustrates the profit impact of each key factor for change from the previous fiscal year.

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

18

(Unit: billion yen)

		Forecast	Main Items	FY2021 Results	Change	%
Capital Expenditure						
Energy solution		**106.6**		67.9	38.7	56.9
	City gas (excluding Network)*1	**52.8**	Production facilities : 14.0 (+6.9) Other Production facilities, etc. Service and maintenance facilities : 38.8 (+19.3) System related, etc.	26.6	26.2	98.2
	Electric Power	**21.5**	Domestic renewable power etc.	9.0	12.5	138.4
Network		**89.7**	Distribution facilities : New demand development & **stable supply-related**, etc.	84.4	5.3	6.3
Overseas		**55.4**	Upstream(Australia, North America), Global renewable power etc.	51.9	3.5	6.7
Urban Development		**19.9**	Real estate leasing business, building renovations, etc.	10.2	9.7	93.7
Adjustment		**-4.7**		-7.4	2.7	—
Sub Total		**267.0**		207.2	59.8	28.8
Investment and Fainacing(before offset						
Energy solution		**82.8**	Engineering business (TGES) etc.	17.3	65.5	378.6
	City gas (excluding Network)*1	**0**		0	0	—
	Electric Power	**12.4**	Domestic renewable power etc.	14.1	-1.7	-12.0
Network		**0**		0	0	—
Overseas		**17.9**	Upstream(Australia), Mid/Downstream(Asia),Global renewable power etc.	6.0	11.9	198.3
Urban Development		**0**		3.9	-3.9	-100.0
Sub Total		**100.7**		27.3	73.4	268.8
Capital Expenditure +Investments and Financing (before offset)		**367.7**		234.6	133.1	56.8
Collections Total		**8.9**		9.1	-0.2	-2.7
Capital Expenditure +Investments and Financing (after offset)		**358.8**		225.4	133.4	59.2

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

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Slide 18 details the use of cash flow in FY2022.

Key Indicators (Consolidated)

19

(Unit: billion yen)

	FY2022 Forecast	FY2021 Results	FY2020 Results
Total assets (a)	3,086.0	3,216.9	2,738.3
Shareholders' equity (b)	1,267.0	1,227.1	1,153.8
Shareholders' equity ratio (b)/(a)	41.1%	38.1%	42.1%
Interest-bearing debt (c)	1329.0	1,220.5	1,065.9
D/E ratio (c)/(b)	1.05	0.99	0.92
Profit attributable to owners of parents (d)	92.0	88.7	49.5
Profit per share (EPS, yen per share)	209.30	201.84	112.26
Depreciation (e)	202.0	200.9	179.8
Operating cash flow (d) + (e)	294.0	289.6	229.3
Capital Expenditure	267.0	207.2	246.4
Investment and Fainacing (before offset)	100.7	27.3	85.3
Total	367.7	234.6	331.7
ROA (d)/(a)	3.1%	3.0%	1.9%
ROE (d)/(b)	7.4%	7.5%	4.3%
WACC	2.2%	2.3%	2.6%
Total return ratio	Approx. 50%	50.2%	60.1%

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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Slide 19 shows key indicators on a consolidated basis, while slide 20 shows the progress against key figures of the medium-term plan.

Medium-term Management Plan（Announced: March 25, 2020）Key figures

(unit : billion yen)

		FY2020 Results	**FY2021 Results**	FY2022 Target
KGI	Operating profits +equity method income (¥ billion)	79.1	**121.5**	140.0
Financial indicators	ROE (%)	4.3%	**7.5%**	Approx. 8.0%
	ROA (%)	1.9%	**3.0%**	Approx. 4.0%
	D/E Ratio(times)	0.92	**0.99**	Approx. 0.9
KPI	No. of customer accounts(million) *1	12.31	**12.48**	14.80
	Natural gas transaction volume(million tons) *2	18.20	**19.18**	17.00
	Segment profit from Overseas Business (¥ billion)	3.8	**28.2**	16.0
	Contribution to CO2emission reductions (million tons) *3	6.68	**5.39**	6.5
	Renewable energy transaction volume (million kW) *4	1.383	**1.498**	2.00
	Cost structure reform (¥ billion) *5	-12.0	**-21.0**	-30.0

		FY2020 Results	**FY2021 Results**	FY2022 Target
Capital Expenditure・Investments and Financing	Overseas business *6	63.0	**57.9**	200.0
	Breakdown) renewable energy	20.2	**38.7**	110.0
	Solutions, etc. *7	43.0	**29.9**	200.0
	Energy*8	167.0	**124.1**	380.0
	Breakdown) renewable energy	50.9	**15.0**	30.0
	Common	58.3	**22.3**	220.0
Total		331.7	**234.6**	1,000.0

*1 as of the end of FY
*2 LNG equivalent (including overseas business)
*3 as compared to FY 2013 levels
*4 as of the end of FY
*5 compared to FY2019
*6 All overseas business
*7 Energy-related, real estate, other
*8 Gas and electricity business in Japan

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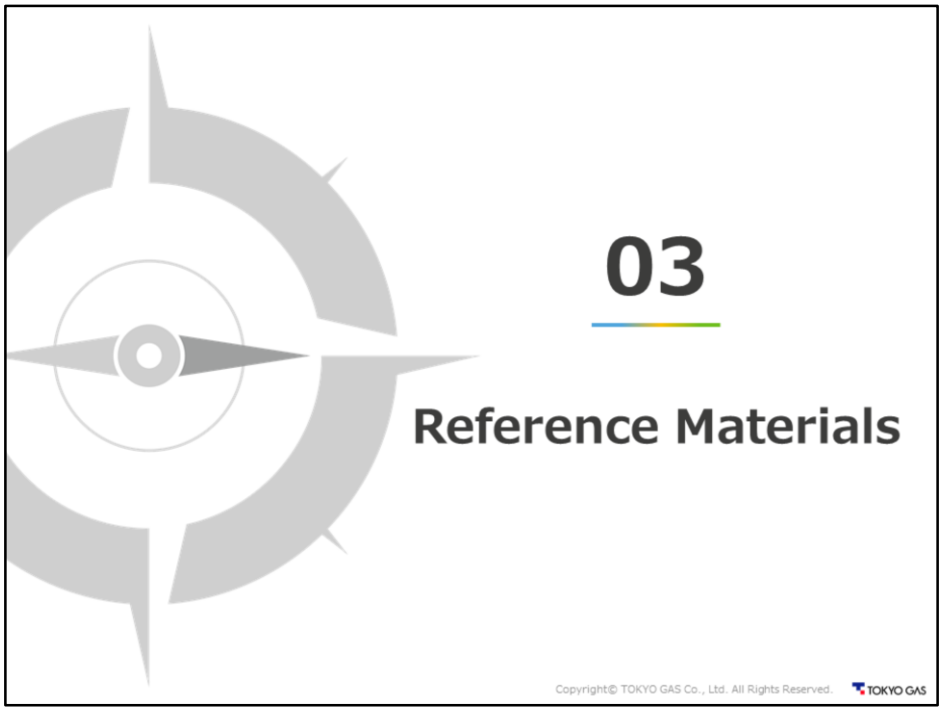

The following reference materials include a table on the sensitivity to the economic framework assumption, the trend of crude oil prices and exchange rates, a list of major press releases in FY2021, and a list of major overseas investment projects, etc.

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

22

Impact of rising JCC by $1/bbl

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.1	-0.5	+0.5	+0.3	**+0.2**
	2Q	—	-0.1	-0.6	+0.9	**+0.2**
	3Q	—	—	-0.1	-0.9	**-1.0**
	4Q	—	—	—	-0.2	**-0.2**
	Full year	**-0.1**	**-0.6**	**-0.2**	**+0.1**	**-0.8**

Impact of depreciation by ¥1/$

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.7	+0.6	+0.1	+0.1	**+0.1**
	2Q	—	-0.7	+0.5	+0.1	**-0.1**
	3Q	—	—	-0.7	+0.8	**+0.1**
	4Q	—	—	—	-0.9	**-0.9**
	Full year	**-0.7**	**-0.1**	**-0.1**	**+0.1**	**-0.8**

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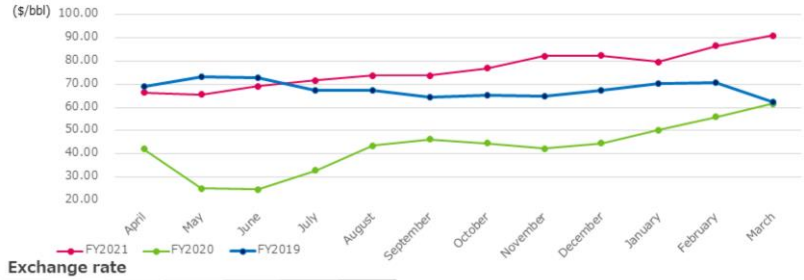
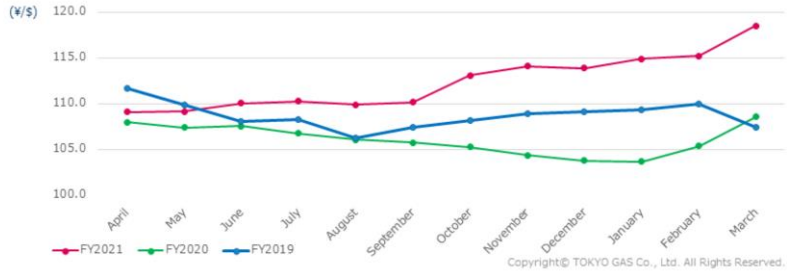
Crude oil price · Exchange rate

23

Crude oil price (Japan Crude Cocktail Prices)



Exchange rate



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Key Topics in FY2021 (Excerpted from Press Releases)

Management Strategy (Including ESG)	・Notice regarding Partial Changes to Articles of Incorporation (Apr. 28) ・Notice regarding Spin-off (Absorption-type Company Split) (Apr. 28) ・Notice regarding Spin-off (Simplified Absorption-type Company Split (May 19) ・Notice on the Introduction of a Share-based Compensation Plan (Jun. 29) ・Notice regarding determination of matters concerning share acquisitions under the share-based compensation plan (Jul. 28) ・Notice regarding disposition of treasury shares by allocation to third parties with the introduction of the share-based compensation plan (Jul. 28) ・Compass Action -A detailed roadmap for achieving Compass 2030- (Nov. 26) ・Notice regarding Succession of Toyosu Pier District Smart Energy Network Business to a Wholly Owned Subsidiary by Means of a Spin-off (Simplified Absorption-type Company Split (Jan. 27) ・Notice regarding Absorption-type Merger of two Subsidiaries to Tokyo Gas Network Co., Ltd. (Jan. 28) ・FY2022 Tokyo Gas Group Management Plan (Mar. 23)
Gas Electric Power (Including ESG)	・Acceleration of the Development of Kashima Port Offshore Wind Project (Apr. 5) ・Tokyo Gas to participate in joint industry-academia research with Kyushu University toward the early implementation of Japanese offshore wind power generation (Apr. 19) ・Tokyo Gas and Nippon Telegraph And Telephone East Corporation (NTT EAST) begin joint acceptance of applications for on-site examinations for objects buried under roads and road construction observation (Apr. 26) ・Establishment of new low-voltage electricity rate plan "basic plan" (May 13) ・Tokyo Gas launches substantially 100% renewable energy electricity rate plan "*Sasutena Denki*" (Jun. 3) ・Receipt of Third-party Validation Report for Japan's First Carbon Neutral City Gas Plan (Jun. 15) ・Implementation of sustainable urban development at KAWASAKI DELTA city block (Jun. 25) ・Launch of Commercial Solar Power Operations Begins in Iwakuni, Yamaguchi Prefecture (Jul. 1) ・Tokyo Gas to supply carbon-neutral city gas to the Tokyo 2020 Summer Olympics athletes' village (Jul. 13) ・Establishment of Utsunomiya Light & Power Co., Inc. (Jul. 13) ・Tokyo Gas launches verification of residential demand-response (Jul. 20) ・Launch of de-facto renewable energy electricity for the common areas of newly constructed condominium buildings (Sept. 13) ・Acceleration of industry-academia joint research toward early realization of Japanese offshore wind power electricity generation (Sept. 30) ・Transfer and acquisition of shares of Tokyo Gas Yokosuka Power Company, Ltd. (Sept. 30) ・Introduction of Japan's largest-scale carbon-neutral city gas (Oct. 18) ・Notice regarding joint implementation of the Sakaide biomass power generation project (Oct. 22) ・Contributions to reduction of residential CO2 emissions through net-zero CO2 emissions energy (Nov. 9) ・Launch of electricity rate plan "Sasutena Denki Business" for corporate and individual commercial customers (Jan. 19) ・Introduction of net-zero CO2 emissions electricity at all 22 apartment buildings of La Tierra series (Jan. 19) ・Selection of Tokyo Gas project for NEDO Green Innovation Fund support as a project aimed at reducing the cost of offshore wind power generation (Jan. 24) ・Collaboration between Juntendo and Tokyo Gas to achieve advances toward carbon neutrality (Jan. 27) ・Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Miyoshi Town (Jan. 31) ・Supply of carbon-neutral LNG to Saibu Gas (Feb. 3) ・Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Tokorozawa City (Feb. 8) ・Launch of supply from Niihama LNG Terminal (Mar. 2) *1 ・Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Hidaka City (Mar. 25) ・Fujifilm, Tokyo Gas, and Minamiashigara City sign Comprehensive Partnership Agreement towards a Decarbonized Future (Mar. 29) ・Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Sayama City (Mar. 30) ・Signing of Comprehensive Agreement for Carbon-neutral Urban Development in Moriya City (Mar. 30) ・Participation in biomass single-fuel combustion thermal power plant project in Sendai City, Miyagi Prefecture (Mar. 31)

*1 Press releases issued by Tokyo Gas Engineering Solutions.

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Key Topics in FY2021 (Excerpted from Press Releases)

Services (Including ESG)	◆ Engineering Solutions ・Establishment of Tokyo Gas Nomura Real Estate Energy Co., Ltd. (Apr. 5) ・Tokyo Gas receives consignment contract for owner-support and operations management works at biomass single-fuel combustion thermal power plant in Sendai City, Miyagi Prefecture (Apr. 7) *1 ・Implementation of verification project for upgrading solar power generation asset management operations (Apr. 26) *1 ・Commencement of verification of virtual power plant using ENE-Farm residential fuel cells and residential storage batteries group control (Jun. 8) ・Launch of operations of 3,800kW solar power generation plant for in-house consumption at the Honda Kumamoto factory (Oct. 4) *1 ・Establishment of the Joint Venture with the PTT Group Company (Oct. 5) *1 ・Entry into business partnership agreement for VPP business (Nov. 19) ・Notice regarding launch of energy services business at Miyazaki Prefectural Miyazaki Hospital (Jan. 11) *1 ・Joint development of EP420G, full-time gas cogeneration system that achieves world-class power generation efficiency (Jan. 31) ・Launch of self-wheeling at Tokyo Tatemono logistics facility utilizing the solar power generation service Solar Advance (Feb. 4) *1 ◆ Others ・Tokyo Gas launches rental management support service "Mamo ROOM" (Apr. 8) ・Tokyo Gas launches house cleaning service (May 11) ・Tokyo Gas launches electricity outage countermeasures with solar power and storage batteries "*Anshin W Denchi*" (May 27) ・Launch of electric car charging service EVrest (Nov. 8) ・Number of ENE-FARM residential fuel cell units sold to date reaches 150,000 (Jan. 6) ・Launch of sales of Joy series of software (Jan. 7) ・Full-scale entry in plumbing repair business! Launch of high-quality, affordable "Tokyo Gas Repair Service" (Feb. 1) *1 Press releases issued by Tokyo Gas Engineering Solutions.
Overseas (Including ESG)	・Tokyo Gas to divest its share in MT Falcon Holdings (Sept.16) ・Establishment of a subsidiary in Denmark and joint development of renewable energy in the Nordics through business collaboration with EWII S/I (Jan. 21)
Development of decarbonization technology (Including ESG)	・Tokyo Gas and SCREEN Agree to Jointly Develop a Water Electrolysis Cell Stack for Low-cost Green Hydrogen Production (May 26) ・World's 1st! Commence Manufacturing of CO2-absorbing Concrete that Uses Exhaust Gas Emitted During the Use of City Gas Devices (Jul. 7) ・Launch Methanation Verification Test in FY2021 (Jul.7) ・Commencing hydrogen demonstration experiment using megawatt-class water electrolyser (Jul. 7) ・Development of onsite CO2 recycling technology (sept.28) ・Launch of industry-academia joint research toward technology verification of methanation using bioreactors (Oct. 13) ・World's First Hydrogen Combustion-type Continuous Combustion Furnace for Making Lithium-ion Battery Electrode Materials Goes on Sale (Nov. 4) ・Joint Feasibility Study in Malaysia to Establish Supply Chain of Carbon Neutral Methane (Nov. 25) ・Tokyo Gas and MC to Explore Feasibility of International Synthetic Methane Supply Chain for Carbon Neutrality (Nov. 26) ・Launch of joint research project with JAXA and Yamaguchi University for demonstrating methanation technology (Dec. 22) ・Tokyo Gas and Nomura Research Institute commence study of potential demand for CO2-free hydrogen in Tokyo metropolitan area, and system for optimized supply (Dec. 23) ・The City of Yokohama and Tokyo Gas sign collaboration agreement on methanation demonstration testing (Jan. 18) ・Launch CCU Verification Test Jointly with Yokohama City and MHI Group (Feb. 24) ・Start of feasibility study for methanation project aimed at city gas pipeline supply of synthetic methane made with CO_2 from cement production (Mar. 18) ・Launch of methanation demonstration testing for supporting achievement of carbon neutrality and decarbonized society in 2050 (Mar. 23)
ESG	・Additional special measures pertaining to gas and electricity bill payments in relation to the 2021 COVID-19 (Apr. 23, May 12, Jun. 14, Jul. 15, Aug. 23, Sept. 16, Oct. 21, Nov. 25, Dec. 21, Jan. 28, Feb. 25, Mar. 22) ・Publication of Tokyo Gas Group Sustainability Report 2021 (Aug. 31) ・Signing of agreement on mutual cooperation during disasters (Mar. 9)
Finance and shareholder Returns	・Notification of Resolution to Acquire of Treasury Shares (Apr. 28) , notice of share buyback (May 19), notice of retirement of treasury stock (Jul. 28) ・Announcement of issue of the 67th, the 68th, the 69th and the 70th Domestic unsecured notes (Jul. 7) ・Revisions to the Shareholder-Return Policy (Sept. 29) ・Notice of Revision of Dividend Forecasts for the year ended on March 31, 2022 (Oct. 28) ・Tokyo Gas issues a transition bond for the first time as a city gas supplier (Feb. 14) ・Announcement of issue of transition bonds (the 71st, 72nd Domestic unsecured notes) (Feb. 22)

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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< 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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