

Reference Materials (FY2023 2Q)

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Reference Materials (FY2023 2Q)

1. <Consolidated> Financial Results

	<FY2023 2Q vs FY2022 2Q>				<FY2023 Forecast vs FY2022 Results>				<FY2023 Forecast vs Previous Forecast (Jul.)>				100 million yen	
	FY23 2Q	FY22 2Q	Change	Reference	FY23 Forecast	FY22	Change	Reference	Previous	Change	Reference			
Net sales	12,727	13,612	-885	-6.5%	Energy solution-1,017, Overseas-112, Network-40, Urban Development+53, etc.	27,610	32,896	-5,286	-16.1%	Energy solution-5,758, Overseas-320, Urban Development+292, Network+1, etc.	26,920	690	2.6%	Energy solution +499, Urban Development+97, Overseas+86, Network-20, etc.
Operating profit	1,297	904	393	43.4%	Energy solution +487, Urban Development+34, Overseas-127, Network-39, etc.	1,540	4,214	-2,674	-63.5%	Energy solution-2,334, Overseas-412, Network-15, Urban Development+64, etc.	1,500	40	2.7%	
Ordinary profit	1,476	1,086	390	35.9%	Decrease in gain on foreign exchange, etc.	1,580	4,088	-2,508	-61.4%	Increase in equity income, Increase in gain on foreign exchange, etc.	1,370	210	15.3%	Increase in equity income, etc.
Profit attributable to owners of parent	1,039	716	323	45.1%	[FY23] Gain on sales of investment securities, Gain on valuation of long term loans receivable [FY22] Gain on sales of investment securities	1,160	2,809	-1,649	-58.7%	[Forecast] Gain on sales of investment securities, Gain on valuation of long term loans receivable [FY22] Gain on sales of investment securities, Increase in profits due to transfer of business, Impairment loss, Loss on valuation of investment securities, Loss on valuation of long term loans receivable	1,010	150	14.9%	[Forecast] Gain on sales of investment securities, Gain on valuation of long term loans receivable [Previous] Gain on sales of investment securities
Total assets(*1)	35,716	35,814	-98	-0.3%	Current assets -544 (Notes and accounts receivable - trade, and contract assets -761, Raw materials and supplies -243, Merchandise and finished goods +433), Non-current assets +445 (Investments and other assets +580, Intangible assets +116, Property, plant and equipment -250)	37,560	35,814	1,746	4.9%	Increase in new capital expenditures, investments & financing, etc.	36,690	870	2.4%	
Equity(*1)	16,821	15,584	1,237	7.9%	profit attributable to owners of parent +1,039, Foreign currency translation adjustment +476, Valuation difference on available-for-sale securities +280, Deferred gains or losses on hedges +241, Share buyback- 644, Dividend payments -140	16,320	15,584	736	4.7%	Increases foreign currency translation adjustment, retained earnings, etc.	15,430	890	5.8%	
Equity ratio(*1) (%)	47.1%	43.5%	3.6%	—		43.5%	43.5%	0.0%	—		42.1%	1.4%	—	
Factoring in hybrid bonds/loan: (%)	48.3%	44.7%	3.6%	—		44.6%	44.7%	-0.1%	—		43.2%	1.4%	—	
Total assets turnover(*2) (times)	0.36	0.40	-0.04	—		0.75	0.97	-0.22	—		0.74	0.01	—	
ROA(*2) (%)	—	—	—	—		3.2%	8.3%	-5.1%	—		2.8%	0.4%	—	
ROE(*2) (%)	—	—	—	—		7.3%	20.0%	-12.7%	—		6.5%	0.8%	—	
Interest-bearing debt(*1)	12,477	12,632	-155	-1.2%	Tokyo Gas -285	14,190	12,632	1,558	12.3%		14,190	—	—	
Hybrid bond/loan component	833	833	—	—		833	833	—	—		833	—	—	
D/E ratio	—	—	—	—		0.87	0.81	0.06	—		0.92	-0.05	—	
Factoring in hybrid bonds/loans	—	—	—	—		0.82	0.76	0.06	—		0.87	-0.05	—	
Profit attributable to owners of parent	1,039	716	323	45.1%		1,160	2,809	-1,649	-58.7%		1,010	150	14.9%	
Depreciation(*3-4)	1,026	1,020	6	0.6%		2,120	2,093	27	1.3%		2,120	—	—	
Operating cash flow(*5)	2,066	1,736	330	19.0%		3,280	4,902	-1,622	-33.1%		3,130	150	4.8%	
Capital expenditure(*3)	908	928	-20	-2.2%	Consolidated subsidiaries, etc.-38, Tokyo Gas +17	2,800	2,132	668	31.3%		2,800	—	—	
Investments and Financing(after offset)	127	113	14	12.4%		562	313	249	79.6%		562	—	—	
WACC (%)	—	—	—	—		2.6%	2.4%	0.2%	—		2.6%	—	—	
EPS (¥/share)	245.77	164.71	81.06	49.2%	Went up due to increase in profit attributable to owners of parent (+323)	281.11	646.99	-365.88	-56.6%		245.27	35.84	14.6%	
BPS(*1) (¥/share)	4,070.17	3,595.60	474.57	13.2%		4,088.21	3,595.60	492.61	13.7%		3,883.67	204.54	5.3%	
Total return ratio(*6)	—	—	—	—		approximately 40%	50.3%	—	—		approximately 40%	—	—	

(*1) Figures in B/S items for FY22 are the figures as of the end of FY22 (end of March 2023)

(*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 Total return ratio = ((FYn total annual dividend) + (FYn +1 stock repurchases)) / (FYn profit attributable to owners of the parent)

2. <Consolidated> Main Consolidated Subsidiaries Results

(1) FY2023 2Q vs. FY2022 2Q

100 million yen

Segment	Company name	Net sales				Reference	Operating profit				Reference
		FY23 2Q	FY22 2Q	Change			FY23 2Q	FY22 2Q	Change		
Energy & Solution seg. and Other	Tokyo Gas Co.,Ltd.	11,508	12,420	-912	-7.3%		977	534	443	82.8%	
Energy & Solution seg.	Tokyo Gas Engineering Solutions Group(*1, 2)	1,036	963	73	7.6%	(Niihama LNG) Increase in Terminal operations, etc.	66	46	20	42.6%	Increase in profit due to increase in sales
Overseas seg.	TG Australia Group(*1)	380	419	-39	-9.3%	Decrease in sales due to decrease in sales volume, etc.	192	229	-37	-16.3%	Decrease in profit due to decrease in sales
Overseas seg.	TG America Group(*1)	266	343	-77	-22.4%	Decrease in sales due to decrease in unit sales prices, etc.	30	132	-102	-77.4%	Decrease in profit due to decrease in sales
Other		4,010	4,818	-808	-16.8%		-87	-196	109	—	
Consolidated subsidiaries total		5,694	6,544	-850	-13.0%		202	213	-11	-5.2%	
Consolidated total		12,727	13,612	-885	-6.5%		1,297	904	393	43.4%	

(2) FY2023 Forecast vs. Previous Forecast (Jul.)

100 million yen

Segment	Company name	Net sales				Reference	Operating profit				Reference
		FY23 Forecast	Previous	Change			FY23 Forecast	Previous	Change		
Energy & Solution seg. and Other	Tokyo Gas Co.,Ltd.	24,216	23,774	442	1.9%		696	813	-117	-14.2%	
Energy & Solution seg.	Tokyo Gas Engineering Solutions Group(*1, 2)	2,126	2,138	-12	-0.6%		74	60	14	23.9%	(Tokyo Gas Chemicals) Increase in profit due to price revision, etc.
Overseas seg.	TG Australia Group(*1)	757	697	60	8.7%	Increase in sales due to increase in unit sales prices, etc.	359	324	35	10.9%	Increase in profit due to increase in sales
Overseas seg.	TG America Group(*1)	519	492	27	5.5%		3	-4	7	—	Increase in profit due to decrease in costs
Other		9,717	9,785	-68	-0.7%		492	396	96	24.1%	
Consolidated subsidiaries total		13,121	13,114	7	0.1%		930	776	154	19.8%	
Consolidated total		27,610	26,920	690	2.6%		1,540	1,500	40	2.7%	

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

(*2)Figures after absorption-type merger associated with organizational realignment

3. <Consolidated> Balance Sheets (as of Sept. 30, 2023 vs. as of Mar. 31, 2023)

100 million yen

	Sept.30,2023 (%)		Mar.31,2023 (%)		Change		Reference
【Assets】							
Current assets	11,635	(32.6%)	12,179	(34.0%)	-544	-4.5%	Notes and accounts receivable - trade, and contract assets -761, Raw materials and supplies -243, Merchandise and finished goods +433
Noncurrent assets	24,080	(67.4%)	23,635	(66.0%)	445	1.9%	Property, plant and equipment, intangible assets: Capital expenditure +877, Foreign exchange +294, Depreciation -1,005 Investments and other assets: Investment securities +497, Other investments +106
Total Assets	35,716	(100.0%)	35,814	(100.0%)	-98	-0.3%	
【Liabilities】							
Interest-bearing debt	12,477	(34.9%)	12,632	(35.3%)	-155	-1.2%	Bonds payable: Redemption -200 Long-term loans payable: Payments -186, New borrowings +136, Foreign exchange +85
Provision for retirement benefits	645	(1.8%)	645	(1.8%)	0	0.0%	
Notes and accounts payable-trade	806	(2.3%)	638	(1.8%)	168	26.3%	
Other liabilities	4,607	(12.9%)	6,004	(16.8%)	-1,397	-23.3%	Income taxes payable -755, Other current liabilities -672
Total Liabilities	18,537	(51.9%)	19,921	(55.6%)	-1,384	-6.9%	
【Net Assets】							
Shareholders' equity	14,738	(41.3%)	14,490	(40.5%)	248	1.7%	Profit attributable to owners of parent +1,039, Share buyback -644, Dividend payments -140
Accumulated other comprehensive income	2,082	(5.8%)	1,093	(3.1%)	989	90.5%	Foreign currency translation adjustment +476, Valuation difference on available-for-sale securities +280, Deferred gains or losses on hedges +241
Non-controlling interests	357	(1.0%)	308	(0.9%)	49	15.7%	
Total Net Assets	17,178	(48.1%)	15,893	(44.4%)	1,285	8.1%	Equity ratio 47.1% (Sep. 30, 2023) ← 43.5% (Mar. 31, 2023)
Total (Liabilities and Net Assets)	35,716	(100.0%)	35,814	(100.0%)	-98	-0.3%	

4. <Non-consolidated> Financial Data

<FY2023 2Q vs FY2022 2Q> 100 million yen

	FY23 2Q	FY22 2Q	Change		Reference
Gas Sales(*)	5,757	6,442	-685	-10.6%	Volume/composition, etc. -523, Sliding time lag effect -162
Gas raw materials and supplies	3,528	4,222	-694	-16.4%	Volume/composition, etc. -351, Sliding time lag effect -343 (Foreign exchange +119, Oil price -195, etc.)
Gas gross profit	2,229	2,220	9	0.4%	Volume/composition, etc. -172, Sliding time lag effect +181

<FY2023 Forecast vs FY2022 Results> 100 million yen

	FY23 Forecast	FY22	Change		Reference
Gas Sales(*)	12,923	16,072	-3,149	-19.6%	Volume/composition, etc. -441, Sliding time lag effect -2,708
Gas raw materials and supplies	8,601	10,117	-1,516	-15.0%	Volume/composition, etc. -325, Sliding time lag effect -1,191 (Foreign exchange +341, Oil price -1,257, etc.)
Gas gross profit	4,322	5,955	-1,633	-27.4%	Volume/composition, etc. -116, Sliding time lag effect -1,517

<FY2023 Forecast vs Previous Forecast (Jul.)> 100 million yen

	FY23 Forecast	Previous	Change		Reference
Gas Sales(*)	12,923	12,626	297	2.4%	Volume/composition, etc. +1, Sliding time lag effect +296
Gas raw materials and supplies	8,601	8,185	416	5.1%	Volume/composition, etc. +15, Sliding time lag effect +401 (Foreign exchange +340, Oil price +212, etc.)
Gas gross profit	4,322	4,441	-119	-2.7%	Volume/composition, etc. -14, Sliding time lag effect -105

(*)Figures for FY23 2Q and FY23 Forecast are the figures after the spin-off of the network business.

5. <Non-consolidated> Impact of Sliding Time Lag

<FY2023 2Q vs FY2022 2Q> 100 million yen

	FY23 2Q	FY22 2Q	Change
Impact of Sliding Time Lag(*)			
Revenue from sliding system	1,791	1,953	-162
Increase in gas raw materials and supplies	1,317	1,660	-343
Change	474	293	181

<FY2023 Forecast vs FY2022 Results> 100 million yen

	FY23 Forecast	FY22	Change
Impact of Sliding Time Lag(*)			
Revenue from sliding system	3,475	6,183	-2,708
Increase in gas raw materials and supplies	3,120	4,311	-1,191
Change	355	1,872	-1,517

<FY2023 Forecast vs Previous Forecast (Jul.)> 100 million yen

	FY23 Forecast	Previous	Change
Impact of Sliding Time Lag(*)			
Revenue from sliding system	3,475	3,179	296
Increase in gas raw materials and supplies	3,120	2,719	401
Change	355	460	-105

(*)Change from standard average resource cost

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

100 million yen

	Change(FY23 2Q vs FY22 2Q)						Change(FY23 Forecast vs FY22 Results)						Change(FY23 Forecast vs Previous Forecast (Jul.))								
	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Total	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Total	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Total
Gas Sales	-523	Temp. effect	-38	-162	Sliding	-162	-685	-441	Temp. effect	31	-2,708	Sliding	-2,708	-3,149	1	Temp. effect	-3	296	Sliding	296	297
		Other	-485		Other	0			Other	-472		Other	0			Other	4		Other	0	
Gas raw materials and supplies	-351	Temp. effect	-6	-343	Sliding	-343	-694	-325	Temp. effect	25	-1,191	Sliding	-1,191	-1,516	15	Temp. effect	14	401	Sliding	401	416
		Other	-345	(crude oil price)	-195	(exchange rate)	119		Other	-350		(crude oil price)	-1,257			Other	1		(crude oil price)	212	
											(exchange rate)	341						(exchange rate)	340		
Gas gross profit	-172	Temp. effect	-32	181	Sliding	181	9	-116	Temp. effect	6	-1,517	Sliding	-1,517	-1,633	-14	Temp. effect	-17	-105	Sliding	-105	-119
		Other	-140		Other	0			Other	-122		Other	0			Other	3		Other	0	

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

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

100 million yen

			FY23 Forecast		
			1-2Q	3-4Q	Full-year
FY23 Forecast (Oct.)	JCC	\$/bbl	83.51	90.00	86.76
	EX Rate	¥/\$	141.06	145.00	143.03
			FY23 Previous Forecast (Jul.)		
			1Q	2-4Q	Full-year
FY23 Previous Forecast (Jul.)	JCC	\$/bbl	83.99	80.00	81.00
	EX Rate	¥/\$	137.49	135.00	135.62

(2) Gross Profit Sensitivity <Non-consolidated>

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

	3Q	4Q	Full-year
Gas sales	3	1	4
Gas raw materials and supplies	16	2	18
Gas gross profit	-13	-1	-14

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

	3Q	4Q	Full-year
Gas sales	14	3	17
Gas raw materials and supplies	14	15	29
Gas gross profit	0	-12	-12

< 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.