TSE:9531

FY2024 1Q Financial Results
ended June, 2024

July 31, 2024

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Today's Key Messages

(unit : 100 million yen)

- Consolidated FY2024 1Q saw a YoY decline in both sales and profits, driven by a decrease in city gas unit price due to resource costs adjustment, etc.
  FY2024 1Q
  Net sales : 5,869(vs FY2023 1Q Results -627)
  Profit attributable to owners of parent : 199(vs FY2023 1Q Results -577)

- Our consolidated forecast for FY2024 operating profit remains unchanged from the previous announcement (April 2024). We anticipate that ongoing company-wide cost reduction measures and other actions will enable us to close FY2024 with profits around the level originally planned, even when factoring in the impact of the gas selling price remained at low level that emerged in our North American shale gas business in 1Q.
  FY2024 Forecast
  Profit attributable to owners of parent : 810
  (vs Previous Forecast +10,vs FY2023 Results -889)

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01

FY2024
Consolidated Financial Results
ended June, 2024

Note:The segment information disclosed for FY2024 and FY2023(excluding segment assets and ROA of FY2023)reflects new segment classifications that went into effect from FY2024 as a result of a restructuring of our subsidiary TOKYO GAS UNITED KINGDOM LTD. from the Energy solution segment to the Overseas business segment.

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FY2024 1Q Consolidated Results Sales, Interest, etc. (Apr. 1, 2024 –June 30, 2024)

vs. FY2023 1Q

4

Highlights: Sales Down, Profit Down

(+/- indicate impact on profit, 100 million yen)

	vs. FY2023 1Q	
Net sales	-627	Drop in Energy Solution sales by a decrease in unit price due to resource costs adjustment, etc.
Operating profit	-680	Decrease in Energy Solution profits by the change in city gas unit prices due to the impact from economic framework, etc.
Extraordinary profit/loss	-4	FY2024 20:(Extraordinary gain)Compensation for damages received FY2023 24:(Extraordinary gain)Gain on sales of investment securities

(Unit: 100 million yen)

		FY2024 1Q	FY2023 1Q	Change	%
City gas sales volume (million m3, 45MJ)		2,428	2,466	-38	-1.5
Electricity sales volume (million kWh)		5,002	5,262	-260	-5.0
Net sales		5,869	6,496	-627	-9.7
Operating profit		249	929	-680	-73.2
Segment profit (operating profit + equity income of subsidiaries)		270	946	-676	-71.4
Ordinary profit[1]		270	1,072	-802	-74.8
Extraordinary profit/loss		20	24	-4	-20.0
Profit attributable to owners of parent		199	776	-577	-74.4
(Adjustment items)	Temperature effect[2]	-40	-44	4	—
	Sliding effect[3] (city gas + LNG sales)	104 (95+9)	497 (433+64)	-393 (-338+-55)	—
	Amortization of actuarial differences[4]	25	5	20	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		181	614	-433	-70.5

Economic framework	FY2024 1Q	FY2023 1Q
Exchange rate (¥/$)	155.86 (+18.37)	137.49
Crude oil price ($/bbl)	87.43 (+3.31)	84.12
Avg. air temperature (℃)	20.0 (+0.5)	19.5
Avg. air temperature (metering based) (℃)	17.8 (+0.1)	17.7

Pension assets	FY2024 1Q (as of June 30, 2024)
Investment yield (costs deducted)	0.30%
Year-end assets (100 million yen)	2,400

<Expected annual rate of return: 2%>

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Both sales and profits decreased in 1Q FY2024 on a year-on-year basis.

Net sales decreased by 627 hundred million yen. This was mainly due to a decrease in raw. This was mainly attributable to a decrease in unit price due to resource cost adjustments.

Operating profit decreased by 680 hundred million yen to 249 hundred million yen, ordinary profit fell by 802 hundred million yen to 270 hundred million yen, and profit attributable to owners of parent decreased by 577 hundred million yen to 199 hundred million yen.

vs. FY2023 1Q

5

FY2024 1Q Results: Sales and Operating Profit/Loss by Business Segments

(unit : 100 million yen)

	Net sales*3				Segment Profit(Operating profit + Equity income/loss of subsidiaries)			
	FY2024 1Q Results	FY2023 1Q Results	Change	%	**FY2024 1Q Results**	FY2023 1Q Results	Change	%
Energy solution*1 (including equity income of subsidiaries)	**5,203**	5,919	-716	-12.1	**253**	820	-567	-69.1
City gas*2	**3,841**	4,310	-469	-10.9	**182**	666	-484	-72.6
Electric Power	**1,235**	1,428	-193	-13.5	**23**	112	-89	-79.2
Network	**791**	762	29	3.8	**11**	-8	19	—
Overseas business	**417**	315	102	32.4	**31**	122	-91	-74.6
(equity income of subsidiaries)	—	—	—	—	**15**	7	8	108.6
Urban Development (including equity income of subsidiaries)	**153**	188	-35	-18.3	**38**	69	-31	-44.1
Adjustment*4	**-696**	-689	-7	—	**-64**	-58	-6	—
Consolidated	**5,869**	6,496	-627	-9.7	**270**	946	-676	-71.4
(equity income of subsidiaries)	—	—	—	—	**21**	16	5	30.3

*1 Includes city gas, LNG sales, trading, electric power, engineering solutions, among others.
*2 Includes city gas, LNG sales, and trading.
*3 Segment sales include internal transactions made between business units.
*4 Adjustments in segment profits include mainly corporate expenses not allocated to the segments.

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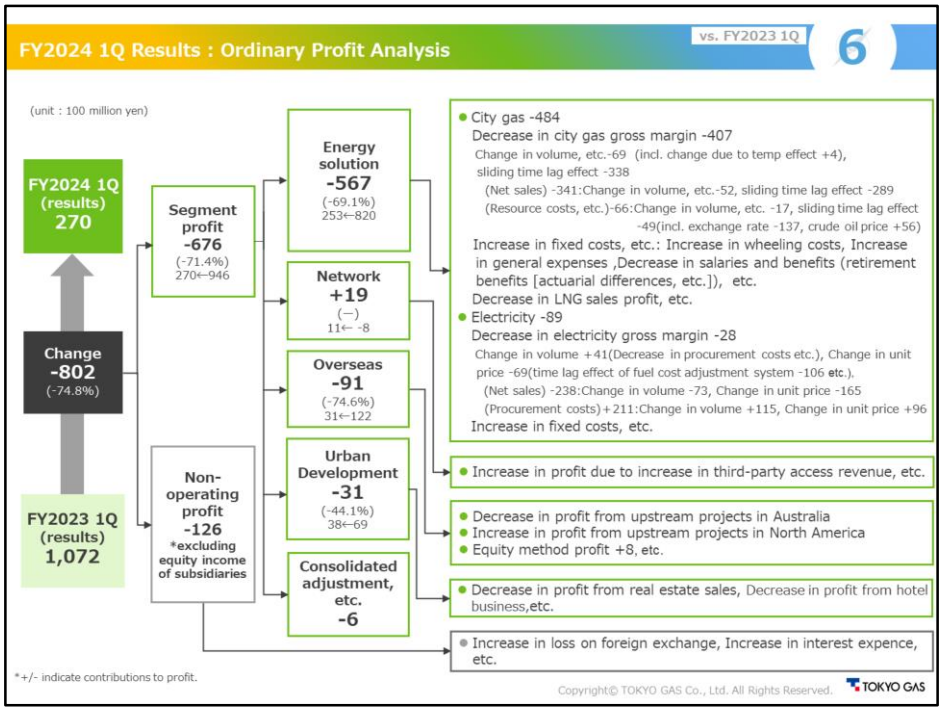
This slide shows net sales by segment and segment profit, which is operating profit plus equity income/loss of subsidiaries, and changes thereof.



The 567 hundred million yen decrease in profit of the Energy Solution segment mainly reflects 407 hundred million yen decline in the gross margin of city gas due to a sliding time lag effect,etc.. The electricity business also recorded a decrease of 89 hundred million yen mainly due to a fall in gross margin caused by a decline in unit price and an increase in fixed costs.

The Network segment recorded an increase of 19 hundred million yen, mainly reflecting an increase in third-party access revenue.

In the Overseas segment, profit decreased by 91 hundred million yen, mainly due to a decrease in profit resulting from the completion of the sale of four upstream projects in Australia at the end of FY2023, which was partially offset by an increase in profit due to higher production volume resulting from the acquisition of assets made in FY2023 in the North American shale gas business.

In the Urban Development segment, profit decreased by 31 hundred million yen, mainly reflecting a decrease in profit from real estate sales and a decline in profit in the hotel business as a result of the closure of a hotel for renovation.

FY2024 1Q Consolidated Gas Sales Volume/ Number of Customers

vs. FY2023 1Q

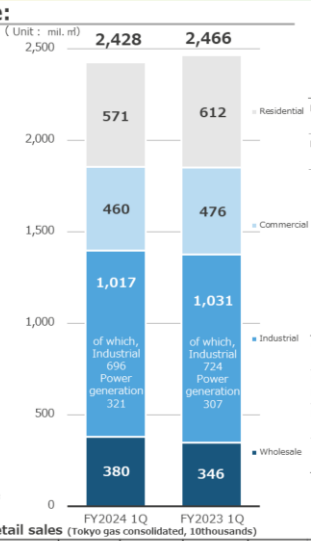
7

City Gas sales volume:

-38mil.㎥ (-1.5%)

Residential	**-41 mil.㎥**(-6.7%)
Temperature effect	+1 mil.㎥
Number of days	+7 mil.㎥
Number of customers	+8 mil.㎥
Others	-57 mil.㎥
Commercial	**-16 mil.㎥**(-3.4%)
Temperature effect	+8 mil.㎥
Number of days	+3 mil.㎥
Number of customers	+1 mil.㎥
Others	-28 mil.㎥
Industrial	**-14 mil.㎥**(-1.4%)
Industrial	-28 mil.㎥
Power generation	+14 mil.㎥
Wholesale	**+34 mil.㎥**(+9.7%)
Temperature effect	-2 mil.㎥
Others	+36 mil.㎥ Increase in wholesale demand, etc.

*Others includes difference in the revenue recognition method basis estimates.



Number of customers(City Gas), LNG sales volume

	FY2024 1Q Results	FY2023 1Q Results	Change
Number of customers (meters) (10 thousands, meter) *	**1,247.0**	1,235.0	12.0 (+1.0%)
LNG sales volume (thousands t)	**520**	631	-111 (-17.5%)

*Number of meters installed for gas supply

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

	FY2024 1Q Results	FY2023 1Q Results	Change
City gas sales volume (financial accounting basis)	**2,428**	2,466	-38 (-1.5%)
Gas volume used in-house under tolling arrangement	**514**	478	+36 (+7.7%)
LNG sales volume (m3 basis)	**650**	788	-138 (-17.5%)
Total	**3,593**	3,732	-139 (-3.7%)

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

	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2024.6
Number (Change)	1,026.9 (—)	1,020.9 (-6.0)	982.1 (-38.8)	912.9 (-69.2)	886.3 (-26.6)	868.8 (-17.5)	870.1 (+1.3)	878.9 (+1.0)	884.3 (+5.4)

Full deregulation of the retail market (2017.04)

*Each value is rounded.

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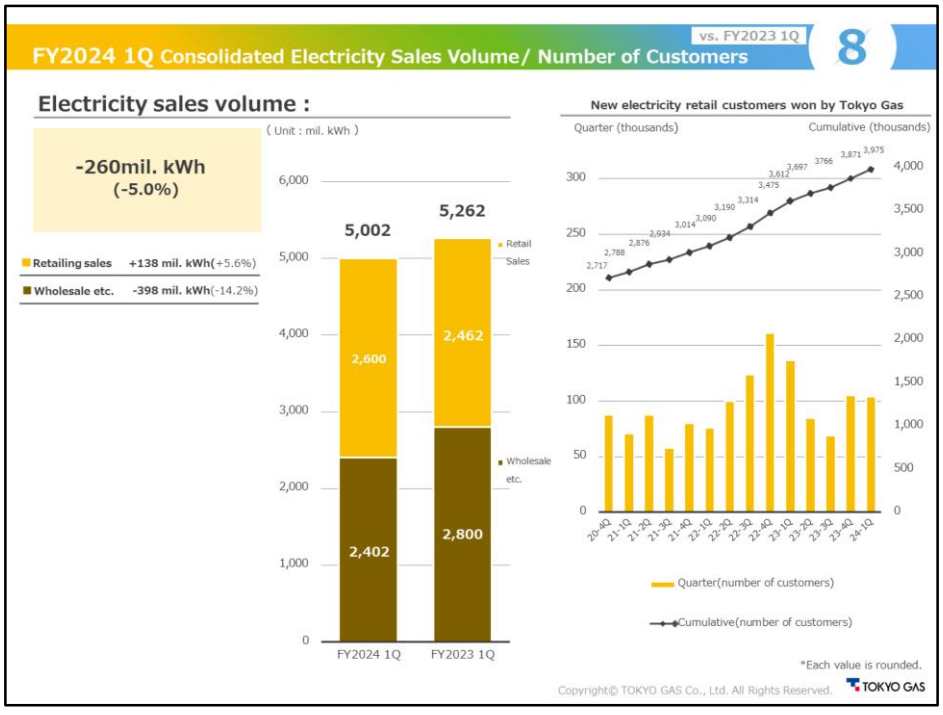
The city gas sales volume in 1Q FY2024 decreased by 1.5% overall, mainly reflecting a decrease in sales volumes to residential and commercial customers due to the difference in revenue recognition estimates, which was partially offset by an increase in the sales volume to wholesale resulting from higher demand at wholesale customers.



Total electricity sales volume in 1Q FY2024 decreased by 5.0% overall.

Retail electricity sales rose by 5.6% due to higher demand owing to an increase in the number of customers, while the sales volume to wholesale and others fell by 14.2%.

02

FY2024 Full Year Forecast

Note:The segment information disclosed for FY2024 and FY2023(excluding segment assets and ROA of FY2023)reflects new segment classifications that went into effect from FY2024 as a result of a restructuring of our subsidiary TOKYO GAS UNITED KINGDOM LTD. from the Energy solution segment to the Overseas business segment.

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Medium-term Management Plan (Announced: February 22, 2023) Key figures 10

		FY2025	FY2024 Forecast	FY2023 Results	Reference
Segment profits (operating profit + equity income of subsidiaries, 100 million yen)		**1,500**	1,208	2,233	
ROA		**approx. 4%**	2.1%	4.5%	Net profit / Total assets (average of the amounts as of the end of the previous period and end of the current period)
ROE		**approx. 8%**	4.8%	10.4%	Net profit / Shareholders' equity (average of the amounts as of the end of the previous period and end of the current period)
D/E ratio		**approx. 0.9**	0.82	0.85	
	Factoring in hybrid bonds/loans*		0.78	0.81	
operating cash flow (100 million yen)		**11,000 (FY23-FY25)**	3,370	3,822	Net profit + Depreciation (including depreciation of long-term prepaid expenses)
Investments (100 million yen)	**Growth investments**	**6,500**	2,687	3,801	
	(portion for decarbonization-related investments)	**2,300 (FY23-FY25)**	401	703	
	Infrastructure investments	**3,500 (FY23-FY25)**	1,286	1,008	
	Consolidated adjustment	—	-69	-5	
	Total	**10,000 (FY23-FY25)**	3,905	4,804	before offset

* Based on expected equity credit ratio of 50% for issued hybrid bonds and hybrid loans.

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This slide shows the status of the key figures and investment plans of our Medium-term Management plan, which covers the period from FY2023 to FY2025.

FY2024 Plan (Consolidated) Segment ROA

11

- As part of our actions for advancing business portfolio management, we have introduced a management approach based on individual ROA targets set for each internal company and core business subsidiary.
- We disclose each segment's ROA forecast of the fiscal year and the results at the end of the fiscal year, and present topics pertaining to progress toward the targets.
- Segment ROA = segment profit (operating profit + equity income of subsidiaries) /segment assets (average of the amounts as of the end of the previous period and end of the current period)
- Segment ROA (FY2023 results) does not reflect the change in segment classification of TOKYO GAS UNITED KINGDOM LTD.

(Unit: 100 million yen)

Segment	Business areas in 23-25 Medium-term Management Plan	FY2024 Forecast		Previous Forecast	FY2023 Results
		ROA	Assets		
Energy solution	Energy (gas·electricity, etc.) Solutions (environment, DX, etc.) GX (e-methane, hydrogen, etc.) (renewables)	5.7%	17,940	5.6%	12.0%
Network	Energy (Network)	0.2%	6,360	0.2%	-0.6%
Overseas business	Overseas (shale + renewables, etc.)	2.9%	10,260	3.3%	3.6%
Urban Development	Real Estate (ESG-oriented development, etc.)	5.0%	3,280	5.0%	7.5%

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This slide shows our segment ROA outlook for FY2024 compared to our previous outlook and FY2023 results.

FY2024 Consolidated Forecast Sales, Interest, etc. (Apr. 1, 2023 – Mar. 31, 2024)

vs. Previous Forecast

12

Highlights: Sales Down, Profit Up (vs. Previous Forecast)

(+/- indicate impact on profit, 100 million yen)

	vs. Previous Forecast	
Net sales	-40	Drop in Overseas business sales by a decrease in sales from upstream projects in North America
Operating profit	±0	–
Extraordinary profit/loss	+20	Forecast 20: (Extraordinary profit) Compensation for damages received Previous Forecast 0

(Unit: 100 million yen)

		Forecast	Previous Forecast	Change	%	FY2023 Results	Change	%
City gas sales volume (million m3, 45MJ)		**11,422**	11,422	0	—	11,303	119	1.1
Electricity sales volume (million kWh)		**24,060**	24,060	0	—	25,479	-1,419	-5.6
Net sales		**26,380**	26,420	-40	-0.2	26,645	-265	-1.0
Operating profit		**1,130**	1,130	0	—	2,203	-1,073	-48.7
Segment profit (operating profit + equity income of subsidiaries)		**1,208**	1,208	0	—	2,233	-1,025	-45.9
Ordinary profit(1)		**1,110**	1,110	0	—	2,281	-1,171	-51.4
Extraordinary profit/loss		**20**	0	20	—	239	-219	-91.6
Profit attributable to owners of parent		**810**	800	10	1.3	1,699	-889	-52.3
(Adjustment items)	Temperature effect(2)	**0**	0	0	—	-141	141	—
	Sliding effect(3)	**94**	94	0	—	755	-661	—
	(city gas + LNG sales)	**(67+27)**	(67+27)	0	—	(615+140)	(-548+-113)	—
	Amortization of actuarial differences(4)	**103**	103	0	—	23	80	—
Adjusted ordinary profit (1)-((2)+(3)+(4))		**913**	913	0	—	1,644	-731	-44.5

Economic framework	Forecast	Previous Forecast	FY2023 Results
Exchange rate (¥/$)	**145.00** (±0.00)	145.00	144.58
Crude oil price ($/bbl)	**80.00** (±0.00)	80.00	85.97
Avg. air temperature (℃)	**16.4** (±0.0)	16.4	17.5

Pension assets		Forecast	Previous Forecast	FY2023 Results
Investment yield (costs deducted)		**2.21%**	-1.90%	0.37%
Discount rate	Annuity portion	**1.15%**	0.81%	0.48%
	Lump-sum portion	**0.63%**	0.37%	0.19%
Year-end assets (100 million yen)		**2,400**	2,430	2,560

<Expected annual rate of return: 2%>

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For the FY2024 full year, we forecast a decrease in sales and an increase in profit (profit attributable to owners of parent). The economic frame for July and beyond, which serves as the basis for our forecast, is unchanged from the previous economic frame, which was an exchange rate of 145/$ and a crude oil price of $80/barrel.

Our net sales forecast has been lowered by 40 hundred million yen. This is mainly attributable to a decrease in sales in the Overseas segment due to lower unit selling prices for upstream projects in North America.

On the other hand, we have maintained our forecast for operating profit at 1,130 hundred million yen, mainly as a result of an expected decrease in costs in the Energy Solution segment and throughout the company.

Our forecast for ordinary profit remains unchanged from the previous forecast at 1,110 hundred million yen, while our forecast for profit attributable to owners of parent, including an extraordinary profit of 20 hundred million yen recorded in 1Q, has been raised by 10 hundred million yen to 810 hundred million yen.

FY2024 Full Year Forecast: Operating Profit/Loss by Business Segments

vs. Previous Forecast

13

(unit : 100 million yen)

		Net sales*3				Segment Profit(Operating profit Equity income/loss of subsidiaries)			
		Forecast	Previous Forecast	Change	%	Forecast	Previous Forecast	Change	%
Energy solution*1 (including equity income of subsidiaries)		**23,159**	23,159	0	–	**993**	978	15	1.5
	City gas*2	**16,352**	16,352	0	–	**675**	675	0	–
	Electric Power	**6,054**	6,054	0	–	**135**	135	0	–
Network		**3,368**	3,368	0	–	**12**	12	0	–
Overseas business		**1,827**	1,867	-40	-2.1	**309**	349	-40	-11.5
	(equity income of subsidiaries)	–	–	–	–	**61**	61	0	–
Urban Development (including equity income of subsidiaries)		**721**	721	0	–	**159**	159	0	–
Adjustment*4		**-2,695**	-2,695	0	–	**-265**	-290	25	–
Consolidated		**26,380**	26,420	-40	-0.2	**1,208**	1,208	0	–
	(equity income of subsidiaries)	–	–	–	–	**78**	78	0	–

*1 Includes city gas, LNG sales, trading, electric power, engineering solutions, among others.
*2 Includes city gas, LNG sales, and trading.
*3 Segment sales include internal transactions made between business units.
*4 Adjustments in segment profits include mainly corporate expenses not allocated to the segments.

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This slide shows our forecast for net sales and profit by segment and changes from the previous forecast.

The sum of segment profits remains unchanged from our previous forecast.

Our profit forecast for each segment is shown in the following slides. The slides for each segment also show the segment's capital expenditure and investment/loan plans, as well as topics during the period.

Segment Information: Energy solution

14

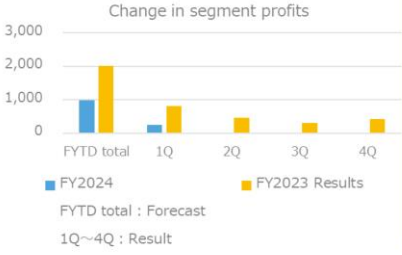
Summary of Results

(Unit: 100 million yen)

		FY2024 Forecast	Previous Forecast	Change	%	FY2023 Results	Change	%
Net sales		**23,159**	23,159	0	—	24,228	-1,069	-4.4
	City gas	16,352	16,352	0	—	17,014	-662	-3.9
	Electric Power	6,054	6,054	0	—	6,327	-273	-4.3
Segment Profit (Operating profit + Equity income/loss of subsidiaries)		**993**	978	15	1.5	2,011	-1,018	-50.6
	City gas	**675**	675	0	—	1,472	-797	-54.1
	Electric Power	**135**	135	0	—	355	-220	-62.1

Segment Profit Analysis [vs. Previous Forecast]
- City gas gross margin ±0
- Electricity gross margin ±0
- Decrease in fixed costs,etc.

(Unit: 100 million yen)



Segment Profit Analysis [vs. FY2023 Results]
- City gas -797:
  Decrease in city gas gross margin -454
  Change in volume, etc. +94 (incl. change due to temp effect +141), sliding time lag effect -548
  (Net sales) -537: Change in volume, etc. +193, sliding time lag effect -730
  (Resource costs, etc.) +82: Change in volume, etc. -100, sliding time lag effect +182 (incl. exchange rate -50, crude oil price +342)
  Increase in fixed costs, etc.: Increase in wheeling costs, increase in general expenses, decrease in salaries and benefits (retirement benefits [actuarial differences, etc.]), etc.
  Decrease in LNG sales profit, etc.
- Electricity -220:
  Increase in electricity gross margin +63
  Change in volume +297 (decrease in procurement costs, etc.), Change in unit price -234 (decrease in sales unit price, time lag effect of fuel cost adjustment system -156, etc.)
  (Net sales) -789: Change in volume -293, Change in unit price −496
  (Procurement costs) +852: Change in volume +590, Change in unit price +263
  Increase in fixed costs, etc.

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We have raised our profit forecast for the Energy Solution segment by 15 hundred million yen. Although we are maintaining our forecast for city gas and electricity gross margins, the new forecast reflects cost reductions throughout the segment.

Segment Information: Energy solution

15

Summary of Results

(Unit: 100 million yen)

		FY2024 Forecast	Previous Forecast	Change	%	FY2023 Results	Change	%
Segment Assets		**17,940**	17,940	0	—	17,083	857	5.0
ROA (%)		**5.7**	5.6	0.1	—	12.0	-6.3	—
Depreciation		**766***	766*	0*	—	699	67	9.5
Capital Expenditure	Total	**1,113**	1,113	0	—	688	425	61.7
	portion for Growth investments	**695**	695	0	—	487	208	42.7
	City gas	**434**	434	0	—	241	193	80.2
	Electric Power	**264**	264	0	—	200	64	31.6
Investments and financing (before offset)	Total(Growth investments)	**470**	512	-42	-8.2	496	-26	-5.5
	City gas	—	—	—	—	—	—	—
	Electric Power	**231**	250	-19	-7.7	483	-252	-52.1

*Depreciation includes amortization of long-term prepaid expenses.

FY2024 Focuses

- Expand the Solutions business's sales by growing the IGNITURE brand
- Increase Trading business by implementing and refining AO&T
- Improve customer experience by redesigning/standardizing processes through deployment of the new Kraken customer service system

Key Topics in FY2024 1Q (Excerpted from Press Releases)

- Conclusion of a capital/business alliance agreement with RENOVA and underwriting of third-party allotment of new shares
- Launch of IGNITURE Storage Battery solution for controlling residential storage battery charging and discharging
- Our full-scale entry into the grid storage battery business

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FY2024 Full Year Forecast Consolidated Gas Sales Volume/ Number of Customers

vs. FY2023

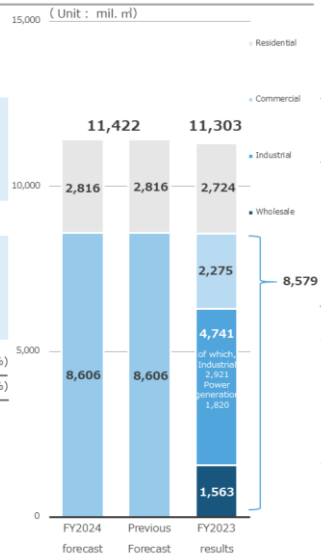
16

City Gas sales volume:

VS. Previous Forecast
±0mil.㎥ (—)

VS. FY2023 Results
+119mil.㎥ (+1.1%)
including temperature effect
+182mil.㎥, +1.6%

Residential	+92mil.m³(+3.4%)
Others	+27mil.m³(+0.3%)



*Each value is rounded.

Number of customers(City Gas), LNG sales volume

	FY2024 Forecast	Previous Forecast	Change	FY2023 Results	Change
Number of customers (meters) (10 thousands, meter) *	1,259.6	1,259.6	0.0 (—)	1,245.1	14.5 (+1.2%)
LNG sales volume (thousands t)	1,898	1,898	0 (—)	1,991	-93 (-4.7%)

* Number of meters installed for gas supply

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

	FY2024 Forecast	Previous Forecast	Change	FY2023 Results	Change
City gas sales volume (financial accounting basis)	11,422	11,422	0 (—)	11,303	119 (+1.1%)
Gas volume used in-house under tolling arrangement	2,952	2,952	0 (—)	2,468	484 (+19.6%)
LNG sales volume (m3 basis)	2,372	2,372	0 (—)	2,488	-116 (-4.7%)
Total	16,747	16,747	0 (—)	16,259	488 (+3.0%)

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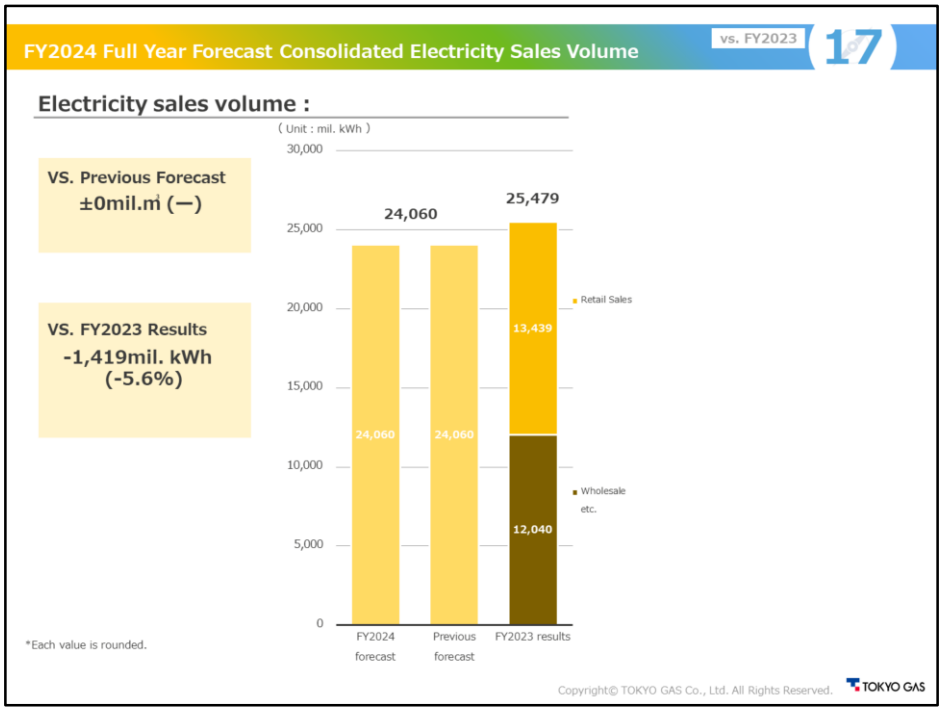
This slide shows our forecast for gas and electricity sales volumes, which is the basis for our forecast for the Energy Solution segment.

Our gas sales volume forecast is unchanged from the previous forecast.



Our electricity sales volume forecast is unchanged from the previous forecast.

Segment Information: Network

18

Summary of Results

(Unit: 100 million yen)

	FY2024 Forecast	Previous Forecast	Change	%	FY2023 Results	Change	%
Net sales	**3,368**	3,368	0	—	3,264	104	3.2
Segment Profit (Operating profit + Equity income/loss of subsidiaries)	**12**	12	0	—	-39	51	—
Segment Assets	**6,360**	6,360	0	—	6,488	-128	-2.0
ROA (%)	**0.2**	0.2	0	—	-0.6	0.8	—
Depreciation	**991***	991*	0*	—	993	-2	-0.2
Capital Expenditure(Infrastructure investments)	**867**	867	0	—	807	60	7.5

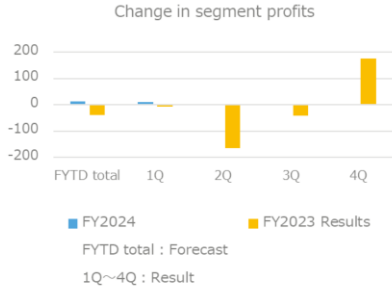
*Depreciation includes amortization of long-term prepaid expenses.

Segment Profit Analysis【vs. Previous Forecast】
Remains unchanged from the previous forecast

Segment Profit Analysis【vs. FY2023 Results】
- Increase in profit due to increase in third-party access revenue, etc.

FY2024 Focuses
- Strengthen coordination between sales and safety to expand the city gas customer base and establish city gas peripheral businesses
- Begin installing smart meters across the entire city gas service area to further strengthen safety and resilience, and create new value and services

(Unit: 100 million yen)



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Our forecast for segment profit of the Network segment is unchanged from the previous forecast.

Segment Information: Overseas business

19

Summary of Results

(Unit: 100 million yen)

	FY2024 Forecast	Previous Forecast	Change	%	FY2023 Results	Change	%
Net sales	**1,827**	1,867	-40	-2.1	1,201	626	52.0
Segment Profit (Operating profit + Equity income/loss of subsidiaries)	**309**	349	-40	-11.5	304	5	1.4
Segment Assets	**10,260**	10,260	0	—	11,041	-781	-7.1
ROA (%)	**2.9**	3.3	-0.4	—	3.6	-0.7	—
Depreciation	**728***	728*	0*	—	289	439	151.7
Capital Expenditure(Growth investments)	**1,023**	1,023	0	—	403	620	153.8
Investments and financing (before offset) (Growth investments)	**88**	80	8	11.7	2,218	-2,130	-96.0

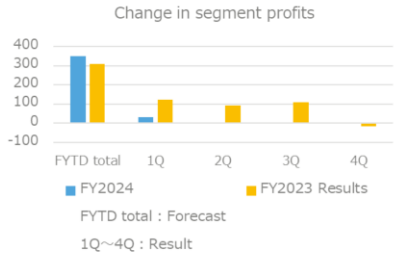
*Depreciation includes amortization of long-term prepaid expenses.

Segment Profit Analysis【vs. Previous Forecast】
- Decrease in profit from upstream projects in North America, etc.

Segment Profit Analysis【vs. FY2023 Results】
- Decrease in profit from upstream projects in Australia
- Increase in profit from upstream projects in North America
- Equity method profit +51, etc.

FY2024 Focuses
- Increase revenue from shale gas business in the US
- Establish marketing and trading business through coordination and optimized utilization of the US shale gas business, renewable energy business, and storage battery business

(Unit: 100 million yen)



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We have lowered our forecast for segment profit of the Overseas segment by 40 hundred million yen, mainly reflecting a decrease in sales in the North American shale gas business due to low gas prices in the first quarter (from January to March 2024 for overseas businesses).

Segment Information: Urban Development

20

Summary of Results

(Unit: 100 million yen)

	FY2024 Forecast	Previous Forecast	Change	%	FY2023 Results	Change	%
Net sales	**721**	721	0	—	911	-190	-20.9
Segment Profit (Operating profit + Equity income/loss of subsidiaries)	**159**	159	0	—	229	-70	-30.7
Segment Assets	**3,280**	3,280	0	—	3,036	244	8.0
ROA (%)	**5.0**	5.0	0	—	7.5	-2.5	—
Depreciation	**129***	129*	0*	—	114	15	12.8
Capital Expenditure(Growth investments)	**354**	354	0	—	158	196	123.8
Investments and financing (before offset) (Growth investments)	**56**	23	33	139.5	34	22	65.2

*Depreciation includes amortization of long-term prepaid expenses.

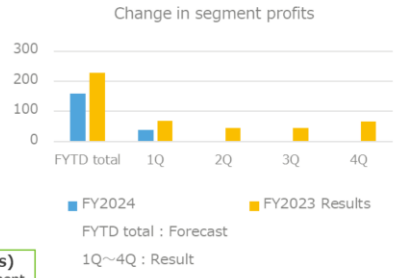
Segment Profit Analysis [vs. Previous Forecast]
Remains unchanged from the previous forecast

Segment Profit Analysis [vs. FY2023 Results]
- Decrease in profit from hotel business
- Decrease in profit from real estate business, etc.

FY2024 Focuses
- Improve asset efficiency by expanding private REIT management and increase in revenue from the entire chain of processes from purchase to sale
- Temporary close of hotel business for renovation
- Improve earnings of the long-term property development business through more sophisticated management of finances

Key Topics in FY2024 1Q (Excerpted from Press Releases)
- Tokyo Gas Real Estate Investment in Subiaco Apartment Development in Western Australia

(Unit: 100 million yen)



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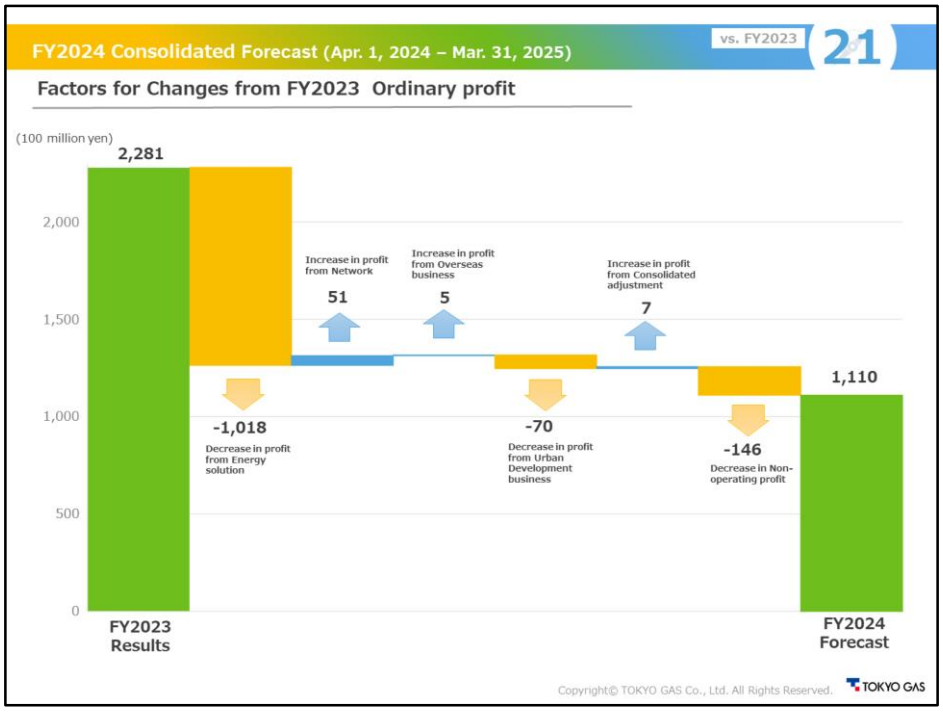
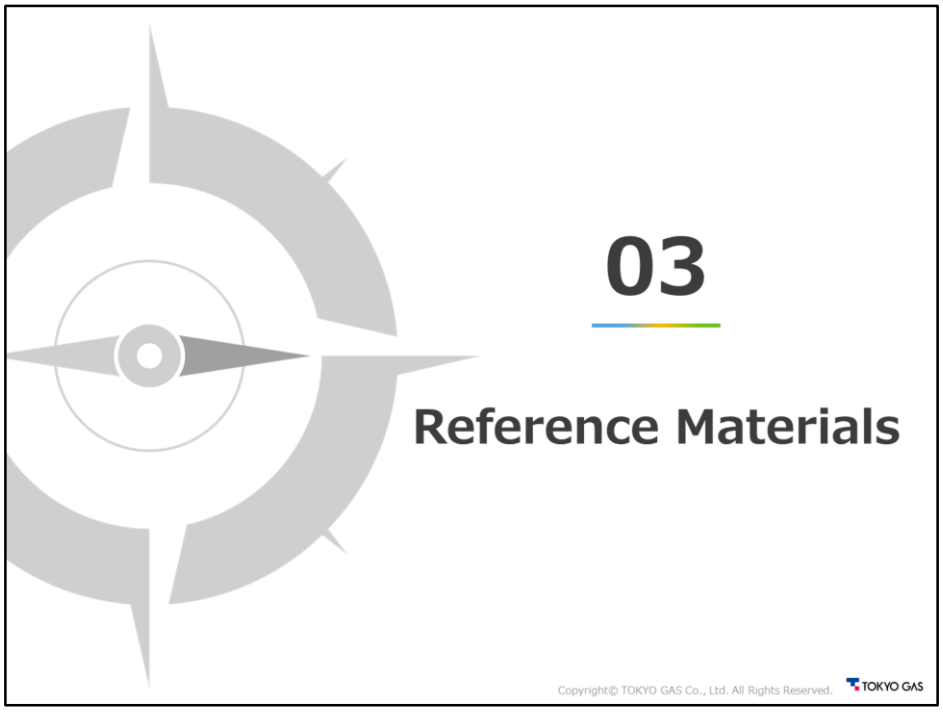
Our forecast for segment profit of the Urban Development segment is unchanged from the previous forecast.



This slide illustrates the changes in profit for each major element of change from the previous fiscal year.



Reference materials include the economic frame sensitivity table, crude oil prices and exchange rates, and information on major overseas investments.

Our initiatives in “realizing management mindful of capital costs and stock prices” will also be included here on a continual basis.

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

23

Impact of rising JCC (Japan Crude Cocktail Prices) by $1/bbl

(Unit: 100 million yen)

		Impact on earnings			
		2Q	3Q	4Q	Full year
Period	2Q	-1	-9	+6	**-4**
	3Q	—	-2	-9	**-11**
	4Q	—	—	-2	**-2**
	Full year	**-1**	**-11**	**-5**	**-17**

Impact of depreciation of the yen by ¥1/$

(Unit: 100 million yen)

		Impact on earnings			
		2Q	3Q	4Q	Full year
Period	2Q	-5	+5	+3	**+3**
	3Q	—	-7	+7	**0**
	4Q	—	—	-10	**-10**
	Full year	**-5**	**-2**	**0**	**-7**

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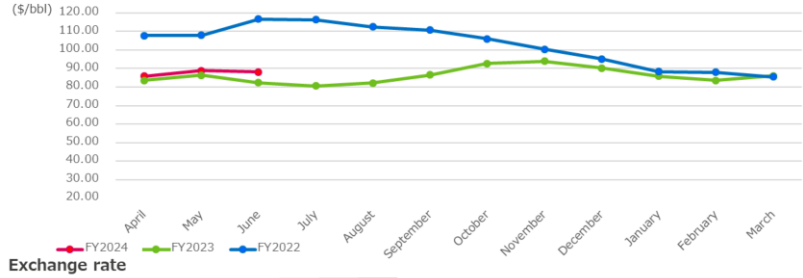
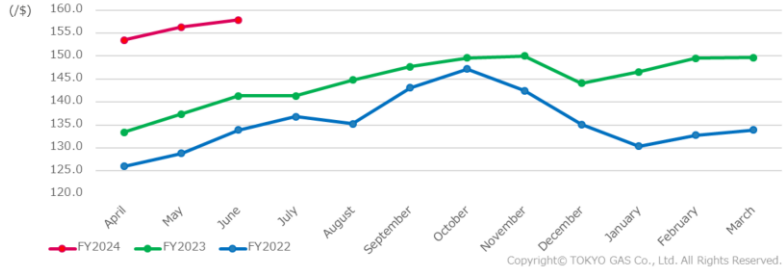
Crude oil price・Exchange rate

24

Crude oil price（Japan Crude Cocktail Prices）



Exchange rate



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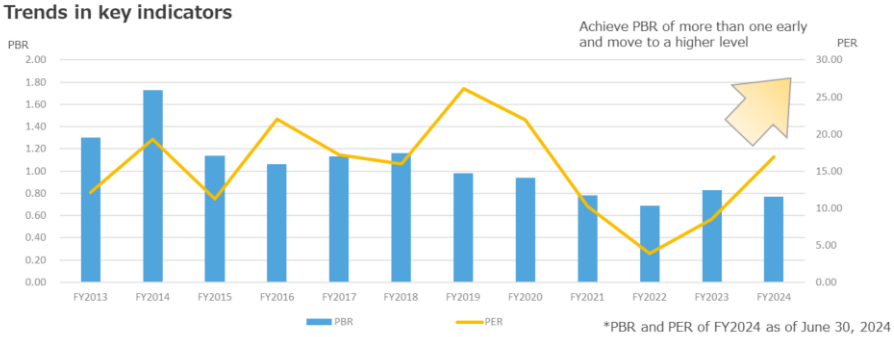
Realizing management mindful of capital costs and stock prices 25

Trends in key indicators



*PBR and PER of FY2024 as of June 30, 2024

	FY2024 Forecast	Previous Forecast
ROA	2.1%	2.1%
ROE	4.8%	4.7%

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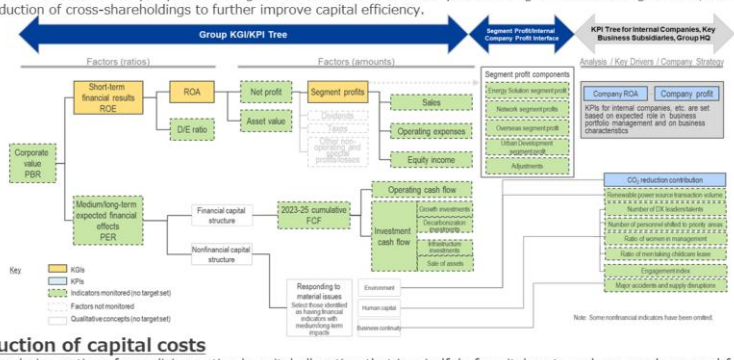
Realizing management mindful of capital costs and stock prices 26

(1) Advancing business portfolio management

- We introduced KPI tree-based business management this fiscal year to facilitate the achievement of our Group KGIs/KPIs. Each internal company, key business subsidiary, etc. defines and implements its own set of improvement drivers to attain its target ROA, which is commensurate with its capital costs and expected role.
- The KGIs (ROA/ROE) for FY2025 in our Medium-term Management Plan are a must-do. To achieve them, we need to not only boost our earning power, but also further improve our balance sheet efficiency. As our short-term response, we will put together a list of proposed actions that can facilitate divestiture of inefficient assets (including accelerating the sale of cross-shareholdings*) and earlier cash recovery in light of capital costs, and discuss them at the senior management level.
  * We sold 26 hundred million yen yen in holdings of 15 listed stocks over four years starting in FY2020. Going forward, we will accelerate the reduction of cross-shareholdings to further improve capital efficiency.



(2) Reduction of capital costs

- We are exploring options for realizing optimal capital allocation that is mindful of capital costs and uses cash sourced from our Australian divestments and asset streamlining actions. We will smartly control our equity capital as we pursue a course of financial discipline aimed at achieving both financial soundness and capital efficiency under a target D/E ratio of 0.9.
- Shareholder returns: Progress of share buyback program (as of June 30, 2024)
  Total number of shares acquired: 4,585,600 shares (cap: 17 million shares, 4.2% of total outstanding shares))
  Total acquisition amount: 15,992,598,800 yen (cap: 40 hundred million yen yen)

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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	Downstream	Natural gas power	2017
			Aktina	Downstream	Solar power	2020
			Longbow	Downstream	Battery Energy Storage System	2024
			ARM Energy Holdings	Downstream	Marketing and Trading	2024
	2	Mexico	Bajio	Downstream	Natural gas power	2004
Southeast Asia	3	Malaysia	GAS MALASIA Bhd.	Downstream	Gas Supply	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	Gas Supply	2017
	6	Indonesia	PRA	Downstream	Gas Supply	2017
			Super Energy	Downstream	Gas Supply	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
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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