

# Consolidated Financial Results Bulletin for the 3rd Quarter Ended December 31, 2020 (J-GAAP)

## Tokyo Gas Co., Ltd.

Securities code: 9531

(URL <https://www.tokyo-gas.co.jp/IR/english/>)

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Contact: Mr. KOMORI Rikiya, Chief Manager,  
Consolidated Settlements Sect.**Stock listings:**

Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: February 15, 2021

Scheduled date of the start of dividend payments: —

Preparation of 3Q earnings presentation material (yes/no): **Yes**Holding of 3Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Performance for 3rd Quarter (from April 1, 2020 to December 31, 2020)

(Unit: million yen)

## (1) Consolidated Business Performance

(% of change from the corresponding period of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Nine months ended Dec. 31, 2020	1,233,505	-9.4%	65,717	20.0%	62,392	9.6%	45,399	34.9%
Nine months ended Dec. 31, 2019	1,362,084	2.7%	54,779	97.4%	56,914	117.1%	33,657	-2.9%

Note: Total comprehensive income

Nine months ended December 31, 2020: 27,545 million yen (-12.3%)    Nine months ended December 31, 2019: 31,409 million yen (12.8%)

	Profit per share	Diluted profit per share
Nine months ended Dec. 31, 2020	102.95 yen	—
Nine months ended Dec. 31, 2019	76.00 yen	—

## (2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio
As of Dec. 31, 2020	2,732,658	1,173,128	42.0%
As of Mar. 31, 2020	2,539,919	1,159,138	45.2%

Reference: Shareholders' equity

As of December 31, 2020: 1,147,489 million yen    As of March 31, 2020: 1,147,747 million yen

Note: As provisional accounting treatments on business combinations were confirmed in 3Q of FY2020 ending March 31, 2021, the figures for FY2019 ended March 31, 2020 reflect the confirmed details of the provisional accounting treatments.

### 2. Dividend

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
FY2019 ended Mar. 31, 2020	—	30.00	—	30.00	60.00
FY2020 ending Mar. 31, 2021	—	30.00	—		
FY2020 ending Mar. 31, 2021 (Forecast)				30.00	60.00

Note: Revision to the dividend forecast that has been disclosed lastly: No

### 3. Consolidated Results Forecast for FY2020 ending March 31, 2021 (April 1, 2020 - March 31, 2021)

(Unit: million yen)

(% of change from the corresponding period of previous year)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Profit per share
Full-year	1,801,000	-6.5%	79,000	-22.1%	68,000	-33.8%	49,000	13.2%	111.11 yen

Note: Revision to the consolidated results forecast that has been disclosed lastly: *Yes*

#### \*Notes

(1) Significant changes in consolidated subsidiaries (changes in specified subsidiaries resulting in change of scope of consolidation during the quarter) (yes/no): *Yes*

Newly included: 5 (Names) TG Natural Resources LLC, TGNR HoldCo LLC, TGNR RBLCo LLC, TGNR East Texas LLC, TGNR TVL LLC

Note: Castleton Resources LLC was renamed TG Natural Resources LLC, CCI Oil and Gas II LLC was renamed TGNR HoldCo LLC, Castleton Commodities Upstream II LLC was renamed TGNR RBLCo LLC, CCI East Texas Upstream LLC was renamed TGNR East Texas LLC, and Castleton TVL LLC was renamed TGNR TVL LLC on November 10, 2020.

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 105 (Increased: 24, decreased: 1)

Number of equity method affiliates: 15 (Increased: 2, decreased: 2)

(2) Application of accounting treatment peculiar to quarterly consolidated financial statement preparation (yes/no): *Yes*

Note: Please see page 8 of the Attachment, “2. Consolidated Financial Statements and Main Notes: (3) Notes on consolidated financial statements (Application of accounting treatment peculiar to quarterly consolidated financial statement preparation)” for details.

(3) Change in accounting policies or estimates and retrospective restatements

1) Change in accounting policies in accordance with revision of accounting standards: *No*

2) Change in accounting policies other than item 1) above: *No*

3) Change in accounting estimates: *No*

4) Retrospective restatements: *No*

(4) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Dec. 31, 2020	442,436,059	Mar. 31, 2020	442,436,059
2) Number of shares of treasury stock at end of period:	Dec. 31, 2020	1,433,224	Mar. 31, 2020	1,424,746
3) Average number of shares during period:	Apr. – Dec. 2020	441,007,553	Apr. – Dec. 2019	442,835,529

\* Quarterly review procedures by a certified public accountant or an audit firm do not apply to quarterly consolidated financial results bulletins.

\* Explanation related to appropriate use of results forecasts and other items warranting special mention

1. As the COVID-19 pandemic has not yet abated, consolidated and non-consolidated results forecasts include numerous elements of uncertainty. Therefore, the forecasts are subject to drastic changes depending on future developments. For details of the above forecasts, please refer to “1. Overview of Business Performance, etc. (2) Future outlook” on page 3 of the Attachment.

2. The information related to this Financial Results will be posted on the Web site of the Company.

**Non-Consolidated Results Forecast for FY2020 ending March 31, 2021 (April 1, 2020 - March 31, 2021)**

(Unit: million yen)

(% of change from the corresponding period of previous year)

	Net sales		Operating profit		Ordinary profit		Net income		Profit per share
	Full-year	1,611,000	-9.9%	53,000	-14.6%	53,000	-22.4%	47,000	-17.1%

Note: Revision to the non-consolidated results forecast that has been disclosed lastly: *Yes*

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# 1. Overview of Business Performance, etc.

## (1) Overview of business performance of the 3rd quarter

### <Summary by segment>

(Unit: million yen)

		Gas	Electric power	Overseas	Energy-related	Real estate	Others
Sales	FY2020	795,847	282,337	31,121	236,149	35,573	78,999
	(% of total)	(54.6%)	(19.3%)	(2.1%)	(16.2%)	(2.4%)	(5.4%)
	FY2019	955,321	249,768	33,951	244,912	33,747	85,299
	(% of total)	(59.6%)	(15.6%)	(2.1%)	(15.3%)	(2.1%)	(5.3%)
	Amount of change	-159,474	32,569	-2,830	-8,763	1,826	-6,300
	(Rate of change)	-16.7%	13.0%	-8.3%	-3.6%	5.4%	-7.4%
Operating expenses	FY2020	731,410	267,484	28,932	224,361	29,645	76,552
	(% of total)	(53.9%)	(19.7%)	(2.1%)	(16.5%)	(2.2%)	(5.6%)
	FY2019	899,170	244,569	26,863	233,153	25,827	81,688
	(% of total)	(59.5%)	(16.2%)	(1.8%)	(15.4%)	(1.7%)	(5.4%)
	Amount of change	-167,760	22,915	2,069	-8,792	3,818	-5,136
	(Rate of change)	-18.7%	9.4%	7.7%	-3.8%	14.8%	-6.3%
Segment profit	FY2020	64,436	14,853	1,736	11,787	6,674	2,439
	(% of total)	(63.2%)	(14.6%)	(1.7%)	(11.6%)	(6.5%)	(2.4%)
	FY2019	56,151	5,199	11,135	11,759	8,468	3,617
	(% of total)	(58.2%)	(5.4%)	(11.6%)	(12.2%)	(8.8%)	(3.8%)
	Amount of change	8,285	9,654	-9,399	28	-1,794	-1,178
	(Rate of change)	14.8%	185.7%	-84.4%	0.2%	-21.2%	-32.6%

Note: Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments. Figures for segment profit are adjusted against the amount based on operating profit of consolidated financial statements plus or minus investment income or loss on equity method.

### < Consolidated City Gas Sales Volume, etc.>

		Apr. – Dec. 2020	Apr. – Dec. 2019	Change	% change	
No. of customers for city gas retail sales	Thousands	8,935	9,259	-324	-3.5	
No. of customers (meters)	Thousands	12,041	11,905	136	1.1	
City gas sales volume	Residential	Mil. m <sup>3</sup>	1,962	1,936	26	1.3
	Commercial	Mil. m <sup>3</sup>	1,572	1,793	-221	-12.3
	Industrial	Mil. m <sup>3</sup>	4,105	4,831	-726	-15.0
	Subtotal	Mil. m <sup>3</sup>	5,677	6,624	-947	-14.3
	Supplies to other utilities	Mil. m <sup>3</sup>	1,273	1,362	-89	-6.5
	Total	Mil. m <sup>3</sup>	8,912	9,923	-1,011	-10.2
Average temperature	°C	19.4	19.5	-0.1	—	

Notes:

- No. of customers for city gas retail sales indicates the number of billed customers for city gas retail sales.
- No. of customers (meters) indicates the number of meters that includes inactive meters and meters for gas supply from other retail companies.
- “Commercial” indicates sales to commercial, public and medical institutions.
- City gas sales volumes are on the basis of 45MJ/m<sup>3</sup>.
- Average temperature is the average temperature during the period of use by each customer (from date of initial month’s meter reading to final month’s meter reading).

The aforementioned notes also apply to the relevant tables.

< Consolidated Electric Power Sales Volume, etc.>

			Apr. – Dec. 2020	Apr. – Dec. 2019	Change	% change
No. of customers for electric power retail sales		Thousands	2,629	2,225	404	18.2
Electric power sales volume	Retail	million kWh	7,152	5,766	1,386	24.0
	Wholesale etc.	million kWh	10,533	8,392	2,141	25.5
	Total	million kWh	17,685	14,158	3,527	24.9

Note: No. of customers for electric power retail sales indicates the number of billed customers for electric power retail sales.

<Foreign Exchange Rate and Crude Oil Price>

¥/\$ rate	Apr. – Dec. 2020	Apr. – Dec. 2019	Change	Crude oil price (\$/bbl)	Apr. – Dec. 2020	Apr. – Dec. 2019	Change
	106.10	108.65	-2.55		39.04	67.84	-28.80

(2) Future outlook

a. Consolidated city gas sales volume forecast for FY2020

			FY2020 (Forecast)	FY2019 (Results)	Change	% change
City gas sales volume	Residential	Mil. m <sup>3</sup>	3,298	3,124	174	5.6
	Others	Mil. m <sup>3</sup>	9,642	10,731	-1,089	-10.2
	Total	Mil. m <sup>3</sup>	12,940	13,855	-915	-6.6
Average temperature		°C	16.2	16.7	-0.5	—

b. Consolidated electric power sales volume forecast for FY2020

			FY2020 (Forecast)	FY2019 (Results)	Change	% change
Total electric power sales volume	million kWh		24,615	20,604	4,011	19.5

c. Consolidated earnings forecast for FY2020

(Unit: hundred million yen)

	Net sales			Operating profit	Ordinary profit	Profit attributable to owners of parent
	Gas sales	Other sales				
FY2020 (forecast)	18,010	11,528	6,482	790	680	490
FY2019 (results)	19,252	13,554	5,698	1,014	1,026	432
Change	-1,242	-2,026	784	-224	-346	58
% change	-6.5%	-14.9%	13.8%	-22.1%	-33.8%	13.2%

Note: Internal sales between segments are adjusted in the “Other sales” column.

< Foreign exchange rate and crude oil price forecast for FY2020>

¥/\$ rate	FY2020 (Forecast)	FY2019 (Results)	Change	Crude oil price (\$/bbl)	FY2020 (Forecast)	FY2019 (Results)	Change
	105.84	108.71	-2.87		41.29	67.79	-26.50

## 2. Consolidated Financial Statements and Main Notes

### (1) Consolidated balance sheets

(Million yen)

	As of March 31,2020	As of December 31,2020
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	224,515	213,912
Distribution facilities	548,095	528,393
Service and maintenance facilities	48,492	15,967
Other facilities	475,249	562,982
Inactive facilities	316	316
Construction in progress	162,862	150,651
Total property, plant and equipment	1,459,532	1,472,223
Intangible assets		
Goodwill	2,056	8,668
Other intangible assets	154,066	282,478
Total intangible assets	156,123	291,146
Investments and other assets		
Investment securities	216,052	207,600
Long-term loans receivable	50,615	58,325
Retirement benefit asset	29	29
Deferred tax assets	49,132	53,704
Other investments and other assets	46,407	61,025
Allowance for doubtful accounts	-405	-335
Total investments and other assets	361,831	380,350
Total non-current assets	1,977,487	2,143,720
Current assets		
Cash and deposits	151,288	204,186
Notes and accounts receivable - trade	221,123	210,737
Lease receivables and investments in leases	20,363	19,902
Merchandise and finished goods	1,905	2,423
Work in process	11,868	23,185
Raw materials and supplies	64,703	33,895
Other current assets	91,748	95,227
Allowance for doubtful accounts	-570	-621
Total current assets	562,431	588,938
Total assets	2,539,919	2,732,658

	As of March 31,2020	As of December 31,2020
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	404,998	474,998
Long-term borrowings	429,541	516,334
Deferred tax liabilities	18,531	23,606
Retirement benefit liability	71,976	70,013
Provision for gas holder repairs	3,122	3,145
Provision for safety measures	593	392
Provision for appliance warranties	12,985	11,676
Provision for point card certificates	1,000	1,464
Asset retirement obligations	14,424	18,715
Other noncurrent liabilities	53,501	82,587
Total non-current liabilities	1,010,676	1,202,934
Current liabilities		
Current portion of non-current liabilities	54,428	61,757
Notes and accounts payable - trade	78,593	77,042
Short-term borrowings	6,507	8,732
Income taxes payable	29,708	5,738
Other current liabilities	200,865	203,323
Total current liabilities	370,104	356,595
<b>Total liabilities</b>	<b>1,380,780</b>	<b>1,559,529</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	2,067	1,137
Retained earnings	967,718	986,656
Treasury shares	-3,875	-3,896
Total shareholders' equity	1,107,754	1,125,742
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,843	20,717
Deferred gains or losses on hedges	1,444	-12,753
Foreign currency translation adjustment	22,412	14,074
Remeasurements of defined benefit plans	292	-291
Total accumulated other comprehensive income	39,992	21,746
Non-controlling interests	11,391	25,638
<b>Total net assets</b>	<b>1,159,138</b>	<b>1,173,128</b>
<b>Total liabilities and net assets</b>	<b>2,539,919</b>	<b>2,732,658</b>



## (2) Consolidated statements of income and comprehensive income

(Consolidated Statements of Income :For the nine months ended December 31, 2020)

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Net sales	1,362,084	1,233,505
Cost of sales	959,433	831,169
Gross profit	402,651	402,335
Selling, general and administrative expenses		
Supply and sales expenses	296,283	290,311
General and administrative expenses	51,588	46,306
Total selling, general and administrative expenses	347,871	336,617
Operating profit	54,779	65,717
Non-operating income		
Interest income	1,669	1,226
Dividend income	5,241	1,822
Share of profit of entities accounted for using equity method	4,603	286
Gain on derivatives	61	5,535
Miscellaneous income	5,007	7,400
Total non-operating income	16,583	16,270
Non-operating expenses		
Interest expenses	8,446	8,925
Loss on derivatives	1	6,715
Miscellaneous expenses	5,999	3,954
Total non-operating expenses	14,448	19,595
Ordinary profit	56,914	62,392
Extraordinary income		
Gain on sales of investment securities	-	4,728
Gain on bargain purchase	-	2,966
Total extraordinary income	-	7,694
Extraordinary losses		
Impairment loss	8,086	7,538
Loss on valuation of investment securities	-	4,010
Total extraordinary losses	8,086	11,549
Profit before income taxes	48,828	58,538
Income taxes	14,397	12,470
Profit	34,430	46,068
Profit attributable to non-controlling interests	773	668
Profit attributable to owners of parent	33,657	45,399

## (Consolidated Statements of Comprehensive Income :For the nine months ended December 31, 2020)

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit (loss)	34,430	46,068
Other comprehensive income		
Valuation difference on available-for-sale securities	1,459	4,898
Deferred gains or losses on hedges	-1,006	-11,016
Foreign currency translation adjustment	-6,611	-5,668
Remeasurements of defined benefit plans, net of tax	4,138	-598
Share of other comprehensive income of entities accounted for using equity method	-999	-6,136
Other comprehensive income	-3,020	-18,522
Comprehensive income	31,409	27,545
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,596	27,153
Comprehensive income attributable to non-controlling interests	813	392

**(3) Notes on consolidated financial statements**

**(Note on going concerns' premise)**

Not applicable

**(Additional information)**

Accounting estimates of the impact of COVID-19

During the nine months ended December 31, 2020, the outbreak of COVID-19 affected the Group's performance in the form of reduced commercial demand for city gas, among others. Since it is impossible to foresee when the disease will abate at this moment, it is difficult to determine its impact on the Group.

In accounting, estimations are required to be based on certain hypotheses. The Group has made various accounting estimates with reference to forecast information by external research organizations available at the time of preparation of consolidated financial statements. It has done so under the hypothesis that net business performance will gradually recover by the end of FY2020, taking into consideration the impact of each business on the business performance up to the nine months ended December 31, 2020.

**(Significant changes in shareholders' equity)**

Not applicable

**(Application of accounting treatment peculiar to quarterly consolidated financial statement preparation)**

Calculation of taxes

Taxes are calculated by multiplying profit before income taxes for the third-quarter period under review by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the profit before income taxes for the current consolidated fiscal year ending March 31, 2021 including the third quarter under review.