

Consolidated Financial Results Bulletin for the 2nd Quarter Ended September 30, 2021**(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531

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

Representative: Mr. UCHIDA Takashi, Representative Corporate Executive Officer, President and CEO

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Stock listings:

Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

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

Scheduled date of the start of dividend payments: November 29, 2021

Preparation of 2Q earnings presentation material (yes/no): **Yes**Holding of 2Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Performance for 2nd Quarter (from April 1, 2021 to September 30, 2021)

(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
Six months ended Sep. 30, 2021	872,616	5.4%	45,342	-12.2%	46,330	-6.9%	31,849	14.5%
Six months ended Sep. 30, 2020	828,071	-9.1%	51,671	11.9%	49,787	3.0%	27,822	-1.9%

Note: Total comprehensive income

Six months ended September 30, 2021: 43,092 million yen (115.3%) Six months ended September 30, 2020: 20,011 million yen (-8.6%)

	Profit per share	Diluted profit per share
Six months ended Sep. 30, 2021	72.42 yen	—
Six months ended Sep. 30, 2020	63.09 yen	—

Note: As provisional accounting treatments on business combinations were confirmed in the FY2020 ended March 31, 2021, the figures for the six months ended September 30, 2020 reflect the confirmed details of the provisional accounting treatments.

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio
As of Sep. 30, 2021	2,978,177	1,206,026	39.9%
As of Mar. 31, 2021	2,738,348	1,178,271	42.1%

Reference: Shareholders' equity

As of September 30, 2021: 1,187,700 million yen As of March 31, 2021: 1,153,813 million yen

2. Dividend

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
FY2020 ended Mar. 31, 2021	—	30.00	—	30.00	60.00
FY2021 ending Mar. 31, 2022	—	30.00			
FY2021 ending Mar. 31, 2022 (Forecast)			—	35.00	65.00

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

3. Consolidated Results Forecast for FY2021 ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(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	1,970,000	11.6%	100,000	28.7%	93,000	31.9%	67,000	35.3%	152.39 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): *No*

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 108 (Increased: 2, decreased: 1)

Number of subsidiaries and affiliates accounted for by equity method: 15

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

Note: Please see page 9 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: *Yes*

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):	Sep. 30, 2021	440,996,559	Mar. 31, 2021	442,436,059
2) Number of shares of treasury stock at end of period:	Sep. 30, 2021	1,443,820	Mar. 31, 2021	1,437,924
3) Average number of shares during period:	Apr. – Sep. 2021	439,795,455	Apr. – Sep. 2020	441,009,114

Note: As the Company introduced a share delivery trust for executives in the second quarter ended September 30, 2021, Company shares held by the trust were included in the treasury stock that was deducted in calculating the number of shares of treasury stock at end of period and the average number of shares during period.

* 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. The consolidated and non-consolidated results forecasts include numerous elements of uncertainty, including the impact of the COVID-19 pandemic. 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 FY2021 ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(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	1,770,000	9.7%	42,000	-10.8%	37,000	-20.9%	28,000	-34.1%

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 2nd quarter

<Summary by segment>

(Unit: million yen)

		Gas	Electric power	Overseas	Energy-related	Real estate	Others
Sales	FY2021	561,856	193,792	37,800	147,778	28,475	48,549
	(% of total)	(55.2%)	(19.0%)	(3.7%)	(14.5%)	(2.8%)	(4.8%)
	FY2020	544,060	195,558	19,164	154,163	22,930	52,428
	(% of total)	(55.1%)	(19.8%)	(1.9%)	(15.6%)	(2.3%)	(5.3%)
	Amount of change	17,796	-1,766	18,636	-6,385	5,545	-3,879
	(Rate of change)	3.3%	-0.9%	97.2%	-4.1%	24.2%	-7.4%
Operating expenses	FY2021	527,420	185,592	28,895	140,999	20,304	47,805
	(% of total)	(55.6%)	(19.5%)	(3.0%)	(14.8%)	(2.1%)	(5.0%)
	FY2020	496,184	182,372	16,695	148,454	19,149	50,881
	(% of total)	(54.3%)	(20.0%)	(1.8%)	(16.2%)	(2.1%)	(5.6%)
	Amount of change	31,236	3,220	12,200	-7,455	1,155	-3,076
	(Rate of change)	6.3%	1.8%	73.1%	-5.0%	6.0%	-6.0%
Segment profit/loss	FY2021	34,435	8,200	10,509	6,779	8,630	786
	(% of total)	(49.7%)	(11.8%)	(15.2%)	(9.8%)	(12.4%)	(1.1%)
	FY2020	47,876	13,185	1,723	5,708	4,262	1,537
	(% of total)	(64.5%)	(17.7%)	(2.3%)	(7.7%)	(5.7%)	(2.1%)
	Amount of change	-13,441	-4,985	8,786	1,071	4,368	-751
	(Rate of change)	-28.1%	-37.8%	509.9%	18.8%	102.5%	-48.9%

Notes:

- 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/loss are adjusted against the amount based on operating profit/loss of consolidated financial statements plus or minus investment income or loss on equity method.
- As provisional accounting treatments on business combinations were confirmed in the FY2020 ended March 31, 2021, the figures for the six months ended September 30, 2020 reflect the confirmed details of the provisional accounting treatments.

< Consolidated City Gas Sales Volume, etc.>

		Apr. – Sep. 2021	Apr. – Sep. 2020	Change	% change	
No. of customers for city gas retail sales	Thousands	8,762	8,975	-213	-2.4	
No. of customers (meters)	Thousands	12,132	12,005	127	1.1	
City gas sales volume	Residential	Mil. m ³	1,135	1,242	-107	-8.6
	Commercial	Mil. m ³	1,022	1,059	-37	-3.4
	Industrial	Mil. m ³	2,838	2,469	369	14.9
	Subtotal	Mil. m ³	3,860	3,527	333	9.4
	Supplies to other utilities	Mil. m ³	724	800	-76	-9.5
	Total	Mil. m ³	5,719	5,569	150	2.7
Average temperature	°C	21.5	21.3	0.2	—	

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/m³.
 - 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. – Sep. 2021	Apr. – Sep. 2020	Change	% change
No. of customers for electric power retail sales	Thousands		2,876	2,522	354	14.1
Electric power sales volume	Retail	million kWh	4,949	4,885	64	1.3
	Wholesale etc.	million kWh	8,296	6,917	1,379	19.9
	Total	million kWh	13,245	11,801	1,444	12.2

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. – Sep. 2021	Apr. – Sep. 2020	Change	Crude oil price (\$/bbl)	Apr. – Sep. 2021	Apr. – Sep. 2020	Change
	109.81	106.93	2.88		70.29	36.47	33.82

(2) Future outlook

a. Consolidated city gas sales volume forecast for FY2021

			FY2021 (Forecast)	FY2020 (Results)	Change	% change
City gas sales volume	Residential	Mil. m ³	3,101	3,207	-106	-3.3%
	Others	Mil. m ³	9,281	9,783	-502	-5.1%
	Total	Mil. m ³	12,382	12,990	-608	-4.7%
Average temperature		°C	16.3	16.5	-0.2	—

b. Consolidated electric power sales volume forecast for FY2021

			FY2021 (Forecast)	FY2020 (Results)	Change	% change
Total electric power sales volume	million kWh		26,964	24,761	2,203	8.9

c. Consolidated earnings forecast for FY2021

(Unit: hundred million yen)

	Net sales			Operating profit	Ordinary profit	Profit attributable to owners of parent
	Gas sales	Other sales				
FY2021 (forecast)	19,700	12,740	6,960	1,000	930	670
FY2020 (results)	17,651	11,467	6,183	776	705	495
Change	2,049	1,273	777	224	225	175
% change	11.6%	11.1%	12.6%	28.7%	31.9%	35.3%

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

< Foreign exchange rate and crude oil price forecast for FY2021>

¥/\$ rate	FY2021 (Forecast)	FY2020 (Results)	Change	Crude oil price (\$/bbl)	FY2021 (Forecast)	FY2020 (Results)	Change
	109.91	106.10	3.81		70.15	43.35	26.80

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

As of March 31, 2021 As of September 30, 2021

Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	231,177	225,592
Distribution facilities	594,662	579,351
Service and maintenance facilities	15,992	14,793
Other facilities	564,495	564,438
Inactive facilities	316	316
Construction in progress	89,283	128,830
Total property, plant and equipment	1,495,927	1,513,323
Intangible assets		
Goodwill	5,320	5,032
Other intangible assets	290,316	290,176
Total intangible assets	295,637	295,208
Investments and other assets		
Investment securities	230,782	246,568
Long-term loans receivable	57,279	62,073
Retirement benefit asset	114	10,058
Deferred tax assets	47,368	46,120
Other investments	60,814	74,925
Allowance for doubtful accounts	(301)	(291)
Total investments and other assets	396,057	439,455
Total non-current assets	2,187,623	2,247,987
Current assets		
Cash and deposits	157,881	186,371
Notes and accounts receivable - trade	218,985	-
Notes and accounts receivable - trade, and contract assets	-	237,778
Lease receivables and investments in leases	19,618	18,978
Securities	1,210	10
Merchandise and finished goods	1,980	3,515
Work in process	11,595	20,467
Raw materials and supplies	46,464	83,532
Other current assets	93,848	180,488
Allowance for doubtful accounts	(857)	(953)
Total current assets	550,725	730,189
Total assets	2,738,348	2,978,177

(Million yen)

As of March 31,2021

As of September 30,2021

Liabilities		
Non-current liabilities		
Bonds payable	474,998	528,480
Long-term borrowings	458,881	515,100
Deferred tax liabilities	24,269	32,503
Retirement benefit liability	58,416	67,237
Provision for share awards for directors (and other officers)	-	28
Provision for gas holder repairs	3,172	3,164
Provision for safety measures	349	263
Provision for appliance warranties	10,843	-
Provision for point card certificates	1,635	444
Asset retirement obligations	23,313	24,378
Other noncurrent liabilities	89,188	93,877
Total non-current liabilities	1,145,067	1,265,479
Current liabilities		
Current portion of non-current liabilities	108,704	71,169
Notes and accounts payable - trade	84,265	72,326
Short-term borrowings	5,706	6,094
Income taxes payable	11,710	19,910
Other current liabilities	204,623	337,169
Total current liabilities	415,010	506,670
Total liabilities	1,560,077	1,772,150
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	1,145	846
Retained earnings	990,762	1,010,833
Treasury shares	(3,907)	(3,514)
Total shareholders' equity	1,129,845	1,150,009
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,990	25,294
Deferred gains or losses on hedges	(11,240)	(18,197)
Foreign currency translation adjustment	4,322	26,628
Remeasurements of defined benefit plans	7,895	3,965
Total accumulated other comprehensive income	23,968	37,690
Non-controlling interests	24,457	18,326
Total net assets	1,178,271	1,206,026
Total liabilities and net assets	2,738,348	2,978,177

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	828,071	872,616
Cost of sales	554,339	601,407
Gross profit	273,732	271,209
Selling, general and administrative expenses		
Supply and sales expenses	191,236	196,416
General and administrative expenses	30,824	29,450
Total selling, general and administrative expenses	222,060	225,866
Operating profit	51,671	45,342
Non-operating income		
Interest income	1,003	607
Dividend income	1,451	969
Share of profit of entities accounted for using equity method	-	2,106
Gain on derivatives	319	7,285
Miscellaneous income	4,485	8,395
Total non-operating income	7,259	19,364
Non-operating expenses		
Interest expenses	5,451	7,641
Share of loss of entities accounted for using equity method	273	-
Loss on derivatives	946	5,970
Miscellaneous expenses	2,472	4,764
Total non-operating expenses	9,143	18,377
Ordinary profit	49,787	46,330
Extraordinary income		
Gain on bargain purchase	2,008	-
Gain on sale of investment securities	-	2,871
Total extraordinary income	2,008	2,871
Extraordinary losses		
Impairment losses	6,464	-
Loss on valuation of investment securities	4,664	-
Total extraordinary losses	11,129	-
Profit before income taxes	40,667	49,202
Income taxes	12,488	16,421
Profit	28,178	32,780
Profit attributable to non-controlling interests	356	931
Profit attributable to owners of parent	27,822	31,849

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	28,178	32,780
Other comprehensive income		
Valuation difference on available-for-sale securities	3,522	2,319
Deferred gains or losses on hedges	(5,197)	(12,040)
Foreign currency translation adjustment	(2,743)	20,684
Remeasurements of defined benefit plans, net of tax	(429)	(3,929)
Share of other comprehensive income of entities accounted for using equity method	(3,320)	3,277
Total other comprehensive income	(8,167)	10,312
Comprehensive income	20,011	43,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,515	45,605
Comprehensive income attributable to non-controlling interests	496	(2,513)

(3) Notes on consolidated financial statements

(Note on going concerns' premise)

Not applicable

(Additional information)

Accounting estimates on the impact of COVID-19

It is difficult to determine the impact of the COVID-19 pandemic on the Group since we cannot currently foresee when the pandemic will abate.

Accounting treatments require estimations to be made based on certain assumptions. The Group has made accounting estimates by assuming that the impact of the COVID-19 pandemic will continue to a certain extent during FY2021, referring to forecast data by outside research institutions available at the time of preparation of consolidated financial statements and in view of the impact of each business on the operating results for the six months ended September 30, 2021.

Share-based compensation plan for directors, corporate executive officers and executive officers

At its Compensation Committee held on June 29, 2021, the Company resolved to introduce a trust-type share-based Compensation Plan for its directors and corporate executive officers with the aim of providing incentives to improve the Company's corporate value over the medium to long term. The Company has also decided to introduce a similar share-based compensation plan for its executive officers (the two share-based compensation plans are hereinafter collectively referred to as the "Plan"; the directors, corporate executive officers and executive officers are hereinafter collectively referred to as the "Executives").

Accounting for the Plan is based on the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(1) Overview of transaction

The Plan is a trust-type share-based compensation plan under which a trust established by the Company by contributing cash (hereinafter, the "Trust") acquires Company shares equivalent to the number of points granted by the Company to each Executive, who then receives delivery of the shares.

Under the Plan, Company shares will be delivered to Executives in office during the three fiscal years from the fiscal year ending March 31, 2022, to the fiscal year ending March 31, 2024 (hereinafter, the "Applicable Period"). As a general rule, Executives shall receive the Company shares when they resign/retire.

(2) Company shares remaining in trust

Company shares remaining in trust have been recorded as treasury stock at their carrying amount in the trust (excluding the amount of incidental expenses) under net assets. The carrying amount and number of shares of said treasury stock at the end of the second quarter ended September 30, 2021, were ¥461 million and 224,600 shares, respectively.

(Significant changes in shareholders' equity)

Purchase of treasury stock

The Company purchases treasury stock from the market as per the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 165, Section 3 of the Companies Act.

The purchase of treasury stock that was decided at the Board of Directors meeting held on April 28, 2021, has ended with the purchases of up to May 18, 2021.

- | | |
|--------------------------------|---|
| (1) Purchase period | May 10 – May 18, 2021 (contract basis) |
| (2) Number of shares purchased | 1,439,500 shares |
| (3) Total amount of purchase | ¥3,299,881,550 |
| (4) Purchase method | Market purchase on the Tokyo Stock Exchange |

Retirement of treasury stock

At its Board of Directors meeting held on July 28, 2021, the Company resolved to retire its treasury stock pursuant to Article 178 of the Companies Act and carried out the retirement as follows.

- | | |
|------------------------------|------------------|
| (1) Class of shares retired | Common stock |
| (2) Number of shares retired | 1,439,500 shares |
| (3) Date of retirement | August 17, 2021 |

(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 second-quarter period under review by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the profit income before income taxes for the current consolidated fiscal year ending March 31, 2022 including the second quarter under review.

(Change in accounting policies)

Application of Accounting Standard for Revenue Recognition, etc.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ No. 29, March 31, 2020) and others effective the start of the three months ended June 30, 2021, and has decided to recognize the amount expected to be received in exchange for goods or services as revenue when the control of the promised goods or services has been transferred to the customer.

Therefore, revenues associated with the electric power business, which had been recognized on the basis of the date of meter reading, are now recognized on the basis of delivery by reasonably estimating the performance obligation that is fulfilled at the end of the term. For the provision of certain gas equipment maintenance services, the maintenance cost expected to be incurred in the future had been booked as provision for appliance warranties, and the amount provided had been booked as expenses. However, said services are now identified as a performance obligation, and the amount expected as consideration for future provision of the services is now treated as a contractual liability. The advanced billing use to promote renewable energy power generation is no longer included in the transaction price upon revenue recognition as it is collected for a third party. It is now accounted for as a liability item instead of the previous operating revenue item. The corresponding payments in accordance with the Act on Special Measures concerning the Procurement of Renewable Electric Energy are now also accounted for as said liability item instead of an operating expense. With regard to points that are granted according to the purchase amount of gas and electricity, the amount expected to be used in the future had been booked as provision for point card certificates and the amount provided had been booked as expenses. The points granted are now identified as a performance obligation, and the amount expected to be received in exchange for future services are now booked as a contractual liability.

The Accounting Standard for Revenue Recognition, etc. are applied in accordance with the transitional procedures set forth in the proviso of paragraph 84 of the Accounting Standard for Revenue Recognition. Under this application method, the cumulative effect of retroactively applying the new accounting policies to before the start of the three months ended June 30, 2021, is added to or deducted from the retained earnings at the start of the three months ended June 30, 2021, and the new accounting policies are applied from said starting balance.

However, by applying the method set forth in paragraph 86 of the Accounting Standard for Revenue Recognition, the new accounting policies have not been applied retroactively to contracts for which almost all revenues had been recognized in accordance with the previous treatment before the start of the three months ended June 30, 2021. In addition, by applying the method set forth in proviso (1) of paragraph 86 of the Accounting Standard for Revenue Recognition, changes to contracts carried out before the start of the three months ended June 30, 2021, have been accounted for based on the contract terms after all contract changes have been reflected, and their cumulative effects have been added to or deducted from retained earnings at the start of the three months ended June 30, 2021.

As a result, retained earnings at the start of the six months ended September 30, 2021, increased by ¥5,255 million, net sales for the six months ended September 30, 2021, decreased by ¥22,317 million, and operating profit, ordinary profit, and profit before income taxes increased by ¥133 million each.

Due to the application of the Accounting Standard for Revenue Recognition, etc., “notes and accounts receivable - trade,” which were presented under “current assets” in the consolidated balance sheet for the previous fiscal year, have been included in “notes and accounts receivable - trade, and contractual assets,” starting the beginning of the three months ended June 30, 2021. The “provision for appliance warranties,” which was presented under “non-current liabilities” in the consolidated balance sheet for the previous fiscal year, has been included as “contractual liabilities” under “other current liabilities,” starting the beginning of the three months ended June 30, 2021. Of the “provision for point card certificates” that was presented under “non-current liabilities” in the consolidated balance sheet for the previous fiscal year, the amount corresponding to contractual liabilities under the Accounting Standard for Revenue Recognition, etc. has been included as “contractual liabilities” under “other current liabilities,” starting the beginning of the three months ended June 30, 2021. In accordance with the transitional procedures set forth in paragraph 89-2 of the Accounting Standard for Revenue Recognition, reclassification based on the new presentation method has not been carried out for the previous fiscal year.

Application of Accounting Standard for Fair Value Measurement, etc.

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) and others effective the start of the three months ended June 30, 2021, and has decided to apply the new accounting policy set forth by the Accounting Standard for Fair Value Measurement, etc. into the future in accordance with the transitional procedures stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). This will have no impact on quarterly consolidated financial statements.