

# Consolidated Financial Results Bulletin for the Fiscal Year Ended March 31, 2022 (J-GAAP) Tokyo Gas Co., Ltd.

Securities code: 9531  
(URL <https://www.tokyo-gas.co.jp/IR/english/index.html>)  
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Consolidated Settlements Sect.

**Stock listings:**  
Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

General shareholders' meeting schedule: June 29, 2022  
Scheduled date of the filing of securities report: June 29, 2022  
Scheduled date of the start of dividend payments: June 6, 2022  
Preparation of earnings presentation material (yes/no): **Yes**  
Holding of earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

## 1. Consolidated Performance for FY2021 ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	
FY2021 ended Mar. 31, 2022	2,145,197	21.5%	117,777	51.6%	126,732	79.8%	88,745	79.3%
FY2020 ended Mar. 31, 2021	1,765,146	-8.3%	77,675	-23.4%	70,500	-31.3%	49,505	14.3%

Note: Total comprehensive income

FY2021 ended March 31, 2022: 98,859 million yen (188.6%)

FY2020 ended March 31, 2021: 34,259 million yen (-14.7%)

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
FY2021 ended Mar. 31, 2022	201.84 yen	—	7.5%	4.3%	5.5%
FY2020 ended Mar. 31, 2021	112.26 yen	—	4.3%	2.7%	4.4%

Reference: Profit or loss on investment accounted for by equity method

FY2021 ended March 31, 2022: 3,725 million yen

FY2020 ended March 31, 2021: 1,482 million yen

## (2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio	Net assets per share
As of Mar. 31, 2022	3,216,942	1,256,566	38.1%	2,791.95 yen
As of Mar. 31, 2021	2,738,348	1,178,271	42.1%	2,616.37 yen

Reference: Shareholders' equity

As of March 31, 2022: 1,227,198 million yen

As of March 31, 2021: 1,153,813 million yen

## (3) Consolidated Cash Flows

(Unit: million yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY2021 ended Mar. 31, 2022	145,227	-224,656	90,490	179,699
FY2020 ended Mar. 31, 2021	255,574	-295,911	52,009	157,811

## 2. Dividend

	Dividend per share (Unit: yen)					Total dividend payments (Full-year) (Unit: million yen)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full-year			
FY2020 ended Mar. 31, 2021	—	30.00	—	30.00	60.00	26,460	53.4%	2.3%
FY2021 ended Mar. 31, 2022	—	30.00	—	35.00	65.00	28,585	32.2%	2.4%
FY2022 ending Mar. 31, 2023 (Forecast)	—	32.50	—	32.50	65.00		—	

## 3. Consolidated Results Forecast for FY2022 ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(Unit: million yen)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
Full-year	2,530,000	17.9%	140,000	18.9%	127,000	-0.2%	92,000	3.7%	211.69

### \*Notes

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

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 113 (Increased by 8 companies and decreased by 2 companies)

Number of subsidiaries and affiliates accounted for by equity method: 16 (Increased by 1 company)

- (2) 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*

- (3) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Mar. 31, 2022	440,996,559	Mar. 31, 2021	442,436,059
2) Number of shares of treasury stock at end of period:	Mar. 31, 2022	1,448,431	Mar. 31, 2021	1,437,924
3) Average number of shares during period:	Apr. 2021–Mar. 2022	439,672,718	Apr. 2020–Mar. 2021	441,005,584

(Reference)

**1. Non-Consolidated Business Results for FY2021 ended March 31, 2022 (April 1, 2021 - March 31, 2022)**

(1) Non-Consolidated Business Performance

(Unit: million yen)

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

	Net sales		Operating profit		Ordinary profit		Net income	
FY2021 ended Mar. 31, 2022	1,921,391	19.1%	42,169	-10.4%	38,234	-18.2%	30,834	-27.5%
FY2020 ended Mar. 31, 2021	1,612,911	-9.8%	47,069	-24.1%	46,764	-31.6%	42,516	-25.0%

	Profit per share	Diluted profit per share
FY2021 ended Mar. 31, 2022	70.13 yen	—
FY2020 ended Mar. 31, 2021	96.41 yen	—

(2) Non-Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio	Net assets per share
As of Mar. 31, 2022	2,307,392	811,949	35.2%	1,847.24 yen
As of Mar. 31, 2021	2,110,568	805,000	38.1%	1,825.41 yen

Reference: Shareholders' equity

As of March 31, 2022: 811,949 million yen

As of March 31, 2021: 805,000 million yen

**2. Non-Consolidated Results Forecast for FY2022 ending March 31, 2023 (April 1, 2022 - March 31, 2023)**

(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	2,208,300	14.9%	70,800	67.9%	76,700	100.6%	56,700	83.9%	130.47 yen

\* 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. Consolidated and non-consolidated results forecasts include numerous elements of uncertainty, such as the impact of the COVID-19. 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 6 of the Attachment.
2. The information related to this Financial Results will be posted on the Web site of the Company.

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## **I. Overview of Business Performance, etc.**

### **(1) Overview of business performance and financial position of FY2021**

#### **(Business performance of FY2021)**

During the fiscal year under review, the Japanese economy was expected to recover due to the effect of infection control measures and improvements in overseas economies, despite continued restrictions on economic activities, with new waves of the spread of the novel coronavirus (COVID-19) infections occurring intermittently. However, the outlook of the economy remains unclear due to factors such as concerns over a resurgence in infections caused by variant strains of the virus and the situation in Ukraine.

Amid this economic climate, competition between energy operators in the energy industry as well as competition across industry borders have intensified due to the full deregulation of retail gas sales in April 2017 that followed the full deregulation of retail electric power sales in April 2016. The environment surrounding the energy business experienced major changes, including decarbonization becoming a global trend. Against this backdrop, we actively undertook various measures to enhance the added value we deliver to customers in Japan and abroad through the development of a comprehensive energy business and globalization.

COVID-19 has continued to affect the Company in many ways. In the city gas business, residential demand from customers staying at home declined from the previous fiscal year, as customers went out more and spent less time at home due to the lifting of the state of emergency at the end of September 2021 and the gradual easing of movement restrictions.

Industrial demand has not reached the level before the spread of the pre-pandemic levels, and food and beverages are still affected.

The electric power business saw a rise in sales volume mainly due to an increase in the number of retail sale transactions, despite the impact of a drop in demand from customers staying at home. In the overseas business, there was an improvement in earnings due in part to a rise in selling prices in the LNG business, etc. in Australia and North America on the back of a global rise of market prices. In the energy-related business, delays in delivery brought about by a global shortage of semiconductors and a shortage of component supply due to the spread of infections in Southeast Asia caused a decline in sales volume of gas equipment products, etc. In the real estate business, rent income increased as large-scale properties operated throughout the year.

In light of these economic conditions and changes in the business climate, consolidated net sales for the year under review totaled ¥2,145.1 billion, a rise of 21.5% year on year and operating expenses came to ¥2,027.4 billion, an increase of 20.1% year on year.

Extrapolating from this performance, operating profit was ¥117.7 billion, an increase of 51.6% year on year, and ordinary profit totaled ¥126.7 billion, a rise of 79.8%. Profit attributable to owners of the parent came to ¥88.7 billion, a growth of 79.3% year on year. This reflected the posting of a ¥4.1 billion gain on sales of investment securities and a ¥2.2 billion gain on sales of non-current assets as extraordinary income, a ¥3.7 billion impairment loss on the real estate business, etc. and a ¥2.4 billion loss on valuation of investment securities as extraordinary losses, and income taxes.

#### **<Segment summary>**

##### **1) Gas**

The sales volume of the city gas business, which is the main business of the gas segment, was 13,131 million m<sup>3</sup> in the fiscal year under review, an increase of 1.1% year on year. Breaking this down, residential demand was 3,077 million m<sup>3</sup>, a decrease of 4.0%, primarily due to a drop in demand as customers spent less time at home.

Commercial demand was 2,248 million m<sup>3</sup>, a decline of 0.6%, mainly due to a drop in the number of customers.

Industrial demand was 6,197 million m<sup>3</sup>, an increase of 7.1%, primarily due to an increase in sales volume to users dedicated to power generation.

Supply to other utilities was 1,609 million m<sup>3</sup>, a drop of 7.2%, owing mainly to a drop in customer demand.

Gas sales came to ¥1,440.0 billion, an increase of ¥297.3 billion or 25.9% year on year, owing mainly to an increase a rise in gas unit price reflecting resource cost adjustments.

As a result of a rise in gas sales volume and an increase in city gas resource costs due to a rising trend in crude oil prices compared to the previous fiscal year, the overall operating expenses increased ¥283.0 billion or 26.7%.

Consequently, segment profit totaled ¥102.6 billion, an increase of ¥14.2 billion or 16.0% year on year.

**<Consolidated City Gas Sales Volume for FY2021 Ended March 31, 2022>**

			FY2021	FY2020	Change	% change
No. of customers for city gas retail sales		Thousands	8,688	8,863	-175	-2.0
No. of customers (meters)		Thousands	12,202	12,083	119	1.0
City gas sales volume	Residential	Mil. m <sup>3</sup>	3,077	3,207	-130	-4.0
	Commercial	Mil. m <sup>3</sup>	2,248	2,261	-13	-0.6
	Industrial	Mil. m <sup>3</sup>	6,197	5,787	410	7.1
	Subtotal	Mil. m <sup>3</sup>	8,445	8,049	396	4.9
	Supplies to other utilities	Mil. m <sup>3</sup>	1,609	1,735	-126	-7.2
	Total	Mil. m <sup>3</sup>	13,131	12,990	141	1.1
Average temperature		°C	16.3	16.5	-0.2	—

Notes:

1. No. of customers for city gas retail sales indicates the number of billed customers for city gas retail sales.
2. No. of customers (meters) indicates the number of meters that includes inactive meters and meters for gas supply from other retail companies.
3. “Commercial” indicates sales to commercial, public and medical institutions.
4. City gas sales volumes are on the basis of 45MJ/m<sup>3</sup>.
5. 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.

**<Foreign Exchange Rate and Crude Oil Price>**

¥/\$ rate	FY2021	FY2020	Change	Crude oil price (\$/bbl)	FY2021	FY2020	Change
	112.39	106.10	6.29		77.15	43.36	33.79

2) Electric power

Sales totaled ¥467.8 billion, an increase of ¥71.9 billion or 18.2% year on year. Operating expenses rose ¥69.4 billion or 17.9%.

Reflecting this, segment profit totaled ¥11.1 billion, an increase of ¥2.5 billion or 27.8% year on year.

**<Consolidated Electric Power Sales Volume for FY2021 Ended March 31, 2022>**

			FY2021	FY2020	Change	% change
No. of customers for city gas retail sales		Thousands	3,014	2,717	297	10.9
Electric power sales volume	Retail	million kWh	11,305	10,482	823	7.9
	Wholesale etc.	million kWh	16,983	14,279	2,704	18.9
	Total	million kWh	28,288	24,761	3,527	14.2

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

3) Overseas

Sales totaled ¥85.9 billion, an increase of ¥40.0 billion or 87.1% year on year. Operating expenses rose ¥17.9 billion or 42.1%.

Segment profit was ¥28.2 billion, a rise of ¥24.4 billion or 625.2% year on year, as a result of an increase in equity-method investment gains.

4) Energy-related

Sales totaled ¥331.3 billion, a decrease of ¥8.1 billion or 2.4% year on year. Operating expenses declined ¥4.0 billion or 1.2%.

Reflecting this, segment profit was ¥12.8 billion, a drop of ¥4.2 billion or 24.8% year on year.

5) Real estate

Sales totaled ¥57.9 billion, an increase of ¥9.5 billion or 19.7% year on year. Operating expenses rose ¥3.6 billion or 8.5%. Segment profit was ¥13.4 billion, a rise of ¥5.9 billion or 78.5% year on year, although equity-method investment gains were roughly unchanged from the previous fiscal year.

A ¥3.1 billion impairment loss on the real estate business was posted as extraordinary losses.

#### 6) Others

Sales totaled ¥107.5 billion, a decrease of ¥2.9 billion or 2.6% year on year. Operating expenses decreased ¥1.1 billion or 1.0%.

Segment profit was ¥2.0 billion, a decline of ¥1.8 billion or 46.8% year on year, although equity-method investment gains were roughly unchanged from the previous fiscal year.

#### <Summary by segment>

(Unit: hundred million yen )

		Gas	Electric power	Overseas	Energy-related	Real estate	Others
Sales	FY2021	14,400	4,678	859	3,313	579	1,075
	(% of total)	(57.9%)	(18.8%)	(3.4%)	(13.3%)	(2.3%)	(4.3%)
	FY2020	11,467	3,959	459	3,394	484	1,104
	(% of total)	(54.9%)	(19.0%)	(2.2%)	(16.3%)	(2.3%)	(5.3%)
	Amount of change	2,973	719	400	-81	95	-29
	(Rate of change)	25.9%	18.2%	87.1%	-2.4%	19.7%	-2.6%
Operating expenses	FY2021	13,413	4,566	604	3,184	454	1,055
	(% of total)	(57.6%)	(19.6%)	(2.6%)	(13.7%)	(2.0%)	(4.5%)
	FY2020	10,583	3,872	425	3,224	418	1,066
	(% of total)	(54.0%)	(19.8%)	(2.2%)	(16.5%)	(2.1%)	(5.4%)
	Amount of change	2,830	694	179	-40	36	-11
	(Rate of change)	26.7%	17.9%	42.1%	-1.2%	8.5%	-1.0%
Segment profit	FY2021	1,026	111	282	128	134	20
	(% of total)	(60.3%)	(6.5%)	(16.6%)	(7.5%)	(7.9%)	(1.2%)
	FY2020	884	86	38	170	75	38
	(% of total)	(68.4%)	(6.7%)	(3.0%)	(13.2%)	(5.8%)	(2.9%)
	Amount of change	142	25	244	-42	59	-18
	(Rate of change)	16.0%	27.8%	625.2%	-24.8%	78.5%	-46.8%

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 in the consolidated financial statements plus or minus equity-method investment gains.

**(Financial position in FY2021)****1) Situation of assets, debt and net assets**

Assets as of March 31, 2022, totaled ¥3,216.9 billion, an increase of ¥478.6 billion versus March 31, 2021, primarily attributable to an increase in notes and accounts receivable - trade, and contract assets based partly on a rise in city gas unit price reflecting resource cost adjustments due to the impact of the rise in crude oil prices, as well as an increase in other current assets.

Liabilities stood at ¥1,960.3 billion, an increase of ¥400.3 billion. This was primarily attributable to an increase in the interest-bearing debt (¥154.6 billion) due to an increase in corporate bonds and the outstanding balance for long-term loans payable.

Net assets totaled ¥1,256.5 billion, a rise of ¥78.3 billion. Although net assets were negatively impacted by factors including the distribution of capital surplus (-¥26.4 billion), there was an overall increase attributable to a rise in shareholders' equity mainly thanks to the posting of profit attributable to the owners of the parent (¥88.7 billion) and an increase in non-controlling interests (¥4.9 billion) partly as Niihama LNG Co., Ltd. became a consolidated subsidiary. In contrast with the growth rate of shareholders' equity, the growth rate of net worth (equity capital) (total shareholders' equity + accumulated other comprehensive income) was smaller. As a result, the shareholders' equity ratio was 38.1% on March 31, 2022, down 4.0 points from March 31, 2021.

**<Capital expenditure>**

(Unit: hundred million yen)

		(Unit: hundred million yen)			
		FY2021	FY2020	Change	% change
Tokyo Gas	Production facilities	71	111	-40	-35.9
	Supply facilities	809	959	-150	-15.7
	Operational facilities, etc.	214	383	-169	-44.2
	Total	1,094	1,454	-360	-24.7
Consolidated subsidiaries		1,051	1,043	8	0.8
Adjustments		-74	-33	-41	—
Total		2,072	2,464	-392	-15.9

**2) Situation of cash flow**

(Unit: hundred million yen)

	FY2021	FY2020	Change
Cash flow from operating activities	1,452	2,555	-1,103
Cash flow from investing activities	-2,246	-2,959	713
Cash flow from financing activities	904	520	384
Effect of exchange rate change on cash and cash equivalents	91	-50	141
Net increase (decrease) in cash and cash equivalents	201	65	136
Cash and cash equivalents at beginning of year	1,578	1,512	66
Cash and cash equivalents at end of year	1,796	1,578	218

**a) Cash flow from operating activities**

Cash and cash equivalents obtained as a result of operating activities totaled ¥145.2 billion. This was primarily attributable to the posting of income before income taxes (¥126.8 billion) and depreciation and amortization (¥196.8 billion), despite an increase in trade receivables (-¥113.3 billion), income taxes paid (-¥16.1 billion) and interest paid (-¥14.4 billion).

**b) Cash flow from investing activities**

Cash and cash equivalents used in investing activities totaled ¥224.6 billion. This was primarily due to the purchase of property, plant and equipment (-¥167.1 billion) and the purchase of intangible assets (-¥29.7 billion) associated with capital expenditures, and the purchase of investment securities (-¥16.2 billion).

**c) Cash flow from financing activities**

Cash and cash equivalents obtained as a result of financing activities totaled ¥90.4 billion. Although there were expenditures due to repayment of long-term loans payable (-¥123.2 billion), dividends payable (-¥26.4 billion), and bond redemption (-¥20.0 billion), cash and cash equivalents increased owing to long-term loans payable (¥165.0 billion) and proceeds from the issuance of bonds (¥73.6 billion).

## (2) Future outlook

For FY2022, we forecast city gas sales volume of 12,398 million m<sup>3</sup>, a decline of 5.6% year on year. Although we estimate a recovery from the drop in commercial demand in the restaurant and hotel sectors, among others, we project a decline in industrial and residential demand owing to a drop in demand from power generation customers, etc., and a decrease in the number of customers, respectively. We expect electricity sales volume to be 34,801 million kWh, an increase of 23.0% year on year, due in part to a rise in wholesale sales volume. Net sales are expected to grow by 17.9% year on year, mainly due to a rise in gas unit price reflecting resource cost adjustments and the increase in electricity sales volume. Meanwhile, we estimate a rise in operating expenses, mainly reflecting higher resource costs, owing mainly to the impact from a rise in crude oil prices. Despite this, we expect operating profit to increase by 18.9% year on year, mainly due to a reduction in the sliding time lag effect.

Taking these factors into account, we project consolidated net sales of ¥2,530.0 billion, a growth of ¥384.9 billion or 17.9% year on year, operating profit of ¥140.0 billion, an increase of ¥22.3 billion or 18.9%, ordinary profit of ¥127.0 billion, an increase of ¥0.3 billion or 0.2%, and profit attributable to owners of the parent of ¥92.0 billion, an expansion of ¥3.3 billion or 3.7%.

The economic frame assumed for FY2022 is ¥120.00/\$ for foreign exchange rate for the full-year, and \$85.00/bbl for the full-year for crude oil price.

### a. Consolidated city gas sales volume forecast for FY2022

			FY2022 (Forecast)	FY2021 (Results)	Change	% change
City gas sales volume	Residential	Mil. m <sup>3</sup>	3,061	3,077	-16	-0.5
	Others	Mil. m <sup>3</sup>	9,336	10,054	-718	-7.1
	Total	Mil. m <sup>3</sup>	12,398	13,131	-733	-5.6
Average temperature		°C	16.20	16.30	-0.10	—

### b. Consolidated electric power sales volume forecast for FY2022

		FY2022 (Forecast)	FY2021 (Results)	Change	% change
Total electric power sales volume	million kWh	34,801	28,288	6,513	23.0

### c. Consolidated earnings forecast for FY2022

(Unit: hundred million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY2022 (forecast)	25,300	1,400	1,270	920
FY2021 (results)	21,451	1,177	1,267	887
Change	3,849	223	3	33
% change	17.9%	18.9%	0.2%	3.7%

### < Foreign exchange rate and crude oil price forecast for FY2022 >

¥/\$ rate	FY2022 (Forecast)	FY2021 (Results)	Change	Crude oil price (\$/bbl)	FY2022 (Forecast)	FY2021 (Results)	Change
	120.00	112.39	7.61		85.00	77.15	7.85

### **(3) Basic policy on profit sharing and dividends for FY2021 and FY2022**

The Company allocates its management results to the improvement of customer service and realization of a sustainable society, as well as sharing them with shareholders in an appropriate and timely manner. Our basic dividend policy is to maintain stable dividends while at the same time offering gradual dividend increases in accordance with profit growth by comprehensively taking into consideration medium- to long-term profit levels. As a result of the amendment to the Articles of Incorporation on June 29, 2021, it became possible for the Company to determine dividends based on the resolution of its Board of Directors.

At the meeting of the Board of Directors held on April 27, 2022, the Company resolved to pay dividends earlier than before and to increase the dividend per share by 5 yen to 35 yen in order to promptly return the results of management to shareholders. As a result, the annual dividend for the fiscal year under review, including the interim dividend (30 yen per share), was 65 yen per share. The dividend forecast for FY2022 is an annual dividend of ¥65 per share (including interim dividend of ¥32.50).

## **II. Group Companies**

### **<Scope of Consolidated Subsidiaries and Affiliates and Application of Equity Method>**

#### **1) The scope of consolidation**

- Newly included subsidiaries in scope of consolidation: 8 companies

Tokyo Gas Network Co., Ltd., TG Nordic ApS (new establishment), Tokyo Energy Service Co., Ltd., Mobara Power Co., Ltd., Shiinomori Power Co., Ltd. (share acquisition), Niihama LNG Co., Ltd., TG Octopus Energy Co., Ltd., Yamaguchiyou solar power LLC (increase in significance)

- Excluded: 2 companies

Tokyo Gas Yokosuka Power Co., Ltd. (share transfer), TG TTK Power, LLC (liquidation)

#### **2) Application of equity method**

- Included in the equity method: 1 company

TOWII Renewables A/S (share acquisition)

Information about other consolidated subsidiaries and affiliates are not disclosed because there are no significant changes from articles of “business diagram” and “situation of subsidiaries and affiliates” in the latest securities report. [filed on June 29, 2021]

## **III. Basic Concept Regarding Selection of Accounting Standards**

The Tokyo Gas Group prepares consolidated financial statements based on Japanese standards in consideration of comparability of consolidated financial statements between companies. It intends to respond appropriately regarding the application of IFRS, taking into account the situations in both Japan and abroad.

## Consolidated Financial Statements

### Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	231,177	218,956
Distribution facilities	594,662	578,394
Service and maintenance facilities	15,992	15,417
Other facilities	564,495	630,786
Inactive facilities	316	316
Construction in progress	89,283	125,501
Total property, plant and equipment	1,495,927	1,569,373
Intangible assets		
Goodwill	5,320	6,018
Other intangible assets	290,316	294,296
Total intangible assets	295,637	300,315
Investments and other assets		
Investment securities	230,782	236,303
Long-term loans receivable	57,279	48,653
Retirement benefit asset	114	5,864
Deferred tax assets	47,368	44,230
Other investments	60,814	100,916
Allowance for doubtful accounts	(301)	(1,647)
Total investments and other assets	396,057	434,322
Total non-current assets	2,187,623	2,304,011
Current assets		
Cash and deposits	157,881	179,769
Notes and accounts receivable - trade	218,985	-
Notes and accounts receivable - trade, and contract assets	-	330,540
Lease receivables and investments in leases	19,618	17,824
Securities	1,210	10
Merchandise and finished goods	1,980	3,467
Work in process	11,595	12,083
Raw materials and supplies	46,464	67,135
Other current assets	93,848	305,814
Allowance for doubtful accounts	(857)	(3,714)
Total current assets	550,725	912,931
Total assets	2,738,348	3,216,942

As of March 31,2021

As of March 31,2022

<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	474,998	548,619
Long-term borrowings	458,881	568,725
Deferred tax liabilities	24,269	29,641
Retirement benefit liability	58,416	66,195
Provision for share awards for directors (and other officers)	-	84
Provision for gas holder repairs	3,172	3,427
Provision for safety measures	349	637
Provision for appliance warranties	10,843	-
Provision for contract loss in regards to appliance warranties	-	2,620
Provision for point card certificates	1,635	531
Asset retirement obligations	23,313	27,692
Other noncurrent liabilities	89,188	113,004
<b>Total non-current liabilities</b>	<b>1,145,067</b>	<b>1,361,180</b>
Current liabilities		
Current portion of non-current liabilities	108,704	49,248
Notes and accounts payable - trade	84,265	76,229
Short-term borrowings	5,706	6,385
Income taxes payable	11,710	33,830
Other current liabilities	204,623	433,501
<b>Total current liabilities</b>	<b>415,010</b>	<b>599,195</b>
<b>Total liabilities</b>	<b>1,560,077</b>	<b>1,960,375</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	1,145	846
Retained earnings	990,762	1,051,600
Treasury shares	(3,907)	(3,524)
<b>Total shareholders' equity</b>	<b>1,129,845</b>	<b>1,190,767</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,990	18,866
Deferred gains or losses on hedges	(11,240)	(11,904)
Foreign currency translation adjustment	4,322	32,545
Remeasurements of defined benefit plans	7,895	(3,076)
<b>Total accumulated other comprehensive income</b>	<b>23,968</b>	<b>36,430</b>
<b>Non-controlling interests</b>	<b>24,457</b>	<b>29,368</b>
<b>Total net assets</b>	<b>1,178,271</b>	<b>1,256,566</b>
<b>Total liabilities and net assets</b>	<b>2,738,348</b>	<b>3,216,942</b>

# Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	1,765,146	2,145,197
Cost of sales	1,212,624	1,546,590
Gross profit	552,522	598,607
Selling, general and administrative expenses		
Supply and sales expenses	410,167	415,506
General and administrative expenses	64,679	65,323
Total selling, general and administrative expenses	474,846	480,829
Operating profit	77,675	117,777
Non-operating income		
Interest income	1,586	1,032
Dividend income	2,398	1,692
Share of profit of entities accounted for using equity method	1,482	3,725
Foreign exchange gains	1,619	14,550
Gain on derivatives	7,979	13,725
Gain on sales of raw materials	-	6,817
Miscellaneous income	6,137	7,855
Total non-operating income	21,204	49,399
Non-operating expenses		
Interest expenses	12,629	14,466
Loss on derivatives	9,373	11,864
Fair value adjustment of contingent consideration	-	4,199
Miscellaneous expenses	6,376	9,913
Total non-operating expenses	28,379	40,444
Ordinary profit	70,500	126,732
Extraordinary income		
Gain on sale of non-current assets	3,114	2,226
Gain on sale of investment securities	5,283	4,118
Gain on bargain purchase	2,008	-
Total extraordinary income	10,406	6,344
Extraordinary losses		
Impairment losses	10,255	3,742
Loss on valuation of investment securities	4,466	2,468
Total extraordinary losses	14,722	6,211
Profit before income taxes	66,184	126,865
Income taxes - current	16,887	32,865
Income taxes - deferred	(1,175)	3,724
Total income taxes	15,712	36,589
Profit	50,471	90,276
Profit attributable to non-controlling interests	966	1,530
Profit attributable to owners of parent	49,505	88,745

# Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	50,471	90,276
Other comprehensive income		
Valuation difference on available-for-sale securities	7,178	(4,178)
Deferred gains or losses on hedges	(10,014)	(6,841)
Foreign currency translation adjustment	(14,869)	25,006
Remeasurements of defined benefit plans, net of tax	7,751	(10,964)
Share of other comprehensive income of entities accounted for using equity method	(6,259)	5,560
Total other comprehensive income	(16,212)	8,583
Comprehensive income	34,259	98,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,480	101,241
Comprehensive income attributable to non-controlling interests	778	(2,381)

# Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	141,844	2,067	967,718	(3,875)	1,107,754
Cumulative effects of changes in accounting policies					-
Restated balance	141,844	2,067	967,718	(3,875)	1,107,754
Changes during period					
Dividends of surplus			(26,460)		(26,460)
Profit attributable to owners of parent			49,505		49,505
Purchase of treasury shares				(32)	(32)
Disposal of treasury shares				1	1
Cancellation of treasury shares					-
Increase in the number of consolidated subsidiaries					-
Change in ownership interest of parent due to transactions with non-controlling interests		(921)			(921)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(921)	23,044	(31)	22,091
Balance at end of period	141,844	1,145	990,762	(3,907)	1,129,845

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	15,843	1,444	22,412	292	39,992	11,391	1,159,138
Cumulative effects of changes in accounting policies							-
Restated balance	15,843	1,444	22,412	292	39,992	11,391	1,159,138
Changes during period							
Dividends of surplus							(26,460)
Profit attributable to owners of parent							49,505
Purchase of treasury shares							(32)
Disposal of treasury shares							1
Cancellation of treasury shares							-

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Increase in the number of consolidated subsidiaries							-
Change in ownership interest of parent due to transactions with non-controlling interests							(921)
Net changes in items other than shareholders' equity	7,146	(12,684)	(18,089)	7,602	(16,024)	13,065	(2,958)
Total changes during period	7,146	(12,684)	(18,089)	7,602	(16,024)	13,065	19,132
Balance at end of period	22,990	(11,240)	4,322	7,895	23,968	24,457	1,178,271

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	141,844	1,145	990,762	(3,907)	1,129,845
Cumulative effects of changes in accounting policies			5,255		5,255
Restated balance	141,844	1,145	996,018	(3,907)	1,135,101
Changes during period					
Dividends of surplus			(26,423)		(26,423)
Profit attributable to owners of parent			88,745		88,745
Purchase of treasury shares				(3,788)	(3,788)
Disposal of treasury shares			(100)	566	465
Cancellation of treasury shares			(3,604)	3,604	-
Increase in the number of consolidated subsidiaries			(3,033)		(3,033)
Change in ownership interest of parent due to transactions with non-controlling interests		(298)			(298)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(298)	55,582	382	55,666
Balance at end of period	141,844	846	1,051,600	(3,524)	1,190,767

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	22,990	(11,240)	4,322	7,895	23,968	24,457	1,178,271
Cumulative effects of changes in accounting policies							5,255
Restated balance	22,990	(11,240)	4,322	7,895	23,968	24,457	1,183,526
Changes during period							
Dividends of surplus							(26,423)
Profit attributable to owners of parent							88,745
Purchase of treasury shares							(3,788)
Disposal of treasury shares							465
Cancellation of treasury shares							-
Increase in the number of consolidated							(3,033)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
subsidiaries							
Change in ownership interest of parent due to transactions with non-controlling interests							(298)
Net changes in items other than shareholders' equity	(4,123)	(664)	28,222	(10,972)	12,462	4,911	17,373
Total changes during period	(4,123)	(664)	28,222	(10,972)	12,462	4,911	73,040
Balance at end of period	18,866	(11,904)	32,545	(3,076)	36,430	29,368	1,256,566

# Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	66,184	126,865
Depreciation	176,087	196,810
Impairment losses	10,255	3,742
Amortization of long-term prepaid expenses	3,722	4,136
Loss on retirement of property, plant and equipment	3,274	2,574
Loss (gain) on sale of non-current assets	(3,102)	(2,214)
Loss (gain) of derivatives	1,393	(15,362)
Loss (gain) on sale of investment securities	(5,283)	(3,983)
Loss (gain) on valuation of investment securities	4,466	2,468
Loss (gain) on charge in the fair value of contingent consideration	-	4,199
Increase (decrease) in allowance for doubtful accounts	186	4,202
Increase (decrease) in retirement benefit liability	(2,918)	(1,896)
Decrease (increase) in retirement benefit asset	(84)	(11,312)
Increase (decrease) in provision for contract loss in regards to appliance warranties	-	2,620
Interest and dividend income	(3,984)	(2,724)
Interest expenses	12,629	14,466
Foreign exchange losses (gains)	(4)	(7,757)
Share of loss (profit) of entities accounted for using equity method	(1,482)	(3,725)
Decrease (increase) in trade receivables	5,126	(113,362)
Decrease (increase) in inventories	18,643	(22,491)
Increase (decrease) in trade payables	8,080	10,132
Decrease (increase) in contract assets	-	2,305
Increase (decrease) in contract liabilities	-	(12,587)
Decrease (increase) in prepaid expenses	41	(2,796)
Increase (decrease) in long term advances received	-	8,835
Net decrease (increase) in lease receivables and investments in leases	740	1,804
Other, net	(1,127)	(18,185)
<b>Subtotal</b>	<b>292,844</b>	<b>166,766</b>
Interest and dividends received	7,843	9,068
Interest paid	(12,630)	(14,483)
Income taxes paid	(32,482)	(16,123)
<b>Net cash provided by (used in) operating activities</b>	<b>255,574</b>	<b>145,227</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of securities	-	1,200
Purchase of investment securities	(37,467)	(16,214)
Proceeds from sale and redemption of investment securities	16,573	8,841
Purchase of property, plant and equipment	(172,652)	(167,197)
Purchase of intangible assets	(35,725)	(29,777)
Purchase of long-term prepaid expenses	(2,456)	(6,584)
Proceeds from sale of non-current assets	5,151	6,334
Long-term loan advances	(11,831)	(3,180)
Proceeds from collection of long-term loans receivable	4,037	2,158
Payments of guarantee deposits	(6,957)	(13,189)
Proceeds from refund of guarantee deposits	4,916	9,846
Purchase of shares of subsidiaries resulting in change	(32,579)	(15,074)

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
in scope of consolidation		
Payments for acquisition of businesses	(25,208)	(1,418)
Other, net	(1,712)	(399)
Net cash provided by (used in) investing activities	(295,911)	(224,656)

(Million yen)

For the fiscal year  
ended March 31,2021

For the fiscal year  
ended March 31,2022

Cash flows from financing activities		
Net increase (decrease) in commercial papers	-	30,000
Repayments of lease liabilities	(2,414)	(2,683)
Proceeds from long-term borrowings	51,035	165,014
Repayments of long-term borrowings	(35,981)	(123,252)
Proceeds from issuance of bonds	90,000	73,620
Redemption of bonds	(20,000)	(20,000)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,275)	(3,620)
Proceeds from share issuance to non-controlling shareholders	-	2,654
Purchase of treasury shares	(32)	(3,326)
Dividends paid	(26,449)	(26,424)
Other, net	(1,872)	(1,490)
Net cash provided by (used in) financing activities	52,009	90,490
Effect of exchange rate change on cash and cash equivalents	(5,088)	9,117
Net increase (decrease) in cash and cash equivalents	6,584	20,179
Cash and cash equivalents at beginning of period	151,218	157,811
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	8	1,708
Cash and cash equivalents at end of period	157,811	179,699

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

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

Not applicable

**2) (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 in and after FY2022, in view of the impact of each business on the operating results for the fiscal year under review.

[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 fiscal year under review were ¥460 million and 223,800 shares, respectively.

**3) (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 fiscal year under review 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 fiscal year under review is added to or deducted from the retained earnings at the start of the fiscal year

under review, 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 fiscal year under review. 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 fiscal year under review 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 fiscal year under review.

As a result, retained earnings at the start of the fiscal year under review increased by ¥5,255 million, net sales for the fiscal year under review decreased by ¥47,090 million, and operating profit, ordinary profit, and profit before income taxes increased by ¥4,361 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 fiscal year under review. 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 fiscal year under review. 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 fiscal year under review. 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 fiscal year under review, 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 consolidated financial statements.

#### **4) (Segment information, etc.)**

##### **1. Overview of reporting segments**

The Group’s reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Tokyo Gas Group is deploying business activities in the following areas—in addition to the core of the Group’s operating structure, which consists of city gas, liquid gas, and gas (including LNG sales), which are all energy produced using natural gas as a resource, the Group also delves in the electric power business, which is a new pillar of the Group’s revenues, the overseas business to remake ourselves as a global company group, and the engineering solutions business, which utilizes energy.

Furthermore, businesses involving the efficient utilization of the Group’s real estate holdings represent another earnings base, and the Group therefore employs the five reporting segments of “gas,” “electric power,” “overseas,” “energy related,” including the engineering solutions, which utilize energy and “real estate.”

The main products and services of each reporting segment are as follows:

Gas:	City gas, liquid gas business (LNG, industrial gas), LNG sales, etc.
Electric power:	Electric power
Overseas:	Overseas resource development and investment, energy supply, etc.
Energy related:	Engineering solutions business (engineering, energy service, etc.), gas appliances, gas installation work, construction, etc.
Real estate:	Leasing, management, etc. of land and buildings

##### **2. Calculation of net sales, profit and loss, and assets, etc.**

Profit or loss of reporting segments is based on operating profit or loss plus or minus investment gain or loss on equity method.

Intersegment sales and transfers are attributable to transactions within group companies, and calculated based on market value.

As described in “Change in accounting policies,” the Company has adopted the Accounting Standard for Revenue Recognition and others from the consolidated financial statements for the fiscal year under review and changed the accounting method for revenue recognition. Therefore, the calculation method of profit or loss of business segments has also been changed accordingly. This change has resulted in the following changes compared to the previous calculation method: sales and segment profit of “gas” for the fiscal year under review decreased by ¥4,568 million and increased by ¥69 million, respectively; sales and segment profit of “electric power” decreased by ¥38,845 million and increased by ¥4,371 million, respectively; sales and segment profit of “energy” decreased by ¥38,485 million and ¥11 million, respectively; sales of “real estate” decreased by ¥224 million while there were no changes in segment profit; and sales and segment profit of “others” decreased by ¥1,743 million and ¥67 million, respectively.

### 3. Change in reporting segments

In November 2021, the Company formulated the Compass Action, a detailed roadmap for achieving Compass 2030, the Group’s management vision, and on April 1, 2022, transitioned to a holding company structure.

Following this development, the Company has decided to change its reporting segments from the five segments of “gas,” “electric power,” “overseas,” “energy related,” and “real estate,” which it has used until FY2021, to four reporting segments of “energy solution,” “network,” “overseas,” and “urban business,” starting in FY2022.

The details of segment information disclosure are under consideration.

3. Information related to net sales, profit and loss, and assets, etc. by reporting segment  
Fiscal year ended March 31, 2021 (from Apr. 1, 2020 to Mar. 31, 2021)

(Unit: million yen)

	Reporting segment						Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	Gas	Electric power	Overseas	Energy- related	Real estate	Total				
Net sales										
External sales	1,003,550	394,870	42,376	293,417	21,892	1,756,106	9,040	1,765,146	—	1,765,146
Intersegment sales & transfers	143,241	1,050	3,557	46,038	26,530	220,419	101,384	321,803	(321,803)	—
Total	1,146,791	395,920	45,934	339,455	48,422	1,976,525	110,424	2,086,950	(321,803)	1,765,146
Segment profit (loss)										
Operating profit (loss)	88,461	8,696	3,399	17,045	6,565	124,167	3,801	127,968	(50,293)	77,675
Investment gain (loss) on equity method	—	—	496	—	980	1,476	5	1,482	—	1,482
Total	88,461	8,696	3,895	17,045	7,545	125,643	3,807	129,450	(50,293)	79,157
Segment Assets	1,262,848	249,088	361,228	252,545	296,867	2,422,577	39,947	2,462,525	275,823	2,738,348
Others										
Depreciation expenses	127,266	10,335	14,566	11,790	11,737	175,696	4,406	180,102	(4,014)	176,087
Increase in property, plant, equipment, and intangible assets	147,217	15,141	48,769	15,746	16,723	243,598	1,553	245,152	(3,978)	241,173

Notes:

1. The “Others” segment indicates businesses not included in the reporting segments, including information processing service, shipping business, etc.
2. The “Adjustments” indicates as follows;
  - (1) The ¥(50,293) million segment profit or loss adjustment includes ¥(1,473) million in eliminations for intersegment transactions and ¥(48,820) million of companywide expenses not allocated to the respective reporting segments. Companywide expenses are primarily, general and administrative expenses that are not assignable to a reporting segment.
  - (2) The ¥275,823 million segment assets adjustment includes ¥351,585 million of companywide assets not allocated to the respective reporting segments, and ¥(75,762) million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets that are not assignable to a reporting segment.
3. Segment profit or loss is adjusted to reflect operating profit recorded in the consolidated statement of income which is adjusted by investment gain or loss on equity method.

Fiscal year ended March 31, 2022 (from Apr. 1, 2021 to Mar. 31, 2022)

(Unit: million yen)

	Reporting segment						Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	Gas	Electric power	Overseas	Energy- related	Real estate	Total				
Net sales										
External sales	1,278,955	465,066	80,257	278,211	32,194	2,134,684	10,513	2,145,197	—	2,145,197
Intersegment sales & transfers	165,048	2,738	5,674	53,101	25,767	252,329	97,029	349,359	(349,359)	—
Total	1,444,003	467,804	85,931	331,312	57,961	2,387,013	107,542	2,494,556	(349,359)	2,145,197
Segment profit (loss)										
Operating profit (loss)	102,646	11,117	25,487	12,818	12,532	164,601	1,998	166,600	(48,823)	117,777
Investment gain (loss) on equity method	—	—	2,765	—	934	3,699	25	3,725	—	3,725
Total	102,646	11,117	28,252	12,818	13,466	168,301	2,024	170,326	(48,823)	121,502
Segment Assets	1,572,453	335,426	433,397	256,637	288,196	2,886,111	39,610	2,925,721	291,220	3,216,942
Others										
Depreciation expenses	143,168	8,853	19,742	13,080	12,570	197,415	3,410	200,826	(4,016)	196,810
Increase in property, plant, equipment, and intangible assets	118,096	7,916	51,976	16,812	10,256	205,057	1,725	206,783	(7,449)	199,334

Notes:

1. The “Others” segment indicates businesses not included in the reporting segments, including information processing service, shipping business, etc.
2. The “Adjustments” indicates as follows;
  - (1) The ¥(48,823) million segment profit or loss adjustment includes ¥(1,413) million in eliminations for intersegment transactions and ¥(47,409) million of companywide expenses not allocated to the respective reporting segments. Companywide expenses are primarily, general and administrative expenses that are not assignable to a reporting segment.
  - (2) The ¥291,220 million segment assets adjustment includes ¥372,058 million of companywide assets not allocated to the respective reporting segments, and ¥(80,837) million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets that are not assignable to a reporting segment.
3. Segment profit or loss is adjusted to reflect operating profit recorded in the consolidated statement of income which is adjusted by investment gain or loss on equity method.

## 5) (Per share information)

(Unit: yen)

	FY2020 (Apr. 2020– Mar. 2021)	FY2021 (Apr. 2021 – Mar. 2022)
Shareholders' equity per share	2,616.37	2,791.95
Profit per share	112.26	201.84

Notes:

1. Diluted profit per share is not disclosed as no latent shares exist.

2. Basis for calculation of profit per share is as follows.

	FY2020 (Apr. 2020– Mar. 2021)	FY2021 (Apr. 2021 – Mar. 2022)
Profit attributable to owners of parent (million yen)	49,505	88,745
Not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent with regard to the common shares (million yen)	49,505	88,745
Average number of common shares outstanding (thousand shares )	441,006	439,673

3. Basis for calculation of BPS is as follows.

	FY2020 (as of Mar. 31, 2021)	FY2021 (as of Mar. 31, 2022)
Shareholders' equity (million yen)	1,178,271	1,256,566
Deduction from shareholders' equity (million yen)	24,457	29,368
-Shares of minority shareholders (million yen)	24,457	29,368
Net shareholders' equity attributable to common shares (million yen)	1,153,813	1,227,198
Number of shares to calculate BPS (thousand shares)	440,998	439,548

## 6) (Material subsequent events)

### [Acquisition of treasury shares]

At its Board of Directors meeting held on April 27, 2022, the Company resolved to acquire treasury stock in accordance with the provisions of Article 156 of the Companies Act applied with a replacement of the terms pursuant to the provisions of Article 165, paragraph 3 of the same act.

The details of the purchase of treasury shares are as follows.

- Type of stock to be acquired: Tokyo Gas common stock
- Total number of shares to be acquired: 8.5million (upper limit)  
(Rate to number of shares outstanding 1.9%)
- Total value of shares to be acquired: ¥16 billion (upper limit)
- Term of acquisition: May 9, 2022– September 30, 2022

### [Transfer of Subsidiary Shares]

On April 25, 2022, the Company agreed to transfer all shares of Tokyo Gas Energy Co., Ltd. and Tokyo Gas LPG Terminal Co., Ltd. held by Tokyo Gas Liquid Holdings Co., Ltd., a wholly-owned subsidiary of the Company, to Iwatani Corporation, and concluded a share sales agreement with Iwatani Corporation. The share transfer is scheduled to be completed by June 2022.

#### (1) Reasons for Share Transfer

Tokyo Gas Energy Co., Ltd. operates a liquefied petroleum gas (LPG) wholesale and retail businesses mainly in the Tokyo metropolitan area. Tokyo Gas LPG Terminal Co., Ltd. is engaged in the LPG storage and shipping business in Negishi.

After considering the composition of our optimal business portfolio and the environment surrounding this business, it was determined appropriate to transfer all shares of the following consolidated subsidiaries to Iwatani Corporation.

#### (2) Acquirer of Shares

Iwatani Corporation

#### (3) Schedule of Share Transfer

June 2022 (tentative)

#### (4) Names of Transferees and Line of Business

Name	Line of business
Tokyo Gas Energy Co., Ltd.	Wholesale of LP Gas, Direct sales of LP gas, etc.
Tokyo Gas LPG Terminal Co., Ltd.	Storage and shipping of LPG

#### (5) Number of Shares to be Transferred, Transfer Price and Number of Shares Held After Share Transfer

	Tokyo Gas Energy Co., Ltd.	Tokyo Gas LPG Terminal Co., Ltd.
Number of shares to be transferred	678,000 (ownership rate: 66.6%)	980 (ownership rate: 49.0%) The remaining stake of 51.0% is held by Tokyo Gas Energy Co., Ltd.
Transfer price	Due to our contractual confidentiality obligations, we will refrain from disclosing this information.	
Number of shares held after share transfer	0 (ownership rate: 0%)	0 (ownership rate: 0%)

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	235,770	222,612
Distribution facilities	587,935	571,495
Service and maintenance facilities	12,734	12,300
Facilities for incidental businesses	5,093	7,292
Inactive facilities	316	316
Construction in progress	23,954	18,465
Total property, plant and equipment	865,804	832,484
Intangible assets		
Patent right	228	6
Leasehold interests in land	1,765	1,783
Goodwill	71	1,021
Software	125,816	120,743
Other intangible assets	11,918	10,459
Total intangible assets	139,800	134,015
Investments and other assets		
Investment securities	58,125	51,356
Investments in subsidiaries and associates	460,744	500,374
Long-term loans receivable	28	21
Long-term loans receivable from subsidiaries and associates	183,220	197,716
Investments in capital	13	13
Long-term prepaid expenses	13,973	17,347
Prepaid pension costs	-	11,261
Deferred tax assets	25,685	24,355
Other investments	9,178	11,792
Allowance for doubtful accounts	(421)	(1,677)
Total investments and other assets	750,547	812,561
Total non-current assets	1,756,152	1,779,060
Current assets		
Cash and deposits	52,611	39,886
Notes receivable - trade	926	597
Accounts receivable - trade	143,407	236,518
Accounts receivable from subsidiaries and associates - trade	37,065	53,274
Accounts receivable - other	11,865	8,974
Finished goods	71	131
Raw materials	27,670	46,445
Supplies	12,056	12,563
Advance payments	1,156	4,585
Prepaid expenses	1,598	1,313
Short-term receivables from subsidiaries and associates	33,446	62,755
Other current assets	33,957	65,892
Allowance for doubtful accounts	(1,416)	(4,605)
Total current assets	354,416	528,331
Total assets	2,110,568	2,307,392



As of March 31,2021

As of March 31,2022

Liabilities		
Non-current liabilities		
Bonds payable	474,998	544,998
Long-term borrowings	346,744	397,778
Long-term debt to subsidiaries and associates	3,096	3,268
Provision for retirement benefits	61,576	59,593
Provision for share awards for directors (and other officers)	-	84
Provision for gas holder repairs	2,781	2,978
Provision for safety measures	349	637
Provision for appliance warranties	10,843	-
Provision for contract loss in regards to appliance warranties	-	2,620
Provision for point card certificates	1,635	531
Asset retirement obligations	321	324
Other noncurrent liabilities	15,068	11,030
Total non-current liabilities	917,415	1,023,845
Current liabilities		
Current portion of non-current liabilities	45,909	38,493
Accounts payable - trade	49,926	37,912
Accounts payable - other	41,637	43,022
Accrued expenses	47,976	49,332
Income taxes payable	4,523	16,448
Advances received	7,979	7,440
Deposits received	1,218	10,373
Short-term borrowings from subsidiaries and associates	125,997	138,157
Short-term debt to subsidiaries and associates	56,577	66,651
Other current liabilities	6,405	63,764
Total current liabilities	388,152	471,596
Total liabilities	1,305,568	1,495,442
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus		
Legal capital surplus	2,065	2,065
Total capital surplus	2,065	2,065
Retained earnings		
Legal retained earnings	35,454	35,454
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	5,616	5,556
Reserve for overseas investment loss	2,469	1,017
Reserve for adjustment of cost fluctuations	141,000	141,000
General reserve	339,000	339,000
Retained earnings brought forward	128,825	135,790
Total retained earnings	652,365	657,819
Treasury shares	(3,907)	(3,524)
Total shareholders' equity	792,368	798,204
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,408	18,357
Deferred gains or losses on hedges	(9,777)	(4,612)

(Million yen)

As of March 31,2021

As of March 31,2022

Total valuation and translation adjustments	12,631	13,745
Total net assets	805,000	811,949
Total liabilities and net assets	2,110,568	2,307,392

## Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Sales from gas business		
Gas sales	878,911	1,073,505
Gas transportation service revenue	41,676	47,149
Revenue from interoperator settlement	7,229	7,381
Total sales from gas business	927,817	1,128,036
Cost of sales		
Beginning inventories	94	71
Cost of products manufactured	467,835	654,125
Purchase of finished goods	17,119	27,254
Costs of gas for own use	1,168	1,470
Ending inventories	71	131
Total cost of sales	483,809	679,848
Gross profit	444,007	448,188
Supply and sales expenses	356,082	360,286
General and administrative expenses	67,544	68,112
Total selling, general and administrative expenses	423,627	428,398
Profit on core business	20,380	19,789
Miscellaneous operating revenue		
Revenue from installation work	37,867	36,471
Other miscellaneous operating revenue	118,626	107,109
Total miscellaneous operating revenue	156,493	143,581
Miscellaneous operating expenses		
Installation work expenses	37,563	35,777
Other miscellaneous operating expenses	87,492	76,674
Total miscellaneous operating expenses	125,056	112,451
Revenue from incidental businesses	528,600	649,772
Expenses for incidental businesses	533,347	658,523
Operating profit	47,069	42,169

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Non-operating income		
Interest income	556	605
Dividend income	1,404	1,251
Dividends from subsidiaries and affiliates	6,078	6,888
Gain on sales of raw materials	-	7,898
Miscellaneous income	14,735	6,377
Total non-operating income	22,774	23,022
Non-operating expenses		
Interest expenses	3,782	3,488
Interest on bonds	5,381	5,500
Amortization of bond issuance costs	488	276
Provision of allowance for doubtful accounts	597	3,614
Foreign exchange losses	363	6,746
Miscellaneous expenses	12,467	7,330
Total non-operating expenses	23,080	26,956
Ordinary profit	46,764	38,234
Extraordinary income		
Gain on sale of investment securities	4,786	2,117
Total extraordinary income	4,786	2,117
Profit before income taxes	51,550	40,351
Income taxes - current	7,200	10,800
Income taxes - deferred	1,834	(1,282)
Total income taxes	9,034	9,517
Profit	42,516	30,834