

Consolidated Financial Results Bulletin for the 1st Quarter Ended June 30, 2023**(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531

(URL <https://www.tokyo-gas.co.jp/en/IR/index.html>)Representative: Mr. SASAYAMA Shinichi, Representative
Corporate Executive Officer, President and CEOContact: Mr. KOMORI Rikiya, Chief Manager,
Consolidated Settlements Sect.**Stock listings:**

Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: August 14, 2023

Scheduled date of the start of dividend payments: —

Preparation of 1Q earnings presentation material (yes/no): **Yes**Holding of 1Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Performance for 1st Quarter (from April 1, 2023 to June 30, 2023)

(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	
Three months ended Jun. 30, 2023	649,696	6.5%	92,977	81.6%	107,245	85.9%	77,669	102.1%
Three months ended Jun. 30, 2022	609,939	52.0%	51,207	182.5%	57,700	259.8%	38,438	267.0%

Note: Total comprehensive income

Three months ended June 30, 2023: 106,431 million yen (81.2%)

Three months ended June 30, 2022: 58,721 million yen (83.5%)

	Profit per share	Diluted profit per share
Three months ended Jun. 30, 2023	180.91 yen	—
Three months ended Jun. 30, 2022	88.06 yen	—

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio
As of Jun. 30, 2023	3,471,328	1,657,097	46.8%
As of Mar. 31, 2023	3,581,425	1,589,301	43.5%

Reference: Shareholders' equity

As of June 30, 2023: 1,622,853 million yen

As of March 31, 2023: 1,558,404 million yen

2. Dividend

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
FY2022 ended Mar. 31, 2023	—	32.50	—	32.50	65.00
FY2023 ending Mar. 31, 2024	—				
FY2023 ending Mar. 31, 2024 (Forecast)		32.50	—	32.50	65.00

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

3. Consolidated Results Forecast for FY2023 ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(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	2,692,000	-18.2%	150,000	-64.4%	137,000	-66.5%	101,000	-64.0%	245.27 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: 101 (Decreased by 1 company)

Number of subsidiaries and affiliates accounted for by equity method: 17 (Increased by 2 companies)

- (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: *No*

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

3) Change in accounting estimates: *No*

4) Retrospective restatements: *No*

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

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Jun. 30, 2023	434,875,059	Mar. 31, 2023	434,875,059
2) Number of shares of treasury stock at end of period:	Jun. 30, 2023	9,468,605	Mar. 31, 2023	1,455,205
3) Average number of shares during period:	Apr. – Jun. 2023	429,336,886	Apr. – Jun. 2022	436,481,214

* 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

- The consolidated and non-consolidated earnings forecasts include elements of great uncertainty, including the impact of the state of affairs between Russia and Ukraine. The forecasts may change significantly 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 and “1. Overview of Business Performance, etc. (3) Revisions to FY2023 results forecasts” on page 4 of the Attachment.
- The information related to this Financial Results will be posted on the Web site of the Company.

Non-Consolidated Results Forecast for FY2023 ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(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	2,377,400	-20.8%	81,300	-73.0%	111,900	-63.1%	93,900	-54.2%	228.03 yen

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 1st quarter

<Summary by segment>

Three months ended June 30, 2023

(Unit: million yen)

		Energy solution	Network	Overseas	Urban development
Sales	FY2023	584,563	84,114	31,523	18,816
	(% of total)	(81.3%)	(11.7%)	(4.4%)	(2.6%)
	FY2022	558,660	88,635	35,041	14,997
	(% of total)	(80.1%)	(12.7%)	(5.0%)	(2.2%)
	Amount of change	25,903	-4,521	-3,518	3,819
	(Rate of change)	4.6%	-5.1%	-10.0%	25.5%
Operating expenses	FY2023	502,666	85,999	19,996	12,107
	(% of total)	(80.9%)	(13.9%)	(3.2%)	(2.0%)
	FY2022	519,776	86,307	20,169	11,124
	(% of total)	(81.6%)	(13.5%)	(3.2%)	(1.7%)
	Amount of change	-17,110	-308	-173	983
	(Rate of change)	-3.3%	-0.4%	-0.9%	8.8%
Segment profit/loss	FY2023	82,613	-1,884	12,254	6,906
	(% of total)	(82.7%)	(-1.9%)	(12.3%)	(6.9%)
	FY2022	38,891	2,328	16,022	4,080
	(% of total)	(63.4%)	(3.8%)	(26.1%)	(6.7%)
	Amount of change	43,722	-4,212	-3,768	2,826
	(Rate of change)	112.4%	—	-23.5%	69.2%

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.

<Consolidated City Gas Sales Volume, etc.>

			Apr. – Jun. 2023	Apr. – Jun. 2022	Change	% change
No. of customers for city gas retail sales		Thousands	8,749	8,689	60	0.7
No. of customers (meters)		Thousands	12,350	12,223	127	1.0
City gas sales volume	Residential	Mil. m ³	612	657	-45	-6.8
	Commercial	Mil. m ³	476	446	30	6.8
	Industrial	Mil. m ³	1,031	1,393	-362	-26.0
	Subtotal	Mil. m ³	1,508	1,839	-331	-18.0
	Supplies to other utilities	Mil. m ³	346	361	-15	-3.9
	Total	Mil. m ³	2,466	2,857	-391	-13.7
Average temperature		°C	19.5	19.0	0.5	—

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 as a gas pipeline service provider.
- “Commercial” indicates sales to commercial, public and medical institutions.
- City gas sales volumes are on the basis of 45MJ/m³.

< Consolidated Electric Power Sales Volume, etc.>

			Apr. – Jun. 2023	Apr. – Jun. 2022	Change	% change
No. of customers for electric power retail sales		Thousands	3,612	3,090	522	16.9
Electric power sales volume	Retail	million kWh	2,462	2,283	179	7.8
	Wholesale etc.	million kWh	2,800	5,145	-2,345	-45.6
	Total	million kWh	5,262	7,429	-2,167	-29.2

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. – Jun. 2023	Apr. – Jun. 2022	Change	Crude oil price (\$/bbl)	Apr. – Jun. 2023	Apr. – Jun. 2022	Change
	137.49	129.73	7.76		83.99	110.65	-26.66

(2) Future outlook

a. Consolidated city gas sales volume forecast for FY2023

			FY2023 (Forecast)	FY2022 (Results)	Change	% change
City gas sales volume	Residential	Mil. m ³	2,964	2,802	162	5.8
	Others	Mil. m ³	8,941	9,772	-831	-8.5
	Total	Mil. m ³	11,905	12,574	-669	-5.3
Average temperature		°C	16.4	16.8	-0.4	—

Note: City gas sales volumes are on the basis of 45MJ/m³.

b. Consolidated electric power sales volume forecast for FY2023

		FY2023 (Forecast)	FY2022 (Results)	Change	% change
Total electric power sales volume	million kWh	26,730	34,445	-7,715	-22.4

c. Consolidated earnings forecast for FY2023

(Unit: hundred million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY2023 (forecast)	26,920	1,500	1,370	1,010
FY2022 (results)	32,896	4,214	4,088	2,809
Change	-5,976	-2,714	-2,718	-1,799
% change	-18.2	-64.4	-66.5	-64.0

< Foreign exchange rate and crude oil price forecast for FY2023>

¥/\$ rate	FY2023 (Forecast)	FY2022 (Results)	Change	Crude oil price (\$/bbl)	FY2023 (Forecast)	FY2022 (Results)	Change
	135.62	135.50	0.12		81.00	102.67	-21.67

(3) Revisions to FY2023 results forecasts
<FY2023 consolidated results forecasts>

	Net sales (hundred million yen)	Operating profit (hundred million yen)	Ordinary profit (hundred million yen)	Profit attributable to owners of parent (hundred million yen)	Profit per share (yen per share)
Previous forecast (A)	28,970	1,500	1,370	1,000	256.90
Revised forecast (B)	26,920	1,500	1,370	1,010	245.27
Difference (B-A)	-2,050	—	—	10	—
Percentage difference (%)	-7.1	—	—	1.0	—
(Reference) FY2022 results	32,896	4,214	4,088	2,809	646.99

<FY2023 non-consolidated results forecasts>

	Net sales (hundred million yen)	Operating profit (hundred million yen)	Ordinary profit (hundred million yen)	Profit (hundred million yen)	Profit per share (yen per share)
Previous forecast (A)	26,008	699	705	519	133.33
Revised forecast (B)	23,774	813	1,119	939	228.03
Difference (B-A)	-2,234	114	414	420	—
Percentage difference (%)	-8.6	16.3	58.7	80.9	—
(Reference) FY2022 results	29,998	3,014	3,036	2,051	472.54

The non-consolidated full-year FY2023 results forecasts have been revised as a result of the payment of dividends by the Company's affiliate company to the parent company to improve fund management efficiency within the Group. These dividends do not affect consolidated earnings forecasts since they are eliminated in consolidation.

We have also made minor revisions to our previous consolidated earnings forecasts, reflecting factors such as the recent developments in energy prices and the depreciation of the yen.

Note: The above forecasts are based on information available at the time of the release of this document. Therefore, the actual results may differ from the stated forecast figures depending on various factors going forward.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	453,502	434,110
Notes and accounts receivable - trade, and contract assets	446,061	308,663
Lease receivables and investments in leases	17,125	16,655
Securities	10	-
Merchandise and finished goods	6,030	45,854
Work in process	15,653	20,593
Raw materials and supplies	135,769	125,115
Other current assets	145,882	189,379
Allowance for doubtful accounts	-2,122	-1,659
Total current assets	1,217,914	1,138,713
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	346,262	322,311
Machinery, equipment and vehicles, net	921,572	904,666
Tools, furniture and fixtures, net	10,714	10,124
Land	197,245	181,348
Leased assets, net	8,231	7,888
Construction in progress	98,878	110,556
Total property, plant and equipment	1,582,904	1,536,895
Intangible assets		
Goodwill	6,410	6,217
Other intangible assets	308,122	308,251
Total intangible assets	314,533	314,468
Investments and other assets		
Investment securities	278,497	286,044
Long-term loans receivable	56,550	55,994
Retirement benefit asset	8,809	9,214
Deferred tax assets	32,849	33,144
Other investments	93,649	100,870
Allowance for doubtful accounts	-4,283	-4,017
Total investments and other assets	466,073	481,251
Total non-current assets	2,363,511	2,332,615
Total assets	3,581,425	3,471,328

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,845	52,959
Short-term borrowings	6,674	7,139
Current portion of bonds payable	20,000	10,000
Current portion of long-term borrowings	59,973	75,074
Income taxes payable	118,636	32,438
Other current liabilities	337,028	283,152
Total current liabilities	606,158	460,764
Non-current liabilities		
Bonds payable	548,976	539,003
Long-term borrowings	607,262	594,160
Deferred tax liabilities	33,901	37,796
Retirement benefit liability	64,570	63,583
Provision for share awards for directors (and other officers)	183	182
Provision for gas holder repairs	3,444	3,523
Provision for safety measures	527	508
Provision for contract loss in regards to appliance warranties	5,176	5,056
Provision for point card certificates	654	616
Asset retirement obligations	27,559	27,812
Other noncurrent liabilities	93,709	81,224
Total non-current liabilities	1,385,965	1,353,467
Total liabilities	1,992,124	1,814,231
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Retained earnings	1,310,908	1,374,485
Treasury shares	-3,658	-28,128
Total shareholders' equity	1,449,094	1,488,201
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,954	31,729
Deferred gains or losses on hedges	-9,626	9,361
Foreign currency translation adjustment	86,226	92,229
Remeasurements of defined benefit plans	1,754	1,331
Total accumulated other comprehensive income	109,309	134,651
Non-controlling interests	30,896	34,243
Total net assets	1,589,301	1,657,097
Total liabilities and net assets	3,581,425	3,471,328

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	609,939	649,696
Cost of sales	487,389	497,863
Gross profit	122,550	151,832
Selling, general and administrative expenses	71,343	58,854
Operating profit	51,207	92,977
Non-operating income		
Interest income	261	1,261
Dividend income	1,721	827
Share of profit of entities accounted for using equity method	1,365	1,641
Foreign exchange gains	8,885	9,845
Miscellaneous income	3,801	6,761
Total non-operating income	16,036	20,337
Non-operating expenses		
Interest expenses	3,344	4,197
Miscellaneous expenses	6,199	1,871
Total non-operating expenses	9,544	6,069
Ordinary profit	57,700	107,245
Extraordinary income		
Gain on sale of investment securities	-	2,499
Total extraordinary income	-	2,499
Profit before income taxes	57,700	109,745
Income taxes	19,742	31,384
Profit	37,957	78,361
Profit (loss) attributable to non-controlling interests	-480	691
Profit attributable to owners of parent	38,438	77,669

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	37,957	78,361
Other comprehensive income		
Valuation difference on available-for-sale securities	12,876	778
Deferred gains or losses on hedges	-18,083	21,743
Foreign currency translation adjustment	21,299	5,510
Remeasurements of defined benefit plans, net of tax	784	-422
Share of other comprehensive income of entities accounted for using equity method	3,886	460
Total other comprehensive income	20,764	28,069
Comprehensive income	58,721	106,431
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	62,834	103,012
Comprehensive income attributable to non-controlling interests	-4,113	3,418

(3) Notes on consolidated financial statements

(Note on going concerns' premise)

Not applicable

(Additional information)

<Accounting estimates following the situation between Russia and Ukraine>

Although the Company procures raw materials from Russia, it is difficult to accurately forecast the impact of the current international situation surrounding Russia and Ukraine on our procurement of raw materials.

The Group has made accounting estimates by assuming that the procurement transactions will continue.

<Transfer of shares in our subsidiaries>

The date of the transfer of shares in five subsidiaries (four projects) of Tokyo Gas Australia Pty Ltd, our Australian subsidiary, to MidOcean Energy Holdings Pty Ltd, a subsidiary of US-based EIG Global Energy Partners, LLC (hereinafter, the "Transfer"), which we announced in our timely disclosure dated October 7, 2022, and noted in the Securities Report for the previous fiscal year as additional information, was initially scheduled for March 2023 but has been postponed to an undetermined date due to ongoing discussions with the parties concerned.

The contract amount of the Transfer is US\$ 2.15 billion, but the sale may not be executed for all or part of the project depending on the future status of approval by the Australian government and parties concerned and other contractual conditions. There may also be a difference between the amount of sale realized and the contract amount. Please note that net income attributable to the Company generated from the subject of the Transfer by the completion of the transfer, including the fiscal year under review, will be deducted from the gain or loss on the sale. (Accumulated net income generated from the subject of the transfer as of the end of the first-quarter period under review was approximately US\$400 million.)

The impact of the Transfer is not included in the consolidated earnings for the fiscal year under review or forecasts.

(Significant changes in shareholders' equity)

<Purchase of treasury stock>

At its Board of Directors meeting held on April 26, 2023, the Company resolved to acquire treasury shares pursuant to Article 156 of the Companies Law as applied mutatis mutandis to Article 165, paragraph (3) of the law. The treasury shares are being purchased between May 8, 2023, and March 31, 2024, with a maximum of 53 million shares to be purchased and a maximum total amount of ¥113 billion.

The following purchase was made during the first-quarter period under review:

- | | |
|--------------------------------|---|
| (1) Purchase period | May 8 – June 30, 2023 (contract basis) |
| (2) Number of shares purchased | 8,025,900 shares |
| (3) Total amount of purchase | ¥24,493,760,400 |
| (4) Purchase method | Market purchase on the Tokyo Stock Exchange |

(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 first-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, 2024 including the first quarter under review.