

**Consolidated Financial Results Bulletin for the 2nd Quarter Ended September 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: November 10, 2023

Scheduled date of the start of dividend payments: November 29, 2023

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, 2023 to September 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	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Six months ended Sep. 30, 2023	1,272,731	-6.5%	129,740	43.4%	147,645	35.9%	103,983	45.1%
Six months ended Sep. 30, 2022	1,361,277	57.1%	90,498	129.0%	108,652	168.2%	71,640	161.6%

Note: Total comprehensive income

Six months ended September 30, 2023: 208,103 million yen (53.1%) Six months ended September 30, 2022: 135,924 million yen (251.8%)

	Profit per share	Diluted profit per share
Six months ended Sep. 30, 2023	245.77 yen	—
Six months ended Sep. 30, 2022	164.71 yen	—

**(2) Consolidated Financial Position**

(Unit: million yen)

	Total assets	Total net assets	Equity ratio
As of Sep. 30, 2023	3,571,631	1,717,855	47.1%
As of Mar. 31, 2023	3,581,425	1,589,301	43.5%

Reference: Shareholders' equity

As of September 30, 2023: 1,682,118 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	—	32.50			
FY2023 ending Mar. 31, 2024 (Forecast)			—	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	2,761,000	-16.1%	154,000	-63.5%	158,000	-61.4%	116,000	-58.7%	281.11 yen

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

#### \*Notes

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

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 102 (Increased by 2 companies and decreased by 2 companies)

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):	Sep. 30, 2023	434,875,059	Mar. 31, 2023	434,875,059
2) Number of shares of treasury stock at end of period:	Sep. 30, 2023	21,595,887	Mar. 31, 2023	1,455,205
3) Average number of shares during period:	Apr. – Sep. 2023	423,096,957	Apr. – Sep. 2022	434,954,007

\* 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 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.

2. 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	2,421,600	-19.3%	69,600	-76.9%	102,600	-66.2%	87,200	-57.5%	211.31 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 2nd quarter

### <Summary by segment>

Six months ended September 30, 2023

(Unit: million yen)

		Energy solution	Network	Overseas	Urban development
Sales	FY2023	1,153,073	153,433	64,677	35,489
	(% of total)	(82.0%)	(10.9%)	(4.6%)	(2.5%)
	FY2022	1,254,795	157,421	75,853	30,190
	(% of total)	(82.6%)	(10.4%)	(5.0%)	(2.0%)
	Amount of change	-101,722	-3,988	-11,176	5,299
	Rate of change	-8.1%	-2.5%	-14.7%	17.6%
Operating expenses	FY2023	1,023,900	173,443	43,953	24,306
	(% of total)	(80.9%)	(13.7%)	(3.5%)	(1.9%)
	FY2022	1,174,351	173,570	42,389	22,404
	(% of total)	(83.1%)	(12.3%)	(3.0%)	(1.6%)
	Amount of change	-150,451	-127	1,564	1,902
	Rate of change	-12.8%	-0.1%	3.7%	8.5%
Segment profit/loss	FY2023	130,192	-20,010	21,700	11,566
	(% of total)	(90.7%)	(-13.9%)	(15.1%)	(8.1%)
	FY2022	80,463	-16,149	36,472	8,183
	(% of total)	(73.8%)	(-14.8%)	(33.5%)	(7.5%)
	Amount of change	49,729	-3,861	-14,772	3,383
	Rate of change	61.8%	—	-40.5%	41.3%

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. – Sep. 2023	Apr. – Sep. 2022	Change	% change	
No. of customers for city gas retail sales	Thousands	8,754	8,672	82	0.9	
No. of customers (meters)	Thousands	12,376	12,252	124	1.0	
City gas sales volume	Residential	Mil. m <sup>3</sup>	974	1,040	-66	-6.3
	Commercial	Mil. m <sup>3</sup>	1,104	1,073	31	2.9
	Industrial	Mil. m <sup>3</sup>	2,336	3,028	-692	-22.9
	Subtotal	Mil. m <sup>3</sup>	3,440	4,101	-661	-16.1
	Supplies to other utilities	Mil. m <sup>3</sup>	714	744	-30	-3.9
	Total	Mil. m <sup>3</sup>	5,128	5,884	-756	-12.9
Average temperature	°C	23.8	22.7	1.1	—	

Notes:

- No. of customers for city gas retail sales indicates the number of billed customers for city gas retail sales.
- No. of customers (meters) indicates the number of meters 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/m<sup>3</sup>.

< Consolidated Electric Power Sales Volume, etc.>

			Apr. – Sep. 2023	Apr. – Sep. 2022	Change	% change
No. of customers for electric power retail sales		Thousands	3,697	3,190	507	15.9
Electric power sales volume	Retail	million kWh	6,460	5,412	1,048	19.4
	Wholesale etc.	million kWh	6,110	11,606	-5,496	-47.4
	Total	million kWh	12,570	17,018	-4,448	-26.1

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. 2023	Apr. – Sep. 2022	Change	Crude oil price (\$/bbl)	Apr. – Sep. 2023	Apr. – Sep. 2022	Change
	141.06	134.03	7.03		83.51	111.86	-28.35

(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 <sup>3</sup>	2,905	2,802	103	3.7
	Others	Mil. m <sup>3</sup>	8,939	9,772	-833	-8.5
	Total	Mil. m <sup>3</sup>	11,844	12,574	-730	-5.8
Average temperature		°C	17.1	16.8	0.3	—

Note: City gas sales volumes are on the basis of 45MJ/m<sup>3</sup>.

b. Consolidated electric power sales volume forecast for FY2023

			FY2023 (Forecast)	FY2022 (Results)	Change	% change
Total electric power sales volume	million kWh		26,220	34,445	-8,225	-23.9

c. Consolidated earnings forecast for FY2023

(Unit: hundred million yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY2023 (forecast)	27,610	1,540	1,580	1,160
FY2022 (results)	32,896	4,214	4,088	2,809
Change	-5,286	-2,674	-2,508	-1,649
% change	-16.1	-63.5	-61.4	-58.7

< 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
	143.03	135.50	7.53		86.76	102.67	-15.91

**(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)	26,920	1,500	1,370	1,010	245.27
Revised forecast (B)	27,610	1,540	1,580	1,160	281.11
Difference (B-A)	690	40	210	150	—
Percentage difference (%)	2.6	2.7	15.3	14.9	—
(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)	23,774	813	1,119	939	228.03
Revised forecast (B)	24,216	696	1,026	872	211.31
Difference (B-A)	442	-117	-93	-67	—
Percentage difference (%)	1.9	-14.4	-8.3	-7.1	—
(Reference) FY2022 results	29,998	3,014	3,036	2,051	472.54

As a result of reflecting the impact of recent energy price developments and the depreciation of the yen, the forecasts for both consolidated and non-consolidated full-year results for FY2023 have changed from the previous forecasts announced on July 27, 2023, as shown above.

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. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

As of March 31, 2023

As of September 30, 2023

Assets	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	453,502	438,898
Notes and accounts receivable - trade, and contract assets	446,061	369,986
Lease receivables and investments in leases	17,125	16,887
Securities	10	-
Merchandise and finished goods	6,030	49,330
Work in process	15,653	22,710
Raw materials and supplies	135,769	111,451
Other current assets	145,882	156,161
Allowance for doubtful accounts	(2,122)	(1,839)
<b>Total current assets</b>	<b>1,217,914</b>	<b>1,163,586</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	346,262	321,081
Machinery, equipment and vehicles, net	921,572	904,261
Tools, furniture and fixtures, net	10,714	10,276
Land	197,245	180,667
Leased assets, net	8,231	7,770
Construction in progress	98,878	133,874
<b>Total property, plant and equipment</b>	<b>1,582,904</b>	<b>1,557,931</b>
Intangible assets		
Goodwill	6,410	6,020
Other intangible assets	308,122	320,081
<b>Total intangible assets</b>	<b>314,533</b>	<b>326,102</b>
Investments and other assets		
Investment securities	278,497	328,153
Long-term loans receivable	56,550	54,887
Retirement benefit asset	8,809	9,656
Deferred tax assets	32,849	30,972
Other investments	93,649	104,228
Allowance for doubtful accounts	(4,283)	(3,887)
<b>Total investments and other assets</b>	<b>466,073</b>	<b>524,010</b>
<b>Total non-current assets</b>	<b>2,363,511</b>	<b>2,408,045</b>
<b>Total assets</b>	<b>3,581,425</b>	<b>3,571,631</b>



(Millions of yen)

As of March 31, 2023

As of September 30, 2023

Liabilities		
Current liabilities		
Notes and accounts payable - trade	63,845	80,623
Short-term borrowings	6,674	6,748
Current portion of bonds payable	20,000	10,000
Current portion of long-term borrowings	59,973	67,315
Income taxes payable	118,636	43,193
Other current liabilities	337,028	269,447
Total current liabilities	606,158	477,327
Non-current liabilities		
Bonds payable	548,976	539,363
Long-term borrowings	607,262	603,746
Deferred tax liabilities	33,901	51,905
Retirement benefit liability	64,570	64,577
Provision for share awards for directors (and other officers)	183	178
Provision for gas holder repairs	3,444	3,463
Provision for safety measures	527	469
Provision for contract loss in regards to appliance warranties	5,176	5,000
Provision for point card certificates	654	615
Asset retirement obligations	27,559	29,658
Other noncurrent liabilities	93,709	77,469
Total non-current liabilities	1,385,965	1,376,448
Total liabilities	1,992,124	1,853,775
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	-	0
Retained earnings	1,310,908	1,400,009
Treasury shares	(3,658)	(67,999)
Total shareholders' equity	1,449,094	1,473,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,954	58,926
Deferred gains or losses on hedges	(9,626)	14,536
Foreign currency translation adjustment	86,226	133,891
Remeasurements of defined benefit plans	1,754	909
Total accumulated other comprehensive income	109,309	208,263
Non-controlling interests	30,896	35,737
Total net assets	1,589,301	1,717,855
Total liabilities and net assets	3,581,425	3,571,631

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	1,361,277	1,272,731
Cost of sales	1,138,194	1,026,446
Gross profit	223,083	246,285
Selling, general and administrative expenses	132,584	116,544
Operating profit	90,498	129,740
Non-operating income		
Interest income	648	3,671
Dividend income	2,163	1,079
Share of profit of entities accounted for using equity method	3,426	2,379
Foreign exchange gains	15,928	14,804
Miscellaneous income	11,860	8,391
Total non-operating income	34,028	30,327
Non-operating expenses		
Interest expenses	7,075	9,092
Miscellaneous expenses	8,798	3,330
Total non-operating expenses	15,874	12,422
Ordinary profit	108,652	147,645
Extraordinary income		
Gain on sale of investment securities	2,708	2,499
Gain on valuation of long-term loans receivable	-	2,494
Total extraordinary income	2,708	4,994
Profit before income taxes	111,360	152,639
Income taxes	39,394	48,124
Profit	71,966	104,514
Profit attributable to non-controlling interests	325	531
Profit attributable to owners of parent	71,640	103,983

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	71,966	104,514
Other comprehensive income		
Valuation difference on available-for-sale securities	12,137	27,987
Deferred gains or losses on hedges	(23,677)	27,347
Foreign currency translation adjustment	64,062	45,735
Remeasurements of defined benefit plans, net of tax	1,577	(845)
Share of other comprehensive income of entities accounted for using equity method	9,858	3,363
Total other comprehensive income	63,958	103,589
Comprehensive income	135,924	208,103
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	137,487	202,937
Comprehensive income attributable to non-controlling interests	(1,562)	5,166

### **(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 second-quarter period under review was approximately US\$500 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 second-quarter period under review:

- |                                |   |
|--------------------------------|---|
| (1) Purchase period            | May 8 – September 30, 2023 (contract basis) |
| (2) Number of shares purchased | 20,167,300 shares                           |
| (3) Total amount of purchase   | ¥64,387,955,400                             |
| (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 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, 2024 including the second quarter under review.