

Commencement date of electronic provision: May 24, 2025

## **225th Annual Shareholders Meeting**

### **Other Matters Subject to Electronic Provision**

**(Matters omitted from the documents to be delivered)**

**Basic Policy on Development of Internal Control System and**

**Overview of Operational Status of the System**

**Consolidated Statement of Changes in Equity**

**Notes to the Consolidated Financial Statements**

**Non-Consolidated Statement of Changes in Equity**

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225th Fiscal Year (April 1, 2024 to March 31, 2025)

**TOKYO GAS CO., LTD.**

## Basic Policy on Development of Internal Control System and Overview of Operational Status of the System

Overview of the resolution by the Board of Directors on the Company's operations and the system for ensuring appropriateness of operations of the group of companies consisting of the Company and its subsidiaries ('Basic Policy on Development of Internal Control System') and overview of operational status of the system are as follows:

### I. Basic Policy on Development of Internal Control System

The Company passed a resolution to revise the 'Basic Policy on Development of Internal Control System' at the meeting of its Board of Directors held on July 27, 2023, as follows:

Tokyo Gas Co., Ltd. (hereinafter, 'the Company') is committed to achieving sustainable growth and increasing corporate value over the medium to long term by clarifying management and execution responsibilities, strengthening supervision and auditing functions, and promoting accurate and prompt decision-making and efficient business execution, while ensuring legality, soundness, and transparency based on its Management Philosophy.

The group of companies consisting of the Company and its subsidiaries (hereinafter collectively referred to as 'the Group') shall aim for its perpetual development by respecting each company's independency and setting the pursuit of overall optimization as its philosophy.

In light of the above, the Board of Directors shall establish a basic policy for the development of the internal controls system in order to ensure the appropriateness of the Group's business operations. Based on this Policy, the Corporate Executive Officers shall assume the role and responsibility of effectively establishing and operating the internal controls system of the Group.

- (1) System to Ensure that the Execution of Duties by Officers and Employees of the Group Complies with Laws and Regulations and the Articles of Incorporation
  - 1) Establish and comply with the 'Our Code of Conduct' as the basis of the compliance system.
  - 2) Establish the philosophy and system of the compliance activities and work for the growth of compliance awareness by continuous education and training, etc.
  - 3) Establish internal reporting and consultation service counters both within and outside the Group, and report the status of their operation to the Audit Committee. No person who uses the aforementioned service counters shall be subject to any disadvantageous treatment on the basis of having used the service counters.
  - 4) Establish an organization to manage the rules and regulations related to the internal controls of the Group to ensure legal compliance, cyber security, and similar matters.
  - 5) Establish a department in charge of the internal audit of the Group (hereinafter the 'Internal Audit Division') to efficiently and effectively audit the status of business operations. The Internal Audit Division shall report the results of its audits to the Audit Committee and the directors, etc., of the audited subsidiaries.
  - 6) Establish policies and systems for the development and operation of internal controls over financial reports and the evaluation of their effectiveness, and ensure the reliability of financial reporting.
  - 7) Establish policies and systems for the prevention of insider trading and information disclosure, and ensure the legality, appropriateness, and promptness of the handling of relevant information.
  - 8) Set forth matters such as resolutely rejecting illegal or unreasonable demands from anti-social forces, etc., in 'Our Code of Conduct,' and take appropriate measures.
- (2) System for Storage and Management of Information Related to the Execution of Duties by Corporate Executive Officers
  - 1) Set forth the handling of documents and electronic or magnetic records with respect to information, etc., related to the execution of duties by Corporate Executive Officers, and store and manage such information in an appropriate and reliable manner, making it available for inspection as necessary.
- (3) Rules and Other Systems for Management of the Risk of Loss of the Group
  - 1) Establish and operate the risk management system in accordance with the 'Risk Management Policy' with the Corporate Executive Officer and President as the General Manager. The system shall be structured to immediately report to the Corporate Executive Officers and Audit Committee members when matters that may cause serious damage to management are found.
  - 2) Set forth a system and business continuity plan in the event of a disaster, manufacturing and supply disruption, or other unexpected emergency, and take prompt and appropriate action.

- (4) Systems to Ensure Efficient Execution of Duties by Corporate Executive Officers
  - 1) Regularly report to the Board of Directors on the formulation and progress of the medium- and long-term management plans and single-year management plans of the Company and its important subsidiaries, as well as other matters prescribed in the 'Regulations of the Board of Directors.'
  - 2) Establish a meeting body to support the rational decision-making of Corporate Executive Officers on important management matters, and consider multiple aspects as necessary. Establish an advisory body to the said meeting body to make recommendations from a professional perspective on matters related to investment, capital contribution, financing, and other important matters.
  - 3) Set forth the decision-making authority and division of duties regarding the execution of business operations, and clarify the responsibilities and authority thereof.
- (5) System to Ensure Appropriateness of Operations at the Group's Subsidiaries
  - 1) Set forth policies and systems for the management of subsidiaries, require the directors, etc., of subsidiaries to determine the basic policies for the development of internal controls systems and establish and operate such systems, and manage subsidiaries through the approval of matters to be submitted to the shareholders meetings of subsidiaries and the reporting of other important matters, etc.
- (6) Matters Concerning Employees, etc., Assisting the Audit Committee in Performing its Duties
  - 1) Establish a dedicated organization to assist the Audit Committee in its duties and assign necessary employees, etc. Prepare an environment in which such employees, etc., can smoothly perform such supporting duties under the direction and orders of the Audit Committee.
  - 2) Decisions on personnel-related matters concerning such employees, etc., shall be made with the consent of the Audit Committee.
- (7) System for Reporting to the Audit Committee and System for Ensuring Effective Auditing by the Audit Committee
  - 1) The officers, employees, etc., of the Group shall report to the Audit Committee or the Audit Committee members without delay on matters prescribed by laws and regulations, or on matters for which the Audit Committee requests a report. No person who has made the aforementioned report shall be subject to any disadvantageous treatment on the basis of having made such report.
  - 2) Guarantee that the Audit Committee members selected by the Audit Committee may attend important meetings and state their opinions from the viewpoint of legality, etc., when deemed necessary, and may obtain important information.
  - 3) Bear expenses, etc., when the Audit Committee members request such expenses, etc., in accordance with laws and regulations.
  - 4) Take measures to ensure that the Audit Committee is able to conduct its auditing activities effectively, including coordination with the Internal Audit Division, financial auditors, and Directors of subsidiaries.
  - 5) Upon request of the Audit Committee, the Representative Corporate Executive Officer, President and CEO shall conduct an investigation and report the results thereof to the Audit Committee. If the Audit Committee deems it necessary in cases where the execution of duties by Corporate Executive Officers is likely to violate laws and regulations or the articles of incorporation, etc., it may directly give instructions to the Internal Audit Department and such instructions shall have precedence over those of the Representative Corporate Executive Officer, President and CEO.

## II. Overview of Operational Status of Internal Control System

- (1) System to Ensure that the Execution of Duties by Officers and Employees of the Group Complies with Laws and Regulations and the Articles of Incorporation  
We have set up 'Tokyo Gas Group Compliance Consulting Units' both inside and outside the Group, which deal with whistleblowing and inquiries from staff in the Company and all of its subsidiaries. We are also using our intranet, etc. to inform everyone that we have the said unit, while trying to increase awareness of the rules for preventing whistleblowers from being subject to unfair treatment.  
The Internal Audit Department, an internal audit division, performs an audit on each department of the Company and subsidiaries to examine compliance, effectiveness and efficiency of operations, and information security, and provides recommendations on improvements as needed. The Internal Audit Department reports, as appropriate, the results of its audits to the Audit Committee and the directors, etc., of the audited subsidiaries.  
President and CEO has established the 'Regulations Concerning the Development and Operation of Internal Controls over Financial Reports and the Evaluation of Their Effectiveness,' and is working to develop and operate internal controls in a proper and appropriate manner, while also receiving audit by the Accounting Auditor on the evaluation results to ensure the reliability of financial reports.
- (2) System for Storage and Management of Information Related to the Execution of Duties by Corporate Executive Officers  
We preserve and manage approval documents, minutes, etc., related to the decision on important business execution or supervision thereof in an appropriate and reliable manner pursuant to the 'Document-handling Regulations' and the 'Information Security Management Regulations' so that they are available for inspection as necessary.
- (3) Rules and Other Systems for Management of the Risk of Loss of the Group  
We have established specific risk management processes in the 'Risk Management Regulations' and annually perform review of risks that may have a significant impact on the business of the Company and its subsidiaries. In addition, the Risk Management Committee and the risk management unit ascertain the status of the risk management and consider the countermeasures.  
We have established a framework of responding to large-scale disasters, accidents and other unexpected emergencies in accordance with the 'Emergency Response Organization Regulations.' During this fiscal year, we took response actions on two occasions.
- (4) System to Ensure Efficient Execution of Duties by Corporate Executive Officers  
The formulation, status of progress and other matters of the management plans of the Company and its important subsidiaries are regularly reported to the Board of Directors. In addition, we have established the 'Management Committee' comprising Corporate Executive Officers and Executive Officers with Titles, and regularly deliberate important management matters.
- (5) System to Ensure Appropriateness of Operations at the Group's Subsidiaries  
Corporate Executive Officers received reports on important matters such as financial statements related to business results from its subsidiaries and gave prior approval in accordance with the 'Regulations on the Management of Subsidiaries.'
- (6) Matters Concerning Employees, etc., Assisting the Audit Committee in Performing its Duties  
We established the Audit Committee Office as a dedicated organization to assist the Audit Committee in its duties and assigned four staff members. We also created an environment in which such employees, etc. can smoothly perform such supporting duties. In addition, we make decisions on personnel-related matters concerning such employees, etc. with the consent of the Audit Committee.
- (7) System for Reporting to the Audit Committee and System for Ensuring Effective Auditing by the Audit Committee

The officers, employees, etc., of the Group report to the Audit Committee or the Audit Committee Members without delay on matters prescribed by laws and regulations, or on matters for which the Audit Committee requests a report.

We secure opportunities for Audit Committee members selected by the Audit Committee to attend important meetings including those of the Management Committee, the Business Ethics Committee, and the Risk Management Committee and state their opinions from the viewpoint of legality, etc. when deemed necessary, and also to obtain important information.

We take necessary measures so that the Audit Committee is able to conduct its auditing activities effectively, including coordination with the Internal Audit Department, Accounting Auditor and Directors of subsidiaries, etc.

**Consolidated Statement of Changes in Equity**  
From April 1, 2024 to March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	4,109	1,340,347	(4,459)	1,481,841
Cumulative effects of changes in accounting policies		13	(2,650)		(2,637)
Restated balance	141,844	4,122	1,337,696	(4,459)	1,479,204
Changes of items during period					
Dividends of surplus			(28,537)		(28,537)
Profit attributable to owners of parent			74,194		74,194
Purchase of treasury shares				(120,537)	(120,537)
Disposal of treasury shares			(0)	19	19
Retirement of treasury shares			(39,772)	39,772	—
Increase in the number of consolidated subsidiaries			(18)		(18)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					—
Increase resulting from increasing in affiliated companies			(376)		(376)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,489	(80,745)	(75,256)
Balance at end of current period	141,844	4,122	1,343,185	(85,205)	1,403,947

	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 current period	59,727	31,322	115,170	7,685	213,906	37,471	1,733,218
Cumulative effects of changes in accounting policies		242	125		367	27,873	25,604
Restated balance	59,727	31,564	115,296	7,685	214,274	65,344	1,758,822
Changes of items during period							
Dividends of surplus							(28,537)
Profit attributable to owners of parent							74,194
Purchase of treasury shares							(120,537)
Disposal of treasury shares							19
Retirement of treasury shares							—
Increase in the number of consolidated subsidiaries							(18)
Change in treasury shares of parent arising from transactions with non-controlling shareholders							—
Increase resulting from increasing in affiliated companies							(376)
Net changes of items other than shareholders' equity	11,880	2,611	87,801	4,931	107,224	10,679	117,904
Total changes of items during period	11,880	2,611	87,801	4,931	107,224	10,679	42,647
Balance at end of current period	71,608	34,175	203,097	12,617	321,498	76,024	1,801,470

## Notes to the Consolidated Financial Statements

From April 1, 2024 to March 31, 2025

[Basis of Preparing Consolidated Financial Statements]

### 1. Scope of consolidation

#### (1) Number of consolidated subsidiaries

Number of consolidated subsidiaries: 102

Names of principal consolidated subsidiaries

Tokyo Gas America Ltd., TG Natural Resources LLC, TOKYO GAS AUSTRALIA PTY LTD, TGNR Intermediate Holdings LLC, Tokyo Gas United Kingdom Ltd., TG Aktina Holdings LLC, Tokyo Gas Asia Pte. Ltd., Tokyo Gas Engineering Solutions Corporation, Tokyo Gas Real Estate Co., Ltd., Tokyo Gas Network Co., Ltd., TG Energy Trading Pte. Ltd., Tokyo Gas International Holdings B.V., Ohgishima Power Co., Ltd., Nagano Toshi Gas Inc., Prominet Power Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Tokyo Gas Lease Co., Ltd., TOKYO GAS i NET CORP., Capty Solutions Co., Ltd., TG Global Trading Co., Ltd., Gunmaannaka solar power LLC, Tokyo Gas Colza Power Co., Ltd., Ichihara Yawatafuto Biomass Power GK and Fushiki Manyofuto Biomass Power GK

From the fiscal year under review, Niihama LNG Co., Ltd. was classified as an equity-method associate due to share transfer. TG Energy Trading Pte. Ltd. was included in the consolidated subsidiaries due to new establishment.

#### (2) Number of unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 18

Names of principal unconsolidated subsidiaries

Harumi Eco Energy Co., Ltd., Toukyou Solar LLC

Unconsolidated subsidiaries are excluded from the scope of consolidation all due to their small size and the immaterial effect of total assets, net sales, and of profit or loss (amount corresponding to our interest) and of retained earnings and others (amount corresponding to our interest) of each company on the Consolidated Financial Statements.

### 2. Application of equity method

#### (1) Number of unconsolidated subsidiaries and associates accounted for using equity method

Number of unconsolidated subsidiaries accounted for using equity method: 0

Number of associates accounted for using equity method: 27

Names of principal entities accounted for using equity method:

Niihama LNG Co., Ltd., TOKYO TIMOR SEA RESOURCES INC., Birdsboro Power Holdings II, LLC, GAS MALAYSIA BERHAD, Bajio Generating VOF, SHIBA PARK SPECIAL PURPOSE COMPANY

#### (2) Names, etc. of principal unconsolidated subsidiaries and associates not accounted for using equity method

The Company's principal unconsolidated subsidiaries and associates not accounted for using equity method: Ark Hills Heat Supply Co., Ltd.

The unconsolidated subsidiaries and associates not accounted for using equity method were excluded from the scope of application of equity methods, due to the immaterial effect of the total amount of profit or loss (amount corresponding to our interest) and the retained earnings and others (amount corresponding to our interest) on the Consolidated Financial Statements and, as a whole, their insignificance.

### 3. Accounting policies

#### (1) Valuation bases and methods of significant assets

##### 1) The valuation basis and method of securities are as follows:

Held-to-maturity debt securities are stated at amortized cost.

Available-for-sale securities other than shares, etc. without a market price are carried at fair value, with valuation differences, reported in a separate component of net assets. The cost of securities sold is determined by the moving-average method.

Available-for-sale securities such as shares without a market price are stated at cost, as determined by the moving-average method.

- 2) Derivatives are valued by the fair value method.
- 3) Inventories (merchandise and finished goods, work in process, and raw materials and supplies) are mainly stated at cost, as determined by the moving-average method (real estate for sale is mainly stated at cost, as determined by specific identification method). Consolidated balance sheet values are calculated using the book value reduction method based on declining profitability).
- (2) Methods of depreciation and amortization of significant depreciable assets
  - 1) The declining-balance method is mainly applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016.  
Durable years are mainly determined based on the 'Corporation Tax Act.'
  - 2) The straight-line method is mainly applied for intangible assets.  
Software for internal use is amortized by the straight-line method over the internally available period (five to ten years).  
The units of production method is mainly applied for outlays recognized as assets in exploration and development.
  - 3) The straight-line method is applied for leased assets, with durable years until a residual value of zero as lease period.
- (3) Basis for significant provisions
  - 1) To reserve for loss on doubtful accounts such as accounts receivable - trade and loans receivable, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/ rehabilitation claims.
  - 2) Provision for share awards for directors (and other officers) is an allowance to provide outlays for retirement benefits expenses in the form of company shares issued at the time of retirement. It corresponds to the points granted by the Company to its Directors and Executive Officers while in office, based on the stock-based remuneration system using trust. The number of shares to be delivered based on the points allocated to the Directors and Executive Officers and the estimated amount to be paid are recorded on the consolidated balance sheet date.
  - 3) The Company and certain consolidated subsidiaries provide provision for gas holder repairs for periodic maintenance and repair of spherical gas holding tanks by distributing the estimated related costs to each fiscal term during the period until the next scheduled repair.
  - 4) Provision for safety measures is an allowance to provide outlays for expenses required to ensure the safety of gas consumers. We have individually recorded the estimated future expenses that will be required after the consolidated balance sheet date, such as expenses required for work on exchanging valve connections for gas appliances with air extractor vents for valve connections without air extractor vents.
  - 5) Provision for contract loss in regards to appliance warranties is an allowance to provide outlays for losses that may arise in performing maintenance warranties contract for the appliances sold, based on the estimated amount of loss.
  - 6) Provision for point program is an allowance to provide outlays for expenses arising through the use of point service. The estimated future expenses required after the consolidated balance sheet date are recorded.
- (4) Basis for revenue and expenses
  - 1) Revenues associated with the sales of merchandise and finished goods  
Sales of merchandise and finished goods consist mainly of the sales of city gas, liquefied natural gas (LNG) and electric power, as well as the sales of energy (gas, electric power, steam, and others) in energy service business. In all these sales transactions, revenue is recognized either at each time of supply where the obligation to supply arises over the contract term based on the contractual terms set out under the sales contracts, etc. with customers, or at the point of delivery where merchandise and finished goods are delivered at certain point in time, as performance obligations are deemed to be satisfied upon customers' obtainment of control of merchandise and finished goods at the respective timing described above.  
In the sale of electric power, the renewable energy generation promotion surcharge corresponds to the amount of money collected on behalf of a third party and thus is not included in the transaction price. Hence, revenue from the sale of electric power is determined at the net



amount after deducting the surcharge payable to such a third party from the amount of consideration received from customers.

Consideration is received normally within one year after the satisfaction of performance obligations in most cases, without involving significant financing component.

2) Revenues associated with the provision of services and others

In the provision of services such as maintenance service related to gas appliances, etc., service is provided over the contract term, where the revenue is recognized based on the understanding that performance obligations are progressively satisfied as time passes during the term. In the provision of transmission service of city gas using the gas pipeline network, transmission obligations arise over the contract term, and performance obligations are satisfied as transmission is conducted. Still the revenue from such provision is recognized on a meter-reading date basis according to the Regulation on Accounting at Gas Utilities.

For the transactions combining the sales of finished goods and merchandise with the provision of services, each promise to deliver goods or services to a customer is identified as separate performance obligations, where the transaction price is allocated to each performance obligations in proportion primarily to the corresponding observable independent sales price. Consideration is received normally in the form of advance payment prior to the satisfaction of performance obligations based on the contractual terms, without involving significant financing component.

3) Revenues associated with engineering contract

In contract engineering work for gas appliance installation or gas fitting, revenue is recognized based on the estimated progress of work over a period for contracts involving a longer work period. Whereas, for contracts involving a short work period, revenue is recognized based on the alternative procedure prescribed under Paragraph 95 of the 'Implementation Guidance on the Accounting Standard for Revenue Recognition' at the point in time when performance obligations are completely satisfied.

Normally consideration is received largely in proportion to the progress in the satisfaction of performance obligations measured by the achievement of contract milestone, or in the form of advance payment prior to the satisfaction of performance obligations based on the contractual terms, without involving significant financing component.

(5) Other significant matters for preparing Consolidated Financial Statements

1) Method and period of amortization of goodwill

Goodwill is amortized over twenty years or less under the straight-line method depending on the reasons for recognition of goodwill.

2) Method for accounting for retirement benefits

To provide for retirement benefits to employees, the Company records the amount of retirement benefit obligations, based on the estimated amount at the end of the current fiscal year, minus pension plan assets as a retirement benefit liability; note, however, that, in the case where the amount of pension assets exceeds that of retirement benefit obligations, it is recorded as a retirement benefit asset.

Actuarial differences are mainly recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gain or loss incurs.

Unrecognized actuarial differences and unrecognized prior service costs are posted as remeasurements of defined benefit plans in accumulated other comprehensive income under the net assets section after adjusting for tax effects. In the calculation of retirement benefit obligations, expected benefits are mainly attributed to the period up until the fiscal year under review on the benefit formula basis.

4. Explanatory notes regarding changes in accounting policies

(Application of accounting treatment in accordance with U.S. GAAP by U.S. consolidated subsidiaries)

(1) Details of and reasons for changes in accounting policies

Tokyo Gas America Ltd., the Company's U.S. consolidated subsidiary, and its affiliated consolidated subsidiaries prepared financial statements in accordance with the International Financial Reporting Standards (IFRS) but have adopted Generally Accepted Accounting Principles in the U.S. (U.S. GAAP) for their financial statements from the fiscal year under review. As a result of a review of business management in the U.S. following largescale acquisitions in the U.S. made in the previous consolidated fiscal year, the Company decided that the preparation of financial statements in accordance with U.S. GAAP would more appropriately present the operating results and financial position of its consolidated subsidiaries in the U.S. from the perspective of comparability with other

U.S. companies and standardization of accounting treatment of U.S. consolidated subsidiaries, including acquired companies, and made this change in the fiscal year under review when related work processes and systems were developed.

- (2) Amounts that had effect on net assets at the beginning of the fiscal year under review  
Capital surplus increased by ¥13 million. Retained earnings decreased by ¥2,650 million. Deferred gains or losses on hedges, foreign currency translation adjustment, and non-controlling interests increased by ¥242 million, ¥125 million, and ¥27,873 million, respectively.

(Application of Accounting Standard for Current Income Taxes)

- (1) Details of and reasons for changes in accounting policies  
The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022; hereinafter, “2022 Revised Accounting Standard”) has been applied since the beginning of the fiscal year under review. Revisions concerning the recognition classification of income taxes (taxation on other comprehensive income) follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, “2022 Revised Guidance”).  
Regarding revisions related to the review of the treatment in consolidated financial statements when conducting a tax deferral of gains or losses on sale arising from the sale of subsidiary shares, etc., between consolidated companies, the 2022 Revised Guidance has been applied since the beginning of the fiscal year under review.
- (2) Amounts that had effect on net assets at the beginning of the fiscal year under review  
This change in accounting policy has no impact on net assets.

5. Explanatory notes regarding revenue recognition  
 (1) Information on disaggregation of revenue

(Millions of yen)

Reporting segment	Main goods or services	Revenue from contracts with customers	Other revenue	Net sales to external customers	Remarks
Energy Solution	City gas (sale)	1,205,804	–	1,205,804	(Note 1)
	Electric power	592,973	72	593,046	(Note 1)
	Engineering solutions	185,923	–	185,923	(Note 1)
	LNG sale, LNG trading, etc.	162,537	15,501	178,038	(Note 1)
	Gas appliances, etc.	110,419	–	110,419	
	Lease	–	5,724	5,724	
	Others	29,523	–	29,523	Shipping business, etc.
	Sub-total	2,287,181	21,297	2,308,479	
Network	City gas (piping), gas fitting engineering, etc.	97,088	–	97,088	(Note 1)
Overseas Business	–	180,572	–	180,572	(Note 2)
Urban Development	Real estate	22,872	27,795	50,667	Other revenues comprising mainly property lease revenue
Total		2,587,715	49,093	2,636,809	

(Note 1) Revenue from contracts with customers includes the amount of subsidy, etc. the Company received under the ‘Government Operations for Mitigating the Impact of Violent Fluctuations in Electricity/Gas Prices,’ ‘Emergency Support for Surviving Severe Heat,’ and ‘Government Operations for Mitigating the Burden of Electricity/Gas Charges’ under the ‘Comprehensive Economic Measures to Overcome Rising Prices and Realize Economic Revival.’

(Note 2) Changes in reportable segments

From the fiscal year under review, as a result of organizational changes, Tokyo Gas United Kingdom Ltd., a subsidiary of the Company, has been changed to be included in the Overseas Business segment from the Energy Solution segment.

(2) Useful information in understanding revenue

The details of the primary performance obligations of the Company and its consolidated subsidiaries in the major businesses related to revenue from contracts with customers and the typical timing at which such performance obligations are satisfied (typical timing of revenue recognition) are stated in ‘Revenue and expense recognition standards’ under ‘Accounting policies.’

(3) Information in understanding the amount of revenue in the current and following fiscal years

1) Contract asset and contract liability balances

(Millions of yen)

	Beginning balance	Ending balance
Receivables from contracts with customers		
Notes receivables – trade	1,336	607
Accounts receivables - trade	419,917	391,203
	421,254	391,810
Contract assets	1,630	716
Contract liabilities	24,322	22,517

Contract assets relate to consideration for the services for which the Company and its consolidated subsidiaries recognized revenue, having satisfied performance obligations through contract engineering work for gas appliances installation or gas fitting, but have not invoiced yet as of the end of the fiscal year. Contract assets are reclassified as receivables derived from the contracts with customers at the point in time when the rights to consideration become unconditional following the completion of the engineering work.

Contract liabilities mainly relate to advances received at the Company and its consolidated subsidiaries from customers for the contract engineering work for gas appliances installation or gas fitting, as well as appliance maintenance contract, and to the points awarded commensurate with the amount of money spent by customers for purchasing gas and electricity. Contract liabilities are reversed when the performance obligations are satisfied following the completion of contract engineering work and the completion of appliance maintenance service, and when points awarded to customers are exchanged for services in the future. ¥12,588 million of revenues recognized in the fiscal year under review were included in the balance of contract liabilities at the beginning of the fiscal year under review. The primary reason behind the significant change in the balance of contract liabilities in the fiscal year under review was a decrease in the sales volume related to appliances subject to appliances maintenance contracts.

2) Transaction price allocated to the remaining performance obligations

(Millions of yen)

Type of performance obligation	The fiscal year under review	Explanation on the expected timing for satisfaction of performance obligations
LNG sale	552,398	Approx. 30% expected to be satisfied within one year, and approx. 70% in over one year but within five years.
Gas appliances, gas fitting, and other contracted construction work	65,162	Generally expected to be satisfied within one year.
Gas appliance maintenance service	2,648	Approx. 50% expected to be satisfied within one year, and all obligations within ten years.
Solar power generation service	1,976	All obligations expected to be satisfied within thirteen years.
Points program based on amount of gas and electricity purchased	845	Expected to be satisfied within three years.

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations for the sale of gas, electric power and engineering solutions, and have the right to receive an amount of consideration that directly corresponds to the value to the customer for the portion of performance completed to date. Therefore, pursuant to the provisions of Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue is recognized at the amount they are entitled to claim, and is not presented.

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations for gas appliances, gas fitting, and other contracted construction work. Contracts with an original expected duration of one year or less and are not presented.

6. Explanatory notes regarding accounting estimates

(1) Impairment of non-current assets and valuation of investment securities at overseas subsidiaries

1) The amount posted in the Consolidated Financial Statements for the fiscal year under review ¥778,578 million (book value of non-current assets and investment securities of Tokyo Gas America Group)

2) Other information

(a) Calculation method

Grouping of assets shall be carried out on the basis of the smallest unit that generates cash flows largely independent from cash flows of other assets or asset groups. Indications of impairment for groupings of assets at overseas subsidiaries are determined on the basis of a project (hereinafter, 'PJ') unit in consideration of classifications in terms of management accounting and a unit, etc. for making investment decisions. Assets or asset groups showing indications of impairment shall be subject to review of their recoverability, and then to impairment treatment to a recoverable amount based on estimated future cash flows.

Investment securities held by overseas subsidiaries are involved in business through investment in associates. Investment securities are mostly shares without market price, and are accounted for using equity method. In the case of shares showing indications of impairment, such as a case where results are underperforming compared to future plans at the time of investment, investment securities are measured at fair value according to the corporate value based on estimated future cash flows. The book value of such investment securities is written down to a recoverable amount, excluding those determined to be recoverable.

(b) Key assumptions

Future cash flows used to determine whether indications of impairment exist and whether to recognize impairment loss and calculate fair value less cost to sell, value in use, and fair value at the overseas business, shall be estimated by using information regarding external factors such as business environment of each PJ and internal information used by each PJ (business plans, budgets, etc.), in consideration of the current usage and reasonable usage plans, etc. of asset groups. In making such estimates, we use forward-looking factors that affect net sales including sales volume, gas prices, crude oil prices, expected reserves, market trends based on demand and supply forecast, and various cost forecasts reflecting the most recent track

record (including upstream resource development, production plans, and various capital expenditures).

Each PJ assesses the future value by using the individual discount rate in consideration of factors including a risk-free rate, risk coefficient ( $\beta$ ) of shares of comparable companies, and market risk. Long-term future cash flows are estimated on the basis of the aforementioned values, using assumptions such as the estimated inflation rate.

Key assumptions of particular importance are the forward-looking information regarding gas prices and discount rates.

- (c) Impact on the Consolidated Financial Statements for the following fiscal year

An impairment loss may be posted if estimates are changed due to changes in assumptions such as further deterioration in the outlook caused by changing economic situations giving rise to a decrease in the recoverable amount based on future cash flows.

(2) Valuation of inventories (raw materials)

- 1) The amount posted in the Consolidated Financial Statements for the fiscal year under review: ¥60,350 million

- 2) Other information

- (a) Calculation method

Raw materials included in raw materials and supplies are recognized at acquisition value. Some raw material procurement contracts stipulate that prices are to be revised periodically. In certain cases, however, acquisition value is based on prices agreed upon provisionally with sellers because of the failure to reach a formal agreement at the timing for price revision.

- (b) Key assumptions

Of that described above, for the raw materials procured based on the provisionally agreed prices, such provisionally agreed prices are used as estimated latest prices due to difficulty in estimating formally agreed prices.

- (c) Impact on the Consolidated Financial Statements for the following fiscal year

When formal price agreement is reached under raw material procurement contracts hitherto based on provisionally agreed prices, a difference between the formally agreed price and the provisionally agreed price may arise. In such case, there may be an impact on the amounts of cost of sales and inventories (raw materials and supplies) based on the terms of agreement.

(3) Calculation of retirement benefits liability

- 1) The amount posted in the Consolidated Financial Statements for the fiscal year under review: ¥58,194 million

- 2) Other information

- (a) Calculation method

Certain Group companies adopt defined benefit plans. With respect to retirement benefits liability under defined benefit plans and associated service costs are calculated by discounting expected benefits estimated based on actuarial assumptions.

- (b) Key assumptions

Actuarial assumptions used for calculating retirement benefit obligations involve various calculation bases including a discount rate and long-term expected rate of return. Key actuarial assumptions used for calculating retirement benefits liability as of the end of the fiscal year under review comprise a discount rate mainly at 1.9% and a long-term expected rate of return mainly at 2.0%.

- (c) Impact on the Consolidated Financial Statements for the following fiscal year

If, as a result of changes in unpredictable future economic conditions, it becomes necessary to review the aforementioned estimates and assumptions, this may have significant impact on retirement benefit liability and retirement benefit expenses to be recognized in the Consolidated Financial Statements for the following fiscal year and thereafter.

In the calculation of retirement benefits liability, changes in key assumptions have the following impact sensitivity on retirement benefits liability as of the end of the fiscal year under review. A negative value represents a decrease in retirement benefits liability, while a positive value represents an increase in retirement benefits liability. Sensitivity analysis assumes all actuarial assumptions concerning retirement benefit liability at Tokyo Gas Co., Ltd., the primary recording entity, except actuarial assumptions subject to analysis remaining constant.

As of the end of the fiscal year under review (March 31, 2025)

	Changes in actuarial assumptions	The amount of impact on retirement benefits liability
Discount rate	A decrease of 0.1%	+¥2,453 million
	An increase of 0.1%	¥(2,401) million
Long-term expected rate of return	A decrease of 0.1%	+¥233 million
	An increase of 0.1%	¥(233) million

- (4) Estimated revenue for city gas sales for the unmetered period from the meter-reading date to the end of the fiscal year
- 1) The amount posted in the Consolidated Financial Statements for the fiscal year under review:  
Net sales: ¥1,205,804 million
  - 2) Other information
    - (a) Calculation method  
In the case where customers are charged based on the usage measured by the meter-reading conducted on other days than month-end, revenue generated in a period between the date of the meter-reading conducted in the account closing month and the settlement date is calculated by using a reasonable estimation and recorded in net sales.
    - (b) Key assumptions  
Usage and unit prices are estimated based on a compilation of similar contracts.  
Such usage is estimated in proportion to the number of days based on the ratio of the number of unmetered days to the number of days in the month, based on the volume delivered from the beginning to the end of the account closing month.  
Unit price estimates are based on the weighted average unit price for each contract type for the same month in the previous year of the account closing month, adjusted by the changes in the material cost-adjusted unit price, etc. from the same month in the previous year.
    - (c) Impact on the Consolidated Financial Statements for the following fiscal year  
As for accounting estimates and assumptions used in such estimates, any differences with actual results may impact the amount of net sales calculated in the Consolidated Financial Statements for the following fiscal year.
- (5) Estimated revenue for electric power sales for the unmetered period from the meter-reading date to the end of the fiscal year
- 1) The amount posted in the Consolidated Financial Statements for the fiscal year under review:  
Net sales: ¥592,973 million
  - 2) Other information
    - (a) Calculation method  
In the case where customers are charged based on the usage measured by the meter-reading conducted on other days than month-end, revenue generated in a period between the date of the meter-reading conducted in the account closing month and the settlement date is calculated by using a reasonable estimation and recorded in net sales.
    - (b) Key assumptions  
Usage and unit prices are estimated based on a compilation of similar contracts.  
Such usage estimates are calculated for the current month's usage and the next month's meter reading based on daily end-of-use and other data provided by the transmission and distribution companies.  
Unit price estimates are based on the weighted average unit price for contract type for the same month in the previous year of the account closing month, adjusted by the changes in the fuel cost-adjusted unit price, etc. from the same month in the previous year.
    - (c) Impact on the Consolidated Financial Statements for the following fiscal year  
As for accounting estimates and assumptions used in such estimates, any differences with actual results may impact the amount of net sales calculated in the Consolidated Financial Statements for the following fiscal year.

[Explanatory notes regarding the consolidated balance sheet]

1. Assets pledged as collateral	
(1) Breakdown of assets	
Cash and deposits	¥20,825 million
Notes and accounts receivable-trade, and contract assets	¥33,199 million
Raw materials and supplies	¥1,181 million
Other current assets (Note)	¥10,736 million
Buildings and structures	¥13,261 million
Machinery, equipment and vehicles	¥84,267 million
Tools, furniture and fixtures	¥975 million
Land	¥2,228 million
Leased assets	¥4,272 million
Construction in progress	¥29 million
Mining rights	¥598,917 million
Other intangible assets	¥25,339 million
Investment securities	¥6,865 million
Long-term loans receivable	¥3,049 million
Other investments and other assets	¥64,163 million
(Note) Guarantee deposits related mainly to derivative transactions	
Some of the assets pledged as collateral are pledged for derivative transactions, apart from the liabilities secured by the collaterals in (2) below.	
(2) Liabilities secured by the collaterals	
Current portion of long-term borrowings	¥7,959 million
Other current liabilities	¥21 million
Long-term borrowings	¥196,769 million
2. Accumulated depreciation of property, plant and equipment	
	¥4,666,635 million
3. Guarantee obligation etc.	
(1) Guarantee obligation	¥43,823 million

[Explanatory notes regarding the consolidated statement of changes in equity]

1. Number of shares issued as of the end of this fiscal year	388,893,859 shares
2. Dividends	
(1) Dividends of surplus of this fiscal year	
1) The following was decided by the meeting of the Board of Directors held on April 25, 2024.	
▪ Dividends of common share	
(a) Total amount of dividends	¥14,970 million
(b) Dividends per share	¥37.50
(c) Date of record	March 31, 2024
(d) Effective date	June 6, 2024
(Note) The total amount of dividends includes dividends of ¥6 million for the Company's shares held by the trust account of the board benefit trust.	
2) The following was decided by the meeting of the Board of Directors held on October 30, 2024.	
▪ Dividends of common share	
(a) Total amount of dividends	¥13,567 million
(b) Dividends per share	¥35.00
(c) Date of record	September 30, 2024
(d) Effective date	November 29, 2024
(Note) The total amount of dividends includes dividends of ¥6 million for the Company's shares held by the trust account of the board benefit trust.	



- (2) Dividends of surplus to be carried out after the end of this fiscal year  
The following was decided at the meeting of the Board of Directors held on April 28, 2025.
- Dividends of common share
 

(a) Total amount of dividends	¥16,642 million
(b) Resource of dividends	Retained earnings
(c) Dividends per share	¥45.00
(d) Date of record	March 31, 2025
(e) Effective date	June 6, 2025
- (Note) The total amount of dividends includes dividends of ¥13 million for the Company's shares held by the trust account of the board benefit trust.

[Explanatory notes regarding financial instruments]

1. Matters related to the status of financial instruments

- (1) The Group's policy for financial instruments  
The Group raises necessary funds, mainly through bond issuance and loans from banks, based on the capital investment plans. Temporary surplus funds are managed in the form of highly safe financial assets, while short-term working capital is procured by issuing short-term corporate bonds (commercial papers) and other means. Derivatives are traded to mainly avoid the risks described below and not for speculative purposes.
- (2) Detail of financial instruments and risks associated with them  
Notes and accounts receivable-trade classified as trade receivables are exposed to customers' credit risks. Investment securities are mainly shares held for business or capital alliance with business partners and are exposed to the risk of market price fluctuations. Bonds payable and borrowings are mainly for raising funds necessary for capital investment, with redemption terms not exceeding 57 years and nine months after the settlement date. Some of the Group's borrowings are based on variable interest rates and thus exposed to interest rate fluctuation risk, part of which is hedged by using derivative transactions (interest rate swap transactions).  
Regarding derivative transactions, to mitigate exchange rate fluctuation risks, risks associated with fluctuations in the purchase price of commodities and materials, etc., and interest rate fluctuation risks, the Group engages in various derivative transactions, including forward exchange contracts, commodity swaps, and interest rate swap transactions. Moreover, subsidiaries in the LNG trading business engage in commodity forward contracts and commodity swaps. In using derivative transactions such as forward exchange contracts, commodity swaps, and interest rate swap transactions, the Group applies hedge accounting where the application requirements of hedge accounting are met.
- (3) Risk management system concerning financial instruments
- 1) Credit risk management (against risks associated with contractual default and other issues of clients or suppliers)  
The Group companies maintain a system of regularly controlling trade receivables balances of each client (or supplier), according to each Group company's credit control policy.  
The Group only engages in derivative transactions with high credit worthy parties, according to each Group company's credit control policy to mitigate counterparty risks.  
The maximum credit risk exposure as at the end of the fiscal year under review is indicated by the consolidated balance sheet values of financial assets exposed to credit risks.
  - 2) Market risk management (against the risks of fluctuations of commodities, exchange rate, interest rate and others)  
The Company and some of its consolidated subsidiaries use forward exchange contracts to hedge risks associated with exchange rate fluctuations as identified by currency and month regarding foreign currency-denominated trade receivables and payables and scheduled transactions denominated in foreign currency. At the same time, the Company and some of its consolidated subsidiaries use interest rate swap transactions to mitigate the risks associated with interest rate fluctuations in payables on corporate bonds and borrowings, and commodity swap transactions to mitigate risks associated with fluctuations in the purchase price of commodities.  
For investment securities, we continuously review the holding status by grasping updated fair values and financial positions of issuers (clients or suppliers) and considering the market conditions and relationships with such clients and suppliers.

The Company formulates implementation plans for individual cases of derivative transactions according to the 'Risk Management Policy' approved by the Board of directors, then implements them after obtaining approval based on the administrative authority. In the framework for implementing and managing derivative transactions, the department responsible for executing transactions is segregated from the department responsible for control to ensure the checking function is working effectively.

Consolidated subsidiaries of the Company must obtain resolutions from their Boards of Directors or Presidents depending on the amounts (maximum risk exposure) of transactions and prior approval of the Company based on the 'Regulations on the Management of Subsidiaries.' The use of derivative transactions such as forward exchange contracts, commodity forward contracts, commodity swaps, and interest rate swap transactions involve exposure to market risks associated with price fluctuations in respective markets, while it has advantageous effects of stabilizing cash flows of hedged items or offsetting market fluctuations. Implementation plans are formulated according to the 'Risk Management Policy,' as described earlier, for the LNG trading business of subsidiaries too. Thus, a framework for implementation and management is in place in which the department responsible for executing transactions is segregated from the department responsible for control to ensure the checking function works effectively.

- 3) Management of liquidity risk associated with funding (risk of becoming unable to execute payment on due date)

The Company and its consolidated subsidiaries ensure stable cash flow management by formulating monthly cash flow plans and controlling deposit/withdrawal schedules. Meanwhile, the Group has introduced CMS (cash management system) and GCMS (global cash management system) for managing funds across the Group under the control of the Company.

- (4) Supplementary explanation regarding the matters related to the fair value of financial instruments  
As the calculation of the fair value of financial instruments involves variable elements, such calculated values may fluctuate depending on the assumptions adopted.

2. Fair value of financial instruments and information by level within the fair value hierarchy

The carrying amounts, fair value, their differences, and fair value by level on the consolidated balance sheets as at March 31, 2025, are as follows. Shares, etc. that do not have a market price and investments in partnerships, etc. are not included in the table (Refer to Note 2).

Level 1 fair value: Fair value determined by (unadjusted) market price of the identical assets or liabilities in active markets

Level 2 fair value: Fair value determined by using directly or indirectly observable inputs other than the inputs used for Level 1 fair value

Level 3 fair value: Fair value determined by using significant but unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

Category	(Millions of yen)			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	47,148			47,148
Total assets	47,148			47,148
Derivatives (*1)				
Currency-related		42,846		42,846
Commodity-related		(8,011)	8,588	576
Interest rate-related		6,289		6,289
Total derivative transactions		41,124	8,588	49,712

(\*1) Net credit and debt arising from derivative transactions are presented on a net basis, and the items that are net debts in total are presented in brackets.

- (2) Financial instruments other than those measured at fair value on the consolidated balance sheet 'Cash and deposits,' 'notes and accounts receivable - trade, and contract assets' 'notes and accounts payable - trade,' and 'short-term borrowings' are omitted, because they comprise cash and short-term instruments whose carrying amount approximates their fair value.

(Millions of yen)

Category	Fair value				Amount on the consolidated balance sheet	Difference
	Level 1	Level 2	Level 3	Total		
Investment securities						
Shares of subsidiaries and associates	52,748			52,748	13,120	39,628
Total assets	52,748			52,748	13,120	39,628
Bonds payable(*2)		(538,312)		(538,312)	(651,350)	113,037
Long-term borrowings(*2)		(632,796)		(632,796)	(645,643)	12,846
Total liabilities		(1,171,108)		(1,171,108)	(1,296,993)	125,884

(\*1) Figures in round brackets are those listed under liabilities.

(\*2) Bonds payable and long-term borrowings include the current portion of non-current liabilities, respectively.

(Note 1) A description of the valuation techniques and inputs used in the fair value measurements

#### Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

#### Bonds payable

The fair value of bonds issued by the Group is determined by the discounted present value, calculated by discounting the sum of principal and interest with the interest rate reflecting the residual maturity of the bonds of the Group and credit risk, which are classified as level 2.

#### Long-term borrowings

The fair value of long-term borrowings is determined by discounting the sum of principal and interest by using the interest rate assumed for new borrowings on similar conditions, hence classified as level 2. For the fair value of long-term borrowings of the Group with variable interest rates qualifying for special treatment of interest rate swap (see Derivatives below), the total sum of principal and interest processed as one together with the interest rate swap is discounted by the interest rate assumed to new borrowings on similar conditions.

#### Derivatives

In determining the fair value of derivative transactions, calculations are mainly based on discounted present value and prices indicated by the correspondent financial institutions. If the price is calculated using only observable inputs, or if it is calculated using unobservable inputs but the impact is immaterial, the fair value of derivative transactions is classified as level 2. On the other hand, if the price is calculated using significant but unobservable inputs, derivative transactions are classified as level 3, and such transactions include a commodity forward contract. Oil price forecasts are an input that cannot be observed on the market. Interest rate swap transactions qualifying for special treatment are treated as one with the hedged item, long-term borrowings, and their fair value is included in the fair value of such long-term borrowings (see Long-term borrowings above).

(Note 2) Consolidated balance sheet values of shares, etc. that do not have a market price and investments in partnerships, etc. are as follows. They are not included in available-for-sale securities in the table disclosed in the 'Fair value of financial instruments and information by level within the fair value hierarchy.'

(Millions of yen)

Category	The fiscal year under review (as at March 31, 2025)
Shares in subsidiaries and associates Unlisted shares, etc. (*1)	134,431
Available-for-sale securities Unlisted shares, etc. (*1) Investments in partnerships (*2) (*3)	146,700 42,144

(\*1) Unlisted shares do not have a market price and thus are not subject to fair value disclosure pursuant to Paragraph 5 of the 'Implementation Guidance on Disclosures about Fair Value of Financial Instruments' (ASBJ Guidance No. 19 issued on March 31, 2020).

(\*2) Investments in partnerships and other similar entities that are recorded on the consolidated balance sheet at the amount equivalent to equity are not subject to fair value disclosure pursuant to Paragraph 24-16 of the 'Implementation Guidance on Accounting Standard for Fair Value Measurement' (ASBJ Guidance No. 31 revised on June 17, 2021).

- (\*3) Investments in partnerships and others include ¥41,532 million payment to an investment limited partnership, which falls under associates and others.

[Explanatory notes regarding investment and rental properties]

1. Matters related to status of investment and rental properties  
The Company and some subsidiaries have office buildings for rent and other properties (including land under development) in Tokyo and other regions.
2. Matters related to the fair value of investment and rental properties

(Millions of yen)	
Amount on the consolidated balance sheet	Fair value
138,910	595,403

(Note 1) The amount on the consolidated balance sheet is the amount of acquisition cost less accumulated depreciation.

(Note 2) The fair value at the end of this fiscal year is mainly based on real-estate appraisal documents prepared by real-estate appraisers.

[Explanatory notes regarding per share information]

- |                             |           |
|-----------------------------|-----------|
| 1. Net assets per share     | ¥4,669.38 |
| 2. Basic earnings per share | ¥192.22   |

[Explanatory notes regarding material subsequent events]

1. Retirement of treasury shares  
At the Board of Directors meeting held on April 28, 2025, the Company resolved to retire treasury shares pursuant to Article 178 of the Companies Act.  
The details of the retirement of treasury shares are as follows.
  - Type of stock to be retired: The Company's common shares
  - The total number of shares to be retired: 17,803,000
  - Scheduled date of retirement: May 23, 2025
2. Transfer of asset  
On February 21, 2025, the Company entered into a basic agreement with SHIZUOKA GAS CO., LTD., to sell its rights in Eagle Ford formation shale gas in southern Texas, U.S., held through TG Eagle Ford Resources LP, in which U.S. subsidiary Tokyo Gas America Ltd. invests (hereinafter, the 'Transfer').
  - (1) Reason for the Transfer  
As part of initiatives to review the asset portfolio for the purpose of the Company's asset efficiency increase, the Company plans to focus on the business of TG Natural Resources LLC that owns assets in eastern Texas and northern Louisiana areas, by carrying out the Transfer.
  - (2) Details of the Transfer
    - i. Purchaser: SHIZUOKA GAS CO., LTD.
    - ii. Details of asset to be transferred
      - Address: Webb County/La Salle County, Texas, the United States
      - Asset type: Mining rights, etc.
      - Time of the Transfer: June, 2025 (tentative)
      - Price for the Transfer: US\$130 million
  - (3) Impact on profit/loss  
The impact of the Transfer on the consolidated results for the fiscal year ending March 31, 2026 is under examination.
3. Significant agreement  
On March 31, 2025, the Company entered into an agreement with Chevron U.S.A. INC. (hereinafter, 'CVX') on shale gas joint development in eastern Texas (hereinafter, the 'Agreement') through TG Natural Resources LLC (hereinafter, 'TGNR'), in which U.S. subsidiary Tokyo Gas America Ltd. invests.
  - (1) Reason for the conclusion of Agreement  
The conclusion of the Agreement is part of initiatives to review the asset portfolio for the purpose of the Company's asset efficiency increase, including the transfer of rights in Eagle Ford formation shale gas to SHIZUOKA GAS CO., LTD. with US\$130 million, described in '2. Transfer of asset' above.

- (2) Name of the counterparty  
Chevron U.S.A. INC.
- (3) Timing of the Agreement's conclusion  
March 2025
- (4) Details of the Agreement  
Shale gas joint development agreement
- (5) Significant impact of the Agreement on operating activities  
The Agreement is concluded to jointly develop and operate the shale gas assets of CVX adjacent to the main assets of TGNR. TGNR acquires assets within TGNR's cash flow by paying US\$75 million in advance for the acquisition of 70% of assets owned by CVX, and gradually paying US\$450 million over several years, based on the development.

[Other explanatory notes]

1. Share-based compensation plan for directors, corporate executive officers and executive officers  
The Company has introduced 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 introduced 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. 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 shares at their carrying amount in the trust (excluding the amount of incidental expenses) under net assets. The carrying amount and number of these treasury shares as of the end of the fiscal year under review were ¥842 million and 300,800 shares, respectively.
2. Amounts less than one million yen are rounded down.

**Non-Consolidated Statement of Changes in Equity**  
From April 1, 2024 to March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			Retained earnings brought forward	
					Reserve for advanced depreciation of non-current assets	Reserve for adjustment of cost fluctuations	General reserve		
Balance at beginning of current period	141,844	2,065	2,065	35,454	4,216	141,000	339,000	301,641	821,312
Changes of items during period									
Dividends of surplus								(28,537)	(28,537)
Profit								178,174	178,174
Purchase of treasury shares									
Disposal of treasury shares								(0)	(0)
Retirement of treasury shares								(39,772)	(39,772)
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	—	—	—	—	—	109,864	109,864
Balance at end of current period	141,844	2,065	2,065	35,454	4,216	141,000	339,000	411,505	931,176

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total Valuation and translation adjustments	
Balance at beginning of current period	(4,459)	960,762	23,029	(3,710)	19,318	980,081
Changes of items during period						
Dividends of surplus		(28,537)				(28,537)
Profit		178,174				178,174
Purchase of treasury shares	(120,537)	(120,537)				(120,537)
Disposal of treasury shares	19	19				19
Retirement of treasury shares	39,772	—				—
Net changes of items other than shareholders' equity			(4,193)	(39)	(4,233)	(4,233)
Total changes of items during period	(80,745)	29,118	(4,193)	(39)	(4,233)	24,885
Balance at end of current period	(85,205)	989,881	18,835	(3,750)	15,085	1,004,967

## Notes to the Non-Consolidated Financial Statements

From April 1, 2024 to March 31, 2025

### 1. Significant accounting policies

#### (1) Valuation bases and methods of assets

##### 1) The valuation basis and method of securities are as follows:

Shares of subsidiaries and associates are stated at cost, as determined by the moving-average method. Available-for-sale securities other than shares, etc. without a market price are carried at fair value based on the market price at the year end, etc., with valuation differences, reported in a separate component of net assets. The cost of securities sold is determined by the moving-average method.

Available-for-sale securities such as shares without a market price are stated at cost, as determined by the moving-average method.

##### 2) Derivatives are valued by the fair value method.

##### 3) Inventories (work in process and raw materials and supplies) are stated at cost, as determined by the moving-average method (balance sheet values are calculated using the book value reduction method based on declining profitability).

#### (2) Methods of depreciation and amortization of non-current assets

##### 1) The declining-balance method is applied for property, plant and equipment. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998, and facilities attached to buildings and structures acquired on or after April 1, 2016.

Durable years are determined based on the 'Corporation Tax Act.'

##### 2) The straight-line method is applied for intangible assets.

Software for internal use is amortized by the straight-line method over the internally available period (five to ten years). Goodwill is amortized over twenty years or less under the straight-line method depending on the reasons for recognition of goodwill.

#### (3) Basis for provisions

##### 1) To reserve for loss on doubtful accounts such as accounts receivable - trade and loans receivable, etc., general allowances are provided using a rate determined by past bad debts experience and also specific allowances are provided for the estimated amounts considered to be uncollectible after reviewing individual collectibles of certain doubtful accounts such as bankruptcy/ rehabilitation claims.

##### 2) The Company provides provision for retirement benefits in the amount of the deemed obligations as of the balance sheet date based on the estimated amount of projected benefit obligation and the estimated fair value of the pension plan assets at that date. Actuarial differences are recorded as expenses in one lump-sum in the fiscal year following the fiscal year in which the actuarial gain or loss incurs. In the calculation of retirement benefit obligations, expected benefits are attributed to periods up until the fiscal year under review on the benefit formula basis.

##### 3) Provision for share awards for directors (and other officers) is an allowance to provide outlays for retirement benefits expenses in the form of company shares issued at the time of retirement. It corresponds to the points granted by the Company to its Directors and Executive Officers while in office, based on the stock-based remuneration system using trust. The number of shares to be delivered based on the points allocated to the Directors and Executive Officers and the estimated amount to be paid are recorded on the balance sheet date.

##### 4) Provision for contract loss in regards to appliance warranties is an allowance to provide outlays for losses that may arise in performing maintenance warranties contract for the appliances sold, based on the estimated amount of loss.

##### 5) Provision for point program is an allowance to provide outlays for expenses arising through the use of point service. The estimated future expenses required after the balance sheet date are recorded.

#### (4) Basis for revenue and expenses

##### 1) Revenues associated with the sales of merchandise and finished goods

Sales of merchandise and finished goods consist mainly of the sales of city gas, liquefied natural gas (LNG) and electric power. In these sales transactions, revenue is recognized either at each time of supply where the obligation to supply arises over the contract term based on the contractual terms set out under the sales contracts, etc. with customers, or at the point of

delivery where merchandise and finished goods are delivered at certain point in time, as performance obligations are deemed to be satisfied upon customers' obtainment of control of merchandise and finished goods at the respective timing described above.

The renewable energy generation promotion surcharge for the sale of electric power corresponds to the amount of money collected on behalf of a third party and thus is not included in the transaction price. Hence, revenue from the sale of electric power is determined at the net amount after deducting the surcharge payable to such a third party from the amount of consideration received from customers.

- 2) Revenues associated with the provision of services and others  
In the provision of services such as maintenance service related to gas appliances, etc., service is provided over the contract term, where the revenue is recognized based on the understanding that performance obligations are progressively satisfied as time passes during the term.
- (5) Other matters forming the basis for preparing Financial Statements  
Accounting for retirement benefits  
The method for accounting for unrecognized actuarial differences relating to retirement benefits is different from the method used for Non-Consolidated Financial Statements.

## 2. Explanatory notes regarding revenue recognition

- (1) Information on disaggregation of revenue  
Notes are omitted as the identical information is stated in 'Explanatory notes regarding revenue recognition' of the notes to the Consolidated Financial Statements.
- (2) Useful information in understanding revenue  
The details of the primary performance obligations of the Company and in the major businesses related to revenue from contracts with customers and the typical timing at which such performance obligations are satisfied (typical timing of revenue recognition) are stated in 'Revenue and expense recognition standards' under 'Significant accounting policies.'
- (3) Information in understanding the amount of revenue in the current and following fiscal years  
Notes are omitted as the identical information is stated in 'Explanatory notes regarding revenue recognition' of the notes to the Consolidated Financial Statements.

## 3. Explanatory notes regarding accounting estimates

- (1) Valuation of shares of subsidiaries and associates
  - 1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review  
Shares of subsidiaries and associates: ¥984,626 million  
Miscellaneous expenses (Loss on valuation of shares of subsidiaries and associates): ¥854 million
  - 2) Other information
    - (a) Calculation method  
Of the above, for the assets registering a significant decline in the net asset value compared to the investment value, a loss on valuation is posted. The book value of such assets is written down to the net asset value, excluding those assets determined to be recoverable.
    - (b) Key assumptions  
With respect to shares of subsidiaries and associates registering a significant decline in the net asset value compared to the investment value, whether they are recoverable or not is determined based on information on external factors such as business environment of each subsidiary and associate and internal information used by each subsidiary and associate (business plans, budgets, etc.). In making such determination, we use forward-looking factors that affect net sales including sales volume and market prices, market trends based on demand and supply forecast, and various cost forecasts reflecting the most recent track record.
    - (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year  
The above determination is believed to be reasonable. However, a loss on valuation may arise if forecasts change due to unpredictable changes in assumptions.
- (2) Valuation of inventories (raw materials)
  - 1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review: ¥59,860 million
  - 2) Other information



(a) Calculation method, (b) Key assumptions, and (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year are as stated in the Consolidated Financial Statements.

- (3) Calculation of provision for retirement benefits
    - 1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review: ¥47,773 million
    - 2) Other information
      - (a) Calculation method, (b) Key assumptions, and (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year are as stated in the Consolidated Financial Statements.
  - (4) Estimated revenue for city gas sales for the unmetered period from the meter-reading date to the end of the fiscal year
    - 1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review:  
Net sales: ¥1,233,745 million
    - 2) Other information
      - (a) Calculation method, (b) Key assumptions, and (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year are as stated in the Consolidated Financial Statements.
  - (5) Estimated revenue for electric power sales for the unmetered period from the meter-reading date to the end of the fiscal year
    - 1) The amount posted in the Non-Consolidated Financial Statements for the fiscal year under review:  
Net sales: ¥556,172 million
    - 2) Other information
      - (a) Calculation method, (b) Key assumptions, and (c) Impact on the Non-Consolidated Financial Statements for the following fiscal year are as stated in the Consolidated Financial Statements.
4. Explanatory notes regarding the non-consolidated balance sheet
- (1) Assets pledged as collateral
 

Other non-current liabilities	¥2,323 million
(The above assets are mainly guarantee deposits for derivative transactions)	
Investment securities	¥4 million
Long-term loans receivable	¥16 million
(Liabilities secured by the collaterals	— )
(The above assets are pledged as collateral against debts incurred by companies in which the Company has invested.)	
  - (2) Accumulated depreciation of property, plant and equipment
 

	¥756,349 million
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  - (3) Guarantee obligation, etc.
 

Guarantee obligation	¥65,430 million
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  - (4) Monetary receivables from or payables to subsidiaries and associates
 

Short-term monetary receivables	¥315,435 million
Long-term monetary receivables	¥552,812 million
Short-term monetary payables	¥541,875 million
5. Explanatory notes regarding the non-consolidated statement of income
- |   |                  |
|---|------------------|
| Trading volume with subsidiaries and associates   |                  |
| Net sales   | ¥361,761 million |
| Purchases   | ¥989,249 million |
| Trading volume other than net sales and purchases | ¥162,113 million |
6. Explanatory notes regarding the non-consolidated statement of changes in equity
- |   |                   |
|---|-------------------|
| Number of shares of treasury shares as of the end of this fiscal year | 19,370,015 shares |
|---|-------------------|

7. Explanatory notes regarding deferred tax accounting

Principal sources of deferred tax assets and deferred tax liabilities

Deferred tax assets	Shares of subsidiaries and associates and investment securities, provision for retirement benefits
Deferred tax liabilities	Valuation difference on available-for-sale securities

8. Explanatory notes regarding transactions with related parties

Subsidiaries

Name	Percentage of voting rights holding (or being held) (%)	Relationship with related party	Contents of transaction	Amount of transaction (millions of yen)	Account name	Amount outstanding as of the end of FY2025 (millions of yen)
TG Global Trading Co., Ltd.	Holding Direct 100.0	Subsidiary	Purchase of LNG (Note)	334,308	—	—

Business terms and policies for determination of business terms

(Note) Purchase of LNG is decided after considering market prices.

9. Explanatory notes regarding per share information

Net assets per share	¥2,719.63
Basic earnings per share	¥461.60

10. Explanatory notes regarding material subsequent events

(1) Retirement of treasury shares

At the Board of Directors meeting held on April 28, 2025, the Company resolved to retire treasury shares pursuant to Article 178 of the Companies Act.

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

- ・ Type of stock to be retired: The Company's common shares
- ・ Total number of shares to be retired: 17,803,000
- ・ Scheduled date of retirement: May 23, 2025

(2) Corporate merger (absorption-type merger)

The Company absorbed and merged TG Global Trading Co., Ltd., a wholly owned subsidiary of the Company on April 1, 2025.

1) Overview of transaction

- (a) Name of the merged company and description of its business  
Name of the merged company: TG Global Trading Co., Ltd.  
Description of the business: LNG trading and other businesses

- (b) Date of business combination  
April 1, 2025

- (c) Legal form of business combination  
An absorption-type merger with the Company as the surviving company

- (d) Company name after business combination  
Tokyo Gas Co., Ltd.

- (e) Other matters related to the overview of transaction  
For the purpose of improving the operational efficiency as a whole Group and promoting more effective and efficient business development that utilizes expertise, the Company absorbed and merged TG Global Trading Co., Ltd.

2) Overview of accounting treatment to be carried out

The business combination will be accounted for as a transaction under common control pursuant to the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 revised on January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 revised on January 16, 2019).

(3) Corporate demerger (absorption-type demerger)

The Company decided the succession of electric power generation business at the Sodegaura Power Plant operated by the Company to Tokyo Gas Colza Power Co., Ltd. (hereinafter, "Colza Power"), a wholly owned subsidiary of the Company by means of a corporate demerger to be effective on July 1, 2025, and signed an absorption-type demerger agreement with Colza Power on April 25, 2025.

- 1) Overview of transaction
    - (a) Name and description of the business succeeded  
 Name of the business: Electric power generation business at the Sodegaura Power Plant  
 Description of the business: Gas engine power generation business
    - (b) Scheduled date of business combination  
 July 1, 2025
    - (c) Legal form of business combination  
 An absorption-type demerger with the Company as the demerged company and Colza Power as the successor company (simplified absorption-type demerger)
    - (d) Other matters related to the overview of transaction  
 The Company has decided to consolidate the management resources of its gas engine power generation business and have Colza Power assume the assets, rights and obligations related to the business by means of an absorption-type demerger for the purpose of further streamlining the Group's business operations.
    - (e) Amount of assets to be demerged  
 Total amount of assets to be demerged: ¥14,769 million  
 The amount above is calculated based on the balance sheet as of March 31, 2025. The actual amount to be assumed will be the figure adjusted for any increases or decreases up to the day before the business combination.
  - 2) Overview of accounting treatment to be carried out  
 The business combination will be accounted for as a transaction under common control pursuant to the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 revised on January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10 revised on January 16, 2019).
11. Other explanatory notes
- (1) Share-based compensation plan for directors, corporate executive officers and executive officers  
 Notes are omitted as the same information is presented in 'Other explanatory notes, 1. Share-based compensation plan for directors, corporate executive officers and executive officers' in 'Notes to the Consolidated Financial Statements.'
  - (2) Corporate demerger (absorption-type demerger)  
 The Company conducted the succession of the assets of the LNG procurement, electricity procurement and electricity sales business operated by Nijio Co., Ltd. (hereinafter, "Nijio"), a wholly-owned subsidiary of the Company, and the rights and obligations related to the business to the Company by means of a corporate demerger on January 1, 2025.
    - 1) Overview of transaction
      - (a) Name and description of the business succeeded  
 Name of the business: LNG procurement, electricity procurement and electricity sales business operated by Nijio  
 Description of the business: Purchase of natural gas (including LNG), and purchase and sale of electricity
      - (b) Date of business combination  
 January 1, 2025
      - (c) Legal form of business combination  
 An absorption-type demerger with the Company as the successor company and Nijio as the demerged company (simplified absorption-type demerger)
      - (d) Other matters related to the overview of transaction  
 The Company assumed the assets, rights and obligations related to the LNG procurement, electricity procurement from power generation plants and electricity sales business operated by Nijio by means of an absorption-type demerger for the purpose of further streamlining the Group's business operations.
      - (e) Amount of assets demerged  
 Total amount of assets demerged: ¥3,611 million
    - 2) Overview of accounting treatment carried out  
 The business combination is accounted for as a transaction under common control pursuant to the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 revised on January 16, 2019) and the "Implementation Guidance on Accounting Standard for

Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10 revised on January 16, 2019).

As of the effective date of the absorption-type demerger, the difference amount of ¥3,604 million between the assets the Company received from the demerged company and the decreased amount in the book value of the subsidiary’s shares owned by the Company was recorded as extraordinary income (gain on extinguishment of tie-in shares).

- (3) Amounts less than one million yen are rounded down.