

# Reference Materials

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# Results

## <Consolidated>

### Financial Results (FY2013 vs. FY2012)

100 million yen

	FY2013 3Q	FY2012 3Q	Change		Reference
Net sales	14,353	13,354	999	7.5%	City gas +460 (Increase in unit price), Other energy +118 (LNG sales +182)
Operating income	878	990	-112	-11.3%	City gas -110, Other businesses -19, Appliances and gas installation +22
Ordinary income	831	1,017	-186	-18.3%	Exchange rate effect -57 (-45←-12), Revenue from dedicated equipment -22 (5←-27)
Net income	551	640	-89	-13.8%	Gain on sales of subsidiaries and affiliates' stocks -29 (0←-29), Impairment loss -15 (-21←-6), Loss on valuation of investment securities +33 (0←-33), Gain on sales of noncurrent asset +6 (6←0), etc.

Total assets*	20,608	19,924	684	3.4%	Property, plant and equipment, intangible assets +806 (Capex +1,746, Depreciation -1,027), Investments and other assets +224, Current assets -345 (Negotiable deposits -640, Accounts receivable-trade 131)
Shareholders' equity*	9,451	9,276	175	1.9%	Net income 551, Foreign currency translation adjustment +142, Valuation difference on stock +99 (Gain on valuation <441←-300>), Acquisition of treasury stock -359, Cash dividend -267
Shareholders' equity ratio* (%)	45.9%	46.6%	-0.7	—	Decreased because rate of increase in shareholders' equity (+1.9%) was less than rate of increase in total assets (+3.4%)
Total assets turnover (times)	0.71	0.71	0.00	—	
Interest-bearing debt*	7,589	6,425	1,164	18.1%	Tokyo Gas +1,072
Net income	551	640	-89	-13.8%	
Amortization (*2·3)	1,027	1,020	7	0.6%	TG Pluto +8 (Non-consolidated basis)
Operating cash flow (*1)	1,578	1,661	-83	-4.9%	
Capex (*2)	1,746	1,179	567	48.1%	
EPS (¥/share)	21.91	24.89	-2.98	-12.0%	Decreased due to decrease in net income -89
BPS* (¥/share)	376.38	360.70	15.68	4.3%	

Figures in FY2012 3Q show those for the corresponding period of the previous year (P/L items) or those as of the end of the previous term (Mar. 31, 2013) (B/S items) (marked “\*”)

(\*1) Operating cash flow is calculated using the simplified accounting treatment of “Net income + Depreciation and amortization.” (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(\*2) Amounts for Capex and depreciation and amortization are after offsetting of internal transactions.

(\*3) Depreciation and amortization includes amortization of long-term prepaid expenses.



**<Non-consolidated>**

**Key Indices of Business Activities (FY2013 vs. FY2012)**

**Actual Results of FY2013 3Q**

**Number of Customers**

Thousands

	FY2013 3Q	FY2012 3Q	Change	
Number of customers	10,756	10,634	122	1.1%
Number of new customers	150	143	7	4.7%

**Breakdown of Gas Sales Volume**

Mil. m<sup>3</sup>

	FY2013 3Q	FY2012 3Q	Change			
Residential vol. per meter (m <sup>3</sup> )	216.6	232.3	-15.7	-6.8%	Temp. effect -12.7m <sup>3</sup> (-5.6%), No. of days -0.7m <sup>3</sup> (-0.3%), Other -2.3m <sup>3</sup> (-0.9%)	
Residential	1,961	2,077	-116	-5.6%	Temp. effect -117mil. m <sup>3</sup> (-5.6%), No. of days -6mil. m <sup>3</sup> (-0.3%), No. of contracts +26mil. m <sup>3</sup> (+1.2%), Other -19mil. m <sup>3</sup> (-0.9%)	
Commercial	Commercial	1,252	1,274	-22	-1.7%	
	Other	630	638	-8	-1.3%	
Commercial total	1,882	1,912	-30	-1.6%	Temp. effect -13mil. m <sup>3</sup> (-0.7%), Other -17mil. m <sup>3</sup> (-0.9%)	
Industrial	Power gen.	2,246	2,114	132	6.3%	demand increase etc.
	Other	2,282	2,266	16	0.7%	
Industrial total	4,528	4,380	148	3.4%		
Total	6,409	6,292	117	1.9%		
Wholesale	1,615	1,599	16	1.0%	Temp. effect -10mil. m <sup>3</sup> (-0.6%), Increase in existing customer volume of other gas companies +26mil. m <sup>3</sup> (+1.6%)	
Total	9,986	9,968	18	0.2%	Temp. effect -140mil. m <sup>3</sup> (-1.4%), Power generation +132mil. m <sup>3</sup> (+1.3%), Industrial (excl. power gen.) +16mil. m <sup>3</sup> (+0.2%), Wholesale (excl. temp. effect) +26mil. m <sup>3</sup> (+0.3%), Other -16mil. m <sup>3</sup> (-0.2%)	
(Large-volume gas demand)	5,397	5,259	138	2.6%		

**<Consolidated>**  
**Breakdown of Operating Cash Flows/Capex**

**Operating Cash Flow**

Results (FY2013 3Q vs. FY2012 3Q) 100 million yen

<Consolidated>	FY2013 3Q	FY2012 3Q	Change	
Net income (A)	551	640	-89	-13.8%
Depreciation (B)	1,027	1,020	7	0.6%
Operating cash flow (A) + (B)	1,578	1,661	-83	-4.9%

<Non-consolidated>	FY2013 3Q	FY2012 3Q	Change	
Net income (A)	462	524	-62	-11.7%
Depreciation (B)	773	782	-9	-1.2%
Operating cash flow (A) + (B)	1,235	1,306	-71	-5.4%

**Breakdown of Capex**

Results (FY2013 3Q vs. FY2012 3Q) 100 million yen

		FY2013 3Q	FY2012 3Q	Change	
Tokyo Gas Co., Ltd.	Production facilities	191	131	60	45.1%
	Supply facilities	586	558	28	4.9%
	Others	90	77	13	16.7%
	Sub total	868	768	100	13.0%
Capital investment at consolidated subsidiaries *		877	410	467	113.7%
Total		1,746	1,179	567	48.1%

Production facilities: Hitachi LNG Terminal-related, etc. +60

Supply facilities: Stable supplies of energy-related +18, Security-related, etc. +10

Others: Other facilities +13

Capital investment at consolidated subsidiaries: Investment abroad (Barnett) etc.

\*Includes eliminations in consolidation

# Forecasts

## <Non-consolidated>

### Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

#### Economic Frame

	Current forecast Jan. 31			
	1st Half	2nd Half	Full-year	
JCC	107.68	111.38	109.58	\$/bbl
Ex. rate	98.86	102.73	100.77	¥/\$
	Previous forecast Oct. 30			
	1st Half	2nd Half	Full-year	
JCC	107.66	110.00	108.83	\$/bbl
Ex. rate	98.86	100.00	99.43	¥/\$
	Change			
	1st Half	2nd Half	Full-year	
JCC	0.02*	1.38	0.75	\$/bbl
Ex. rate	0.00	2.73	1.34	¥/\$

#### Profit Sensitivity to Changes in Oil Price and EX Rate

	1\$/bbl	4Q	Full-year
Net sales		0	0
Gas resource cost		-1	-1
Gross profit		1	1

\*Impact on JCC decrease by \$1 (100 million yen)

	¥1/\$	4Q	Full-year
Net sales		-5	-5
Gas resource cost		-22	-22
Gross profit		17	17

\*Impact on a one-yen appreciation (100 million yen)

\*The September crude oil price has been updated to the confirmed figure from the previous preliminary figure.

**<Consolidated>**  
**Financial Results (Current Forecast vs. Oct. 30 Forecast)**

**FY2013 Full-year Forecast**

100 million yen

	Current forecast Jan.31	Previous forecast Oct. 30	Change		Reasons
Net sales	20,860	20,800	60	0.3%	
Operating income	1,500	1,590	-90	-5.7%	City gas -66 (Unit price), Overseas -34 (Increase in costs)
Ordinary income	1,430	1,530	-100	-6.5%	Same as above
Net income	970	1,030	-60	-5.8%	Mainly increase or decrease of ordinary income

Total assets	21,230	20,840	390	1.9%	
Shareholders' equity	9,970	9,740	230	2.4%	
Shareholders' equity ratio (%)	47.0	46.7	0.3	-	
Total assets turnover (times)	1.01	1.02	-0.01	-	
ROA (*2) (%)	4.7	5.1	-0.4	-	
ROE (*2) (%)	10.1	10.8	-0.7	-	
Interest-bearing debt	7,240	7,120	120	1.7%	
D/E ratio	0.73	0.73	-	-	
	Net income	970	1,030	-60	-5.8%
	Depreciation and amortization (*3-4)	1,390	1,390	0	-
Operating cash flow (*1)	2,360	2,420	-60	-2.5%	
Capex (*3)	2,480	2,540	-60	-2.4%	
TEP	502	577	-75	-13.0%	
(WACC)	3.2%	3.2%	-	-	
EPS (¥/share)	38.55	40.93	-2.38	-5.8%	
BPS (¥/share)	397.01	387.84	9.17	2.4%	
Total payout ratio (*5)	(*6)	-	-	-	

(\*1) Operating cash flow is calculated using the simplified accounting treatment of "Net income + Depreciation and amortization."

(simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(\*2) Total assets and shareholders' equity used to calculate ROA and ROE are the average of the amount as of the end of the previous term and the amount as of the end of the current term.

(\*3) Amounts for capex and depreciation and amortization are after offsetting of internal transactions.

(\*4) Depreciation and amortization includes amortization of long-term prepaid expenses.

(\*5) FYn Gross payout ratio = ((FYn total annual dividend) + (FYn +1 stock repurchases)) / (FYn consolidated net income)

(\*6) To be maintained at approximately 60% each year to FY2020

<Non-consolidated>

**Financial Results (Current Forecast vs. Oct. 30 Forecast)**

**FY2013 Full-year Forecast**

100 million yen

	Current	Previous Oct. 30	Change	
Net sales	18,880	18,710	170	0.9%
Operating income	1,150	1,220	-70	-5.7%
Ordinary income	1,150	1,220	-70	-5.7%
Net income	790	840	-50	-6.0%

100 million yen

**Impact on Sliding Time Lag**

	Current	Previous Oct. 30	Change	
Revenue from sliding system	1,784	1,703	81	
Increase in gas cost	1,669	1,479	190	
Change	115	224	-109	

**Economic Frame**

	Current	Previous Oct. 30	Change	
JCC \$/bbl	109.58	108.83	0.75	
Ex. rate ¥/\$	100.77	99.43	1.34	

Change from standard average resource cost

100 million yen

	Current	Previous Oct. 30	Change		
Gas sales	14,550	14,380	170	1.2%	
Operating cost	Raw materials and supplies	9,366	9,106	260	2.9%
	(Gross profit)	(5,184)	(5,274)	(-90)	(-1.7%)
	Personnel expenses	933	940	-7	-0.7%
	General expenses	2,447	2,462	-15	-0.6%
	Depreciation & amortization	1,018	1,023	-5	-0.5%
	LNG regasification	-48	-47	-1	-
	Total	13,716	13,484	232	1.7%
Installation work	9	6	3	50.0%	
Gas appliances, etc.	104	98	6	6.1%	
Other operation income	113	104	9	8.7%	
Supplementary business income	203	220	-17	-7.7%	
Operating income	1,150	1,220	-70	-5.7%	
Non-operating income	0	0	0	-	
Ordinary income	1,150	1,220	-70	-5.7%	
Extraordinary income	0	0	0	-	
Extraordinary loss	20	20	0	-	
Taxes	340	360	-20	-5.6%	
Net income	790	840	-50	-6.0%	

Volume/composition +92, Unit price +78
Volume/composition +70, Unit price +190 (Foreign exchange effect = +121, Oil price effect = +48)
Volume/composition +22, Unit price -112
Increase in reclassifications as facility and equipment item, etc.
See below
Decrease in depreciation, etc. from delays in acquiring equipment -5
Appliances revenue: Increase on sales of general appliances, etc.
Electric power sales -3, LNG sales -15, etc.
Impairment loss on noncurrent assets, other 20

**Breakdown of General Expenses**

100 million yen

	Current	Previous Oct. 30	Change	
Repair costs	366	363	3	0.8%
Expendable costs	145	148	-3	-2.0%
Rent	181	182	-1	-0.5%
Consignment costs	646	649	-3	-0.5%
Taxes	460	460	0	0.0%
Marketing costs	250	257	-7	-2.7%
Others	399	403	-4	-1.0%

Residential-use operating expenses -3, large-volume marketing expenses -3

<Non-consolidated>

**Key Indices of Business Activities (Current Forecast vs. Oct. 30 Forecast)**

**FY2013 Full-year Forecast**

**Number of Customers**

Thousands

	Current	Previous Oct. 30	Change	
Number of customers	10,810	10,809	1	0.0%
Number of new customers	226	225	1	0.2%

**Breakdown of Gas Sales Volume**

Mil. m<sup>3</sup>

	Current	Previous Oct. 30	Change			
Residential vol. per meter (m <sup>3</sup> )	366.8	366.3	0.5	0.3%	Temp. effect +0.6m <sup>3</sup> (+0.2%), No. of days +0.3m <sup>3</sup> (+0.1%), Other -0.4m <sup>3</sup> (-0.1%)	
Residential	3,334	3,321	13	0.4%	Temp. effect +6mil. m <sup>3</sup> (+0.2%), No. of days +3mil. m <sup>3</sup> (+0.1%), No. of contracts +7mil. m <sup>3</sup> (+0.2%), Other -3mil. m <sup>3</sup> (-0.1%)	
Commercial	Commercial	1,764	1,753	11	0.6%	
	Other	895	897	-2	-0.2%	
	Commercial total	2,660	2,651	9	0.3%	Temp. effect +5mil. m <sup>3</sup> (+0.2%), No. of days -1mil. m <sup>3</sup> (-0.1%), Other +5mil. m <sup>3</sup> (+0.2%)
Industrial	Power gen.	3,050	3,028	22	0.7%	
	Other	3,119	3,046	73	2.4%	
	Industrial total	6,170	6,074	95	1.6%	Increase in existing customer volume
Total	8,829	8,725	104	1.2%		
Wholesale	2,241	2,234	8	0.3%	Temp. effect +1mil. m <sup>3</sup> (+0.0%), Increase in existing customer volume of other gas companies +7mil. m <sup>3</sup> (+0.3%)	
Total	14,404	14,279	125	0.9%	Temp. effect +12mil. m <sup>3</sup> (+0.1%), Power generation +22mil. m <sup>3</sup> (+0.2%), Industrial (excl. power gen.) +73mil. m <sup>3</sup> (+0.5%), Wholesale (excl. temp. effect) +7mil. m <sup>3</sup> (+0.0%), Other +11mil. m <sup>3</sup> (+0.1%)	
(Large-volume gas demand)	7,372	7,275	96	1.3%		

<Non-consolidated>

**Financial Results (Current Forecast vs. FY2012 Results)**

**FY2013 Full-year Forecast**

100 million yen

	Current forecast	FY2012 results	Change	
Net sales	18,880	17,142	1,738	10.1%
Operating income	1,150	1,048	102	9.7%
Ordinary income	1,150	1,145	5	0.4%
Net income	790	785	5	0.6%

**Impact on Sliding Time Lag**

100 million yen

	Current forecast	FY2012 results	Change
Revenue from sliding system	1,784	415	1,369
Increase in gas cost	1,669	536	1,133
Change	115	-121	236

Change from standard average resource cost

**Economic Frame**

	Current forecast	FY2012 results	Change
JCC \$/bbl	109.58	113.88	-4.30
Ex. rate ¥/\$	100.77	82.91	17.86

100 million yen

	Current forecast	FY2012 results	Change			
Gas sales	14,550	13,184	1,366	10.4%	Volume/composition +40, Unit price +1,326	
Operating cost	Raw materials and supplies	9,366	8,068	1,298	16.1%	Volume/composition +141, Unit price +1,157 (Foreign exchange effect = +1,491, Oil price effect = -292)
	(Gross profit)	(5,184)	(5,116)	(68)	(1.3%)	Volume/composition -101, Unit price +169
	Personnel expenses	933	974	-41	-4.2%	Expenses from actuarial differences -22, Decrease in No. of personnel, etc.
	General expenses	2,447	2,395	52	2.2%	See below
	Depreciation & amortization	1,018	1,020	-2	-0.2%	
	LNG regasification	-48	-48	0	-	
Total	13,716	12,410	1,306	10.5%		
Installation work	9	3	6	200%	Increase in new installations, etc.	
	Gas appliances, etc.	104	103	1	1.0%	Appliances revenue: Water heating systems +5, GHP -3, etc.
Other operation income	113	107	6	5.6%		
Supplementary business income	203	167	36	21.6%	Electric power sales +19, LNG sales +14, etc.	
Operating income	1,150	1,048	102	9.7%		
Non-operating income	0	97	-97	-100.0%	Dividends received from affiliates -64 (FY2013: 51, FY2012: 115), Revenue from dedicated equipment -20, etc.	
Ordinary income	1,150	1,145	5	0.4%		
Extraordinary income	0	10	-10	-	FY2012: Gain on sales of investment securities 10	
Extraordinary loss	20	13	7	-	FY2013: Impairment loss on noncurrent assets, other 20, FY2012: Impairment loss on noncurrent assets 13	
Taxes	340	356	-16	-4.5%		
Net income	790	785	5	0.6%		

**Breakdown of General Expenses**

100 million yen

	Current forecast	FY2012 results	Change		
Repair costs	366	363	3	0.8%	
Expendable costs	145	149	-4	-2.7%	
Rent	181	178	3	1.7%	
Consignment costs	646	642	4	0.6%	
Taxes	460	440	20	4.5%	Increase in enterprise tax from higher net sales +16, etc.
Marketing costs	250	247	3	1.2%	
Others	399	376	23	6.1%	Utility costs +8, asset retirement expenses for pipes and pipelines +7, etc.

**<Non-consolidated>**

**Key Indices of Business Activities (Current Forecast vs. FY2012 Results)**

**FY2013 Full-year Forecast**

**Number of Customers**

Thousands

	Current forecast	FY2012 results	Change	
Number of customers	10,810	10,678	132	1.2%
Number of new customers	226	208	18	8.2%

**Breakdown of Gas Sales Volume**

Mil. m<sup>3</sup>

	Current forecast	FY2012 results	Change			
Residential vol. per meter (m <sup>3</sup> )	366.9	382.7	-15.8	-4.1%	Temp. effect -11.7m <sup>3</sup> (-3.0%), No. of days -0.9m <sup>3</sup> (-0.2%), Other -3.2m <sup>3</sup> (-0.8%)	
Residential	3,334	3,427	-92	-2.7%	Temp. effect -103mil. m <sup>3</sup> (-3.0%), No. of days -6mil. m <sup>3</sup> (-0.2%), No. of contracts +44mil. m <sup>3</sup> (+1.3%), Other -27mil. m <sup>3</sup> (-0.8%)	
Commercial	Commercial	1,764	1,769	-4	-0.2%	
	Other	895	921	-26	-2.8%	
	Commercial total	2,660	2,689	-30	-1.1%	Temp. effect -5mil. m <sup>3</sup> (-0.2%), Other -25mil. m <sup>3</sup> (-0.9%)
Industrial	Power gen.	3,050	2,856	194	6.8%	
	Other	3,119	3,033	86	2.8%	
	Industrial total	6,170	5,889	281	4.8%	Increase in existing customer volume
Total	8,829	8,578	251	2.9%		
Wholesale	2,241	2,196	45	2.1%	Temp. effect -7mil. m <sup>3</sup> (-0.3%), Increase in existing customer volume of other gas companies +52mil. m <sup>3</sup> (+2.4%)	
Total	14,404	14,201	203	1.4%	Temp. effect -115mil. m <sup>3</sup> (-0.8%), Power generation +194mil. m <sup>3</sup> (+1.4%), Industrial (excl. power gen.) +86mil. m <sup>3</sup> (+0.6%), Wholesale (excl. temp. effect) +52mil. m <sup>3</sup> (+0.3%), Other -14mil. m <sup>3</sup> (-0.1%)	
(Large-volume gas demand)	7,372	7,096	276	3.9%		

## Consolidated Breakdown of Operating Cash Flows/Capex

### Operating Cash Flows

(Jan. 31 Forecast vs. Oct. 30 Forecast) 100 million yen

<Consolidated>	Jan. 31	Oct. 30	Change	
Net income (A)	970	1,030	-60	-5.8%
Depreciation (B)	1,390	1,390	0	0.0%
Operating cash flow (A) + (B)	2,360	2,420	-60	-2.5%

<Non-consolidated>	Jan. 31	Oct. 30	Change	
Net income (A)	790	840	-50	-6.0%
Depreciation (B)	1,056	1,059	-3	-0.3%
Operating cash flow (A) + (B)	1,846	1,899	-53	-2.8%

(Jan. 31 Forecast vs. FY2012 Actual) 100 million yen

<Consolidated>	Jan. 31	FY2012	Change	
Net income (A)	970	1,016	-46	-4.5%
Depreciation (B)	1,390	1,387	3	0.2%
Operating cash flow (A) + (B)	2,360	2,404	-44	-1.8%

<Non-consolidated>	Jan. 31	FY2012	Change	
Net income (A)	790	785	5	0.6%
Depreciation (B)	1,056	1,059	-3	-0.2%
Operating cash flow (A) + (B)	1,846	1,844	2	0.1%

### Breakdown of Capex

(Jan. 31 Forecast vs. Oct. 30 Forecast) 100 million yen

		Jan. 31	Oct. 30	Change	
Tokyo Gas Co., Ltd.	Production facilities	284	284	0	0.2%
	Supply facilities	906	933	-27	-2.9%
	Others	184	207	-23	-11.2%
Sub total		1,375	1,425	-50	-3.5%
Capital investment at consolidated subsidiaries*		1,105	1,115	-10	-0.9%
Total		2,480	2,540	-60	-2.4%

Supply facilities: Security-related -9, Other Supply facilities -18

Others: Other facilities -23

(Jan. 31 Forecast vs. FY2012 Actual) 100 million yen

		Jan. 31	FY2012	Change	
Tokyo Gas Co., Ltd.	Production facilities	284	228	56	24.6%
	Supply facilities	906	875	31	3.5%
	Others	184	166	18	10.8%
Sub total		1,375	1,271	104	8.2%
Capital investment at consolidated subsidiaries*		1,105	568	537	94.5%
Total		2,480	1,837	643	35.0%

Production facilities : Hitachi LNG Terminal-related, etc. +56

Supply facilities: Demand development-related +16, Security-related, etc. +15

Others: Other facilities +18

Capital investment at consolidated subsidiaries: Investment abroad (Barnett) etc.

\*Includes eliminations in consolidation

# Tokyo Gas Co., Ltd.

## < Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies, and other information herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. The Company's actual performance may greatly differ from these projections due to critical factors which include general economic conditions in Japan, crude oil prices, the weather, changes in the foreign exchange rate of the yen, rapid technological innovations, and the Company's responses to the progress of deregulation.