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Results

Consolidated Financial Results (FY2014 vs. FY2013)

Actual Results of FY2014 1Q

100 million yen

	FY2014 1Q	FY2013 1Q	Change		Reference
Net sales	5,340	4,736	604	12.8%	City gas +453 (Increase in unit price, increase in sales volume), Other energy +181 (electric power +127, LNG sales +12)
Operating income	600	399	201	50.3%	City gas +118, Other energy +62, Other +22 (Overseas +17)
Ordinary income	596	396	200	50.5%	
Net income	447	260	187	71.8%	[FY14] Gain on sales of noncurrent assets +54, Loss on valuation of shares of subsidiaries and associates ▲5

Total assets	21,093	21,768	▲ 675	▲ 3.1%	Current assets ▲610 (Negotiable deposits▲740), Investments and other assets ▲62
Shareholders' equity	9,994	10,117	▲ 123	▲ 1.2%	Net income447, Acquisition of treasury stock ▲399, Dividend payment ▲125, Foreign currency translation adjustment ▲48
Shareholders' equity ratio (%)	47.4%	46.5%	0.9	—	Went up because the rate of decrease in shareholders' equity (▲1.2%) was smaller than the rate of decrease in total assets (▲3.1%)
Total assets turnover (times)	0.25	0.24	0.01	—	
Interest-bearing debt	7,464	7,138	326	4.6%	Tokyo Gas +341
Net income	447	260	187	71.8%	
Amortization(*2·3)	336	324	12	3.7%	Tokyo Gas +10 (Non-consolidated basis)
Operating cash flow(*1)	783	584	199	34.1%	
Capex(*2)	388	803	▲ 415	▲ 51.6%	TG Barnett ▲430 (Non-consolidated basis)
EPS (¥/share)	18.11	10.29	7.82	76.0%	Went up due to increased net income (+187)
BPS (¥/share)	409.56	402.91	6.65	1.7%	

FY2013 1Q stands for end of June 2013 for P/L accounts, end of March 2014 for BS accounts.

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

(*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 Financial Results (FY2014 vs. FY2013)

Actual Results of FY2014 1Q

100 million yen

	F14 1Q	FY13 1Q	Change	
Net sales	4,935	4,318	617	14.3%
Operating income	489	359	130	36.1%
Ordinary income	529	381	148	38.6%
Net income	387	259	128	49.2%

Impact of Sliding Time Lag

100 million yen

	F14 1Q	FY13 1Q	Change
Revenue from sliding system	188	-107	295
Increase in gas cost	80	-79	159
Change	108	-28	136

Change from standard average resource cost

Economic Frame

	F14 1Q	FY13 1Q	Change
JCC \$/bbl	109.52	107.75	1.77
Ex. rate ¥/\$	102.17	98.78	3.39

100 million yen

	F14 1Q	FY13 1Q	Change		
Gas sales	3,806	3,356	450	13.4%	Volume/composition +184, Unit price +266
Raw materials and supplies	2,384	2,046	338	16.5%	Volume/composition +170, Unit price +168 (Foreign exchange effect = +63, Oil price effect = ▲13)
(Gross profit)	(1,422)	(1,310)	(112)	(8.5%)	Volume/composition +14, Unit price +98
Personnel expenses	216	231	-15	-6.5%	Expenses from actuarial differences ▲12, etc.
General expenses	560	560	0	0.0%	See below
Depreciation & amortization	244	234	10	4.4%	Increase due to newly acquired pipelines etc. +10
LNG regasification	-11	-11	0	-	
Operating cost Total	3,394	3,061	333	10.9%	
Installation work	-1	-2	1	-	
Gas appliances, etc.	27	29	-2	-7.2%	
Other operation income	25	27	-2	-7.0%	
Supplementary business income	51	35	16	41.8%	LNG sales +10, Electric power sales +3, etc.
Operating income	489	359	130	36.1%	
Non operating income	40	22	18	77.7%	Foreign exchange gains +14, Dividends received +7, etc.
Ordinary income	529	381	148	38.6%	
Extraordinary income	12	-	12	-	Gain on sales of noncurrent assets +12
Extraordinary loss	5	-	5	-	Valuation loss on investment securities of related companies +5
Taxes	149	121	28	22.3%	
Net income	387	259	128	49.2%	

Breakdown of General Expenses

	F14 1Q	FY13 1Q	Change		
Repair costs	77	89	-12	-13.8%	Provisions for gas cock security measures .▲13, etc.
Expendable costs	36	35	1	3.8%	
Rent	46	48	-2	-2.4%	
Consignment costs	162	157	5	3.2%	Due to increased consumption tax rate +5, etc.
Taxes	119	113	6	5.1%	Increase in enterprise tax from increased net sales +6, etc.
Marketing costs	37	37	0	-0.9%	
Others	83	81	2	2.3%	

Non-consolidated Key Indices of Business Activities (FY2014 vs. FY2013)

Actual Results of FY2014 1Q

Number of Customers

Thousands

	F14 1Q	FY13 1Q	Change	
Number of customers	10,834	10,696	138	1.3%
Number of new customers	48	43	5	11.1%

Breakdown of Gas Sales Volume

Mil. m3

	F14 1Q	FY13 1Q	Change			
Residential vol. per meter (m3)	88.1	89.6	-1.5	-1.7%	Temp. effect ▲1.4m3 (▲1.6%), No. of days ▲ 0.6m3 (▲0.7%), Other +0.5m3 (+0.6%)	
Residential	808	810	-2	-0.2%	Temp. effect ▲13mil. m3 (▲1.6%), No. of days ▲6mil. m3 (▲0.7%), No. of contracts +12mil. m3 (+1.5%), Other +5mil. m3 (+0.6%)	
Commercial	Commercial	381	391	-10	-2.6%	
	Other	180	176	4	2.5%	
Commercial total	561	567	-6	-1.0%	Temp. effect +7mil. m3 (+1.2%), No. of days ▲ 6mil. m3 (▲1.1%), Other ▲7mil. m3 (▲1.1%)	
Industrial	Power gen.	982	720	262	36.4%	
	Other	732	718	14	1.9%	
Industrial total	1,714	1,438	276	19.2%		
Total	2,275	2,005	270	13.5%		
Wholesale	523	519	4	0.6%	Temp. effect ▲1mil. m3 (▲0.2%), Increase in existing customer volume of other gas companies +5mil. m3 (+0.8%)	
Total	3,605	3,334	271	8.1%	Temp. effect ▲7mil. m3 (▲0.2%), Power generation +262mil. m3 (+7.9%), Industrial (excl. power gen.) +14mil. m3 (+0.4%)	
(Large-volume gas demand)	1,957	1,685	272	16.1%	Wholesale (excl. temp. effect) +5mil. m3 (+0.1%), Other▲3mil. m3 (▲0.1%)	

Consolidated Breakdown of Operating Cash Flows/Capex

Operating Cash Flow

Actual Results of FY2014 1Q (FY2014 vs. FY2013) 100 million yen

Consolidated	FY14	FY13	Change	
Net income (A)	447	260	187	71.8%
Depreciation (B)	336	324	12	3.7%
Operating cash flow (A) + (B)	783	584	199	34.1%

Non-Consolidated	FY14	FY13	Change	
Net income (A)	387	259	128	49.2%
Depreciation (B)	253	243	10	4.1%
Operating cash flow (A) + (B)	640	502	138	27.5%

Breakdown of Capex

Actual Results of FY2014 1Q (FY2014 vs. FY2013) 100 million yen

	FY14	FY13	Change	
Production facilities	64	32	32	99.9%
Supply facilities	204	180	24	13.3%
Others	14	18	-4	-24.2%
Capital investment at consolidated subsidiaries*	105	571	-466	-81.6%
Total	388	803	-415	-51.6%

Production facilities: Hitachi LNG Terminal-related, etc. +32

Supply facilities: Stable supplies of energy-related +15,
Security-related etc. +9

Others: Other facilities -4

Capital investment at consolidated subsidiaries: TG Barnett

*"Capital investment at consolidated subsidiaries" in the table above includes eliminations in consolidation.

Forecasts

Non-consolidated Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

Economic Frame

	FY2014new forecast			
	1st Half	2nd Half	Full-year	
JCC \$/bbl	109.52	110.00	109.88	\$/bbl
Ex. rate ¥/\$	102.17	105.00	104.29	¥/\$
	FY2014 forecast as of Apr. 28			
	1st Half	2nd Half	Full-year	
JCC \$/bbl	110.00	110.00	110.00	\$/bbl
Ex. rate ¥/\$	105.00	105.00	105.00	¥/\$
	Change			
	1st Half	2nd Half	Full-year	
JCC \$/bbl	-0.48	0.00	-0.12	\$/bbl
Ex. rate ¥/\$	-2.83	0.00	-0.71	¥/\$

Profit Sensitivity to Changes in Oil Price

100 million yen

	1\$/bbl	2Q	3Q	4Q	Full-year
Net sales		▲ 22	▲ 9	0	▲ 31
Gas resource cost		▲ 21	▲ 23	▲ 6	▲ 50
Gross profit		▲ 1	14	6	19

*Impact on JCC decrease by \$1

Profit Sensitivity to Changes in EX Rate

100 million yen

	¥1/\$	2Q	3Q	4Q	Full-year
Net sales		▲ 23	▲ 26	▲ 7	▲ 56
Gas resource cost		▲ 23	▲ 24	▲ 24	▲ 71
Gross profit		0	▲ 2	17	15

* Impact on a one-yen appreciation

Consolidated Financial Results (New Forecast vs. Initial Forecast)

FY2014 Full-year forecast

	100 million yen				FY2014 2Q forecast				
	FY2014	FY2014 initial	Change		Reference	FY2014	FY2014 initial	Change	
Net sales	22,880	22,980	▲ 100	▲ 0.4%	City gas ▲ 76 (decreased unit sales prices), Electric power ▲ 12 (decreased unit sales prices)	10,330	10,430	▲ 100	▲ 1.1%
Operating income	1,330	1,300	30	2.3%	City gas +17 (reduced raw material costs)	630	610	20	3.3%
Ordinary income	1,260	1,230	30	2.4%	Foreign exchange gain +7	620	600	20	3.3%
Net income	970	940	30	3.2%	Extraordinary income +8 (increased gain on sales of noncurrent assets +13, Loss on valuation of shares of subsidiaries and associates ▲ 5)	530	500	30	6.0%
Total assets	22,320	22,260	60	0.3%					
Shareholders' equity	10,360	10,300	60	0.6%	Increase in retained earning as a result of the inclusion of net income				
Shareholders' equity ratio (%)	46.4%	46.3%	0.1%	–					
Total assets turnover (times)	1.04	1.04	▲ 0.01	–					
ROA (*2) (%)	4.4%	4.3%	0.1%	–					
ROE (*2) (%)	9.5%	9.2%	0.3%	–					
Interest-bearing debt	7,710	7,730	▲ 20	▲ 0.3%	Tokyo Gas ▲ 77				
D/E ratio	0.74	0.75	▲ 0.01	–					
	Net income	970	940	30	3.2%				
	Amortization(*3·4)	1,420	1,420	0	0.0%				
Operating cash flow(*1)	2,390	2,360	30	1.3%					
Capex(*3)	2,370	2,370	0	–					
TEP	244	233	11	4.7%					
(WACC)	3.5%	3.6%	▲ 0.1%	–					
EPS (¥/share)	39.62	38.14	1.49	3.9%	Went up due to increase in net income				
BPS (¥/share)	424.52	423.66	0.86	0.2%					
Total payout ratio (*5)	(*6) –	–	–	–					

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 (New Forecast vs. Initial Forecast)

Forecast for FY2014 1st Half

100 million yen

	FY2014 new	FY2014 initial	Change	
Net sales	9,440	9,550	-110	-1.2%
Operating income	480	470	10	2.1%
Ordinary income	520	500	20	4.0%
Net income	440	420	20	4.8%

Impact of Sliding Time Lag

	FY2014 new	FY2014 initial	Change
Revenue from sliding system	350	400	-50
Increase in gas cost	246	353	-107
Change	104	47	57

Change from standard average resource cost

Economic Frame

	FY2014 new	FY2014 initial	Change
JCC \$/bbl	109.52	110.00	-0.48
Ex. rate ¥/\$	102.17	105.00	-2.83

100 million yen

	FY2014 new	FY2014 initial	Change		
Gas sales	7,180	7,260	-80	-1.1%	Volume/composition ▲30, Unit price ▲50
Raw materials and supplies	4,795	4,884	-89	-1.8%	Volume/composition +18, Unit price ▲107 (Foreign exchange effect=▲67, Oil price effect=▲8)
(Gross profit)	(2,385)	(2,376)	(9)	(0.4%)	Volume/composition ▲48, Unit price +57
Personnel expenses	433	435	-2	-0.5%	
General expenses	1,144	1,137	7	0.6%	See below
Depreciation & amortization	498	498	0	-	
LNG regasification	-23	-23	0	-	
Operating cost Total	6,847	6,931	-84	-1.2%	
Installation work	-1	-1	0	-	
Gas appliances, etc.	54	52	2	3.8%	
Other operation income	53	51	2	3.9%	
Supplementary business income	94	90	4	4.4%	LNG sales +4, etc.
Operating income	480	470	10	2.1%	
Non operating income	40	30	10	33.3%	Dividends received from affiliates +5, revenue from dedicated equipment +3, etc.
Ordinary income	520	500	20	4.0%	
Extraordinary income	92	80	12	15.0%	Gain on sales of noncurrent assets +12
Extraordinary loss	5	0	5	-	Loss on valuation of stocks of subsidiaries and affiliates +5
Taxes	167	160	7	4.4%	
Net income	440	420	20	4.8%	

Breakdown of General Expenses

	FY2014 new	FY2014 initial	Change		
Repair costs	165	161	4	2.5%	Pipeline repair costs +3, etc.
Expendable costs	72	72	0	0.0%	
Rent	90	91	-1	-1.1%	
Consignment costs	318	320	-2	-0.6%	
Taxes	230	230	0	0.0%	
Marketing costs	87	87	0	0.0%	
Others	182	176	6	3.4%	Pipeline removal costs +2, electricity charges +2, etc.

Non-consolidated Key Indices of Business Activities (New Forecast vs. Initial Forecast)

Forecast for FY2014 1st Half

Number of Customers

Thousands

	FY2014 new	FY2014 initial	Change	
Number of customers	10,862	10,854	8	0.1%
Number of new customers	97	91	6	6.6%

Breakdown of Gas Sales Volume

Mil. m3

	FY2014 new	FY2014 initial	Change			
Residential vol. per meter (m3)	134.0	139.0	-5.0	-3.6%	Temp. effect ▲5.6m3 (▲4.0%), No. of days ▲0.3m3 (▲0.2%), Other +0.9m3 (+0.6%)	
Residential	1,229	1,272	-43	-3.4%	Temp. effect ▲51mil. m3 (▲4.0%), No. of days ▲3mil. m3 (▲0.2%), No. of contracts +3mil. m3 (+0.2%), Other +8mil. m3 (+0.6%)	
Commercial	Commercial	835	835	0	0.0%	
	Other	429	442	-14	-3.1%	
	Commercial total	1,264	1,278	-14	-1.1%	Temp. effect ▲2mil. m3 (▲0.2%), Other ▲12mil. m3 (▲0.9%)
Industrial	Power gen.	1,997	1,832	166	9.0%	
	Other	1,507	1,599	-93	-5.8%	
	Industrial total	3,504	3,431	73	2.1%	
Total	4,768	4,709	59	1.3%		
Wholesale	1,041	1,047	-6	-0.6%	Temp. effect ▲4mil. m3 (▲0.4%), Decrease in existing cusutomer volume of other gas companies ▲2mil. m3 (▲0.2%)	
Total	7,038	7,028	9	0.1%	Temp. effect ▲57mil. m3 (▲0.8%), Power generation +166mil. m3 (+2.3%), Industrial (excl. power gen) ▲93mil. m3 (▲1.3%),	
(Large-volume gas demand)	4,319	4,262	57	1.3%	Wholesale (excl. temp. effect) ▲2mil. m3 (▲0.0%), Other ▲5mil. m3 (▲0.1%)	

Non-consolidated Financial Results (New Forecast vs. Initial Forecast)

FY2014 Full-year Forecast

100 million yen

	FY2014 new	FY2014 initial	Change	
Net sales	20,800	20,910	-110	-0.5%
Operating income	980	960	20	2.1%
Ordinary income	1,030	1,000	30	3.0%
Net income	810	780	30	3.8%

Impact of Sliding Time Lag

	FY2014 new	FY2014 initial	Change	
Revenue from sliding system	819	902	-83	
Increase in gas cost	786	914	-128	
Change	33	-12	45	

Change from standard average resource cost

Economic Frame

	FY2014 new	FY2014 initial	Change	
JCC \$/bbl	109.88	110.00	-0.12	
Ex. rate ¥	104.29	105.00	-0.71	

100 million yen

	FY2014 new	FY2014 initial	Change		
Gas sales	15,900	15,980	-80	-0.5%	Volume/composition +3, Unit price ▲83
Raw materials and supplies	10,853	10,947	-94	-0.9%	Volume/composition +34, Unit price ▲128 (Foreign exchange effect=▲68, Oil price effect=▲9)
(Gross profit)	(5,047)	(5,033)	(14)	(0.3%)	Volume/composition ▲31, Unit price +45
Personnel expenses	870	872	-2	-0.2%	
General expenses	2,453	2,453	0	-	See below
Depreciation & amortization	1,029	1,029	0	-	
LNG regasification	-46	-46	0	-	
Operating cost Total	15,159	15,255	-96	-0.6%	
Installation work	4	6	-2	-33.3%	
Gas appliances, etc.	83	80	3	3.8%	
Other operation income	87	86	1	1.2%	
Supplementary business income	152	149	3	2.0%	
Operating income	980	960	20	2.1%	
Non operating income	50	40	10	25.0%	Dividends received from affiliates +4, revenue from dedicated equipment +2, etc.
Ordinary income	1,030	1,000	30	3.0%	
Extraordinary income	92	80	12	15.0%	Gain on sales of noncurrent assets +12
Extraordinary loss	5	0	5	-	Loss on valuation of stocks of subsidiaries and affiliates +5
Taxes	307	300	7	2.3%	
Net income	810	780	30	3.8%	

Breakdown of General Expenses

	FY2014 new	FY2014 initial	Change		
Repair costs	350	350	0	0.0%	
Expendable costs	148	149	-1	-0.7%	
Rent	178	178	0	0.0%	
Consignment costs	648	649	-1	-0.2%	
Taxes	477	477	0	0.0%	
Marketing costs	231	232	-1	-0.4%	
Others	421	418	3	0.7%	Electricity charges +5, etc.

Non-consolidated Key Indices of Business Activities (New Forecast vs. Initial Forecast)

FY2014 Full-year Forecast

Number of Customers

Thousands

	FY2014 new	FY2014 initial	Change	
Number of customers	10,936	10,935	1	0.0%
Number of new customers	212	212	0	0.0%

Breakdown of Gas Sales Volume

Mil. m3

	FY2014 new	FY2014 initial	Change			
Residential vol. per meter (m3)	364.1	369.3	-5.2	-1.4%	Temp. effect ▲5.5m3 (▲1.5%),No. of days ▲0.4m3 (▲0.1%),Other +0.7m3 (+0.2%)	
Residential	3,351	3,390	-40	-1.2%	Temp. effect ▲51mil. m3 (▲1.5%),No. of days ▲2mil. m3 (▲0.1%),No. of contracts +6mil. m3 (+0.2%),Other +7mil. m3 (+0.2%)	
Commercial	Commercial	1,723	1,727	-4	-0.2%	
	Other	887	903	-16	-1.8%	
Commercial total	2,610	2,630	-20	-0.8%	Temp. effect ▲2mil. m3 (▲0.1%),No. of contracts +9mil. m3 (+0.3%),Other ▲27mil. m3 (▲1.0%)	
Industrial	Power gen.	3,841	3,569	272	7.6%	
	Other	3,047	3,201	-154	-4.8%	
Industrial total	6,888	6,770	119	1.8%		
Total	9,498	9,400	99	1.1%		
Wholesale	2,271	2,278	-7	-0.3%	Temp. effect ▲4mil. m3 (▲0.2%), Decrease in existing customer volume of other gas companies ▲3mil. m3 (▲0.1%)	
Total	15,120	15,068	52	0.3%	Temp. effect ▲57mil. m3 (▲0.4%),Power generation +272mil. m3 (+1.8%), Industrial (excl. power gen) ▲154mil. m3 (▲1.0%)	
(Large-volume gas demand)	8,539	8,442	97	1.2%	Wholesale (excl. temp. effect) ▲3mil. m3 (▲0.0%),Other ▲6mil. m3 (▲0.1%)	

Consolidated Breakdown of Operating Cash Flows/Capex

Forecast for FY2014 1st Half

(new forecast vs. initial forecast as of Apr. 28) 100 million yen

Consolidated	FY2014 new	FY2014 initial	Change	
Net income (A)	530	500	30	6.0%
Depreciation (B)	690	690	0	0.0%
Operating cash flow (A) + (B)	1,220	1,190	30	2.5%

Non-Consolidated	FY2014 new	FY2014 initial	Change	
Net income (A)	440	420	20	4.8%
Depreciation (B)	514	514	0	0.0%
Operating cash flow (A) + (B)	954	934	20	2.1%

Forecast for FY2014 Full Year

(new forecast vs. initial forecast as of Apr. 28) 100 million yen

Consolidated	FY2014 new	FY2014 initial	Change	
Net income (A)	970	940	30	3.2%
Depreciation (B)	1,420	1,420	0	0.0%
Operating cash flow (A) + (B)	2,390	2,360	30	1.3%

Non-Consolidated	FY2014 new	FY2014 initial	Change	
Net income (A)	810	780	30	3.8%
Depreciation (B)	1,063	1,063	0	0.0%
Operating cash flow (A) + (B)	1,873	1,843	30	1.6%

Forecast for FY2014 1st Half

(new forecast vs. initial forecast as of Apr. 28) 100 million yen

	FY2014 new	FY2014 initial	Change	
Production facilities	177	177	0	0.0%
Supply facilities	418	407	11	2.7%
Others	62	72	-10	-13.6%
Capital investment at consolidated subsidiaries*	333	334	-1	-0.3%
Total	990	990	0	0.0%

Supply facilities: Stable distribution-related +5,

Other supply facilities, etc. +6

Others: Other facilities, etc. -10

Forecast for FY2014 Full Year

(new forecast vs. initial forecast as of Apr. 28) 100 million yen

	FY2014 new	FY2014 initial	Change	
Production facilities	353	353	0	0.0%
Supply facilities	1,000	1,000	0	0.0%
Others	244	250	-6	-2.3%
Capital investment at	773	766	7	0.9%
Total	2,370	2,370	0	0.0%

Others: Other facilities, etc. -6

*"Capex at consolidated subsidiaries" in the two tables above includes eliminations

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.