

January 29, 2015  
Tokyo Gas Co., Ltd.

Earnings Announcement for 3<sup>rd</sup> Quarter of the Fiscal year ending March 2016  
Major Q & A

- Q1: For the next fiscal year and thereafter, Tokyo Gas expects to see a declined effect of the slide time lag, and an increase in depreciation costs due to the acquisition of facilities such as the Hitachi LNG base. Further, given uncertainties over the effect of electricity and gas deregulation, it is difficult to forecast the Company's earnings for the future. Please explain the rationale behind making an upward revision to the dividend forecast?
- A1: We cannot be optimistic about earnings for the next fiscal year and thereafter. However, in view of the company's core capability of profit generation and strong financial profile, we believe that 11 yen-annual dividend payout is achievable and maintainable.
- Q2: Does the Company anticipate any further impairment risk in relation to its investments in upstream businesses going forward? Please provide updates on your analyses regarding the impairment risk in upstream businesses other than the one suffered the impairment loss for the 3<sup>rd</sup> quarter?
- A2: In view of recent crude oil and gas prices, we cannot be fully confident to say there is no risk of impairment. Close monitoring is necessary on crude oil and gas prices, and we will determine whether to take further impairment losses based on the monitoring.
- Q3: Regarding the retail electric power business, Tokyo Gas started pre-order sales in January 2016. What is the general feedback so far? Is there any plan for additional spending to vie against competitors' pricing? Additionally, to what extent the retail business will contribute to the Company's earnings for the next fiscal year?
- A3: We have received a good level of feedback with numerous inquiries. However, from the competitive strategy point of view, we would like to refrain from disclosing specific information such as the pre-order volume, etc. The Company intends to consider future strategies as it becomes necessary and, for the time being, focus on customer acquisition to increase income steadily.
- Q4: Please provide information on the status of the real estate development in the Toyosu area?
- A4: Given good potential, we are aiming to develop the area in collaboration with external parties. However, looking at the current market condition, construction costs are rising. We intend to proceed with the development considering various options to maximize profits.