

July 28, 2017
Tokyo Gas Co., Ltd.

Main Q&As of the
Earnings Announcement for 1Q FY2017 Ended June 2017

Q1: The full-year profit forecast of ¥61 billion seems conservative in comparison to 1Q profits. Please explain your assumptions for 2Q and onward.

A1: In formulating the forecast, we have only incorporated the change elements of the first quarter for the economic framework, gas sales volume and electricity sales volume. Since the change elements of the second quarter and onward cannot be foreseen, we have not changed the assumptions from the initial plan such as dropouts of gas customers.

Q2: Is the ¥0.7 billion increase in the overseas segment in the first quarter only due to Gorgon? Please also explain the reason and breakdown of the ¥0.8 billion decrease in full-year forecasts from the initial plan.

A2: The main reason for the year-on-year increase in the first quarter is the commencement of Gorgon LNG sales. The breakdown of the downward revision of full-year forecasts from the initial plan is: (1) a decline in unit sales price due to falling crude oil prices; (2) an increase in depreciation of an upstream project; and (3) a rise in equity method profit due to investment a new upstream project, each being a decrease or increase of around several hundreds of millions of yen.

Q3: Please explain the breakdown of the ¥2.3 billion upward revision in full-year non-operating income/loss (excluding equity method income of subsidiaries) from the initial forecast.

A3: They represent increases in minor elements, in addition to a ¥0.8 billion increase in dividend income.