April 26, 2013
Tokyo Gas Co., Ltd.

Results Briefing for the Fiscal Year Ended March 2013
Q&A Highlights

Q1. How was the result of gas sales in FY 2012 compared with the previous year?

A1. Despite declines due to temperature effects, sales were largely on a par with those of previous year in the residential and commercial sectors.

In the industrial sector, sales for non-power-generating use declined due to decreased operations. Sales for power generation, on the other hand, grew strongly, despite lower sales by Nijio due to changes to the power sales scheme, thanks especially to growth in power generation demand associated with the new operation of the Chiba-Kashima Line. Overall, industrial sales rose 199 million cubic meters, or 2.9%, from the previous year.

Q2. What are your profit projections for next year?

A2. Ordinary income is projected to increase 7.6 billion yen from FY 2012 to 155.0 billion yen, despite the fading effects of the boost to income in FY 2012 generated by income growth due to temperature effects and the one-off profits included in non-operating income/expenses and extraordinary profit. This increase derives mainly from a 30.5 billion yen improvement resulting from the sliding time lag effect under the raw material cost adjustment system.

Q3. What are the prospects for the electric power business?

A3. Construction of new capacity by the Tokyo Gas Group has been finalized up to Unit 3 at the Ohgishima Power. This will increase our generating capacity to approximately 24.0 million kilowatts (including other companies' shares), and we will continue to strive to deliver stable and inexpensive supplies of electricity to the Greater Tokyo Metropolitan area.

Q4. What was behind your decision to increase dividends?

A4. Our financial policy sets a target total payout ratio (i.e., the proportion of dividends and stock buybacks as a percentage of consolidated net income) of around 60 percent annually by FY 2020 in order to pass on gains made to shareholders through dividends and stock buybacks. More specifically, we will increase dividends per share by 1 yen, taking into account trends in income and expenses, to pass on the results of management improvements to our shareholders.

Q5. Please explain details of the gas tariff reduction.

A5. Given the growth in gas sales that has been achieved through marketing efforts and ongoing efforts to improve management efficiency, we are considering revising gas tariffs for small-volume users to pass on some of the gains made to customers during FY 2013. The specific timing and details of the revision will be considered and determined at around the time that we announce our first-half results, by which time the income and expenditure outlook should be reasonably clear.