
FY2013 2nd Half Forecast



FY2013 2nd Half Forecast (October 1, 2013 – March 31, 2014) <vs. Previous Forecast >



Financial Highlights: Sales and Profit Decrease

(+ - +/- indicates profit impact, billion yen)

Net sales	-7.5:	-	Decrease in city gas sales	(-15.2: decrease in volume -2.5, sliding -6.8, tariff revisions -6.0 , etc.)
		+	Increase in electricity sales	(+3.0: increase in sales volume)
		-	Decrease in LNG sales	(-1.4: decrease in volume, etc.)
Operating expenses	+4.0:	+	Decrease in city gas resource costs	(+8.3: decrease in volume +2.2, sliding +6.1)
		-	Increase in electricity resources costs	(-2.8: increase in volume, etc.)
		+	Decrease in resource costs for LNG sales	(+1.6: decrease in volume, etc.)
Operating income	-3.5:	-	Decrease in city gas gross margin	(-6.9: impact from tariff revisions -6.0)
		+	Increase in electricity profit	(+0.2: increase in volume, etc.)
		+	Increase in LNG sales profit	(+0.2: decrease in resource costs)

(Unit: billion yen)

	Current Forecast	Previous Forecast	Change	%	FY2012 2 nd Half Result	Change	%
Gas sales volume (mil. m ³ , 45MJ)	7,810	7,858	-48	-0.6%	8,392	-582	-6.9%
Net sales	1,146.5	1,154.0	-7.5	-0.7%	1,051.9	+94.6	+9.0%
Operating expenses	1,056.0	1,060.0	-4.0	-0.4%	971.3	+84.7	+8.7%
Operating income	90.5	94.0	-3.5	-3.7%	80.6	+9.9	+12.3%
Ordinary income — (a)	88.1	94.0	-5.9	-6.4%	80.4	+7.7	+9.5%
Net income	60.3	61.0	-0.7	-1.3%	61.7	-1.4	-2.4%
<i>Temperature effect — (b)</i>	0.0	0.0	0.0	—	2.1	-2.1	—
<i>Sliding time lag effect — (c)</i>	11.2	11.9	-0.7	—	-13.2	+24.4	—
<i>Amortization of actuarial differences — (d)</i>	-1.1	-1.1	0.0	—	-2.2	+1.1	—
Adjusted ordinary income: (a) - ((b)+(c)+(d))	78.0	83.2	-5.2	-6.3%	93.7	-15.7	-16.8%
Adjusted net income	53.6	53.9	-0.3	-0.6%	70.5	-16.9	-24.0%

Economic Frame (FY2013 2H)	Exchange Rate (¥/\$)	JCC (\$/bbl)	Avg. Temperature (°C)
Current Forecast	100.0	110.0	11.7
Previous Forecast	100.0	110.0	11.7

FY2013 2nd Half Forecast: Consolidated Gas Sales Volume

Previous Forecast → Current Forecast

-48 mil. m³ (-0.6%)

Including temperature effect: 0 mil. m³ (0%)

Residential	+1 mil. m ³ (+0%)
● Temperature effect	0 mil. m ³
● Number of days	0 mil. m ³
● Number of customers	+2 mil. m ³
● Others	-1 mil. m ³

Commercial	+2 mil. m ³ (+0.1%)
● Temperature effect	0 mil. m ³
● Number of days	0 mil. m ³
● Number of customers	0 mil. m ³
● Others	+2 mil. m ³

Industrial	-30 mil. m ³ (-0.9%)
● Industrial:	-10 mil. m ³ Reduction from operation on existing facilities, etc.
● Power generation:	-20 mil. m ³ Reduction from operation on existing facilities, etc.

Wholesale	-21 mil. m ³ (-1.9%)
● Temperature effect	0 mil. m ³
● Others	-22 mil. m ³ Decrease in demand from wholesale suppliers, etc.

FY2012 2nd Half Results → Current Forecast

-582 mil. m³ (-6.9%)

Including temperature effect: -56 mil. m³ (-0.7%)

Residential	-23 mil. m ³ (-1.0%)
● Temperature effect	-29 mil. m ³
● Number of days	0 mil. m ³
● Number of customers	+26 mil. m ³
● Others	-20 mil. m ³

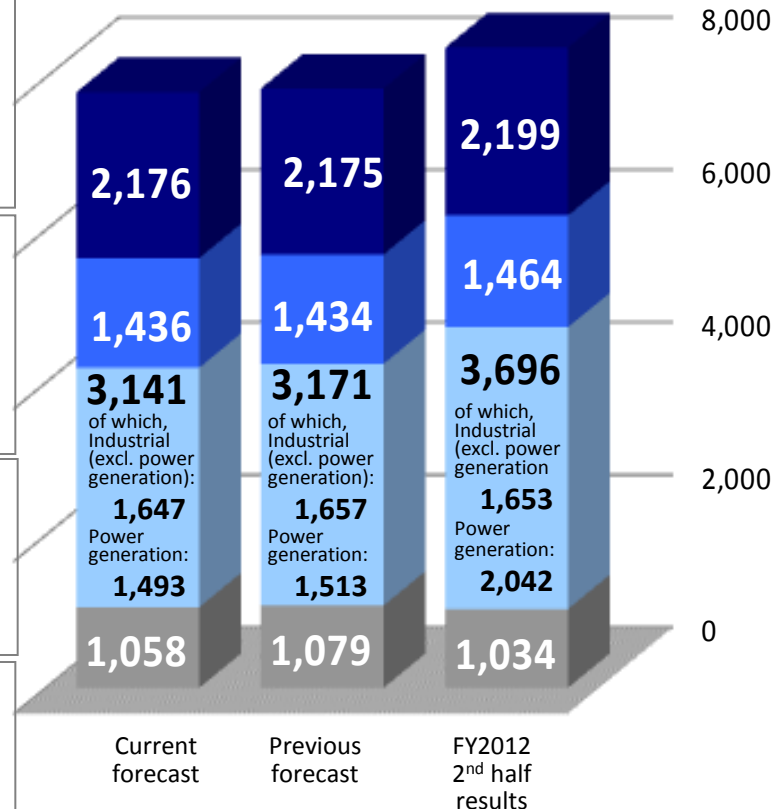
Commercial	-28 mil. m ³ (-1.9%)
● Temperature effect	-22 mil. m ³
● Number of days	0 mil. m ³
● Number of customers	0 mil. m ³
● Others	-7 mil. m ³

Industrial	-555 mil. m ³ (-15.0%)
● Industrial:	-6 mil. m ³
● Power generation:	-549 mil. m ³ Tolling effect

Wholesale	+24 mil. m ³ (+2.3%)
● Temperature effect	-5 mil. m ³
● Others	+29 mil. m ³ Increase in demand from wholesale suppliers, etc.

Gas sales volume: (rounded at mil. m³)

[7,810] [7,858] [8,392]



	Current forecast	Previous forecast	Change	FY2012 2 nd half results	Change
LNG liquid sales volume (thousand t, excl. Sales to Nijio)	447	458	-11	389	+59
Average temperature (°C)	11.7	11.7	+0	11.6	+0.1

Changes in Gas Sales Volume from Shift to Tolling

FY2013 2nd Half Forecast

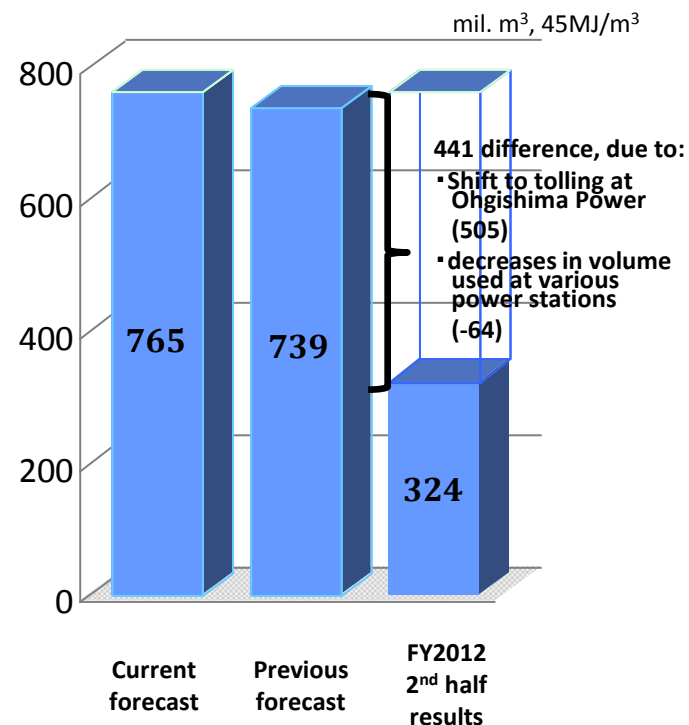
Gas sales volume including portion used in-house under tolling arrangement (Unit: million m³)

	Current Forecast	Previous Forecast	Change	FY2012 2 nd Half Results	Change
Gas sales volume (financial accounting basis)	7,810	7,858	-48 -0.6%	8,392	-582 -6.9%
Gas volume used in-house under tolling arrangement	765	739	+26 +3.5%	324	+441 +136.0%
Total	8,575	8,597	-22 -0.3%	8,716	-141 -1.6%

Gas sales volume for industrial-use (Unit: million m³)

	Kashima area	Other	Total
Power generation	291	1,202	1,493
vs. FY2012 2H results	+77 (+35.8%)	-626* (-34.2%)	-549 (-26.9%)
vs. previous forecast	-5 (-1.7%)	-15 (-1.2%)	-20 (-1.3%)
General industrial	96	1,551	1,647
vs. FY2012 2H results	+37 (+62.2%)	-43 (-2.7%)	-6 (-0.4%)
vs. previous forecast	+9 (+10.0%)	-19 (-1.2%)	-10 (-0.6%)
Total	387	2,754	3,141
vs. FY2012 2H results	+114 (+41.5%)	-669 (-19.5%)	-555 (-15.0%)
vs. previous forecast	+4 (+1.0%)	-34 (-1.2%)	-30 (-0.9%)

Gas volume used in-house under tolling arrangement



Tolling: A contract under which the seller of electricity delivers the gas required as fuel for power generation to the power plant, where the power generator processes the fuel into electricity, which it returns to the seller of electricity in exchange for a processing fee.

* Portion from shift to tolling: -505

FY2013 Full Year Forecast (vs. Initial Plan)



FY2013 Full Year Forecast <vs. Initial Plan >

Financial Highlights Sales Decline, Profit Increase

(+ - +/- indicates profit impact, billion yen)

Net sales	-36.0:	-	Decrease in city gas sales (-44.7: decrease in volume -23.4, sliding -15.8, tariff revisions -6.0 , etc.)
		+	Increase in electricity sales (+7.5: increase in volume and unit prices)
Operating expenses	+34.0:	+	Decrease in city gas resource costs (+30.7: decrease in volume +13.7, exchange +4.5, crude oil +7.9, etc.)
		-	Increase in electricity resources costs (-4.6: increase in volume)
Operating income	-2.0:	-	Decrease in city gas operating income (-12.1: decrease in city gas gross margin -14.0 (tariff revisions -6.0, etc.))
		+	Increase in electricity operating income (+2.9: increase in volume and unit prices)
		+	Increase in other segment profit (+5.1: Gas appliances/installation +1.5, electric power +2.9, Overseas +1.4), etc.
Net income	+2.0:	+	Decrease in income taxes (+5.6)

(Unit: billion yen)

	FY 2013 Current Forecast	FY2013 Initial Plan	Change	%
Gas sales volume (mil. m ³ , 45MJ)	14,483	14,781	-298	-2.0%
Net sales	2,080.0	2,116.0	-36.0	-1.7%
Operating expenses	1,921.0	1,955.0	-34.0	-1.7%
Operating income	159.0	161.0	-2.0	-1.2%
Ordinary income — (a)	153.0	155.0	-2.0	-1.3%
Net income	103.0	101.0	+2.0	+2.0%
Temperature effect — (b)	-8.5	0.0	-8.5	—
Sliding time lag effect — (c)	22.1	20.9	+1.2	—
Amortization of actuarial differences — (d)	-2.2	-2.2	0.0	—
Adjusted ordinary income: (a) - ((b)+(c)+(d))	141.6	136.3	+5.3*	+3.9%
Adjusted net income	95.5	88.6	+6.9	+7.8%

*+5.3: Decrease in gas sales volume -1.2 (excl. temperature effect -8.5), tariff revision effect -6.0, electric power +2.9, overseas +1.4, other segment income, etc. +8.2

Economic Frame (Full Year)	Foreign Exchange Rate (¥/\$)	JCC (\$/bbl)	Average Temp. (°C)
FY2013 (current)	99.43	108.83	17.0
FY2013 (initial)	100.00 (-0.57)	110.00 (-1.17)	16.6 (+0.4)

(Figures in parentheses are increase/decrease vs. initial plan)

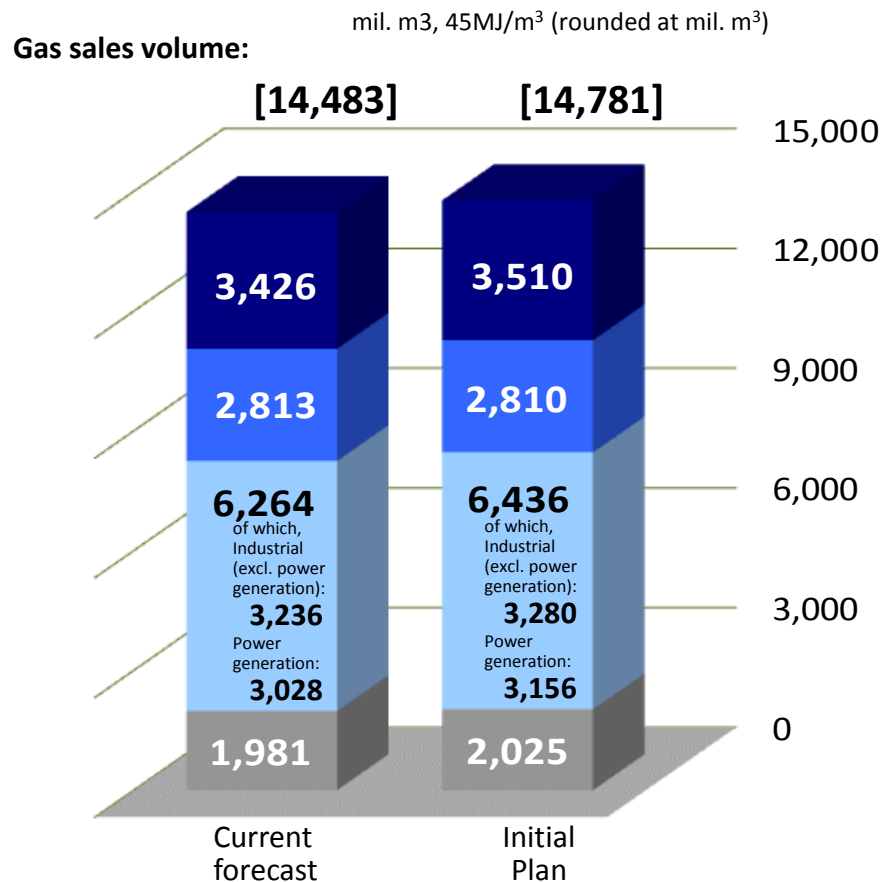
FY2013 Full Year Forecast: Consolidated Gas Sales Volume

Initial Plan → Current Forecast

-298 mil. m³ (-2.0%)

[Incl. temperature effect -79 mil. m³, -0.5%]

■ Residential · Temperature effect · Number of days · Number of customers · Others	-84 mil. m ³ (-2.4%) -86 mil. m ³ -2 mil. m ³ +1 mil. m ³ +2 mil. m ³
■ Commercial · Temperature effect · Number of days · Number of customers · Others	+3 mil. m ³ (+0.1%) +12 mil. m ³ +1 mil. m ³ -8 mil. m ³ -2 mil. m ³
■ Industrial · Industrial: Reduction from operation on existing facilities, etc. · Power generation: Reduction from operation on existing facilities, etc.	-172 mil. m ³ (-2.7%) -44 mil. m ³ -128 mil. m ³
■ Wholesale · Temperature effect · Others	-44 mil. m ³ (-2.2%) -5 mil. m ³ -39 mil. m ³



	Current forecast	Initial plan	Change
LNG liquid sales volume (thousand t, excl. sales to Nijio)	790	795	-5
Average temperature (°C)	17.0	16.6	+0.4

Number of customers (10 thousand)

Current forecast	Initial plan	Change
1,110.5	1,110.2	+0.3(+0.0%)

Changes in Gas Sales Volume from Shift to Tolling

FY2013 Full Year Forecast

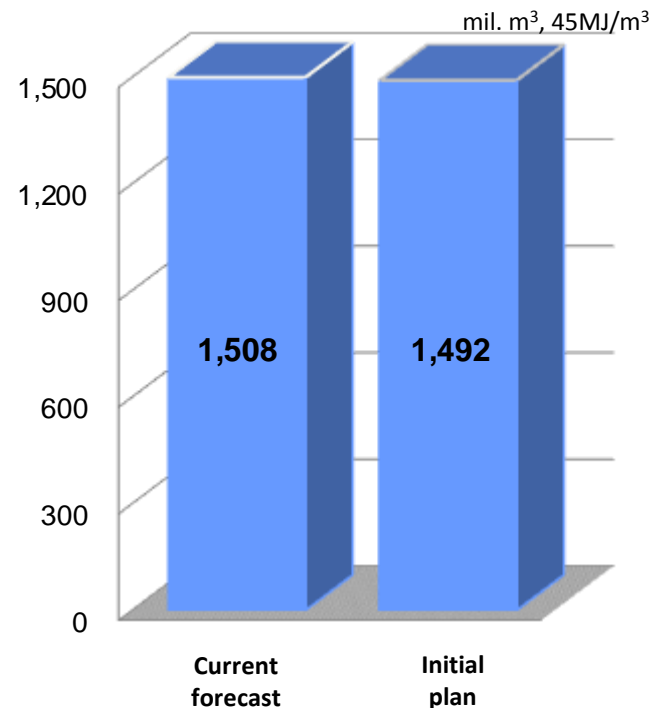
- Gas sales volume including portion used in-house under tolling arrangement (Unit: million m³)

	Current forecast	Initial plan	Change
Gas sales volume (financial accounting basis)	14,483	14,781	-298 -2.0%
Gas volume used in-house under tolling arrangement	1,508	1,492	+16 +1.0%
Total	15,991	16,273	-282 -1.7%

- Gas sales volume for industrial-use (Unit: million m³, numbers in parenthesis refer to comparison with initial plan)

	Kashima area	Other	Total
Power generation	487	2,541	3,028
	-69(-12.5%)	-58(-2.2%)	-128(-4.0%)
General industrial	167	3,068	3,236
	+11(+7.2%)	-55(-1.8%)	-44(-1.3%)
Total	655	5,609	6,264
	-58(-8.2%)	-113(-2.0%)	-172(-2.7%)

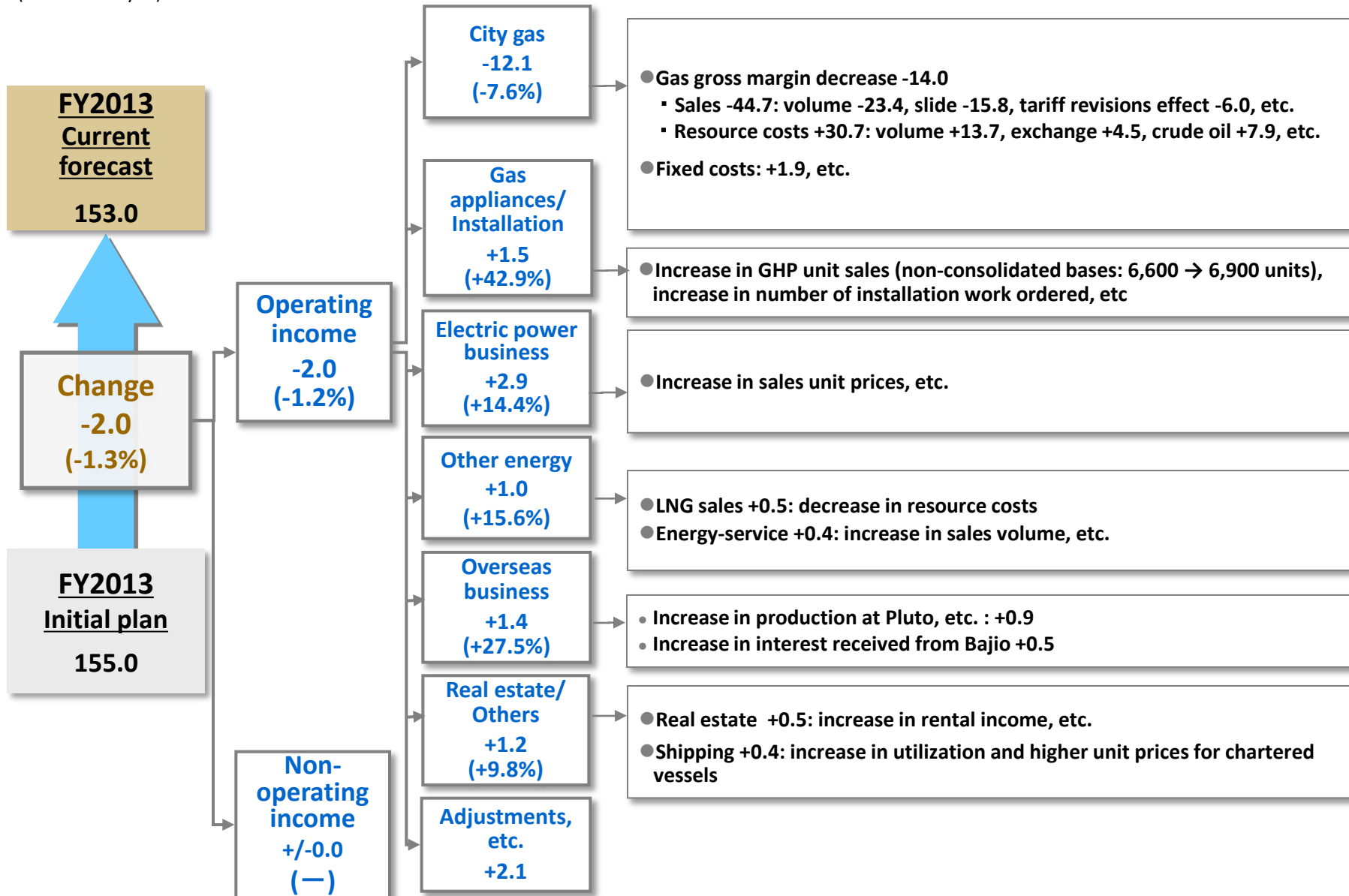
Gas volume used in-house under tolling arrangement



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FY2013 Full Year Ordinary Income Analysis <vs. Initial Plan>

(Unit: billion yen)



Note: (+) & (-) refer to contributions to income.



< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies and beliefs, and other statements herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. As such, they are based on management's assumptions and opinions stemming from currently available information and therefore involve risks and uncertainties.

The Company's actual performance may greatly differ from these projections, due to these risks and uncertainties which include without limitation 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.

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