

FY2014 1Q Financial Results



July 31, 2014

1. FY2014 1Q Consolidated Financial Results ended June 30, 2014



FY2014 1Q Consolidated Financial Results (Apr. 1, 2014 – Jun. 30, 2014) <vs. FY2013 1Q>



Highlights: Sales Growth, Profit Increase

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

Net sales	+60.4	:	+	Increase in city gas sales (+45.3: sales volume +18.6, unit sales price +26.6 (slide +29.5, tariff revision -4.4, etc.)	+14.1
			+	Increase in electricity sales (+ 12.7: unit sales price +5.3, sales volume +7.4)	
			+	Increase in overseas sales (+3.9: increase in earnings at Pluto, addition of Barnett to consolidation, etc.)	
Operating expenses	-40.4	:	-	Increase in city gas resource costs (-34.0: sales volume -17.2, unit sales price -16.8 (exchange rate -6.3, crude oil -1.3, price revision, etc.)	-
			-	Increase in electricity fuel costs (-8.1: unit sales price -3.0, sales volume -5.1)	
Operating income	+20.1	:	+	Increase in city gas profit (+11.8: gas gross margin +11.2 (sales volume +1.4 (temperature effect -0.9), unit sales price +9.8 (slide +14.1, tariff revision -4.4, etc.))	-
			+	Increase in electricity profit (+4.7: electric power gross profit +4.7 (unit sales price +2.3, sales volume +2.3))	
			+	Increase in overseas profit (+1.7: increase in earnings at Pluto, etc.)	
Extraordinary Income/loss	+4.9	:	+	Gain on sales of non-current assets (land) +5.4, etc.	

(Unit: billion yen)

	2014 1Q results	2013 1Q results	Change	%
Gas sales volume (mil. m ³ , 45MJ)	3,657	3,387	+270	+8.0%
Net sales	534.0	473.6	+60.4	+12.8%
Operating expenses	474.0	433.6	+40.4	+9.3%
Operating income	60.0	39.9	+20.1	+50.3%
Ordinary income — (a)	59.6	39.6	+20.0	+50.5%
Net income	44.7	26.0	+18.7	+71.8%

Temperature effect — (b)	-3.8	-2.9	-0.9	—
Sliding time lag effect — (c)	11.1	-3.0	+14.1	—
Depreciation of pension actuarial differences — (d)	0.7	-0.5	+1.2	—
Adjusted ordinary income: (a) - ((b)+(c)+(d))	51.6	46.0	+5.6*	+12.2%
Adjusted net income	39.1	30.2	+8.9	+29.5%

* +5.6: Increase in gas sales volume+2.3 (excl. temp. effect -0.9), tariff revision -4.4, electric power +4.7, overseas +1.7, other segment profit, etc. +1.3

(Unit: billion yen)

Economic Frame	Exchange rate (¥/\$)	JCC (\$/bbl)	Avg. Temperature (°C)
FY2014 1Q	102.17	109.52	17.8
FY2013 1Q	98.78 <+3.39>	107.75 <+1.77>	17.5 <+0.3>

	FY2014 1Q	FY2013 1Q	Change	%
Capex	38.8	80.3	-41.5	-51.6%

*Absence of previous year's Barnett 43.0
Pension fund investment performance (as of June 30, 2014): 1.62%
(Expected rate of return: 2.0%)

Consolidated Gas Sales Volume

FY2013 1Q Results → FY2014 1Q Results Initial Plan → FY2014 1Q Results

+270 mil. m³ (+8.0%)

Including temperature effect: -8 mil. m³, -0.2%

- **Residential** -2 mil. m³ (-0.3%)
 - Temperature effect -13 mil. m³
 - Number of days -6 mil. m³
 - Number of customers +12 mil. m³
 - Others +5 mil. m³

■ **Commercial** -5 mil. m³ (-0.9%)

- Temperature effect +7 mil. m³
- Number of days -6 mil. m³
- Number of customers -0 mil. m³
- Others -6 mil. m³

■ **Industrial** +273 mil. m³ (+18.4%)

- Industrial: +10 mil. m³
Portion from increase in Kashima area +22 mil. m³
- Power generation: +262 mil. m³
Portion from increase in Kashima area +284 mil. m³

■ **Wholesale** +5 mil. m³ (+1.0%)

- Temperature effect -1 mil. m³
 - Others +6 mil. m³
- Increase in demand from wholesale suppliers, etc.

-37 mil. m³ (-1.0%)

Including temperature effect: -58 mil. m³, -1.6%

- **Residential** -45 mil. m³ (-5.1%)
 - Temperature effect -52 mil. m³
 - Number of days -2 mil. m³
 - Number of customers +2 mil. m³
 - Others +7 mil. m³

■ **Commercial** -11 mil. m³ (-1.8%)

- Temperature effect -2 mil. m³
- Number of days 0 mil. m³
- Number of customers -3 mil. m³
- Others -6 mil. m³

■ **Industrial** +19 mil. m³ (+1.1%)

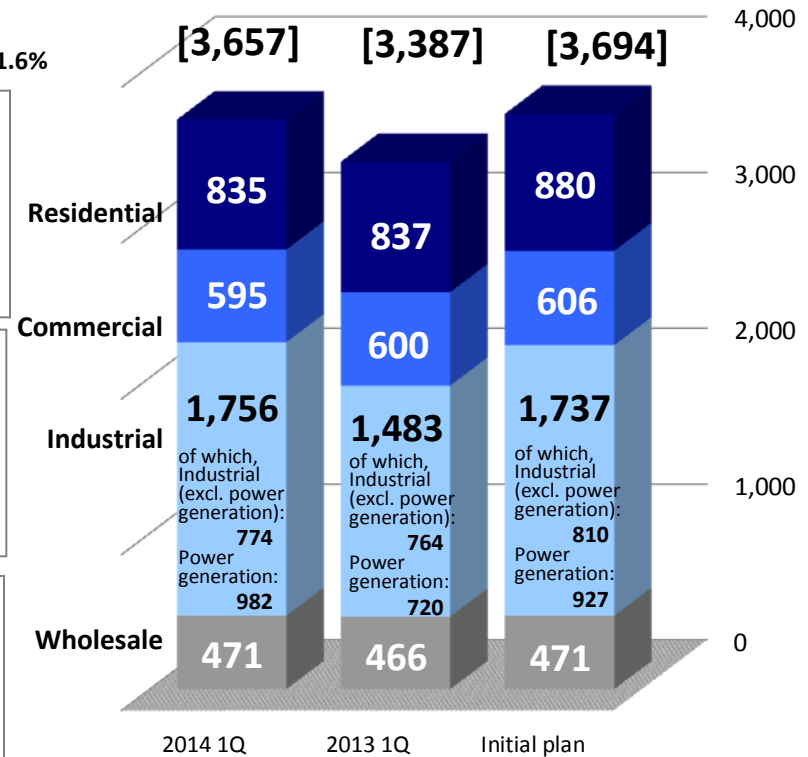
- Industrial: -36 mil. m³
Portion from decrease outside Kashima area -39 mil. m³
- Power generation: +55 mil. m³
Portion from increase in Kashima area +55 mil. m³

■ **Wholesale** +0 mil. m³ (+0.0%)

- Temperature effect -4 mil. m³
 - Others +4 mil. m³
- Increase in demand from wholesale suppliers, etc.

Gas sales volume:

(Figures are rounded to nearest mil. m³.)



	FY2014 1Q	FY2013 1Q	Change
LNG liquid sales volume (thousand t)	198	211	-13
Average temperature (°C)	17.8	17.5	+0.3

Number of customers (10 thousand)

FY2014 1Q	FY2013 1Q	Change
1,113.7	1,099.5	+14.2 (+1.3%)

FY2014 1Q Results

● Gas sales volume including portion used in-house under tolling arrangement

mil. m³, 45MJ/m³

	FY2014 1Q	FY2013 1Q	Change	Initial plan	Change
Gas sales volume (financial accounting basis)	3,657	3,387	+270 +8.0%	3,694	-37 -1.0%
Gas volume used in-house under tolling arrangement	414	324	+90 +27.8%	413	+1 +0.2%
Total	4,071	3,711	+360 +9.7%	4,107	-36 -0.9%

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

	Kashima area	Other area	Total
Power generation	342	640	982
vs. FY2013 1Q	+284 (+491.2%)	-22 (-3.3%)	+262 (+36.5%)
vs. Initial plan	+55 (+19.4%)	-1 (-0.0%)	+55 (+6.0%)
General industrial	52	722	774
vs. FY2013 1Q	+22 (+70.0%)	-11 (-1.6%)	+10 (+1.3%)
vs. Initial plan	+3 (+5.2%)	-39 (-5.1%)	-36 (-4.5%)
Total	394	1,362	1,756
vs. FY2013 1Q	+306 (+345.9%)	-33 (-2.4%)	+273 (+18.4%)
vs. Initial plan	+58 (+17.3%)	-39 (-2.8%)	+19 (+1.1%)

FY2014 1Q Net Sales and Operating Income/Loss by Business Segment <vs. FY2013 1Q>

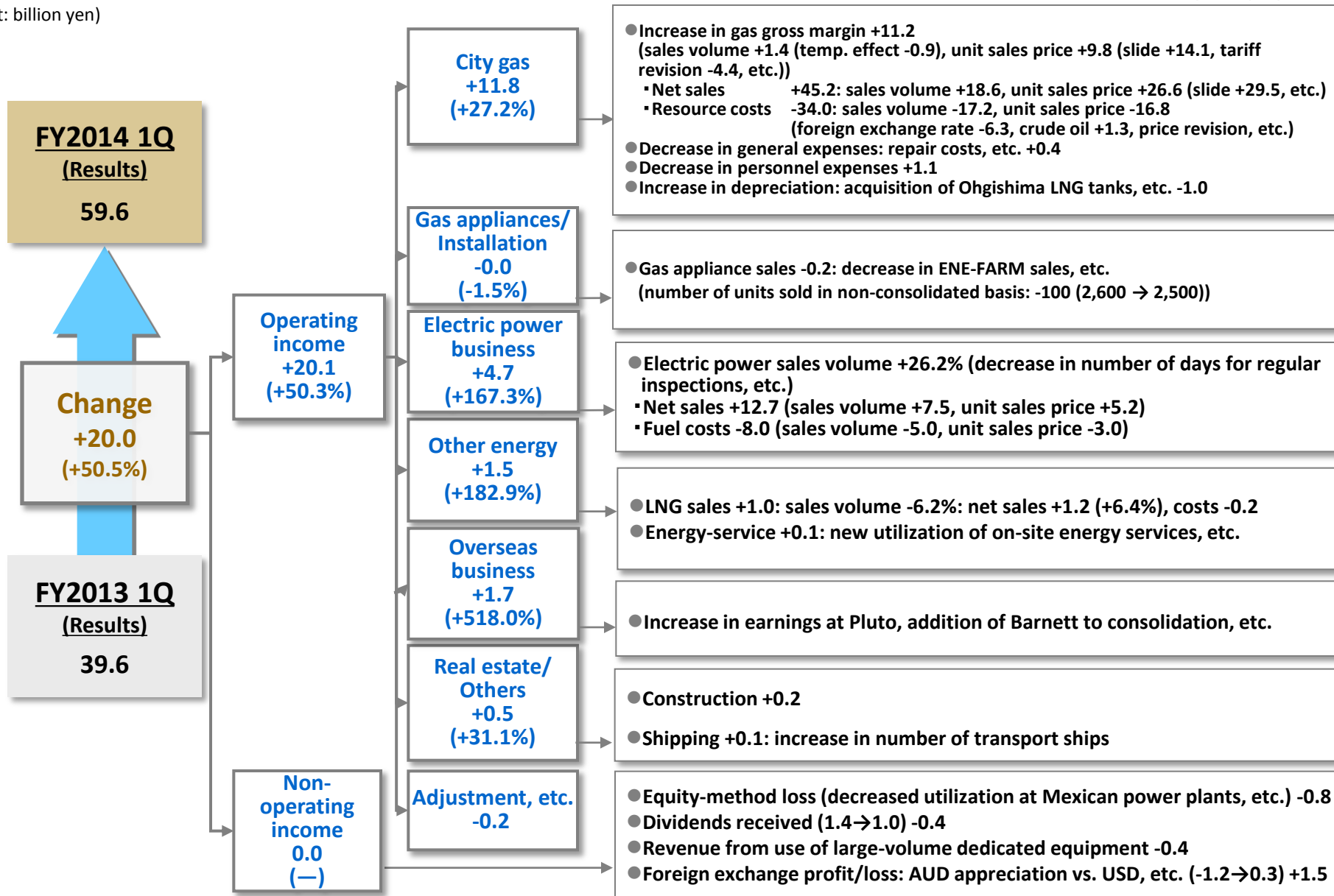
(Unit: billion yen)

	Net Sales				Segment Income			
	FY2014 1Q	FY2013 1Q	Change	%	FY2014 1Q	FY2013 1Q	Change	%
City gas	389.8	344.5	45.3	13.2%	55.3	43.5	11.8	27.2%
Gas appliances and installation work	40.3	42.3	-2.0	-4.7%	0.6	0.6	-0.0	-1.5%
Other energy	97.5	79.4	18.1	22.7%	9.7	3.5	6.2	170.7%
(Electric power business)	41.2	28.5	12.7	44.7%	7.4	2.7	4.7	167.3%
Real estate	6.5	7.3	-0.8	-10.3%	1.6	1.6	0.0	4.1%
Others	46.0	40.5	5.5	13.4%	2.8	0.6	2.2	373.6%
(Overseas business)	7.6	3.7	3.9	101.1%	2.0	0.3	1.7	518.0%
Adjustment	-46.3	-40.6	-5.7	—	-10.2	-10.0	-0.2	—
Consolidated	534.0	473.6	60.4	12.8%	60.0	39.9	20.1	50.3%

- Notes:
- Net sales by business segment include internal transactions.
 - “Other energy” includes energy-service, liquefied petroleum gas, electric power and industrial gas, LNG sales.
 - “Others” includes businesses in construction, information processing service, shipping, credit and leasing, and overseas, etc.
 - The “Adjustment” to operating income is primarily companywide expenses not allocated to individual segments.
 - Parentheses indicate sub-segment (figures included in segment total).

FY2014 1Q Ordinary Income Analysis <vs. FY2013 1Q>

(Unit: billion yen)



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

2. FY2014 Full Year Forecast

FY2014 Full Year Forecast (Apr. 1, 2014 – Mar. 31, 2015) <vs. Initial plan announced on Apr. 28>

Highlights: Sales Decrease, Profit Increase

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

Net sales	-10.0	-	Decrease in city gas sales	(-7.7: sales volume +0.3, unit sales price -8.1 (slide -8.1))	- - - - -	Sliding time lag effect +4.7
		-	Decrease in electricity sales	(-1.2: sales volume 0.3, unit sales price -1.5)	-	
		-	Decrease in LNG sales	(-1.7: sales volume -0.9, unit sales price -0.8)	-	
Operating expenses	+13.0	+	Decrease in city gas resource costs	(+9.4: sales volume -3.4, unit sales price +12.8 (foreign exchange rate +6.8, crude oil +0.9, etc.))	- - - - -	
		+	Decrease in electricity fuel costs	(+1.4: sales volume -0.2, unit sales price +1.6)	-	
		+	Decrease in LNG resource costs	(+1.8: sales volume +0.9, unit sales price +0.9)	-	
Operating income	+3.0	+	Increase in city gas profit	(+1.7: gas gross margin +1.6 (sales volume -3.1 (temp. effect -3.8), unit sales price +4.7 (slide +4.7))	- - - - -	
Extraordinary income/loss	+0.8	+	Increase in overseas profit	(+1.3: increase in profit at Pluto, QCLNG, etc.)	-	
		+	Sale of land +1.3, loss on valuation of securities -0.5		-	(Unit: billion yen)

	Current forecast	Initial plan (4/28)	Change	%	FY2013	Change	%
Gas sales volume (mil. m ³ , 45MJ)	15,326	15,266	+60	+0.4%	14,735	+591	+4.0%
Net sales	2,288.0	2,298.0	-10.0	-0.4%	2,112.1	+175.9	+8.3%
Operating expenses	2,155.0	2,168.0	-13.0	-0.6%	1,946.0	+209.0	+10.7%
Operating income	133.0	130.0	+3.0	+2.3%	166.0	-33.0	-19.9%
Ordinary income — (a)	126.0	123.0	+3.0	+2.4%	159.6	-33.6	-21.1%
Net income	97.0	94.0	+3.0	+3.2%	108.4	-11.4	-10.6%
<i>Temperature effect — (b)</i>	-3.8	0.0	-3.8	—	-2.5	-1.3	—
<i>Sliding time lag effect — (c)</i>	3.5	-1.2	+4.7	—	16.4	-12.9	—
<i>Depreciation of pension actuarial differences — (d)</i>	3.0	3.0	0.0	—	-2.2	+5.2	—
<i>Adjusted ordinary income: (a) – (b)+(c)+(d)</i>	123.3	121.2	+2.1*	+1.7%	147.9	-24.6	-16.6%
<i>Adjusted net income</i>	95.1	92.7	+2.4	+2.6%	100.7	-5.6	-5.6%

* +2.1: Gas sales volume +0.7 (excl. temp. effect -3.8), overseas +1.3, other segment profit, etc. +0.1

Expected rate of return: 2%

Economic frame	Foreign exchange rate (¥/\$)	JCC (\$/bbl)	Average temp. (°C)	Pension asset	Investment yield *cost deducted	Discount rate	Year-end assets (billion yen)	
Current forecast	104.29	109.88	16.9	FY2013	1.61%	1.5%	273.0	
Previous forecast	105.00 (-0.71)	110.00 (-0.12)	16.6 (+0.3)	FY2012	6.10%	1.4%	276.0	
FY2013	100.17 <+4.12>	110.00 <-0.12>	17.0 <-0.1>	(Unit: billion yen)				
				Capex	Current forecast	Initial plan	Change	%
				FY2014	237.0	237.0	0.0	0.0%

Figures in parenthesis () are increase/decrease from initial plan, figures in brackets < > are increase/decrease from FY2013

FY2014 Full Year Forecast: Consolidated Gas Sales Volume

Initial Plan → Current Forecast

FY2013 Results → Current Forecast

Gas Sales Volume:

(Figures are rounded to nearest mil. m³.)

+60 mil. m³ (+0.4%)

+591 mil. m³ (+4.0%)

[15,326] [15,266] [14,735]

Including temp. effect -58 mil m³, -0.4%

Including temp. effect -45 mil m³, -0.3%

Residential	-40 mil. m ³ (-1.2%)
● Temperature effect	-52 mil. m ³
● Number of days	-2 mil. m ³
● Number of customers	+6 mil. m ³
● Others	+7 mil. m ³

Residential	+5 mil. m ³ (+0.1%)
● Temperature effect	-4 mil. m ³
● Number of days	-12 mil. m ³
● Number of customers	+48 mil. m ³
● Others	-27 mil. m ³

Commercial	-20 mil. m ³ (-0.7%)
● Temperature effect	-2 mil. m ³
● Number of days	-0 mil. m ³
● Number of customers	+9 mil. m ³
● Others	-27 mil. m ³

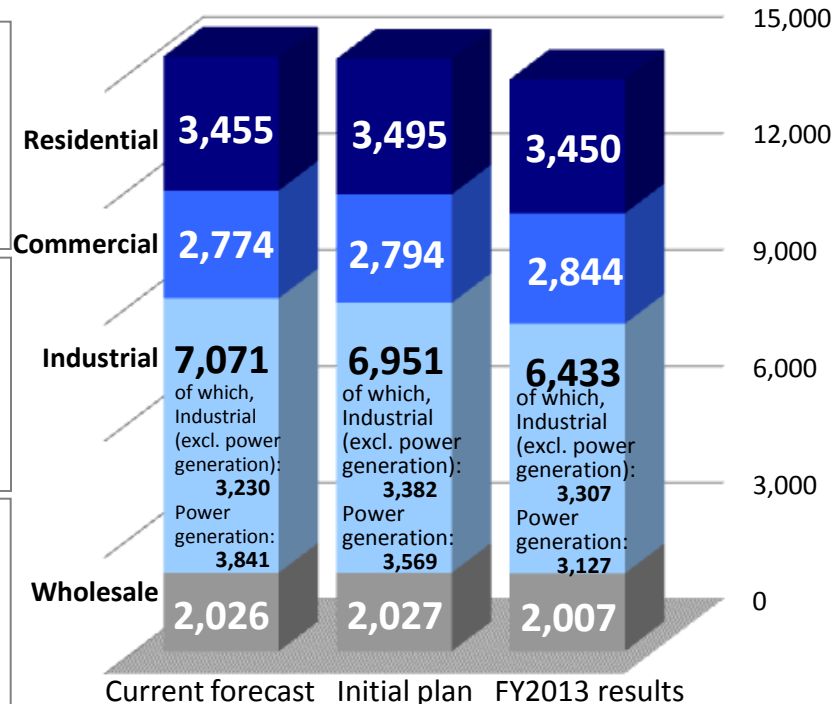
Commercial	-70 mil. m ³ (-2.5%)
● Temperature effect	-41 mil. m ³
● Number of days	-12 mil. m ³
● Number of customers	0 mil. m ³
● Others	-17 mil. m ³

Industrial	+120 mil. m ³ (+1.7%)
● Industrial:	-152 mil. m ³
Portion from decrease outside	
Kashima area	-155 mil. m ³
● Power generation:	+272 mil. m ³
Portion from increase outside	
Kashima area	+172 mil. m ³

Industrial	+638 mil m ³ (+9.9%)
● Industrial:	-77 mil m ³
Portion from decrease outside	
Kashima region	-100 mil. m ³
(Absence of previous year's accelerated	
demand from steel industry)	
● Power generation:	+714 mil. m ³
Portion from increase in Kashima area	+819 mil. m ³

Wholesale	-1 mil. m ³ (-0.0%)
● Temperature effect	-4 mil. m ³
● Others	+3 mil. m ³
Increase in demand from wholesale	
suppliers, etc.	

Wholesale	+19 mil. m ³ (+0.9%)
● Temperature effect	-0 mil. m ³
● Others	+19 mil. m ³
Increase in demand from wholesale	
suppliers, etc.	



	Current forecast	Initial plan	Change
LNG liquid sales volume (thousand t)	955	965	-10
Average temperature (°C)	16.9	16.6	+0.3

Number of customers		(Unit: 10 thousand)
Current forecast	Initial plan	Change
1,123.8	1,123.7	+0.1 (+0.0%)

FY2014 Forecast

● Gas sales volume including portion used in-house under tolling arrangement

mil. m³, 45MJ/m³

	Current forecast	Initial plan	Change	FY2013	Change
Gas sales volume (financial accounting basis)	15,326	15,266	+60 +0.4%	14,735	+591 +4.0%
Gas volume used in-house under tolling arrangement	1,664	1,666	-2 -0.1%	1,510	+154 +10.2%
Total	16,990	16,932	+58 +0.3%	16,245	+745 +4.6%

Forecast as per Challenge 2020 Vision:

18,184	18,138	+46	17,225	+959
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● Gas sales volume for industrial-use (Unit: million m³)

	Kashima area	Other	Total
Power generation	1,400	2,441	3,841
vs. Initial plan	+101 (+7.7%)	+172 (+7.6%)	+272 (+7.6%)
vs. FY2013 results	+819 (+140.9%)	-105 (-4.1%)	+714 (+22.8%)
General industrial	208	3,022	3,230
vs. Initial plan	+3 (+1.2%)	-155 (-4.9%)	-152 (-4.5%)
vs. FY2013 results	+24 (+12.8%)	-100 (-3.2%)	-77 (-2.3%)
Total	1,608	5,464	7,071
vs. initial plan	+103 (+6.8%)	+18 (+0.3%)	+120 (+1.7%)
vs. FY2013 results	+843 (+110.0%)	-204 (-3.6%)	+638 (+9.9%)

FY2014 Full Year Forecast: Net Sales and Operating Income/Loss by Business Segment <vs. Initial Plan (Announced on April 28)>

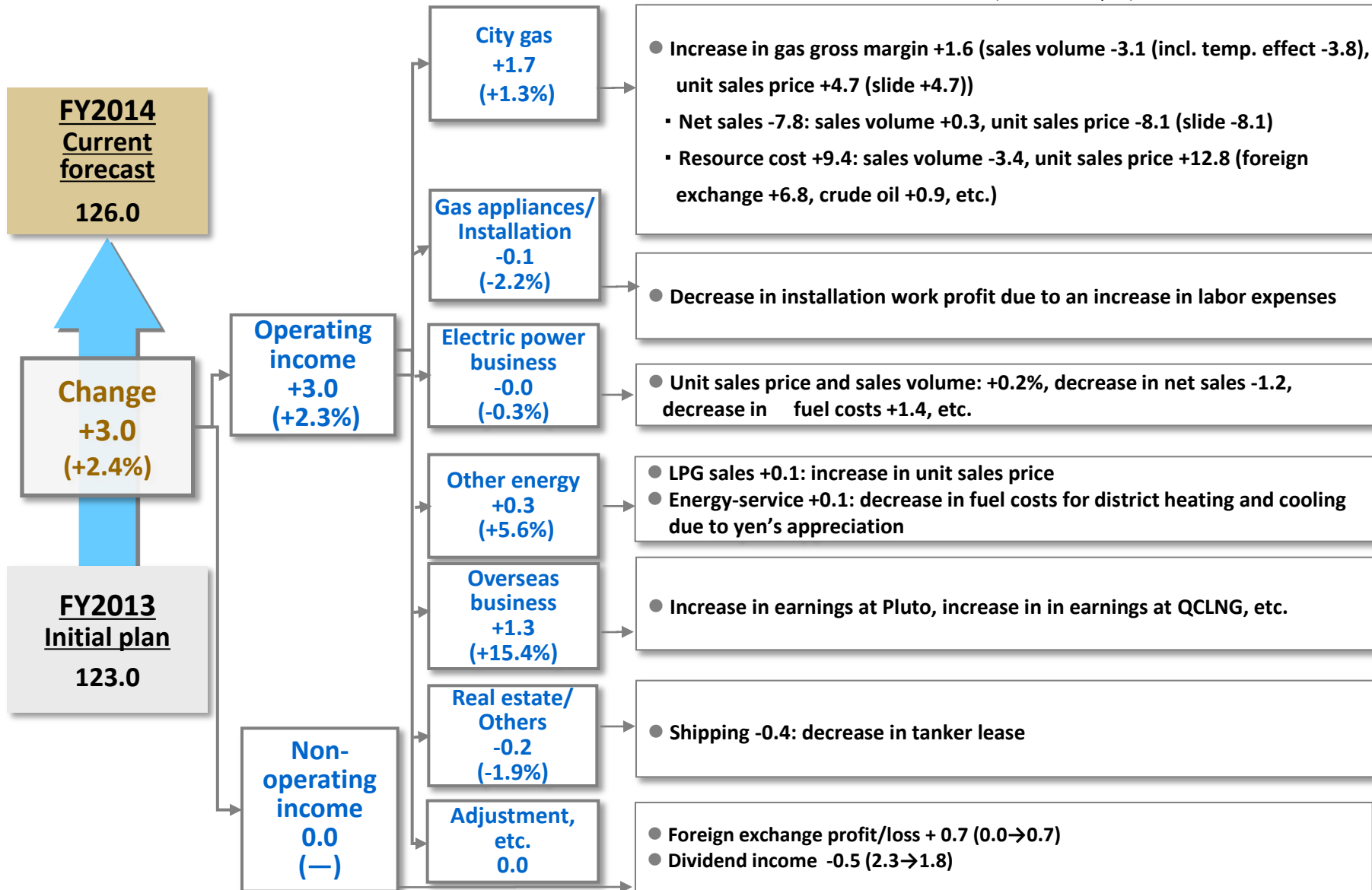
(Unit: billion yen)

	Net Sales				Segment Income			
	Current forecast	Initial plan	Change	%	Current forecast	Initial plan	Change	%
City gas	1,625.9	1,633.6	-7.7	-0.5%	128.8	127.1	+1.7	+1.3%
Gas appliances and installation work	209.9	210.0	-0.1	-0.0%	4.4	4.5	-0.1	-2.2%
Other energy	414.6	417.0	-2.4	-0.6%	22.4	22.1	+0.3	+1.4%
(Electric power business)	163.6	164.8	-1.2	-0.7%	15.9	15.9	-0.0	-0.3%
Real estate	24.1	24.1	0.0	0.0%	3.9	3.8	+0.1	+2.6%
Others	209.3	210.2	-0.9	-0.4%	15.8	14.8	+1.0	+6.8%
(Overseas business)	34.8	34.5	+0.3	+0.8%	9.6	8.3	+1.3	+15.4%
Adjustment	-195.8	-196.9	1.1	—	-42.3	-42.3	0.0	—
Consolidated	2,288.0	2,298.0	-10.0	-0.4%	133.0	130.0	+3.0	+2.3%

- Notes:
- Net sales by business segment include internal transactions.
 - “Other energy” includes energy-service, liquefied petroleum gas, electric power and industrial gas, LNG sales.
 - “Others” includes businesses in construction, information processing service, shipping, credit and leasing, and overseas, etc.
 - The “Adjustment” to operating income is primarily companywide expenses not allocated to individual segments.
 - Parentheses indicate sub-segment (figures included in segment total).

FY2014 Full Year Forecast: Ordinary Income Analysis <vs. Initial Plan (Announced on April 28)>

(Unit: billion yen)



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

FY2014 Full Year Forecast: Net Sales and Operating Income/Loss by Business Segment

<vs. FY2013 Results >



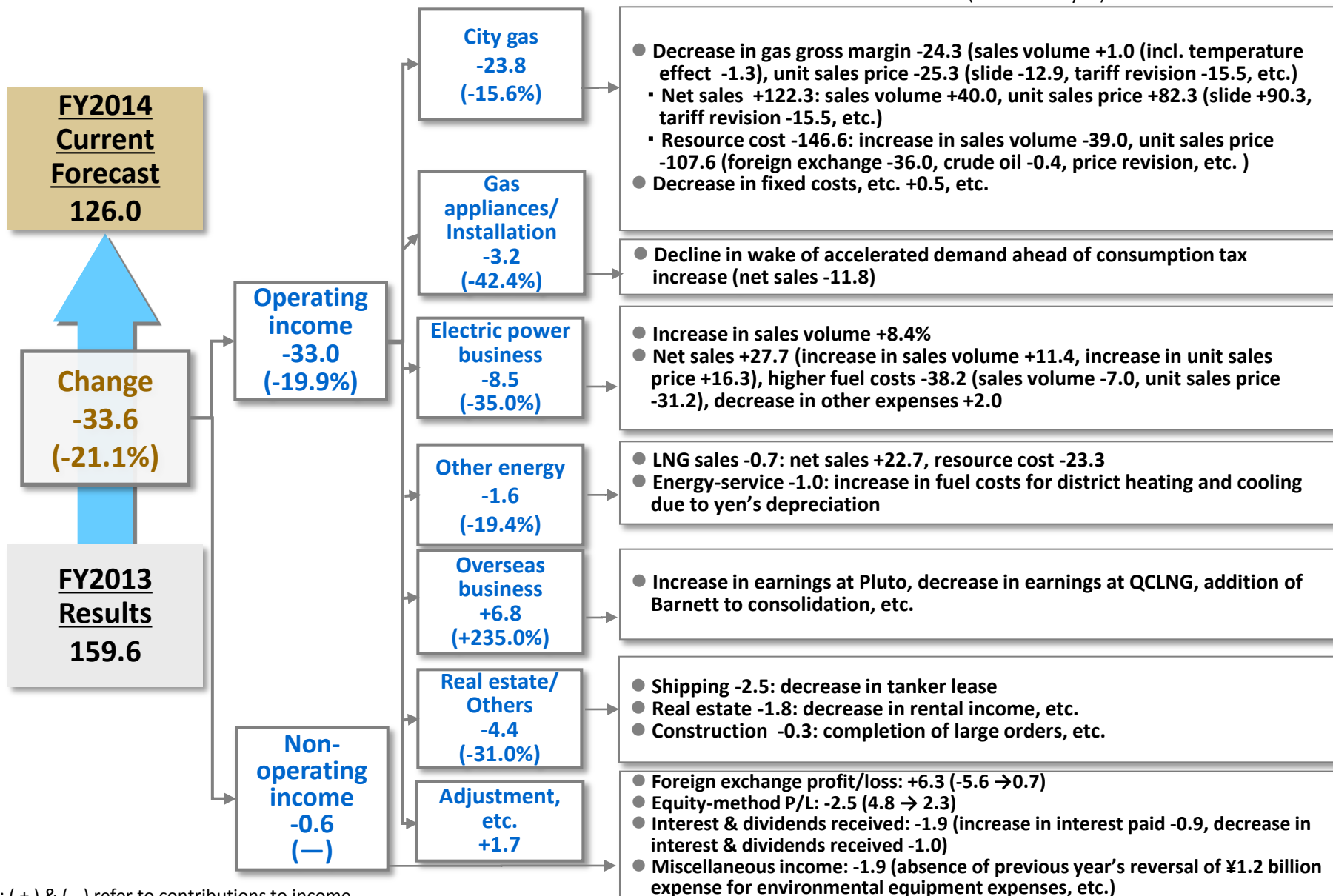
(Unit: billion yen)

	Net Sales				Segment Income			
	Current forecast	FY2013	Change	%	Current forecast	FY2013	Change	%
City gas	1,625.9	1,505.1	+120.8	+8.0%	128.8	152.6	-23.8	-15.6%
Gas appliances and installation work	209.9	221.7	-11.8	-5.3%	4.4	7.6	-3.2	-42.4%
Other energy	414.6	357.5	+57.1	+15.9%	22.4	32.5	-10.1	-31.1%
(Electric power business)	163.6	135.9	+27.7	+20.4%	15.9	24.4	-8.5	-35.0%
Real estate	24.1	28.3	-4.2	-14.9%	3.9	5.7	-1.8	-31.6%
Other	209.3	199.3	+10.0	+5.0%	15.8	11.6	+4.2	+35.1%
(Overseas business)	34.8	22.1	+12.7	+57.5%	9.6	2.8	+6.8	+235.0%
Adjustment	-195.8	-199.8	+4.0	—	-42.3	-44.0	+1.7	—
Consolidate	2,288.0	2,112.1	+175.9	+8.3%	133.0	166.0	-33.0	-19.9%

- Notes:
- Net sales by business segment include internal transactions.
 - “Other energy” includes energy-service, liquefied petroleum gas, electric power and industrial gas, LNG sales.
 - “Others” includes businesses in construction, information processing service, shipping, credit and leasing, and overseas, etc.
 - The “Adjustment” to operating income is primarily companywide expenses not allocated to individual segments.
 - Parentheses indicate sub-segment (figures included in segment total).

FY2014 Full Year Forecast: Ordinary Income Analysis <vs. FY2013 Results>

(Unit: billion yen)



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

Key Indicators (Consolidated)

	FY2014 Current forecast	FY2014 Initial plan	FY2013 Results
Total assets (a)	2,232.0	2,226.0	2,176.8
Shareholders' equity (b)	1,036.0	1,030.0	1,011.7
Shareholders' equity ratio (b)/(a)	46.4%	46.3%	46.5%
Interest-bearing debt (c)	771.0	773.0	713.8
D/E ratio (c)/(b)	0.74	0.75	0.71
Net income (d)	97.0	94.0	108.4
Depreciation (e)	142.0	142.0	140.3
Operating cash flow (d) + (e)	239.0	236.0	248.8
Capex	237.0	237.0	248.0
ROA: (d)/(a)	4.4%	4.3%	5.2%
ROE: (d)/(b)	9.5%	9.2%	11.2%
TEP	24.4	23.3	50.7
WACC	3.5%	3.6%	3.2%*
Total payout ratio	approx. 60%	approx. 60%	60.0%

Notes: Shareholders' equity = Net assets – Minority interests
 ROA = Net income / Total assets (average of the amounts as of the end of the previous period and end of the current period)
 ROE = Net income / Shareholders' equity (average of the amounts as of the end of the previous period and end of the current period)
 Balance sheet figures are as of the corresponding term-end
 Operating cash flow = Net income + Depreciation (including depreciation of long-term prepaid expenses)
 Total payout ratio = (FYn dividends + (FYn+1) treasury stock purchased) / FYn consolidated net income
 *Total number of issued stock: 2,446,778,295 (as of July 31, 2014)

TEP: (Tokyo Gas Economic Profit): Profit after taxes and before interest payments – Cost of capital (invested capital × WACC)
 Items for WACC calculation (FY2014 forecast):

- Cost of interest-bearing debt: actual interest rate (1.1%, after tax)
- Cost rate for shareholders' equity
 - Risk free rate: 10-year JGB yield (0.8%)
 - Risk premium: 5.5%, β: 0.75 (Risk premium through FY2013: 4%)
- Capital: market capitalization

3. FY2014 First Half Forecast

FY2014 First Half Forecast (Apr. 1, 2014 – Sep. 30, 2014)

<vs. Initial plan (Announced on Apr. 28, 2014)>

Highlights: Sales Decrease, Profit Increase

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

Net sales	-10.0 :	-	Decrease in city gas sales	(-7.9: sales volume -3.0, unit sales price -4.9 (slide -4.9))	Sliding time lag effect +5.8
		-	Decrease in LNG sales	(-1.0: sales volume, etc.)	
		-	Decrease in electricity sales	(-0.6: unit sales price, etc.)	
Operating expenses	+12.0 :	+	Decrease in city gas resource costs	(+8.9: sales volume -1.8, unit sales price +10.7 (foreign exchange +6.7, crude oil +0.8, etc.))	
		+	Decrease in LNG sales costs	(+1.3: sales volume and unit sales price, etc.)	
		+	Decrease in electricity expenses	(+1.0: unit sales price)	
Operating income	+2.0 :	+	Increase in city gas profit	(gas gross margin +1.0 (sales volume -4.8 (temp. effect -3.8), unit sales price +5.8 (slide +5.8))	
		+	Increase in LNG profit	(+0.4: unit sales price, etc.)	
		+	Increase in electricity profit	(+0.5: unit sales price, etc.)	

(Unit: billion yen)

	Current forecast	Initial plan (4/28)	Change	%	FY2013 1H results	Change	%
Gas sales volume (mil. m ³ , 45MJ)	7,136	7,118	+18	+0.3%	6,673	+463	+6.9%
Net sales	1,033.0	1,043.0	-10.0	-1.0%	933.5	+99.5	+10.7%
Operating expenses	970.0	982.0	-12.0	-1.2%	865.0	+105.0	+12.1%
Operating income	63.0	61.0	+2.0	+3.3%	68.5	-5.5	-8.0%
Ordinary income — (a)	62.0	60.0	+2.0	+3.3%	64.9	-2.9	-4.6%
Net income	53.0	50.0	+3.0	+6.0%	42.7	+10.3	+23.9%
<i>Temperature effect — (b)</i>	-3.8	0.0	-3.8	—	-4.2	+0.4	—
<i>Sliding time lag effect — (c)</i>	10.5	4.7	+5.8	—	10.9	-0.4	—
<i>Depreciation of pension actuarial differences — (d)</i>	1.5	1.5	0.0	—	-1.1	+2.6	—
<i>Adjusted ordinary income: (a) - ((b)+(c)+(d))</i>	53.8	53.8	0.0*	0.0%	59.3	-5.5	-9.3%
<i>Adjusted net income</i>	47.3	45.7	+1.6	+3.5%	39.0	+8.3	+21.3%

* 0.0: Gas sales volume -1.0 (excl. temp. effect -3.8), electric power +0.5, other segment profit, etc. +0.5

(Unit: billion yen)

Economic frame (average for 1H)	Foreign exchange rate (¥/\$)	JCC (\$/bbl)	Average temp. (°C)
Current forecast	103.59	109.76	22.0
Initial plan	105.00 (-1.41)	110.00 (-0.24)	21.4 (+0.6)
FY2013	98.86 <+4.73>	107.66 <+2.10>	22.3 <-0.3>

Capex	Current forecast	Initial plan	Change	%
FY2014 1H	99.0	99.0	0.0	0.0%

Figures in parenthesis () are increase/decrease from initial plan, figures in brackets < > are increase/decrease from FY2013

FY2014 First Half Forecast: Consolidated Gas Sales Volume

Initial Plan → Current Forecast

FY2013 1H → Current Forecast

+18 mil. m³ (+0.3%)

+463 mil. m³ (+6.9%)

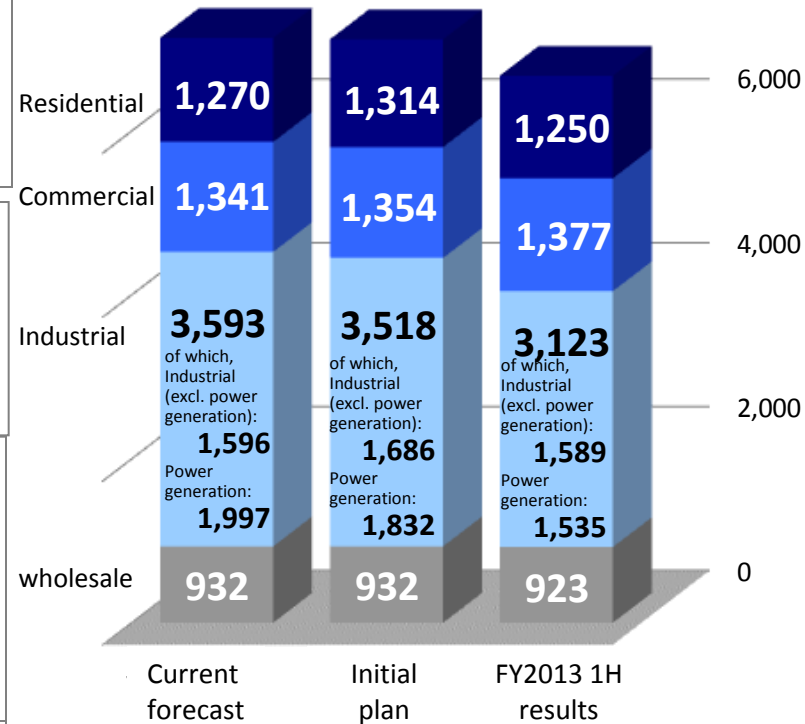
Including temperature effect -58 mil.m³, -0.8%

Including temperature effect -15mil.m³, -0.2%

Gas sales volume:

(Figures are rounded to nearest mil. m³.)

[7,136] **[7,118]** **[6,673]** 8,000



Sector	Change	Temperature effect	Number of days	Number of customers	Others
Residential	-44 mil. m ³ (-3.3%)	-52 mil. m ³	-2 mil. m ³	+2 mil. m ³	+7 mil. m ³
Commercial	-13 mil.m ³ (-1.0%)	-2 mil. m ³	0 mil. m ³	+1 mil. m ³	-12 mil. m ³
Industrial	+75 mil. m ³ (+2.1%)	-90 mil. m ³	-93 mil. m ³	+165 mil. m ³	+101 mil. m ³
Wholesale	+0 mil.m ³ (+0.0%)	-4 mil. m ³	+4 mil. m ³	Increase in demand from wholesale suppliers, etc.	
Residential	+20 mil.m ³ (+1.6%)	+6 mil. m ³	-6 mil. m ³	+19 mil.m ³	+2 mil. m ³
Commercial	-36 mil.m ³ (-2.6%)	-22 mil. m ³	-6 mil.m ³	0 mil. m ³	-8 mil. m ³
Industrial	+470 mil.m ³ (+15.0%)	+7 mil. m ³	+30 mil. m ³	+462 mil. m ³	+517 mil. m ³
Wholesale	+9 mil.m ³ (+1.0%)	+2 mil. m ³	+7 mil. m ³	Increase in demand from wholesale suppliers, etc.	

	Current forecast	Initial plan	Change
LNG liquid sales volume (thousand t)	393	399	-6
Average temperature (°C)	22.0	21.4	+0.6

FY2014 First Half Forecast

● Gas sales volume including portion used in-house under tolling arrangement

mil. m³, 45MJ/m³

	Current forecast	Initial plan	Change	FY2013 1H	Change
Gas sales volume (financial accounting basis)	7,136	7,118	+18 +0.3%	6,673	+463 +6.9%
Gas volume used in-house under tolling arrangement	845	847	-2 -0.3%	743	+102 +13.6%
Total	7,981	7,965	+16 +0.2%	7,416	+565 +7.6%

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

	Kashima area	Other	Total
Power generation	713	1,284	1,997
vs. Initial plan	+101 (+16.4%)	+65 (+5.3%)	+165 (+9.0%)
vs. FY2013 1H results	+517 (+263.1%)	-55 (-4.1%)	+462 (+30.1%)
General industrial	101	1,495	1,596
vs. Initial plan	+3 (+2.6%)	-93 (-5.9%)	-90 (-5.4%)
vs. FY2013 1H results	+30 (+41.7%)	-22 (-1.5%)	+7 (+0.4%)
Total	814	2,779	3,593
vs. Initial plan	+103 (+14.5%)	-28 (-1.0%)	+75 (+2.1%)
vs. FY2013 1H results	+546 (+204.2%)	-77 (-2.7%)	+470 (+15.0%)

4. Reference Materials

Impact of rising JCC by \$1/bbl

(Unit: billion yen)

		Impact on earnings			
		2Q	3Q	4Q	Full year
Period	2Q	-0.3	-0.7	+1.1	+0.1
	3Q	—	-0.4	-1.0	-1.4
	4Q	—	—	-0.6	-0.6
	Full year	-0.3	-1.1	-0.5	-1.9

Impact of yen depreciation by ¥1/\$

(Unit: billion yen)

		Impact on earnings			
		2Q	3Q	4Q	Full year
Period	2Q	-1.1	+0.8	+0.3	0.0
	3Q	—	-1.2	+1.4	+0.2
	4Q	—	—	-1.7	-1.7
	Full year	-1.1	-0.4	0.0	-1.5



< 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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