

Reference Materials (FY2017 3Q)

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Results

<Consolidated>Financial Results (FY2017 vs. FY2016)

100 million yen

	FY17 3Q	FY16 3Q	Change		Reference
Net sales	12,214	10,860	1,354	12.5%	City gas +792, Electric power +501, Overseas +134, Energy-related +108 (LNG sales +75, Engineering solution +67, Gas appliances -72), Others +22, Real estate +7
Operating profit	680	281	399	141.6%	City gas +241, Electric power +54, Overseas +45, Others +7, Energy-related -2
Ordinary profit	653	255	398	155.4%	Dividend income +9 (28 ← 19), Interest expenses -3 (-86 ← -83), Equity income of subsidiaries -7 (9 ← 16)
Profit attributable to owners of parent	483	174	309	177.3%	Gain on sales of noncurrent assets +32 (32 ← 0), Gain on sales of investment securities +1 (30←29), Impairment loss -23 (-23 ← 0)

Total assets(*1)	22,698	22,302	396	1.8%	Investment securities +429, Notes and accounts receivable +272, Work in process +125, Cash and deposits -471
Equity(*1)	11,154	11,014	140	1.3%	Net profit +483, Dividends -251, Acquisition of treasury stock -69, Accumulated other comprehensive profit -21
Equity ratio(*1) (%)	49.1%	49.4%	-0.3	-	Went down because an increase in equity (1.3%) was smaller than that in total assets (1.8%)
Total assets turnover(*2) (times)	0.54	0.50	0.04	-	
Interest-bearing debt(*1)	7,611	7,135	476	6.7%	Tokyo Gas +601, TG Lease -47, TG Pluto -42, Ohgishima Power -13, TG Gorgon -10
Profit attributable to owners of parent	483	174	309	177.3%	
Depreciation(*3·4)	1,213	1,205	8	0.7%	
Operating cash flow(*5)	1,697	1,379	318	23.0%	
Capital expenditure(*3)	1,335	1,277	58	4.6%	Tokyo Gas +167, Consolidated subsidiaries -104 (TG Eagle Ford -46, TGESAM -42)
EPS(*6) (¥/share)	105.83	37.71	68.12	180.6%	Went up due to an increase in profit attributable to owners of parent (+309)
BPS(*1,*6) (¥/share)	2,442.53	2,398.70	43.83	1.8%	

(*1) Figures in B/S items for FY16 3Q are the figures as of the end of FY16 (end of March 2017)

(*2) The calculation of total assets turnover is based upon average total assets in each period.

(*3) Amounts for capital Expenditure and depreciation are after offsetting of internal transactions.

(*4) Depreciation includes amortization of long-term prepaid expenses.

(*5) Operating cash flow is calculated using the simplified accounting treatment of "Net profit attributable to the parent + Depreciation and amortization." (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(*6) The figures in EPS and BPS are after the reverse stock split.

<Consolidated>

Breakdown of Energy-related Segment/Other Segment (FY2017 vs. FY2016)

Breakdown of Energy-related Segment

100 million yen

Results	Net sales				Operating Profit			
	FY17 3Q	FY16 3Q	Change		FY17 3Q	FY16 3Q	Change	
Engineering solution	805	738	67	9.1%	14	30	-16	-50.9%
LPG	209	189	20	10.8%	5	3	2	60.9%
Industrial gas	155	138	17	12.5%	9	8	1	15.1%
LNG sales	730	655	75	11.4%	13	41	-28	-67.8%
Gas appliances	867	939	-72	-7.6%	57	21	36	167.4%
Gas pipe Installation work	269	279	-10	-3.8%	1	0	1	-
Construction etc.	466	447	19	4.2%	3	2	1	70.1%

(Major change factors)

- Engineering solution : Increase in sales due to the acceptance of CGS orders and increase in on-site energy service business
Decrease in profit due to increase in repair costs for on-site energy service facilities
- LNG sales : Increase in sales due to increase in sales volume of ocean-going ships; Decrease in profit due to sliding time lag
- Gas appliances : Decrease in sales due to decrease in the number of sales of commercial air-conditioning appliances
Increase in profit due to decrease in maintenance costs etc.

Breakdown of Other Segment

100 million yen

Results	Net sales				Operating profit			
	FY17 3Q	FY16 3Q	Change		FY17 3Q	FY16 3Q	Change	
IT services	225	221	4	1.8%	-1	1	-2	-200.8%
Shipping	147	132	15	10.7%	17	7	10	143.7%
Credit and leasing	97	101	-4	-4.0%	8	7	1	7.2%

(Major change factors)

- IT services : Increase in sales due to increase in large projects etc.
- Shipping : Increase in sales due to increased tariff reflecting higher oil prices,
Increase in profit due to improvement in operation and decrease in depreciation

<Consolidated>Main Consolidated Subsidiaries (FY2017 vs. FY2016)

100 million yen

		Net sales			Operating profit			Reference
		FY17 3Q	FY16 3Q	Change	FY17 3Q	FY16 3Q	Change	
Consolidated		12,214	10,860	1,354	680	281	399	
City Gas etc.(*1)	Tokyo Gas Co.,Ltd.	10,926	9,639	1,287	407	67	340	
Electric Power seg.	Nijio Co.,Ltd	813	707	106	21	19	2	Increase in sales due to higher unit sales prices Increase in profit due to increase in sales volume
Overseas seg.	TG Australia Group (*2)	274	173	101	57	22	35	(TG Gorgon) Increase in sales and profit due to the commencement of sales during the term
Energy-related seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	788	735	53	9	31	-22	Increase in sales due to the acceptance of CGS orders and increase in on-site energy service business Decrease in profit due to increase in repair costs for on-site energy service facilities
Real Estate seg.	Tokyo Gas Urban Development Co.,Ltd.	180	176	4	54	45	9	Increase in sales and profit due to increase in income of rental rates for owned buildings Increase in profit due to decrease in depreciation etc.
Others	Tokyo LNG Tanker Co., Ltd.	147	132	15	17	7	10	Increase in sales due to increased tariff reflecting higher oil prices, Increase in profit due to improvement in operation and decrease in depreciation
Other		2,106	1,970	136	108	53	55	(TG Bajio) Increase in sales and profit due to increase in interest income (TG Real Estate HD) Increase in sales and profit due to the dividend income (established in FY2017; TG reported the dividend income in FY16.)
Consolidated subsidiaries total		4,311	3,896	415	269	180	89	

(*1) In addition to "City Gas," Tokyo Gas is engaged in "Electric Power", "Energy-related", "Real-Estate", and "Others" segments.

(*2) Consolidated figures are simple sums before elimination of intra-company transactions.

<Non-consolidated>Financial Results (FY2017 vs. FY2016)

The Gas Business Accounting Rules have been revised, and titles of accounts are changed. Aggregation of FY2016 results are based on standards before the change. (Refer to p.15 for details of the change in system)

100 million yen				Impact of Sliding Time Lag			100 million yen			Economic Frame		
	FY17 3Q	FY16 3Q	Change			FY17 3Q	FY16 3Q	Change		FY17 3Q	FY16 3Q	Change
Net Sales	10,926	9,639	1,287	13.3%	Revenue from sliding system	-835	-1,631	796	JCC \$/bbl	53.86	44.89	8.97
Operating profit	407	67	340	504.3%	Increase in gas cost	-752	-1,590	838	Ex. rate ¥/\$	111.69	106.65	5.04
Ordinary Profit	427	149	278	186.0%	Change	-83	-41	-42				
Net profit	345	398	-53	-13.3%								

*Change from standard average resource cost

		100 million yen				
	FY17 3Q		FY16 3Q	Change		
Gas Business Sales(*)	7,650	Gas sales (*)	6,874	776	11.3%	Volume/composition -20, Unit prices +796
Raw materials and supplies	4,228	Raw materials and supplies	3,461	767	22.2%	Volume/composition -49, Unit prices +816 (Foreign exchange +163, Oil price +642, etc.)
(Gross profit)	(3,422)	(Gross profit)	(3,413)	(9)	(0.3%)	Volume/composition +29, Unit prices -20
Personnel expenses	548	Personnel expenses	818	-270	-33.1%	Expenses from actuarial differences -236, etc.
General expenses	1,813	General expenses	1,775	38	2.1%	
Repair expenses	254	Repair expenses	296	-42	-14.2%	FY2016 : Provision for gas cock valve security measures, etc.
Others	1,559	Others	1,479	80	5.4%	Consignment costs +25, Intercompany adjustment cost +22, Taxes +12, etc.
Depreciation	887	Depreciation	905	-18	-2.0%	Decrease due to progress of depreciation
LNG regasification	-29	LNG regasification	-31	2	-	
Operating costs	7,447	Operating cost	6,930	517	7.5%	
Installation work	1	Installation work	-1	2	-	
Others	139	Gas appliances, etc. (*)	87	52	59.1%	Increase to the profit related to hot water heating system +20, Provision for maintenance expenses +12, etc.
Miscellaneous operating income	141	Miscellaneous operating income	86	55	63.0%	
Expenses for incidental businesses	63	Expenses for incidental businesses	36	27	73.0%	Electricity sales +54, LNG sales -28, etc.
Operating profit	407	Operating profit	67	340	504.3%	
Non operating income	20	Non operating income	82	-62	-75.2%	Dividends received from affiliates -63 etc.
Ordinary profit	427	Ordinary profit	149	278	186.0%	
Extraordinary income	61	Extraordinary income	317	-256	-88.5%	Gain on extinguishment of tie-in shares -154, Gain on sale of affiliates' investment securities -148, Gain on sales of non-current assets +32, etc.
Extraordinary loss	23	Extraordinary loss	0	23	-	Impairment loss +23
Taxes	120	Taxes	68	52	75.2%	
Net profit	345	Net profit	398	-53	-13.3%	

(*) Gas business sales (FY17) consist of Gas sales (FY16), Transmission service income (included in Miscellaneous operating income in FY16), Intercompany adjustment revenue (new), and Consigned income for LNG regasification and calorie adjustment (new).

<Non-consolidated>

Breakdown of Gas Business Sales & Gross Profit Analysis (FY2017 vs. FY2016)

Breakdown of Gas Business Sales

100 million yen

	FY17 3Q Results	FY16 3Q Results	Change		100 million yen		Mil. m3
					100 million yen	Mil. m3	
Residential	3,038	2,860	178	6.2%	Volume	110	91
					Temp. effect	91	79
					Sliding	68	-
					Other differences	0	-
Others (Commercial・Industrial・ Wholesale)	4,612	4,014	598	14.9%	Volume	-130	-247
					Temp. effect	21	28
					Sliding	728	-
					Other differences	0	-
Total	7,650	6,874	776	11.3%	Volume	-20	-156
					Temp. effect	112	107
					Sliding	796	-
					Other differences	0	-

Gross Profit Analysis

100 million yen

	Volume		Unit price		Total
	Gas sales	Temp. effect	112	Sliding	796
			Other	0	
		-20		796	
Raw materials and supplies	Temp. effect	50	Sliding	838	767
			Other	-22	
		-49		816	
Gross profit	Temp. effect	62	Sliding	-42	9
			Other	22	
		29		-20	

<Non-consolidated> Power Generation Stock Volume and Sales of ENE-FARM

① Power Generation Stock Volume

Unit : thousands kW

	FY17 December 2017 Results(a)	FY16 March 2017 Results(b)	Change (c)=(a)-(b)
Commercial-use cogeneration system	586	588	-2
Industrial-use cogeneration system	1,471	1,432	39
Power gen.	4,036	3,934	102
Total	6,093	5,953	140

<Reference> Commercial-use cogeneration system (small gas engine in operation for 3,000 hours); about 1,000m³/kW
 Industrial-use cogeneration system (large gas engine in operation for 6,000 hours); about 1,300m³/kW

② Sales of ENE-FARM (Completion Basis)

(Year on Year)

Unit : sales

	FY17 3Q Results	FY16 3Q Results	Change	Change ratio
ENE-FARM	13,012	12,656	356	2.8%

(Achievement of plan for FY17)

Unit : sales

	FY17 3Q Results	Annual Plan	Achievement
ENE-FARM	13,012	19,075	68.2%

<Consolidated/Non-consolidated>

Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing

Breakdown of Operating Cash Flows

Actual Results (FY2017 vs. FY2016)

100 million yen

Consolidated	FY17 3Q	FY16 3Q	Change	
Net profit (A)	483	174	309	177.3%
Depreciation* (B)	1,213	1,205	8	0.7%
Operating cash flows (A)+(B)	1,697	1,379	318	23.0%

Actual Results (FY2017 vs. FY2016)

100 million yen

Non-Consolidated	FY17 3Q	FY16 3Q	Change	
Net profit (A)	345	398	-53	-13.3%
Depreciation* (B)	934	947	-13	-1.3%
Operating cash flows (A)+(B)	1,279	1,345	-66	-4.9%

* Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capital Expenditure

Actual Results (FY2017 vs. FY2016)

100 million yen

	FY17 3Q	FY16 3Q	Change	
Production facilities	80	119	-39	-32.3%
Distribution facilities	586	579	7	1.2%
Service and maintenance facilities etc.	406	207	199	95.5%
Tokyo Gas Total	1,073	906	167	18.4%
Capital expenditure at consolidated subsidiaries	279	383	-104	-27.2%
Adjustment	-16	-12	-4	-
Total	1,335	1,277	58	4.6%

Production facilities: Other production facilities,
Hitachi LNG receiving terminal-related, etc. -39
Distribution facilities: Security-related etc. +7
Service and maintenance facilities etc.: Real estat etc. +199
Consolidated subsidiaries: Decreases at TG Eagle Ford, etc.

Investments and Financing

Actual Results (FY2017 vs. FY2016)

100 million yen

	FY17 3Q	FY16 3Q	Change	
Investment & financing	366	55	311	560.5%
Collections	40	17	23	124.9%
After offset	326	38	288	768.4%

Forecasts

<Assumptions> Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

Economic Frame

Gross Profit Sensitivity to Changes in Oil Price<Consolidated>

<Consolidated/Non-consolidated>

	FY2017 Current Forecast		
	1st Half	2nd Half	Full-year
JCC \$/bbl	51.36	59.16	55.40
Ex. rate ¥/\$	111.04	113.99	112.52
	FY2017 Previous Forecast as of Oct. 27		
	1st Half	2nd Half	Full-year
JCC \$/bbl	51.36	55.00	53.19
Ex. rate ¥/\$	111.04	115.00	113.02
	Change		
	1st Half	2nd Half	Full-year
JCC \$/bbl	0.00	4.16	2.21
Ex. rate ¥/\$	0.00	-1.01	-0.50

Gross Profit Sensitivity to Changes in Oil Price

100 million yen

	4Q	Full-year
Net sales	0	0
Gas resource cost	2	2
Gross profit	-2	-2

*Impact on JCC increase by \$1

Gross Profit Sensitivity to Changes in EX Rate

100 million yen

	4Q	Full-year
Net sales	3	3
Gas resource cost	14	14
Gross profit	-11	-11

* Impact on a one-yen depreciation

<Consolidated>Main Consolidated Subsidiaries (Current Forecast vs. Previous Forecast(Oct.))

Forecast of Full Year Results for FY2017

100 million yen

	Current	Previous (Oct.)	Change		Reference
Net sales	18,050	17,950	100	0.6%	City gas +139, Energy-related -34, etc.
Operating profit	970	880	90	10.2%	City gas +48, Overseas +12, Electric power +6, etc.
Ordinary profit	920	830	90	10.8%	
Profit attributable to owners of parent	700	630	70	11.1%	
Total assets	23,220	23,410	-190	-0.8%	
Equity	11,380	11,300	80	0.7%	
Equity ratio (%)	49.0%	48.3%	0.7%	-	
Total assets turnover(*1) (times)	0.79	0.79	0.00	-	
ROA(*1) (%)	3.1%	2.8%	0.3%	-	
ROE(*1) (%)	6.3%	5.6%	0.7%	-	
Interest-bearing debt	7,680	7,960	-280	-3.5%	
D/E ratio	0.67	0.70	-0.03	-	
Profit attributable to owners of parent	700	630	70	11.1%	
Depreciation(*2·3)	1,650	1,660	-10	-0.6%	
Operating cash flow(*4)	2,350	2,290	60	2.6%	
Capital expenditure(*2)	2,390	2,600	-210	-8.1%	
TEP	149	76	73	-	
(WACC)	2.9%	2.9%	0.0%	-	
EPS(*5) (Vshare)	153.21	137.88	15.32	11.1%	
BPS(*5) (Vshare)	2,491.87	2,474.30	17.56	0.7%	
Total payout ratio(*6)	(*7) -	-	-	-	

(*1) The calculation of total assets turnover, ROA, and ROE are based upon average Total assets and Shareholders' equity in each period.

(*2) Amounts for capital Expenditure and depreciation are after offsetting of internal transactions.

(*3) Depreciation includes amortization of long-term prepaid expenses.

(*4) Operating cash flow is calculated using the simplified accounting treatment of "Profit attributable to owners of parent + Depreciation and amortization." (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(*5) EPS and BPS are after the share consolidation.

(*6) FYn Gross payout ratio = ((FYn total annual dividend) + (FYn +1 stock repurchases)) / (FYn Profit attributable to owners of the parent)

(*7) To be maintained at approximately 60% each year to FY2020

<Non-consolidated> Financial Forecast(Current Forecast vs. Previous Forecast(Oct.))

100 million yen

	Current	Previous (Oct.)	Change	
Net Sales	15,980	15,860	120	0.8%
Operating profit	640	570	70	12.3%
Ordinary Profit	650	580	70	12.1%
Net profit	510	450	60	13.3%

Impact of Sliding Time Lag

100 million yen

	Current	Previous (Oct.)	Change	
Revenue from sliding system	-1,134	-1,138	4	
Increase in gas cost	-829	-877	48	
Change	-305	-261	-44	

*Change from standard average resource cost

Economic Frame

	Current	Previous (Oct.)	Change	
JCC \$/bbl	55.40	53.19	2.21	
Ex. rate ¥/\$	112.52	113.02	-0.50	

100 million yen

	Current	Previous (Oct.)	Change		
Gas Business Sales	11,190	11,050	140	1.3%	Volume/composition + 136, Unit prices +4
Raw materials and supplies	6,247	6,118	129	2.1%	Volume/composition +81, Unit prices +48 (Foreign exchange effect -24; Oil price effect +72, etc.)
(Gross profit)	(4,943)	(4,932)	(11)	(0.2%)	Volume/composition +55, Unit prices -44
Personnel expenses	744	744	0	0.0%	
General expenses	2,600	2,620	-20	-0.8%	Decrease in marketing costs etc.
Depreciation	1,208	1,214	-6	-0.5%	Decrease due to delay in acquisition etc.
LNG regasification	-41	-35	-6	-	
Operating cost	10,758	10,661	97	0.9%	
Installation work	3	3	0	0.0%	
Others	131	113	18	15.9%	Increase to the profit related to hot water heating system etc.
Miscellaneous operating income	134	116	18	15.5%	
Expenses for incidental businesses	74	65	9	13.8%	Electricity sales +15, LNG sales -9, etc.
Operating profit	640	570	70	12.3%	
Non operating income	10	10	0	0.0%	
Ordinary profit	650	580	70	12.1%	
Extraordinary income	61	32	29	-	Gain on sales of investment securities +29
Extraordinary loss	23	0	23	-	Impairment loss +23
Taxes	178	162	16	9.9%	
Net profit	510	450	60	13.3%	

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. Previous Forecast(Oct.))

Forecast of Full Year Results for FY2017

Breakdown of Gas Sales

100 million yen

	Current	Previous (Oct.)	Change	
Residential	4,786	4,682	104	2.2%
Others (Commercial・Industrial・ Wholesale)	6,404	6,368	36	0.6%
Total	11,190	11,050	140	1.3%

Gross Profit Analysis

100 million yen

	Volume		Unit price		合計
Gas sales	Temp. effect	74	Sliding	4	140
			Other	0	
		136		4	
Raw materials and supplies	Temp. effect	32	Sliding	48	129
			Other	0	
		81		48	
Gross profit	Temp. effect	42	Sliding	-44	11
			Other	0	
		55		-44	

<Non-consolidated> Financial Forecast(Current Forecast vs. FY2016 Results)

The Gas Business Accounting Rules have been revised, and titles of accounts are changed. Aggregation of FY2016 results are based on standards before the change.
(Refer to p.15 for details of the change in system)

100 million yen **Impact of Sliding Time Lag** 100 million yen **Economic Frame**

	Current forecast	FY2016 results	Change			Current forecast	FY2016 results	Change			Current forecast	FY2016 results	Change	
Net Sales	15,980	14,084	1,896	13.5%	Revenue from sliding system	-1,134	-2,218	1,084		JCC \$/bbl	55.40	47.51	7.89	
Operating profit	640	294	346	117.0%	Increase in gas cost	-829	-2,018	1,189		Ex. rate ¥/\$	112.52	108.38	4.14	
Ordinary profit	650	370	280	75.5%	Change	-305	-200	-105						
Net profit	510	687	-177	-25.8%										

*Change from standard average resource cost

		Current forecast	100 million yen			
			FY2016 results	Change		
Gas Business Sales(*)	11,190	10,119	1,071	10.6%	Volume/composition -13, Unit prices +1,084	
Raw materials and supplies	6,247	5,171	1,076	20.8%	Volume/composition -84 Unit prices +1,160 (Foreign exchange effect +187, Oil price effect +878,	
(Gross profit)	(4,943)	(4,948)	(-5)	(-0.1%)	Volume/composition +71, Unit prices -76	
Personnel expenses	744	1,100	-356	-32.4%	Expenses from actuarial differences -315 etc.	
General expenses	2,600	2,521	79	3.1%		
Repair expenses	374	414	-40	-9.9%	FY2016 : Provision for gas cock valve security measures, etc.	
Others	2,226	2,107	119	5.6%	Consignment costs +35, Intercompany adjustment cost +29, Taxes +15, etc.	
Depreciation	1,208	1,224	-16	-1.4%	Decrease due to progress of depreciation	
LNG regasification	-41	-42	1	-		
Operating costs	10,758	9,977	781	7.8%		
Installation work	3	8	-5	-65.5%	Drop in number of new installations etc.	
Others	131	107	24	21.9%	Increase to the profit related to hot water heating system, etc.	
Miscellaneous operating income	134	116	18	15.3%		
Expenses for incidental businesses	74	36	38	104.1%	Electricity sales +75; LNG sales -37, etc.	
Operating profit	640	294	346	117.0%		
Non operating income	10	75	-65	-86.8%	Dividends received from affiliates -56 etc.	
Ordinary profit	650	370	280	75.5%		
Extraordinary income	61	445	-384	-91.5%	FY2016: Gain on extinguishment of tie-in shares +154; Gain on sale of affiliates' investment securities +148, etc.	
Extraordinary loss	23	0	23	-	FY2017: Impairment loss 23	
Taxes	178	128	50	38.5%		
Net profit	510	687	-177	-25.8%		

(*) Gas business sales (FY17) consist of Gas sales (FY16), Transmission service income (included in Miscellaneous operating income in FY16), Intercompany adjustment revenue (new), and Consigned income for LNG regasification and calorie adjustment (new).

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. FY2016 Results)

Forecast of Full Year Results for FY2017

Breakdown of Gas Sales

100 million yen

	Current forecast	FY2016 results	Change	
Residential	4,786	4,474	312	7.0%
Others (Commercial・Industrial・Wholesale)	6,404	5,645	759	13.4%
Total	11,190	10,119	1,071	10.6%

Gross Profit Analysis

100 million yen

	Volume		Unit price		Total
Gas sales	Temp. effect	176	Sliding	1,084	1,071
			Other	0	
		-13		1,084	
Raw materials and supplies	Temp. effect	77	Sliding	1,189	1,076
			Other	-29	
		-84		1,160	
Gross profit	Temp. effect	99	Sliding	-105	-5
			Other	29	
		71		-76	

<Consolidated/Non-consolidated>

Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing

Forecast of Full Year Results for FY2017

Breakdown of Operating Cash Flows

[Current Forecast vs. Previous Forecast(Oct.)]

(Consolidated)

100 million yen

	Current	Previous (Oct.)	Change	
Profit attributable to owners of parent (A)	700	630	70	11.1%
Depreciation* (B)	1,650	1,660	-10	-0.6%
Operating cash flows (A)+(B)	2,350	2,290	60	2.6%

(Non-consolidated)

100 million yen

	Current	Previous (Oct.)	Change	
Profit attributable to owners of parent (A)	510	450	60	13.3%
Depreciation* (B)	1,270	1,276	-6	-0.5%
Operating cash flows (A)+(B)	1,780	1,726	54	3.1%

[Current Forecast vs. FY2016 Results]

(Consolidated)

100 million yen

	Current	FY2016	Change	
Profit attributable to owners of parent (A)	700	531	169	31.7%
Depreciation* (B)	1,650	1,643	7	0.4%
Operating cash flows (A)+(B)	2,350	2,174	176	8.1%

(Non-consolidated)

100 million yen

	Current	FY2016	Change	
Profit attributable to owners of parent (A)	510	687	-177	-25.8%
Depreciation* (B)	1,270	1,281	-11	-0.9%
Operating cash flows (A)+(B)	1,780	1,968	-188	-9.6%

*Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capital Expenditure

[Current Forecast vs. Previous Forecast(Oct.)]

100 million yen

	Current	Previous (Oct.)	Change	
Production facilities	201	210	-9	-4.3%
Distribution facilities	935	942	-7	-0.7%
Service and maintenance facilities etc.	683	757	-74	-9.8%
Tokyo Gas Total	1,820	1,910	-90	-4.7%
Capital expenditure at consolidated subsidiaries	613	736	-123	-16.7%
Adjustment	-43	-46	3	-
Total	2,390	2,600	-210	-8.1%

Production facilities : Other production facilities, etc. -9

Distribution facilities : Other distribution facilities -7

Service and maintenance facilities etc. : Real estate, IT, etc. -74

Consolidated subsidiaries : Overseas, Real estate, etc. -123

[Current Forecast vs. FY2016 Results]

100 million yen

	Current	FY2016	Change	
Production facilities	201	224	-23	-10.5%
Distribution facilities	935	943	-8	-0.8%
Service and maintenance facilities etc.	683	363	320	87.4%
Tokyo Gas Total	1,820	1,532	288	18.8%
Capital expenditure at consolidated subsidiaries	613	540	73	13.5%
Adjustment	-43	-39	-4	-
Total	2,390	2,033	357	17.5%

Production facilities : Hitachi LNG receiving terminal-related, etc. -23

Distribution facilities : Other distribution facilities, etc. -8

Service and maintenance facilities etc. :

Real estate, IT, Other service and maintenance facilities, etc. +320

Consolidated subsidiaries : TGES etc. +73

Investments and Financing

[Current Forecast vs. FY2016 Results]

100 million yen

	Current	FY2016	Change	
Investment & financing	411	163	248	151.8%
Collections	43	25	18	69.8%
After offset	368	138	230	167.2%

Reference

(Reference) Revision of Gas Business Accounting Rules

Supplement for "(Non-consolidated) Financial Results" of pages 4 and 12

The gas business system has been changed to cope with the full liberalization of retail sales of gas in FY2017. The Gas Business Accounting Rules have also been revised to reflect the change.

<New>	<Former>
(Gas business Sales) <ul style="list-style-type: none"> • Gas sales • Transmission service income • Intercompany adjustment income • LNG regasification and calorie adjustment income 	(Product sales) <ul style="list-style-type: none"> • Gas sales
<4>	
(Cost of sales) <ul style="list-style-type: none"> • Beginning inventories • Cost of products manufactured • Purchase of finished goods • Costs of gas for own use • Ending inventories 	(Cost of sales) <ul style="list-style-type: none"> • Beginning inventories • Cost of products manufactured • Purchase of finished goods • Costs of gas for own use • Ending inventories
<About 30>	
<ul style="list-style-type: none"> • Gross profit • Supply and sales expenses • General and administrative expenses • Total selling, general and administrative expenses 	<ul style="list-style-type: none"> • Gross profit • Supply and sales expenses • General and administrative expenses • Total selling, general and administrative expenses
<ul style="list-style-type: none"> • Profit on core business 	<ul style="list-style-type: none"> • Profit on core business
(Miscellaneous operating income) <ul style="list-style-type: none"> • Income from installation work 	(Miscellaneous operating income) <ul style="list-style-type: none"> • Income from installation work • Income from gas appliance sales • Transmission service income • Other miscellaneous operating income
(Omitted below)	

* Gas sales were divided into Gas sales and Intercompany adjustment income (fees for using gas pipes).

* Part of Purchase of finished goods is divided into Purchase of finished goods and Intercompany adjustment cost (fees for using gas pipes) included in Supply and sales expenses.

(Reference) Intercompany adjustment cost

It is equivalent to transmission service fees paid to other pipeline service operators in accordance with the adjustment contract between the relevant operators when gas is supplied through pipes held by more than one pipeline service operators.

If gas is supplied to a user of pipeline service operators C through gas pipes of pipeline service operators A and B, C receives transmission service fees from its retailer and then pays to B, which pays to A.

* Under the new system, transmission service income is regarded as income from core business, reflecting the idea that transmission service business is collateral to gas business.

[Note] The figures in < > in the table above show major effects of the revision of the Gas Business Accounting Rules (Figures for FY16 in 100 million yen)

Tokyo Gas Co., Ltd.

< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies, and other information herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. The Company's actual performance may greatly differ from these projections due to critical factors which include 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.