

**FY2017 Financial Results
ended Mar. 31, 2018**



April 27, 2018

1. FY2017 Consolidated Financial Results

ended Mar. 31, 2018



FY2017 Consolidated Financial Results (Apr. 1, 2017 – Mar. 31, 2018) <vs. FY2016>



Highlights: Sales Up, Profit Up

(+ - , +/- indicate impact on profit, billion yen)

Net sales	+190.3	:	+	City gas (+108.8: Increase in unit price due to resource cost adjustment +107.4, transmission service income +2.6, decrease in sales volume -3.1, etc.)
			+	Electric power (+72.9: Increase in electricity sales volume, etc.)
Operating expenses	-132.3	:	-	City gas (-68.7: Increase in unit price arising from economic framework assumptions -107.7, decrease in sales volume +6.9, decrease in fixed costs due to actuarial differences, etc.)
			-	Electric power (-67.7: Increase in expenses due to increase in electricity sales volume, etc.)
Operating profit	+58.0	:	+	City gas (+40.1: Change in sales volume +3.9, transmission service income +2.6, change in unit price -0.3, decrease in fixed costs due to actuarial differences, etc.)
			+	Electric power (+5.2: Increase in electricity retail sales volume, increase in gross margin due to increase in retail gross margin ratio, etc.)
Extraordinary profit/loss	-10.1	:	+	Overseas (+4.4: Increase in profit from upstream and mid/downstream projects, etc.)
			-	FY2017 +3.2: Gain on sale of non-current assets +3.4, gain on sale of investment securities +3.0, impairment loss -3.2
			-	FY2016 +13.3: Gain on sale of non-current assets +6.6, gain on sale of investment securities +9.1, impairment loss -2.4

(billion yen)

	FY2017	FY2016	Change	%
Gas sales volume (million m3, 45MJ)	15,568	15,720	-152	-1.0%
Electricity sales volume (million kWh)	14,656	12,654	+2,002	+15.8%
(Breakdown)				
Retail sales (million kWh, receiving end)	456.9	225.4	+231.5	+102.7%
Wholesale etc. (million kWh)	1,008.7	1,040.0	-31.3	-3.0%
Net sales	1,777.3	1,587.0	+190.3	+12.0%
Operating expenses	1,661.0	1,528.7	+132.3	+8.7%
Operating profit	116.3	58.3	+58.0	+99.3%
Segment profit (operating profit + equity income of subsidiaries)	118.7	61.9	+56.8	+91.8%
Ordinary profit ⁽¹⁾	111.5	55.6	+55.9	+100.3%
Extraordinary profit/loss	3.2	13.3	-10.1	—
Profit attributable to owners of parent	74.9	53.1	+21.8	+41.1%

(Adjustment items)	Temperature effect ⁽²⁾	4.0	-7.4	+11.4	—
	Sliding time lag effect (city gas, LNG sales) ⁽³⁾	-23.0 (-20.3 + -2.7)	-19.9 (-20.0 + 0.1)	-3.1 (-0.3 + -2.8)	—
	Amortization of actuarial differences ⁽⁴⁾	7.7	-24.0	+31.7	—
	Adjusted ordinary income ⁽¹⁾⁻⁽²⁾⁺⁽³⁾⁺⁽⁴⁾	122.8	106.9	+15.9	+14.9%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp. (°C)	Pension assets	Investment yield (costs deducted)	Discount rate		Year-end assets (billion yen)
						Annuity portion	Lump-sum portion	
FY2017	110.85(+2.47)	57.03(+9.50)	15.7(-0.6)	FY2017	1.03%	0.293%	0.046%	271.0
FY2016	108.38	47.53	16.3	FY2016	1.57%	0.389%	0.055%	277.0
			Expected annual rate of return: 2%	FY2015	2.92%	0.236%	0.000%	281.0

Figures in parentheses () indicate year-on-year increase/decrease.

Expected annual rate of return: 2%

FY2017 Consolidated Gas Volume / Number of customers <vs. FY2016>

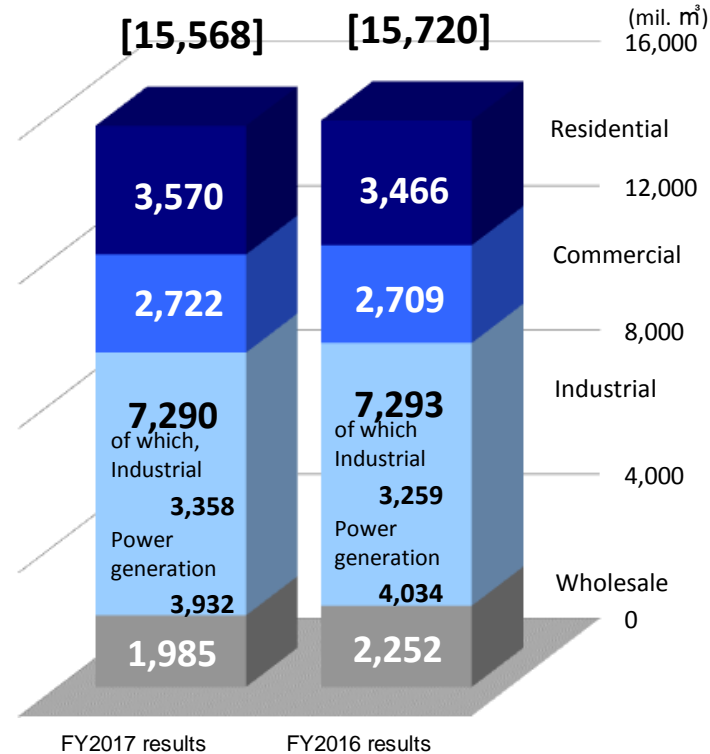
City Gas sales volume :

-152mil.m³ (-1.0%)

[including temperature effect +188mil.m³, +1.2%]

Residential	+ 104mil.m ³ (+3.0%)
● Temperature effect	+133 mil.m ³
● Number of days	-23 mil.m ³
● Number of customers	+23 mil.m ³
● Others	-29 mil.m ³
Commercial	+ 13mil.m ³ (+ 0.5%)
● Temperature effect	+44 mil.m ³
● Number of days	-10 mil.m ³
● Number of customers	-4 mil.m ³
● Others	-17 mil.m ³
Industrial	- 3mil.m ³ (-0.0%)
● Industrial	+99 mil.m ³
● Power generation	-102mil.m ³
Wholesale	- 267mil.m ³ (-11.8%)
● Temperature effect	+11mil.m ³
● Others	-278mil.m ³
Decrease in the number of wholesale customers, etc.	

*Each value is rounded.



Number of customers(Gas), LNG sales volume,Average temperature

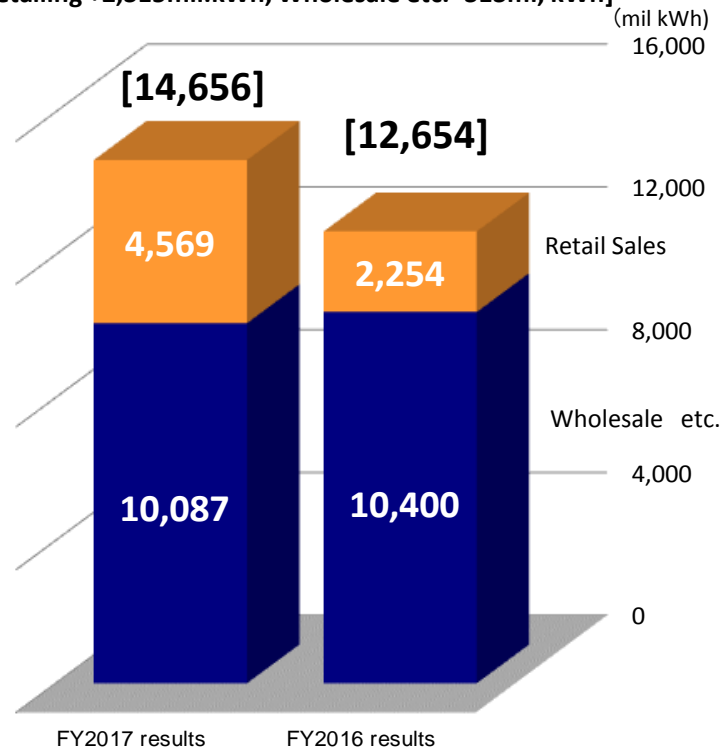
	FY2017 Results	FY2016 Results	Change
Number of customers(meters) (10 thousands, meter)	1,167.8	1,153.6	+14.2 (+1.2%)
LNG sales volume (thousands t)	1,050	1,070	+80 (+7.5%)
Average temperature (°C)	15.7	16.3	▲0.6

FY2017 Consolidated Electricity Sales Volume / Number of customers <vs. FY2016>

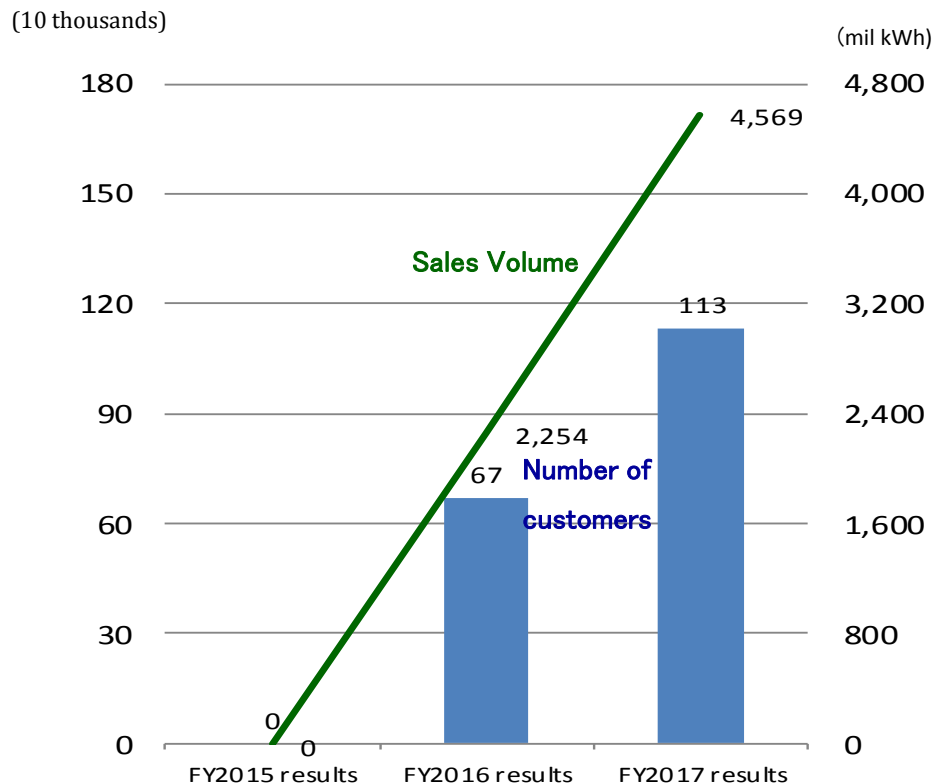
Electricity sales volume:

+2,002mil. kWh (+ 15.8%)

[Retailing +2,315mil.kWh, Wholesale etc. -313mi, kWh]



Retail sales Results:



Number of customers

	FY2017 Results	FY2017 3Q Results	FY2017 2Q Results	FY2017 1Q Results	FY2016 Results	Change (FY2017-FY2016)
Number of customers (Supply basis) (10 thousands)	113.0	102.3	89.9	77.6	66.7	+46.3(+69.4%)

■ Gas sales volume (Vision Basis)

(Unit: million m³)

	FY2017 Results	FY2016 Results	Change
Gas sales volume (financial accounting basis)	15,568	15,720	-152
			-1.0%
Gas volume used in-house under tolling arrangement	2,047	1,996	+51
			+2.6%
LNG sales volume (m ³ basis)	1,437	1,337	+100
			+7.5%
Total	19,052	19,053	-1
			-0.0%

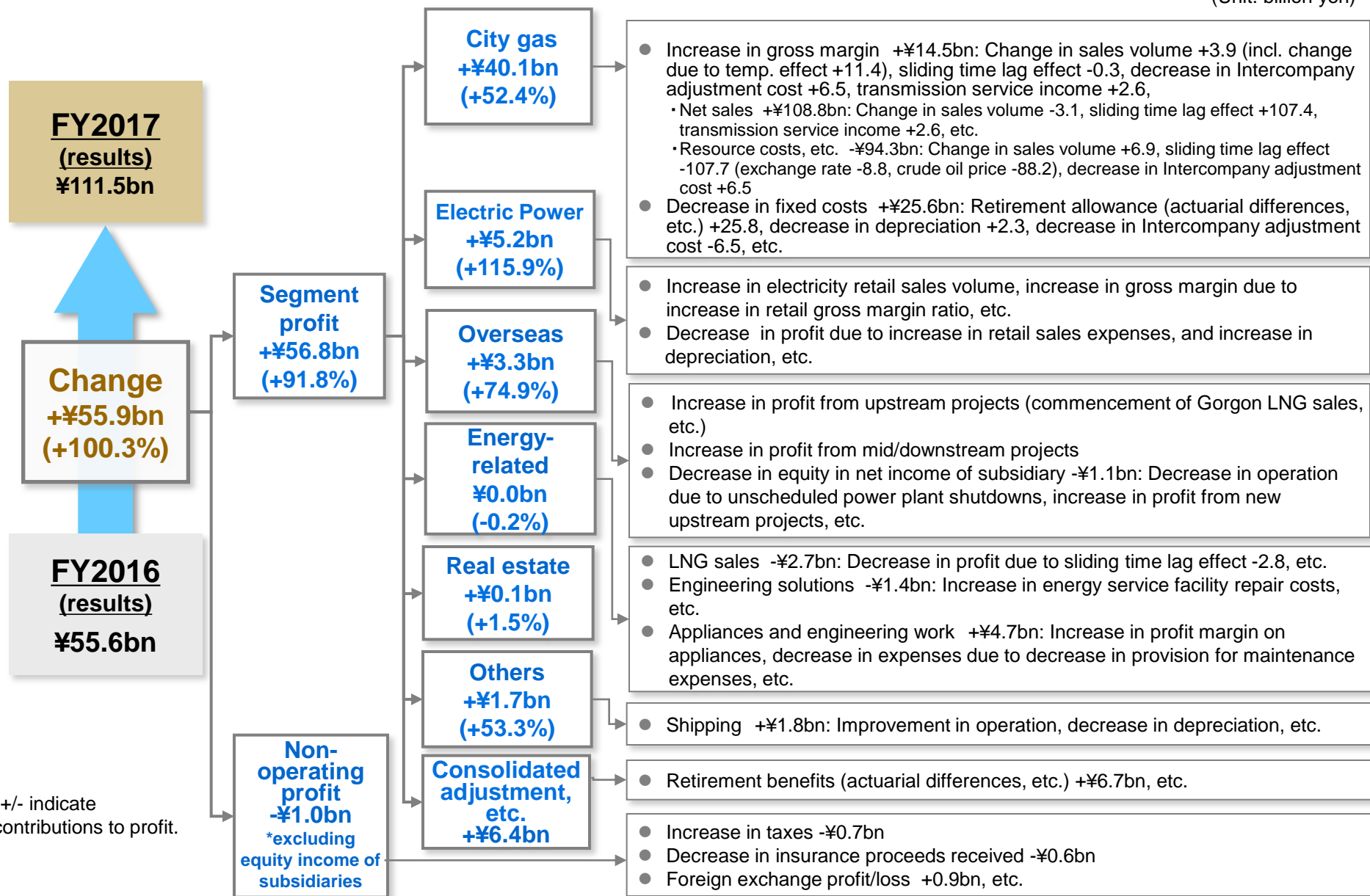
FY2017 Results : Sales and Operating Profit/Loss by Business Segments <vs. FY2016 >

(unit : billion yen)

	Net Sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2017 Results	FY2016 Results	Change	%	FY2017 Results	FY2016 Results	Change	%
City Gas	1,148.8	1,040.0	108.8	10.5	116.6	76.5	40.1	52.4
Electric Power	218.6	145.7	72.9	50.0	9.6	4.4	5.2	115.9
Overseas business	41.5	31.9	9.6	30.1	7.7	4.4	3.3	74.9
(equity income of subsidiaries)	—	—	—	—	2.4	3.5	-1.1	-30.3
Energy-related	480.8	459.5	21.3	4.6	13.7	13.7	0.0	-0.2
(Engineering Solutions)	118.1	111.6	6.5	5.8	3.5	4.9	-1.4	-27.6
(LNG sales)	108.8	91.2	17.6	19.3	0.6	3.3	-2.7	-80.3
Real estate	42.3	41.4	0.9	2.2	7.9	7.8	0.1	1.5
Others	92.7	89.0	3.7	4.1	4.9	3.2	1.7	53.3
Adjustment	-247.6	-220.7	-26.9	—	-41.8	-48.2	6.4	—
Consolidated	1,777.3	1,587.0	190.3	12.0	118.7	61.9	56.8	91.8
(equity income of subsidiaries)	—	—	—	—	2.4	3.5	-1.1	-30.4

- Notes:
- Net sales by business segments include internal transactions.
 - “Energy-related” includes businesses in engineering solutions, liquefied petroleum gas, industrial gas, LNG sales, gas appliances sales, gas pipe installation and construction etc.
 - “Others” includes businesses in shipping, information processing service, credit and leasing, etc.
 - The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.

FY2017 Results: Ordinary Profit Analysis <vs. FY2016>



Capital expenditure

(Unit : billion yen)

Capex	Main items	Ref:FY2016 results
Tokyo Gas : 165.4 (+12.2, +8.0%)	Production facilities :16.9 (-5.5) Hitachi LNG terminal expansion, etc.	Tokyo Gas : 153.2
	Distribution facilities :90.7 (-3.6) Koga-Moka Line installation, New demand development, etc.	
	Service and maintenance facilities :57.6 (+21.3) Real estate-related, System-related investment, etc.	
Total of Consolidated Subsidiaries : 46.3 (-7.7, -14.2%)	<ul style="list-style-type: none"> ▪ Tokyo Gas Engineering solutions 22.0(+6.9) ▪ Overseas 7.1 (-6.9) ▪ Real estate related 3.6(-1.9) 	Total of Consolidated Subsidiaries : 54.0
Total 208.7 (+5.4,+2.6%, after eliminations in consolidation)		Total : 203.3 (after elimination in consolidation)

※ Numbers in parentheses refer to comparisons with FY2016 results

Investment and financing

47.1 (Investment and financing 52.6, collection -5.5, vs FY2016 results +33.3)

Returns to Shareholders

■ Our financial policy is to provide returns to shareholders through dividends and stock repurchases, with a target total payout ratio (dividends and stock repurchases as percentage of consolidated net income) of approx.60% each year until FY2020

■ As per this policy, returns to shareholders in FY2018 will maintain as shown below.

- Will maintain annual dividend ¥55 per share (Total dividend for FY2018:25.1 billion yen)
- Will repurchase treasury stock shares for liquidation up to the cap of 8million shares(1.7%) for ¥20.0 billion.

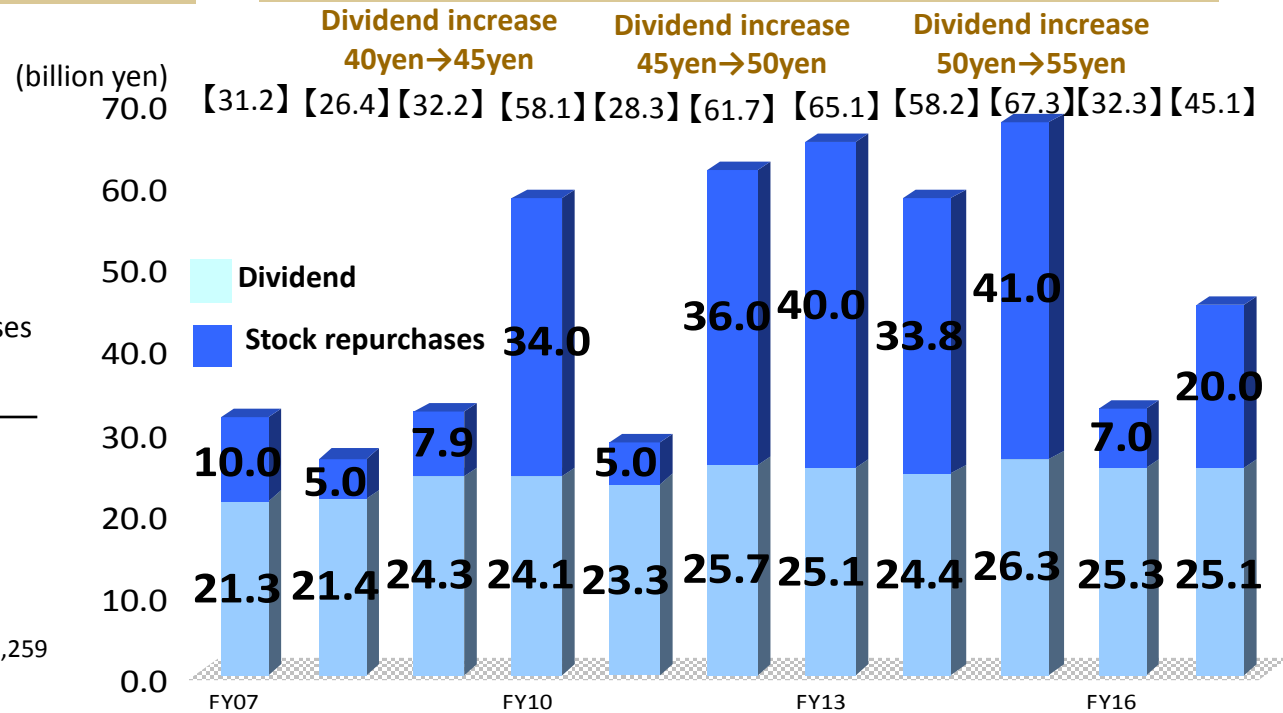
Maintaining 60% total payout ratio

Total payout ratio
60.2%

$$\begin{array}{r}
 \text{FY2017} \\
 \text{Dividend} \\
 25.1 \\
 + \\
 \text{FY2018} \\
 \text{Stock repurchases} \\
 20.0 \\
 \hline
 \text{FY2017} \\
 \text{Profit attributable to} \\
 \text{owners of parent} \\
 74.9
 \end{array}
 =
 \frac{25.1 + 20.0}{74.9}$$

※Total number of shares outstanding : 458,073,259 (as of March 31, 2018)

Change in total payout amount and dividend



Total payout ratio	(73.6%)	(63.4%)	(60.1%)	(60.9%)	(61.4%)	(60.7%)	(60.0%)	(60.8%)	(60.1%)	(60.7%)	(60.2%)
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• As of October 1, 2017, the Company changed unit stock number from 1,000 shares to 100 shares, and carried out a share consolidation at a ratio of 5 common shares to 1.

• Dividend : Converted and displayed after a share consolidation

2. FY2018 Full Year Forecast

FY2018 Consolidated Forecast (Apr. 1, 2018 – Mar. 31, 2019) <vs. FY2017 Results>

Highlights: Sales Up, Profit Up

(+ - +/- indicate impact on profit, billion yen)

Net sales	+176.7	:	+	Gas	(+95.5: Increase in unit price due to resource cost adjustment, etc.)
			+	Electric power	(+49.7: Increase in sales volume due to increase in retail customers, etc.)
			+	Energy-related	(+22.7: Engineering solutions +20.3, appliances and engineering work +8.3, etc.)
Operating expenses	-200.0	:	-	Gas	(-111.7: Increase in unit price arising from economic framework assumptions, increase in actuarial differences and depreciation, etc.)
			-	Electric power	(-47.1: Increase in sales volume due to increase in retail customers, etc.)
Operating profit	-23.3	:	-	Gas	(-16.2: Increase in actuarial differences and depreciation, etc.)
			-	Energy-related	(-6.0: Appliances and engineering work -3.8, engineering solutions -0.8, etc.)
Extraordinary profit/loss	+25.9	:	+	FY2018	29.1: Gain on sale of non-current assets +29.1
				FY2017	3.2: Gain on sale of non-current assets +3.4, gain on sale of investment securities +3.0, impairment loss -3.2

(billion yen)

	FY2018 forecast	FY2017 results	Change	%
Gas sales volume (million m3, 45 MJ)	15,542	15,568	-26	-0.2%
Electricity sales volume (million kWh)	15,128	14,656	+472	+3.2%
Net sales	1,954.0	1,777.3	+176.7	+9.9%
Operating expenses	1,861.0	1,661.0	+200.0	+12.0%
Operating profit	93.0	116.3	-23.3	-20.0%
Segment profit (operating profit + equity income/loss of subsidiary)	97.2	118.7	-21.5	-18.2%
Ordinary profit ⁽¹⁾	93.0	111.5	18.5	-16.6%
Extraordinary income/loss	29.1	3.2	+25.9	—
Profit attributable to owners of parent	88.0	74.9	+13.1	+17.4%
<i>Temperature effect⁽²⁾</i>	0.0	3.9	-3.9	—
(Adjustment items) <i>Sliding time lag effect (city gas, LNG sales)⁽³⁾</i>	-11.3 (-10.9 + -0.4)	-23.0 (-20.3 + -2.7)	11.7 (9.4 + 2.3)	—
<i>Amortization of actuarial differences⁽⁴⁾</i>	-4.6	7.7	-12.3	—
Adjusted ordinary profit⁽¹⁾⁻⁽²⁾⁺⁽³⁾⁺⁽⁴⁾	109.0	122.9	-13.9	-11.3%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp. (°C)	Pension assets	Investment yield (costs deducted)	Discount rate		Year-end assets (billion yen)
						Annuity portion	Lump-sum portion	
FY2018 forecast	110.00(-0.85)	65.00(+7.97)	15.9(+0.2)		1.03%	0.293%	0.046%	271.0
FY2017 results	110.85	57.03	15.7		1.57%	0.389%	0.055%	277.0
					2.92%	0.236%	0.000%	281.0

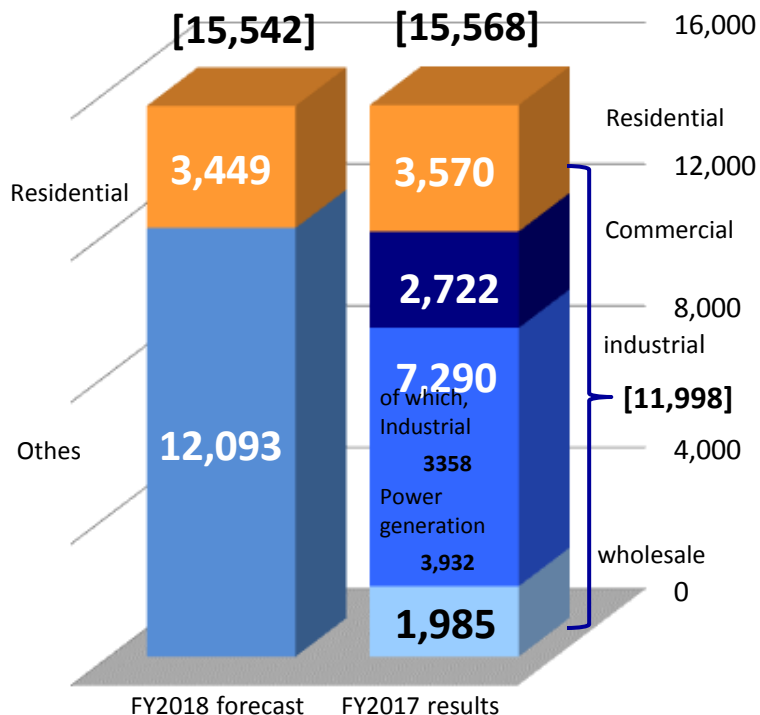
Figures in parentheses () indicate change from previous year's results.

City Gas Sales Volume

-26 mil m³ (-0.2%)

[Including temperature effect -64mil. m³,-0.4%]

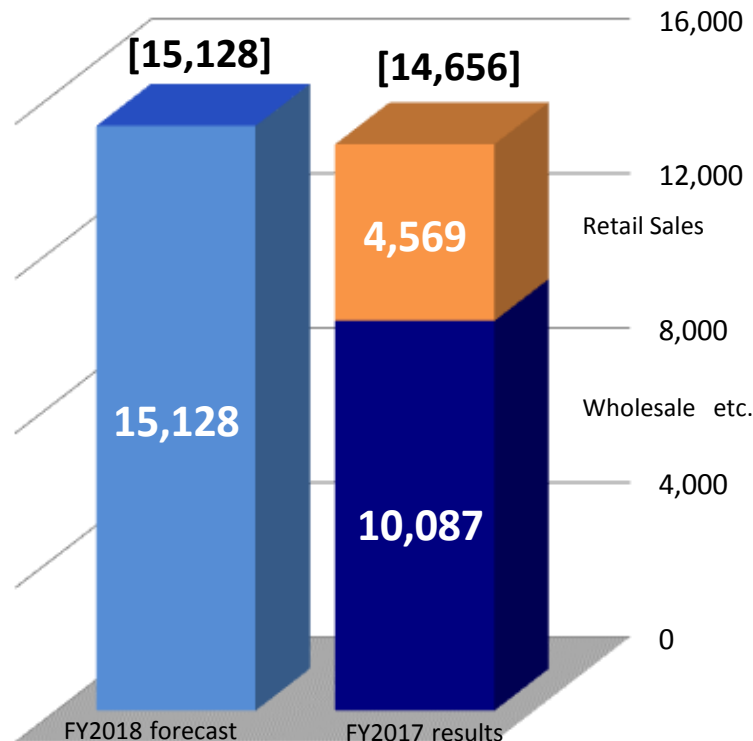
(Figures are rounded nearest mil m³)



Electricity Sales Volume

+472 mil kWh (+3.2%)

(Figures are rounded nearest mil kWh)



Number of customers(Gas/Electricity), LNG sales volume, Average temperature

■ Residential	-121 mil. m ³ (3,449←3,570 (-3.4%))
■ Others	+95 mil. m ³ (12,093←11,998) (+0.8%)

	FY2018 Forecast	FY2017 Results	Change
Gas: Number of customers(meters) (10 thousands, meter)	1,181.2	1,167.8	+13.4 (+1.1%)
Electricity: Number of customers (Supply basis) (10 thousands)	158.0	113.0	+45.0 (+39.8%)
LNG sales volume (thousands t)	1,075	1,150	-75 (-6.5%)
Average temperature (°C)	15.9	15.7	+0.2

*Each value is rounded.

● Gas Sales Volume (Vision Basis)

(Unit : mil. m³)

	FY2018 Forecasts	FY2017 Results	Change
Gas Sales Volume (financial accounting basis)	15,542	15,568	-26
			-0.2%
Gas volume used in-house under tolling agreement	1,923	2,047	-124
			-6.1%
LNG sales (m3 basis)	1,344	1,437	-93
			-6.5%
Total	18,809	19,052	-243
			-1.3%

FY2018 Full Year Forecast : Sales and Profit/Loss by Business Segments <vs. FY2017 Results>

Main points of modification about segment information

● "City Gas" replaced "gas". "Liquefied petroleum gas", "Industrial gas" and "LNG sales" were reorganized as "Gas"

● "Credit" were reorganized as "Energy-related"

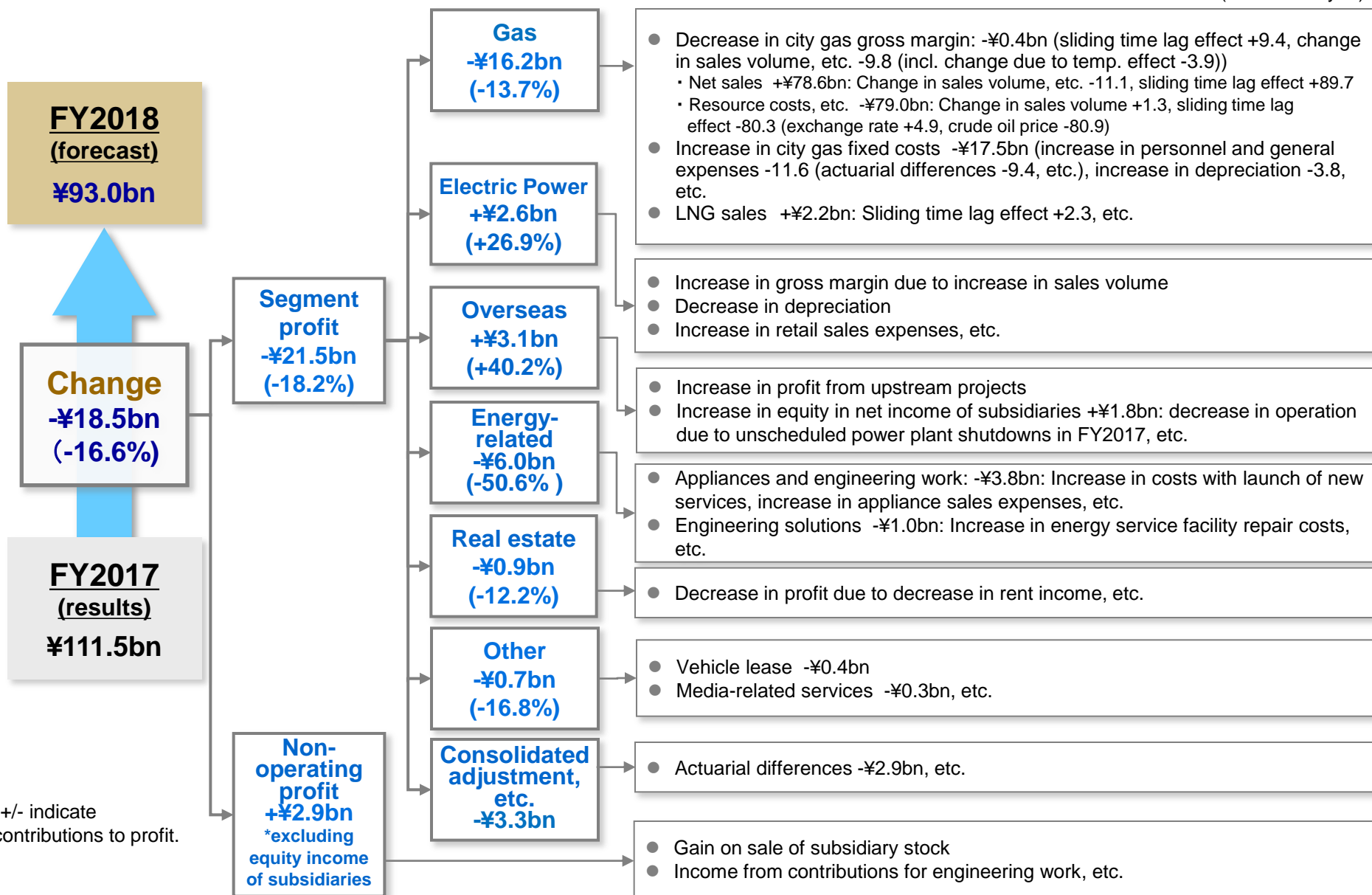
(unit : billion yen)

	Net Sales					Segment Profit (Operating profit + Equity income/loss of subsidiary)				
	Current Forecast	Previous Forecast		Change	%	Current Forecast	Previous Forecast		Change	%
		Estimate	Before Conversion				Estimate	Before Conversion		
Gas	1,400.3	1,304.8	1,148.8	95.5	7.3	102.8	119.0	116.6	-16.2	-13.7
(LNG sales)	187.9	108.8	108.8	79.1	72.8	2.8	0.6	0.6	2.2	336.7
Electric Power	268.3	218.6	218.6	49.7	22.7	12.2	9.6	9.6	2.6	26.9
Overseas business	46.0	41.5	41.5	4.5	10.7	10.8	7.7	7.7	3.1	40.2
(equity income of subsidiaries)	—	—	—	—	—	4.2	2.4	2.4	1.8	69.4
Energy-related	356.3	333.6	480.8	22.7	6.8	5.9	11.9	13.7	-6.0	-50.6
(Engineering solutions)	138.4	118.1	118.1	20.3	17.1	2.7	3.5	3.5	-0.8	-24.0
Real estate	42.6	42.3	42.3	0.3	0.6	7.0	7.9	7.9	-0.9	-12.2
Others	101.1	85.0	92.7	16.1	18.9	3.6	4.3	4.9	-0.7	-16.8
Adjustment	-260.6	-248.7	-247.6	-11.9	—	-45.1	-41.8	-41.8	-3.3	—
Total	1,954.0	1,777.3	1,777.3	176.7	9.9	97.2	118.7	118.7	-21.5	-18.2
(equity income of subsidiaries)	—	—	—	—	—	4.2	2.4	2.4	1.8	68.5

- Notes:
- Net sales by business segments include internal transactions.
 - "Gas" includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales. "Energy-related" includes businesses in engineering solutions, gas appliances sales, gas pipe installation, construction and credit, etc. "Others" includes businesses in shipping, information processing service and leasing, etc.
 - The "Adjustment" to operating profit is primarily companywide expenses not allocated to individual segments.
 - The new segment results for FY2017 are estimates.

FY2018 Forecast: Ordinary Income Analysis

<vs. FY2017 Result>



Capital expenditure

(Unit: billion yen)

Capex	Main items	Ref:FY2017 results
Tokyo Gas: 199.0 (+33.6, +20.3%)	Production facilities : 21.9 (-5.0) Hitachi LNG terminal expansion, etc.	Tokyo Gas: 165.4
	Distribution facilities : 102.5 (+11.8) Ibaraki Line installation, New demand development, etc.	
	Service and maintenance facilities : 74.4 (+16.8) System-related investment, Real estate-related etc.	
Total of Consolidated Subsidiaries: 68.5 (+22.2, +48.0%)	<ul style="list-style-type: none"> ▪ Real estate related 12.1 (+8.5) ▪ Oversea 8.9 (+1.8) 	Total of Consolidated Subsidiaries: 46.3
Total : 262.0 (+53.3,+25.5%, after eliminations in consolidation)		Total : 208.7 (after eliminations in consolidation)

※ Numbers in parentheses refer to comparisons with FY2017 results

Investment and financing

73.4 (Investment and financing 81.7, collection -8.2, vs. FY2017 results +26.4)

Key Indicators (Consolidated)

(unit: billion yen)

	FY2018 Forecast	FY2017 Results	FY2016 Results
Total assets (a)	2,466.0	2,334.7	2,230.2
Shareholders' equity (b)	1,171.0	1,136.0	1,101.4
Shareholders' equity ratio (b)/(a)	47.5%	48.7%	49.4%
Interest-bearing debt (c)	832.0	724.9	713.5
D/E ratio (c)/(b)	0.71	0.64	0.65
Profit attributable to owners of parents (d)	88.0	74.9	53.1
Depreciation (e)	167.0	165.3	164.3
Operating cash flow (d) + (e)	255.0	240.3	217.4
Capex	262.0	208.7	203.3
ROA: (d) / (a)	3.7%	3.3%	2.4%
ROE: (d) / (b)	7.6%	6.7%	4.8%
TEP	11.4	24.4	-6.2
WACC	3.1%	3.1%	3.0%
Total payout ratio	Approx. 60%	60.2%	60.7%

Note: Shareholders' equity = Net assets – minority interests
 ROA = Net profit / Total assets (average of the amounts as of the end of the previous period and end of the current period)
 ROE = Net profit / 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 profit + Depreciation (including depreciation of long-term prepaid expenses)
 Total payout ratio = [FY-N dividends + FY-(N+1) treasury stock purchased] / FY-N consolidated net profit

TEP (Tokyo Gas Economic Profit) : Profit after taxes and before interest payments – Cost of capital (invested capital × WACC)
 Items for WACC calculation (FY2018 forecast)
 • Cost of interest-bearing debt : forecast interest rate (1.04%, after tax)
 • Cost rate for shareholders' equity
 • Risk free rate : 10-year JGB yield 0.05%
 • Market Risk premium : 5.5% β: 0.75

3. Reference Materials

Impact of rising JCC by \$1/bbl

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.2	-0.5	+0.6	+0.4	+0.3
	2Q	—	-0.2	-0.6	+0.8	0.0
	3Q	—	—	-0.2	-0.8	-1.0
	4Q	—	—	—	-0.3	-0.3
	Full year	-0.2	-0.7	-0.2	0.1	-1.0

Impact of depreciation by ¥1/\$

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.7	+0.5	+0.1	0.0	-0.1
	2Q	—	-0.6	+0.6	+0.2	+0.2
	3Q	—	—	-0.8	+0.8	0.0
	4Q	—	—	—	-1.0	-1.0
	Full year	-0.7	-0.1	-0.1	0.0	-0.9

Key Topics in FY2017-18 (Domestic) (Excerpted from Press Releases up to 27th Apr.)

<p>Management Strategy</p>	<ul style="list-style-type: none"> • FY2017 initiatives by Tokyo Gas Group (Apr. 13) • Strategic alliance in LNG procurement between Kyushu Electric Power and Tokyo Gas (Apr. 12) • The Tokyo Gas Group FY2018-2020 management plan “GPS2020”(Oct. 5) • <u>Strategic alliance in Real Estate business between Kansai Electric Power Group and Tokyo Gas Group (Mar. 15)</u>
<p>City gas</p>	<ul style="list-style-type: none"> • Total number of ENE-FARM residential fuel cells sold hits 80,000 (May 8) • Development of technology to improve the power generating efficiency of fuel cells : the first case of 65% equivalent efficiency with using a low output (5kW) fuel cell in the world (May 23) • 11 Companies Agree to Collaborate on Large-scale Construction of Hydrogen Stations : New Company to Be Considered for Supporting Strategic Construction and for Achieving Wider Use of FCVs and Independence of Hydrogen Station Business (May 19) • Application to alter registered particulars concerning gas retail business (May 29) • Offer of the service, "Total Energy Service Plan (Zuttomo) by Tokyo Gas Group in Tosai Gas and Higashinohon Gas supply areas (Jun. 27) • Discontinuation of feasibility study into the business of units 3 and 4 at Kawasaki Gas Power Plant (Jul. 14) • Establishment of Prominet Power Co., Ltd. (Aug. 1) • Total number of commercial ventilation alarms installed hits the half million mark (Aug. 9) • Basic agreement on wholesale distribution of natural gas signed with Horikawa Sangyo Co., Ltd.: supply to residents in Suzunomiya Harigaya commenced (Sept. 19) • Koga-Maoka trunk pipeline enters service (Oct. 18) • Number of electricity contracts hits one million (Oct. 17) • Receipt of IT Special Award (Disaster Recovery System “TG-DRESS” (Nov. 20) • Total number of ENE-FARM residential fuel cells sold hits 90,000 (Nov. 29) • 11 companies sign agreement to form a new company in spring 2018 for full-scale development of a hydrogen charging station network in Japan (Dec. 12) • Enhancement of our total energy service plan, “Always Plan” (Dec. 22) • <u>Launch of “Tokyo Gas Web Shop” e-commerce site: gas appliances and related parts go on sale online (Feb. 19)</u> • <u>Announcement for launching Tokyo Gas Pipe Network Co., Ltd. (Feb. 23)</u> • <u>Tokyo Gas signs basic agreement on Olympic Athlete Village District Energy Project (Feb. 28)</u> • <u>Japan H2 Mobility, LLC established by eleven companies to accelerate deployment of hydrogen stations in Japan (Mar. 5)</u>
<p>Electric power</p>	<ul style="list-style-type: none"> • 11 companies sign agreement to form a new company in spring 2018 for full-scale development of a hydrogen charging station network in Japan (Dec. 12) • Enhancement of our total energy service plan, “Always Plan” (Dec. 22) • <u>Launch of “Tokyo Gas Web Shop” e-commerce site: gas appliances and related parts go on sale online (Feb. 19)</u> • <u>Announcement for launching Tokyo Gas Pipe Network Co., Ltd. (Feb. 23)</u> • <u>Tokyo Gas signs basic agreement on Olympic Athlete Village District Energy Project (Feb. 28)</u> • <u>Japan H2 Mobility, LLC established by eleven companies to accelerate deployment of hydrogen stations in Japan (Mar. 5)</u>
<p>Liquid gas</p>	<ul style="list-style-type: none"> • Launch of pilot IoT project utilizing a low power wide area (LPWA) network to streamline LPG distribution (Jun. 5) ☆ • <u>Basic agreement signed to explore partnership on LPG refueling and distribution, etc. (Feb. 28) ☆</u>
<p>Living services</p>	<ul style="list-style-type: none"> • Launch of service to access information regarding home gas and electric appliances of customers by linking myTOKYOGAS and the smartphone app “TORISETSU” (Jul. 21) • “Predicting Heat Shock service” developed jointly by Japan Weather Association and Tokyo Gas launched on the tenki.jp online weather site (Oct. 2)

Dates of press releases are shown in parentheses. ☆ Press releases issued by Tokyo Gas Liquid Holdings. Press releases issued after the 2Q results were announced (Oct.27) are underlined.

Key Topics in FY2017-18 (Domestic / Overseas) (Excerpted from Press Releases up to 27th Apr.)

Engineering services	<ul style="list-style-type: none"> • Opening of offices in Kyushu and Nagano (Apr. 3)* • Jointly feasibility study of LNG terminal business at Sumitomo Chemical's Ehime Works (May 31)* • Launch of energy management service using Helionet Advance (Sept. 29) • Development of "Optopass" planning software to optimize energy facility operation and launch of consulting service (Sept. 29) • <u>Niihama LNG Co., Ltd. established (Apr. 2)*</u>
Urban development Services	<ul style="list-style-type: none"> • District developed by the tentatively named TGMM Shibaura Project to be called "msb Tamachi": mixed-use complex with direct access to JR Tamachi Station to be developed by Tokyo Gas, Mitsui Fudosan, and Mitsubishi Estate (May 16) • Commencement of work on Tamachi Station Tower N as part of the "msb Tamachi" development project (Aug. 23) • <u>Acquisition of interests in trust of Shiba Park Building (Mar.15)★</u>
Digital Innovations	<ul style="list-style-type: none"> • <u>Announcement for the investment in Digital Grid Corporation (Mar. 29)</u>
Finance and shareholder returns	<ul style="list-style-type: none"> • Announcement of issue of 42nd and 43rd domestic unsecured notes (Jun. 2) • Notification of resolution to acquire treasury shares (Apr. 28), notice of share buyback (May 23), notice of retirement of treasury stock (Jun. 29) • <u>Elected a Nadeshiko Brand for second year running (Mar. 22)</u>

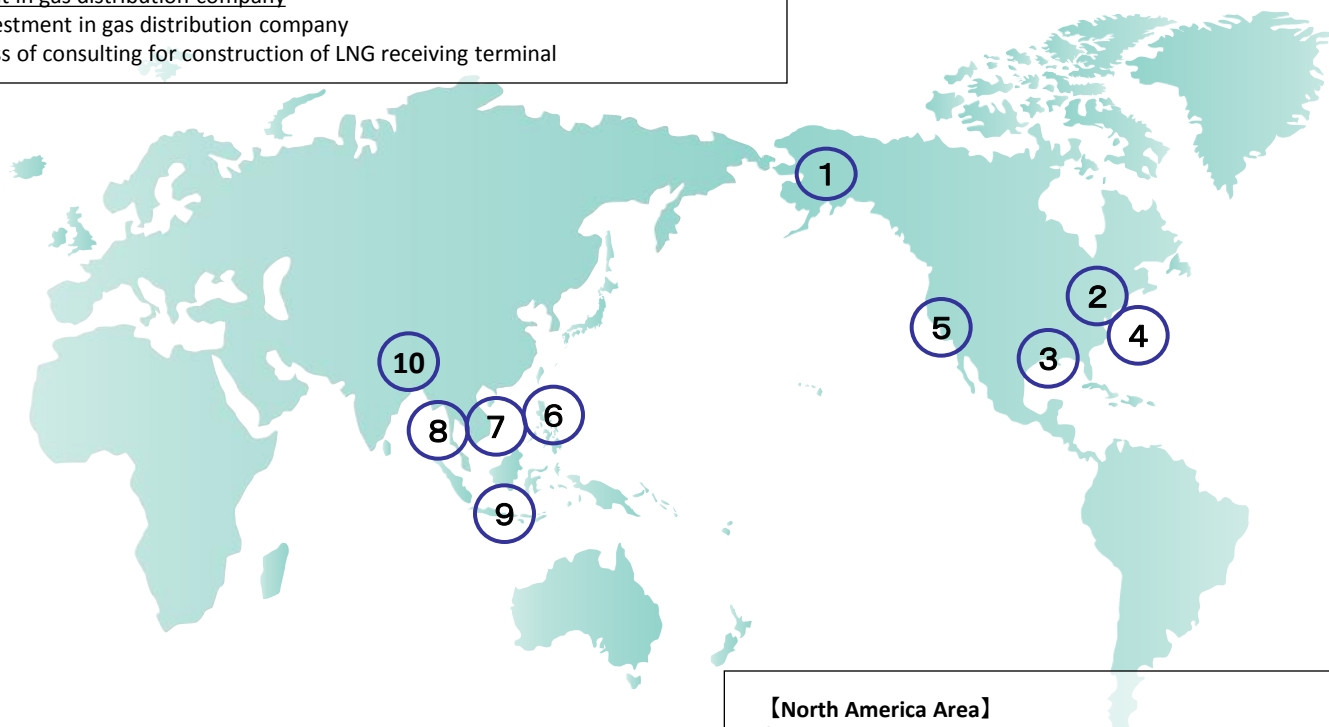
Overseas

City gas	<ul style="list-style-type: none"> • Execution of the Letter of Intent on the new LNG Project in Alaska –to commence the dialogue regarding the purchase of LNG and other businesses-(Dec. 5) • <u>Cove Point LNG Project in U.S. Starts commercial operation 3 firms have visited the LNG Plant in Lusby maryland (Apr.16)</u>
Overseas	<p>【North America】</p> <ul style="list-style-type: none"> • Participation in a natural gas-fired power plant in Pennsylvania (Apr. 18) • Investment in natural gas development project in East Texas, U.S.A. (May 8) <p>【Southeast Asia】</p> <ul style="list-style-type: none"> • Opening of Manila Office (Apr. 21) • Investment and Strategic Alliance in Vietnam Natural Gas Distribution Business(Jul. 31) • Joint investment in gas distribution company in Indonesia(Oct. 17) • Tokyo Gas Submits Letter of Intent to Department of Energy, the Philippines (Oct. 31) • <u>Investment in gas distribution company in Thailand (Feb. 1)</u>
Engineering services	<ul style="list-style-type: none"> • Business of consulting for construction of LNG receiving terminal in Bangladesh (Jul. 27) * • Receipt of PMC contract for construction of Thailand's Nong Fab LNG receiving terminal (Jan. 9) *
Digital Innovations	<ul style="list-style-type: none"> • Announcement for launching the two entities for new corporate innovation team, "Acario Investment One LLC" and "Acario Innovation LLC" (Dec. 18) • Investment in US energy technology venture fund "Activate Capital Partners" (Jan. 19) • <u>Announcement for the investment in WESTLY CAPITAL PARTNERS FUND III, L.P., the venture capital fund in US (Mar. 7)</u>

Dates of press releases are shown in parentheses. * Press releases issued by Tokyo Gas Engineering Solutions. ★ Press releases issued by Tokyo Gas Urban Development
 Press releases issued after the 3Q results were announced (Jan. 31) are underlined.

【Southeast Asia Area】

- ⑥ <Philippines>Opening of Manila Office
<Philippines>Tokyo Gas Submits Letter of Intent to Department of Energy
- ⑦ <Vietnam>Investment and Strategic Alliance in Vietnam Natural Gas Distribution Business
- ⑧ <Thailand> Receipt of PMC contract for construction of Nong Fab LNG receiving terminal
- ⑧ <Thailand> Investment in gas distribution company
- ⑨ <Indonesia> Joint investment in gas distribution company
- ⑩ <Bangladesh> Business of consulting for construction of LNG receiving terminal



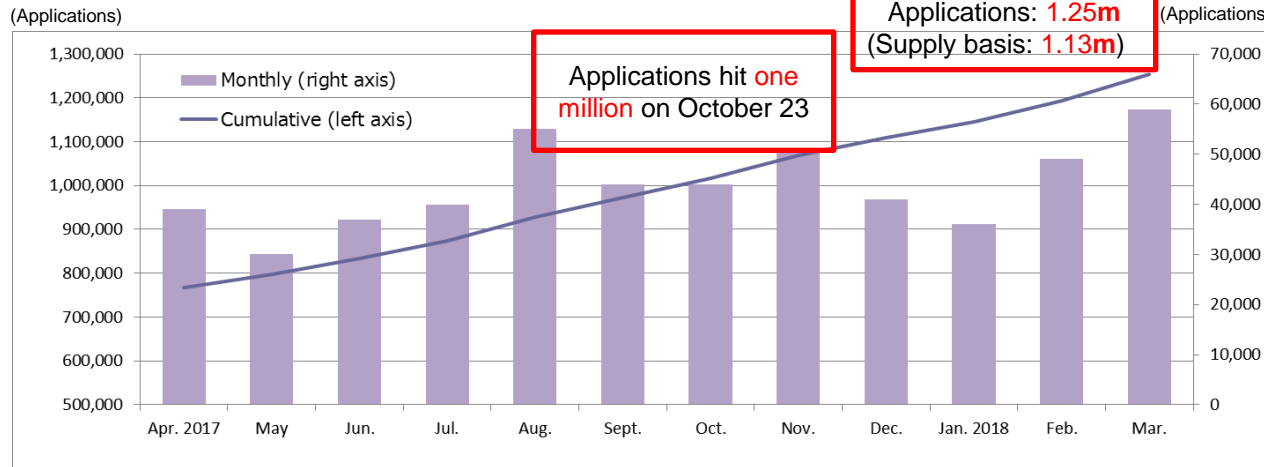
【North America Area】

- ① Execution of the Letter of Intent on the new LNG Project in Alaska
 - ② Participation in a natural gas-fired power plant (Pennsylvania, U.S.A.)
 - ③ Investment in natural gas development project (East Texas, U.S.A.)
 - ④ Cove Point LNG Project Starts commercial operation (Maryland, U.S.A.)
- (Silicon Valley)**
- ⑤ Launching the two entities for new corporate innovation team
 - ⑤ Investment in energy technology venture fund
 - ⑤ Investment in WESTLY CAPITAL PARTNERS FUND III, L.P., the venture capital fund

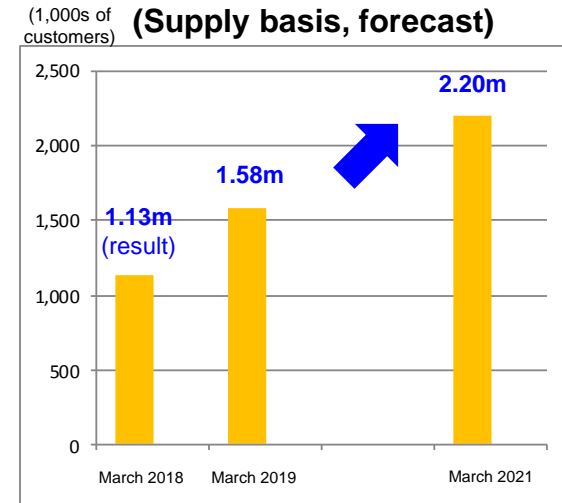
Growth in electricity retail contracts

- **Total of 1.25 million applications for retail supply received by end of March 2018.**
- Number continues to grow strongly (average of 47,000 per month) since hitting the million mark.

Electricity retail contracts won



Number of Customers (Supply basis, forecast)



Tokyo Gas's "Always Plan" (gas and electricity plus other services)

Value for money

Highly competitively price and service through package of gas and electricity.

Peace of mind

Helpful services guaranteeing peace of mind for residential and business customers.

Simplicity and convenience

Smartphone access to information on energy usage and useful everyday tips.

No. 1 for customer satisfaction in the Electricity Retail Category (FY2017)



Japanese Customer Service Index (JCSI) Survey

Growth in retail contracts gathers pace in 2018

"Always Electricity 1S" low user plan

(pre-launch applications accepted from January, service launched in April)

- 20,000 applications received by end of March.

New service "Electricity Fixture Troubleshooting Support"

(launched in April)

- Enhanced support in the event of power outages and other problems.

Expanded payment options for electricity-only customers

(launched in May)

- Payment by direct debit and credit card made possible.

TOPIC (2): GENERATING INNOVATION

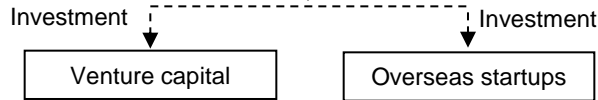
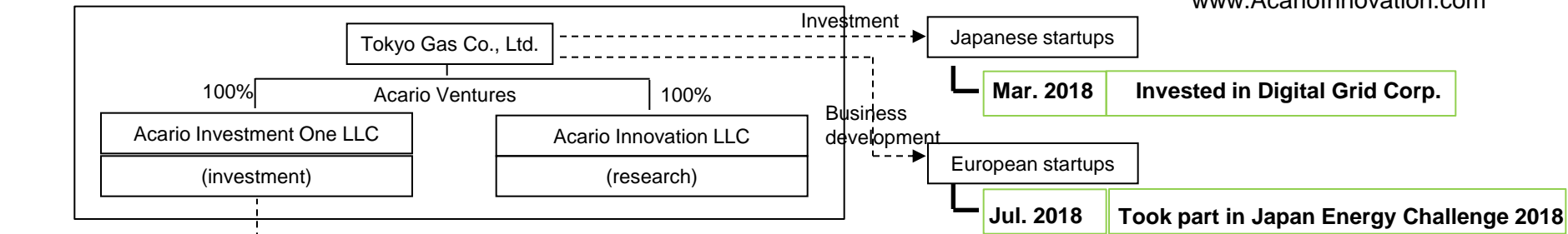
Promoting open innovation* through Acario Ventures

- Headquartered in Silicon Valley, Acario Ventures was launched by Tokyo Gas in December 2017 to provide a means of assimilating innovative technologies and business models from around the world.
- We will continue to create value that contributes to customers and society by generating innovation using open innovation as one of our tools.



535 Middlefield Rd, Menlo Park, CA
www.AcarioInnovation.com

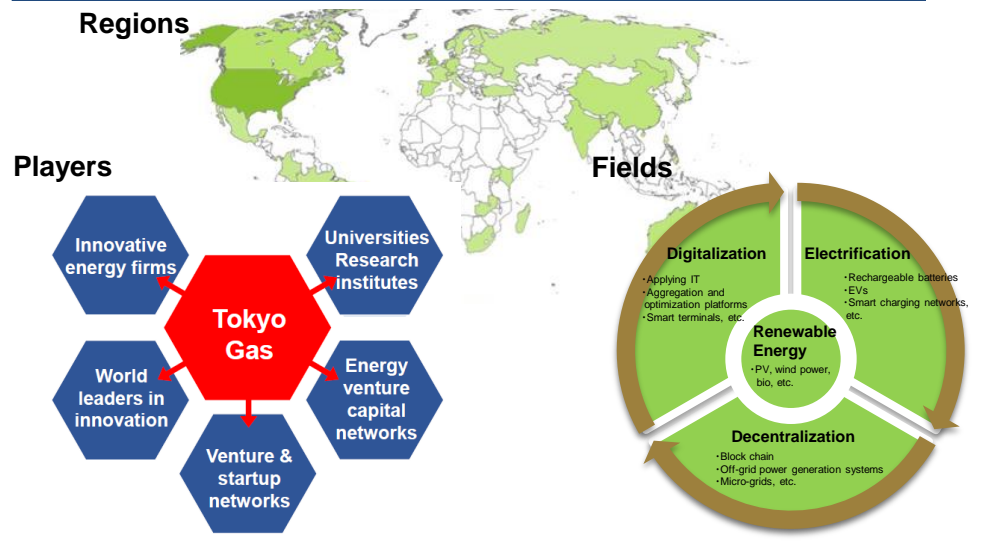
Organization of Acario Ventures (launched December 2017)



Jan. 2018	Signed investment agreement with Activate Capital Partners
Feb. 2018	Signed strategic partnership agreement with EnerTech Capital
Mar. 2018	Signed investment agreement with Westly Capital Partners Fund III

* Open innovation:
The solicitation and aggregation of new technologies and ideas from outside sources to develop innovative products, services, and business models.

Expansion of open innovation to explore advanced technologies





< 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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