

July 27, 2018
Tokyo Gas Co., Ltd.

Main Q&As of the
Earnings Announcement for 1Q FY2018 Ended June 2018

Q1: What is the reason for not changing the full-year forecast?

A1: Prior to the full deregulation of gas retail sales, the major revenue fluctuation factors were limited to temperatures and the economic framework. However, the fluctuation factors have increased since the deregulation, such as a decrease in existing demand. Under such an environment, we believe that it will become more important to make earnings forecasts based on comprehensive judgment that includes future fluctuation possibilities and not only some of the fluctuation factors of performance. Although there were fluctuations in the first quarter's actual performance due to temperatures and the economic framework, we decided not to change our full-year forecast based on our judgment that we can expect profits as initially projected for the full year.

Q2: Was the acquisition of retail electricity customers steady in Q1? How do you evaluate the decrease in gas customers?

A2: I believe that we have been able to increase the number of retail electricity customers. We believe that the decrease in the number of gas customers is within the expected range, but we will keep a close eye on future developments.

Q3: What is the reason for the year-on-year decline in city gas sales volume in Q1?

A3: It was due to reduced usage by power generation customers and a decrease in demand for hot water by residential and industrial customers, etc. due to the high temperatures in April.

Q4: What is the reason for the year-on-year decline in electricity sales volume in Q1?

A4: It was mainly in response to the decrease in proprietary power generation due to periodic inspections of proprietary power sources.