

Reference Materials (FY2018 1Q)

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Results

<Consolidated>Financial Results (FY2018 vs. FY2017)

100 million yen

	FY18 1Q	FY17 1Q	Change		Reference
Net sales	4,014	4,041	-27	-0.7%	Gas -131, Electric power +79, Energy-related +66 (Engineering solution +53, Gas appliances +21) , Others +28, Real estate +6, Overseas +4
Operating profit	232	346	-114	-32.9%	Gas -120, Electric power -7, Overseas +29, Energy-related +16, Others +1,
Ordinary profit	240	358	-118	-33.0%	Foreign exchange profit -12 (-8 ← 4), Dividend income -4 (17 ← 21), Gain on sales of investment securities +14 (14 ← 0), Interest expenses +2 (26 ← 28)
Profit attributable to owners of parent	377	278	99	35.4%	Gain on sales of non-current assets +259 (291 ← 32)
Total assets(*1·7)	23,480	23,343	137	0.6%	Other current assets +258, Raw materials and supplies +253, Notes and accounts receivable -275
Equity(*1)	11,249	11,360	-111	-1.0%	Acquisition of treasury stock -199, Accumulated other comprehensive profit -161, Dividends -125, Net profit +377
Equity ratio(*1) (%)	47.9%	48.7%	-0.8	-	Went down because total assets increased (+0.6%) while equity decreased (-1.0%)
Total assets turnover(*2) (times)	0.17	0.18	-0.01	-	
Interest-bearing debt(*1)	8,251	7,249	1,002	13.8%	Tokyo Gas +1,004, TG Pluto -8
Profit attributable to owners of parent	377	278	99	35.4%	
Depreciation(*3·4)	392	395	-3	-0.8%	
Operating cash flow(*5)	769	674	95	14.1%	
Capital expenditure(*3)	601	289	312	108.0%	Consolidated subsidiaries +34 (TG Site Development, Ohgishima Power, TGES, etc.)
EPS(*6) (¥/share)	83.25	60.88	22.37	36.7%	Went up due to an increase in profit attributable to owners of parent (+99)
BPS(*1·6) (¥/share)	2,500.05	2,487.58	12.47	0.5%	

(*1) Figures in B/S items for FY17 are the figures as of the end of FY17 (end of March 2018)

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

(*7) The total amount of assets and debt as of the end of the previous period (end of March 2018) decreased by ¥405 million as the Partial Amendments to Accounting Standard for Tax Effect Accounting(ASBJ Statement No. 28, February 16, 2018) was introduced in the 1st quarter of this fiscal year.

<Consolidated>

Breakdown of Segment【Gas/Energy-related/Other Segments】 (FY2018 vs. FY2017)

Breakdown of Segments

100 million yen

Results		Net sales				Operating profit			
		FY18 1Q	FY17 1Q	Change		FY18 1Q	FY17 1Q	Change	
Gas Segment	Liquefied petroleum gas	67	70	-3	-4.6%	0	1	-1	-13.70%
	Industrial gas	52	45	7	17.0%	2	2	0	-5.0%
	LNG sales	306	215	91	41.8%	0	-1	1	-
Energy-related Segment	Engineering solution	293	240	53	21.7%	5	0	5	-
	Gas appliances	269	248	21	8.3%	16	14	2	17.9%
	Gas pipe Installation work	85	78	7	9.3%	0	-1	1	-
	Construction etc.	148	137	11	8.2%	2	-1	3	-
	Credit	18	21	-3	-12.2%	1	1	0	7.1%
Other Segment	IT services	79	68	11	16.4%	-1	-1	0	-
	Shipping	70	43	27	60.7%	0	1	-1	-63.3%

(Major change factors)

- LNG sales : Increase in sales and profit due to commencement LNG sales by TG PLUS.
- Engineering solution : Increase in sales and profit due to increase in orders received for LNG plants etc.
- Gas appliances : Increase in sales due to increase in number of sales of commercial air-conditioning appliances etc.
- Shipping : Increase in sales due to improvement of operating rates, Decrease in profit due to increase in costs for ship renting

<Consolidated>Main Consolidated Subsidiaries (FY2018 vs. FY2017)

100 million yen

		Net sales			Operating profit			Reference
		FY18 1Q	FY17 1Q	Change	FY18 1Q	FY17 1Q	Change	
Consolidated		4,014	4,041	-27	232	346	-114	
Gas etc.(*1)	Tokyo Gas Co.,Ltd.	3,576	3,611	-35	144	279	-135	
Electric Power seg.	Nijio Co.,Ltd	255	259	-4	2	4	-2	Decrease in sales and profit due to decrease in sales volume.
Overseas seg.	TG Australia Group (*2)	108	102	6	35	18	17	(TG Pluto) Increase in sales and profit due to increase in unit sales prices and sales volume.
Energy-related seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	294	240	54	7	0	7	Increase in sales and profit due to increase in orders received for LNG plants etc.
Real Estate seg.	Tokyo Gas Urban Development Co.,Ltd.	61	59	2	19	18	1	Increase in sales and profit due to increase in rent income
Others	Tokyo LNG Tanker Co., Ltd.	55	43	12	0	1	-1	Increase in sales due to improvement of operating rates Decrease in profit due to increase in costs for ship renting
Other		750	660	90	45	32	13	(TG PLUS) Increase in sales due to the commencement LNG sales (Capt) Increase in sales and profit due to increase in work related to commercial air-conditioning appliances
Consolidated subsidiaries total		1,525	1,366	159	111	74	37	

(*1) In addition to "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 (FY2018 vs. FY2017)

100 million yen

	FY18 1Q	FY17 1Q	Change	
Net Sales	3,576	3,611	-35	-1.0%
Operating profit	144	279	-135	-48.2%
Ordinary Profit	190	307	-117	-38.0%
Net profit	148	248	-100	-40.3%

Impact of Sliding Time Lag

100 million yen

	FY18 1Q	FY17 1Q	Change
Revenue from sliding system	-130	-318	188
Increase in gas cost	-19	-207	188
Change	-111	-111	0

*Change from standard average resource cost

Economic Frame

	FY18 1Q	FY17 1Q	Change
JCC \$/bbl	70.53	53.34	17.19
Ex. rate ¥/\$	109.10	111.09	-1.99

	FY18 1Q	FY17 1Q	Change		
Gas Business Sales	2,484	2,645	-161	-6.1%	Volume/composition, etc. -349, Unit prices +188
Raw materials and supplies	1,328	1,379	-51	-3.7%	Volume/composition -239, Unit prices +188 (Foreign exchange -20, Oil price +199, etc.)
(Gross profit)	(1,155)	(1,266)	(-111)	(-8.7%)	Volume/composition, etc. -110, Unit prices ±0
Personnel expenses	197	182	15	8.4%	Reserve for retirement allowance +29 (Expenses from actuarial differences +30), Salaries -8, Bonuses -4, etc.
General expenses	595	589	6	1.1%	
Repair costs	75	78	-3	-4.2%	
Others	520	510	10	1.9%	Consignment costs +10, Taxes +4, Removal costs -4, etc.
Depreciation	287	286	1	0.3%	Increased depreciation as a result of acquisition of new facilities, etc.
LNG regasification	-9	-9	0	-	
Operating costs	2,400	2,429	-29	-1.2%	
Installation work	1	-1	2	-	Increase in the number of new installations, etc.
Others	48	43	5	11.4%	Increase in income from appliance sales, etc.
Miscellaneous operating profit	49	41	8	17.4%	
Expenses for incidental businesses	11	22	-11	-45.6%	Electricity sales -10, etc.
Operating profit	144	279	-135	-48.2%	
Non operating profit	45	27	18	65.3%	Increase in gain on sales of affiliates' securities etc.
Ordinary profit	190	307	-117	-38.0%	
Extraordinary income	0	32	-32	-	FY2017:Gain on sales of non-current assets 32
Extraordinary loss	0	0	0	-	
Taxes	43	91	-48	-52.5%	
Net profit	148	248	-100	-40.3%	

100 million yen

<Non-consolidated>

Breakdown of Gas Business Sales & Gross Profit Analysis (FY2018 vs. FY2017)

Breakdown of Gas Business Sales

100 million yen

	FY18 1Q Results	FY17 1Q Results	Change		100 million yen		Mil. m3
					100 million yen	Mil. m3	
Residential	1,097	1,148	-51	-4.5%	Volume, etc.	-99	-82
					Temp. effect	-67	-63
					Sliding	48	-
					Other differences	0	-
Others (Commercial • Industrial • Wholesale)	1,387	1,497	-110	-7.3%	Volume, etc.	-250	-481
					Temp. effect	-9	-18
					Sliding	140	-
					Other differences	0	-
Total	2,484	2,645	-161	-6.1%	Volume, etc.	-349	-563
					Temp. effect	-76	-81
					Sliding	188	-
					Other differences	0	-

Gross Profit Analysis

100 million yen

	Volume, etc.		Unit price		Total
	Temp. effect	-76	Sliding	188	-161
		Other	0		
			188		
	-349				
Gas Business Sales	Temp. effect	-38	Sliding	188	-51
			Other	0	
				188	
				-239	
Raw materials and supplies	Temp. effect	-38	Sliding	0	-110
			Other	0	
				0	
				-110	
Gross profit	Temp. effect	-38	Sliding	0	-110
			Other	0	
				0	
				-110	

<Consolidated/Non-consolidated>

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

Breakdown of Operating Cash Flows

Actual Results (FY2018 vs. FY2017)

100 million yen

Consolidated	FY18 1Q	FY17 1Q	Change	
Profit attributable to owners of parent (A)	377	278	99	35.4%
Depreciation* (B)	392	395	-3	-0.8%
Operating cash flows (A)+(B)	769	674	95	14.1%

Actual Results (FY2018 vs. FY2017)

100 million yen

Non-Consolidated	FY18 1Q	FY17 1Q	Change	
Net profit (A)	148	248	-100	-40.3%
Depreciation* (B)	303	302	1	0.3%
Operating cash flows (A)+(B)	452	550	-98	-18.0%

* Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capital Expenditure

Actual Results (FY2018 vs. FY2017)

100 million yen

	FY18 1Q	FY17 1Q	Change	
Production facilities	35	8	27	301.6%
Distribution facilities	183	179	4	2.1%
Service and maintenance facilities etc.	292	44	248	550.2%
Tokyo Gas Total	511	233	278	119.2%
Capital expenditure at consolidated subsidiaries	90	56	34	61.0%
Adjustment	0	0	0	-
Total	601	289	312	108.0%

Production facilities : Hitachi LNG receiving terminal-related, etc. +27
 Distribution facilities : Security-related +4
 Service and maintenance facilities etc. : Real estate, etc. +248
 Consolidated subsidiaries : Increases at Tokyo Gas Site Development, Ohgishima Power, etc.

Investments and Financing

Actual Results (FY2018 vs. FY2017)

100 million yen

	FY18 1Q	FY17 1Q	Change	
Investment & financing	82	188	-106	-56.2%
Collections	9	7	2	27.5%
After offset	73	181	-108	-59.6%

Forecasts

**No change in forecasts compared with the previous announcement
(Earnings Announcement for FY 2017 ended March 2018)**

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

No change in forecasts compared with the previous announcement

Economic Frame

<Consolidated/Non-consolidated>

	Results	FY18 Forecast
	1Q	Full-year
JCC \$/bbl	70.53	65.00
Ex. rate ¥/\$	109.10	110.00
	FY18 Initial Plan	
	1Q	Full-year
JCC \$/bbl	65.00	65.00
Ex. rate ¥/\$	110.00	110.00
	Change	
	1Q	Full-year
JCC \$/bbl	5.53	0.00
Ex. rate ¥/\$	-0.90	0.00

Gross Profit Sensitivity to Changes in Oil Price<Non-consolidated>

Gross Profit Sensitivity to Changes in Oil Price

100 million yen

	2Q	3Q	4Q	Full-year
Net sales	23	9	0	32
Gas resource cost	23	19	3	45
Gross profit	0	-10	-3	-13

*Impact on JCC increase by \$1

Gross Profit Sensitivity to Changes in EX Rate

100 million yen

	2Q	3Q	4Q	Full-year
Net sales	16	15	4	35
Gas resource cost	14	15	14	43
Gross profit	2	0	-10	-8

* Impact on a one-yen depreciation

<Consolidated>Financial Results (FY2018 Forecast vs. FY2017 Results)

No change in forecasts compared with the previous announcement

100 million yen

	FY18	FY17	Change		Reference
Net sales	19,540	17,773	1,767	9.9%	Gas +955, Electric power +497, Energy-related +227, etc.
Operating profit	930	1,163	-233	-20.0%	Gas -162, Energy-related -60, Electric power +26, etc.
Ordinary profit	930	1,115	-185	-16.6%	Overseas equity income, Gain on sale of affiliates' securities, etc.
Profit attributable to owners of parent	880	749	131	17.4%	Gain on sales of non-current assets, etc.
Total assets(*8)	24,660	23,343	1,317	5.6%	
Equity	11,710	11,360	350	3.1%	
Equity ratio (%)	47.5%	48.7%	-1.2%	-	
Total assets turnover(*1) (times)	0.81	0.78	0.03	-	
ROA(*1) (%)	3.7%	3.3%	0.4%	-	
ROE(*1) (%)	7.6%	6.7%	0.9%	-	
Interest-bearing debt	8,320	7,249	1,071	14.8%	
D/E ratio	0.71	0.64	0.07	-	
Profit attributable to owners of parent	880	749	131	17.4%	
Depreciation(*2·3)	1,670	1,653	17	1.0%	
Operating cash flow(*4)	2,550	2,403	147	6.1%	
Capital expenditure(*2)	2,620	2,087	533	25.5%	
TEP	94	244	-150	-	
(WACC)	3.1%	3.1%	0.0%	-	
EPS(*5) (¥/share)	195.24	164.12	31.12	19.0%	
BPS(*5) (¥/share)	2,602.46	2,487.58	114.90	4.6%	
Total payout ratio(*6)	(*7) -	60.2	-	-	

(*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

(*8) The total amount of assets and debt as of the end of the previous period (end of March 2018) decreased by ¥405 million as the Partial Amendments to Accounting Standard for Tax Effect Accounting(ASBJ Statement No. 28, February 16, 2018) was introduced in the 1st quarter of this fiscal year.

(*9) TEP in forecasts has been recalculated based upon average Market Capitalization in each period.

EPS, and BPS in forecasts have been recalculated based upon the number of stocks after the acquisition of treasury stocks.

<Non-consolidated> Financial Forecast (FY2018 Forecast vs. FY2017 Results)

No change in forecasts compared with the previous announcement

100 million yen

	FY18 Forecast	FY17	Change	
Net Sales	17,470	15,988	1,482	9.3%
Operating profit	640	824	-184	-22.4%
Ordinary Profit	660	958	-298	-31.2%
Net profit	490	759	-269	-35.4%

Impact of Sliding Time Lag

100 million yen

	FY18 Forecast	FY17	Change
Revenue from sliding system	-250	-1,147	897
Increase in gas cost	-141	-944	803
Change	-109	-203	94

*Change from standard average resource cost

Economic Frame

	FY18 Forecast	FY17	Change
JCC \$/bbl	65.00	57.03	7.97
Ex. rate ¥/\$	110.00	110.85	-0.85

	FY18 Forecast	FY17	Change	
Gas Business Sales	11,990	11,184	806	7.2%
Raw materials and supplies	6,936	6,144	792	12.9%
(Gross profit)	(5,054)	(5,040)	(14)	(0.3%)
Personnel expenses	814	748	66	8.7%
General expenses	2,640	2,568	72	2.8%
Repair costs	369	366	3	0.8%
Others	2,271	2,202	69	3.1%
Depreciation	1,242	1,205	37	3.0%
LNG regasification	-33	-39	6	-
Operating costs	11,599	10,627	972	9.1%
Installation work	7	11	-4	-39.9%
Others	127	173	-46	-24.8%
Miscellaneous operating profit	134	184	-50	-27.5%
Expenses for incidental businesses	115	83	32	37.8%
Operating profit	640	824	-184	-22.4%
Non operating profit	20	134	-114	-85.1%
Ordinary profit	660	958	-298	-31.2%
Extraordinary income	0	61	-61	-
Extraordinary loss	0	24	-24	-
Taxes	170	237	-67	-28.4%
Net profit	490	759	-269	-35.4%

100 million yen

Volume/composition, etc.-91, Unit prices +897
Volume/composition -11, Unit prices +803
Volume/composition, etc. -80, Unit prices +94
Expenses from actuarial differences +123, Changes in accounts reflecting the transfer of operations (Personnel expenses → General expenses) -30, Decrease in the number of personnel, etc.
Changes in accounts reflecting the transfer of operations (Personnel expenses → General expenses) +30, Increased enterprise tax due to increased net sales +10, Measures to cope with the liberalization of gas business, etc.
Increased depreciation as a result of acquisition of new facilities, etc.
Changes in accounts reflecting the transfer of operations to an affiliate (Personnel expenses -30, General expenses +30)
Decreased appliance profit, etc.
LNG sales +21, Electricity sales +19, etc.
Dividends received from affiliates -138, etc.
Gain on sales of non-current assets -32, Gain on sales of investment securities -29
Impairment loss -24

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis(FY2018 Forecast vs. FY2017 Results)

No change in forecasts compared with the previous announcement

Breakdown of Gas Sales

100 million yen

	FY18 Forecast	FY17	Change	
Residential	4,809	4,759	50	1.1%
Others (Commercial・Industrial・Wholesale)	7,181	6,425	756	11.8%
Total	11,990	11,184	806	7.2%

Gross Profit Analysis

100 million yen

	Volume, etc.		Unit price		Total
Gas sales	Temp. effect	-69	Sliding	897	806
			Other	0	
		-91		897	
Raw materials and supplies	Temp. effect	-30	Sliding	803	792
			Other	0	
		-11		803	
Gross profit	Temp. effect	-39	Sliding	94	14
			Other	0	
		-80		94	

<Consolidated/Non-consolidated>
Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing

No change in forecasts compared with the previous announcement

Breakdown of Operating Cash Flows
[FY2018 Forecast vs. FY2017 Results]

(Consolidated) 100 million yen

	FY18 Forecast	FY17	Change	
Profit attributable to owners of parent (A)	880	749	131	17.4%
Depreciation* (B)	1,670	1,653	17	1.0%
Operating cash flows (A)+(B)	2,550	2,403	147	6.1%

(Non-consolidated) 100 million yen

	FY18 Forecast	FY17	Change	
Profit attributable to owners of parent (A)	490	759	-269	-35.4%
Depreciation* (B)	1,310	1,268	42	3.3%
Operating cash flows (A)+(B)	1,800	2,027	-227	-11.2%

*Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capital Expenditure
[FY2018 Forecast vs. FY2017 Results]

100 million yen

	FY18 Forecast	FY17	Change	
Production facilities	219	169	50	29.3%
Distribution facilities	1,025	907	118	13.0%
Service and maintenance facilities etc.	744	576	168	29.1%
Tokyo Gas Total	1,990	1,654	336	20.3%
Capital expenditure at consolidated subsidiaries	685	463	222	48.0%
Adjustment	-55	-30	-25	-
Total	2,620	2,087	533	25.5%

Production facilities : Hitachi LNG receiving terminal-related, other production facilities, etc. +50

Distribution facilities : Security-related, Marketing costs-related, etc. +118

Service and maintenance facilities etc. : IT, Real estate, Other service and maintenance facilities, etc. +168

Consolidated subsidiaries : Real estate, Overseas, etc. +222

Investments and Financing

[FY2018 Forecast vs. FY2017 Results] 100 million yen

	FY18 Forecast	FY17	Change	
Investment & financing	817	526	291	55.3%
Collections	82	55	27	50.1%
After offset	734	470	264	55.9%

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.