April 26, 2019
Tokyo Gas Co., Ltd.

Main Q&As
Results Presentation for FY2018 ended March 31, 2019

Q1: The number of city gas customers switching to other companies is increasing. Cumulatively, in combination with electricity sales to retail customers, Tokyo Gas has been maintaining positive results thus far. However, what is your recognition of these trends?

A1: The competitive environment for the gas business in the Kanto area is becoming more intense due in part to campaigns by rival companies and the arrival of new market entrants. It is our recognition that we are reaping benefits from our own campaigns to counter the above. Competitive environment is also heating up in the field for volume large-scale customers. In some cases, companies migrated to different companies but eventually returned to Tokyo Gas. We plan to continue to promote the total benefits of gas, electricity and services to survive this intense competition.

Q2: The number of customers in the electricity segment appears to be increasing smoothly. However, despite the expected rise in electricity sales volume owing to the operation of the Moka Power Station, as a proprietary power source, in FY2019, the forecast increase in profit in the electricity segment is relatively minor. Can you explain the reason for this?

A2: After the second half of FY2019, we plan to launch full-fledged operations in stages at the 2 power generators at the Moka Power Station. A portion of expenses being incurred during the trial period is hindering profit growth.

Q3: Tokyo Gas announced a dividend hike. Does the company plan to revise how it views shareholder returns given the change in the business environment—full deregulation of city gas and the electric power retail markets.

A3: Three years has passed since our previous dividend hike. We plan to payout an annual dividend per share of ¥60, a rise of ¥5 from our previous year-end dividend, owing to progress in establishing a business environment for further growth in the future, and given rising expectations for a dividend hike among shareholders and investors. Up to FY2020, we plan to stick with our policy for a total payout ratio to shareholders of 60%. In and after FY2020, we plan to examine the establishment of a vision that will focus on 2030.