

**FY2019 1Q Financial Results
ended June, 2019**



July 29, 2019

1. FY2019 Consolidated Financial Results

ended June, 2019



FY2019 1Q Consolidated Results (Apr. 1, 2019 – Jun. 30, 2019) <vs. FY2018 1Q>



Highlights: Sales Up, Profit Down

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

Net sales	+65.8	+	Gas	(+52.3: Increase in city gas unit price due to resource cost adjustment +24.1, increase in city gas sales volume +12.3, third-party access revenue +3.2, LNG sales +12.4, etc.)
		+	Electric power	(+19.0: Increase in sales volume due to increase in retail customers, etc.)
Operating expenses	-45.0	-	Gas	(-30.0: Increase in city gas sales volume -10.0, increase in unit price of city gas arising from economic framework assumptions -7.5, LNG sales -9.9, etc.)
		-	Electric Power	(-19.3: Increase in expenses due to increase in sales volume, increase in fixed costs, etc.)
Operating profit	+20.8	+	Gas	(+22.2: Change in unit price +16.6, change in sales volume +2.3, third-party access revenue +3.2, etc.)
Extraordinary profit/loss	-29.1	+	FY2019 1Q 0 FY2018 1Q 29.1: Gain on sale of non-current assets 29.1	

(Unit: billion yen)

				FY2019 1Q	FY2018 1Q	Change	%
City gas sales volume (million m ³ , 45MJ)				3,372	3,145	+227	+7.2%
Electricity sales volume (million kWh)				3,865	3,257	+608	+18.7%
(Breakdown)	Retail (million kWh, receiving end)			1,644	1,136	+508	+44.7%
	Wholesale, etc. (million kWh)			2,221	2,120	+101	+4.8%
Net sales				467.2	401.4	+65.8	+16.4%
Operating expenses				423.1	378.1	+45.0	+11.9%
Operating profit				44.0	23.2	+20.8	+89.1%
Segment profit (operating profit + equity income of subsidiaries)				45.7	23.7	+22.0	+92.8%
Ordinary profit ⁽¹⁾				48.3	24.0	+24.3	+101.4%
Extraordinary profit/loss				0.0	29.1	-29.1	—
Profit attributable to owners of parent				34.9	37.7	-2.8	-7.4%
(Adjustment items)	Temperature effect ⁽²⁾			-0.7	-4.9	+4.2	—
	Sliding time lag effect ⁽³⁾ (city gas + LNG sales)			+6.7 (+5.5 + +1.2)	-12.2 (-11.1 + -1.1)	+18.9 (+16.6 + +2.3)	—
	Amortization of actuarial differences ⁽⁴⁾			-1.9	-1.1	-0.8	—
Adjusted ordinary profit ^{(1)-(2)+(3)+ (4)}				44.2	42.2	+2.0	+4.6%
Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp (°C)				
FY2019 1Q	109.90 (+0.80)	71.48 (+0.83)	16.7 (-1.2)				
FY2018 1Q	109.10	70.65	17.9				
				Pension assets	Investment yield (costs deducted)	Year-end assets (billion yen)	
				FY2019 1Q	1.23%	268.0	

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

Expected annual rate of return: 2%

FY2019 1Q Consolidated Gas Sales Volume/ Number of Customers <vs. FY2018 1Q>

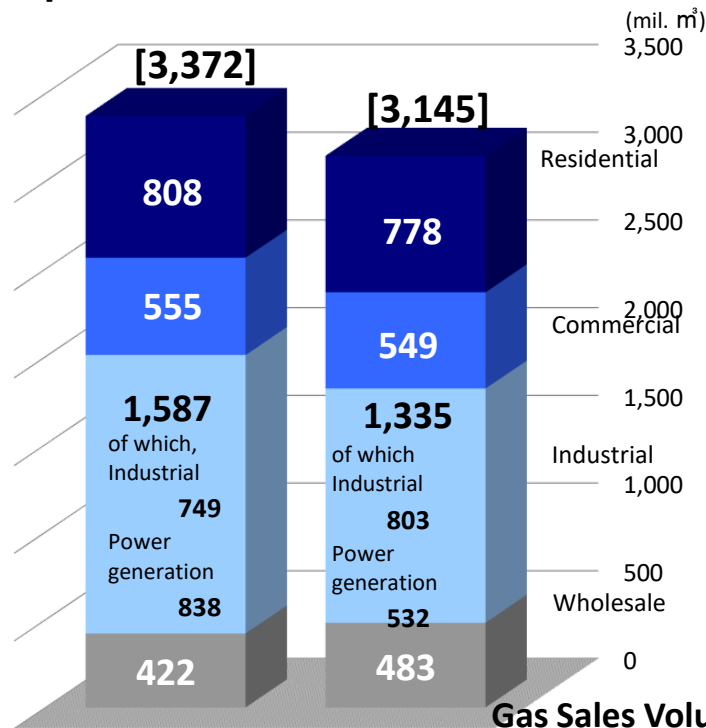
City Gas sales volume :

*Each value is rounded.

+227mil.m³ (+7.2%)

[including temperature effect +74mil.m³, +2.3%]

Residential +30mil.m ³ (+3.8%)	
● Temperature effect	+59 mil.m ³
● Number of days	+4 mil.m ³
● Number of customers	-45 mil.m ³
● Others	+12 mil.m ³
Commercial +6mil.m ³ (+1.1%)	
● Temperature effect	+10 mil.m ³
● Number of days	+3 mil.m ³
● Number of customers	-14 mil.m ³
● Others	+7 mil.m ³
Industrial +252mil.m ³ (+18.9%)	
● Industrial	-54 mil.m ³
● Power generation	+306 mil.m ³
Wholesale - 61mil.m ³ (-12.6%)	
● Temperature effect	+5 mil.m ³
● Others	-66 mil.m ³
Decrease in wholesale demand, etc.	



Gas Sales Volume (Vision Basis) (Unit : million ton)

FY2019 1Q results FY2018 1Q results

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

	FY2019 1Q Results	FY2018 1Q Results	Change
Number of customers for city gas retail sales (10 thousands) *1	960.7	1,018.9	-58.2 (-5.7%)
Number of customers(meters) (10 thousands, meter) *2	1,183.8	1,170.2	+13.6 (+1.2%)
LNG sales volume (thousands t)	303	225	+78 (+34.5%)
Average temperature (°C)	16.7	17.9	-1.2

	FY2019 1Q Results	FY2018 1Q Results	Change
City gas sales volume (financial accounting basis)	3,372	3,145	+227 (+7.2%)
Gas volume used in-house under tolling arrangement	366	424	-58 (-13.9%)
LNG sales volume (m ³ basis)	379	282	+97 (+34.5%)
Total	4,116	3,851	+265 (+6.9%)

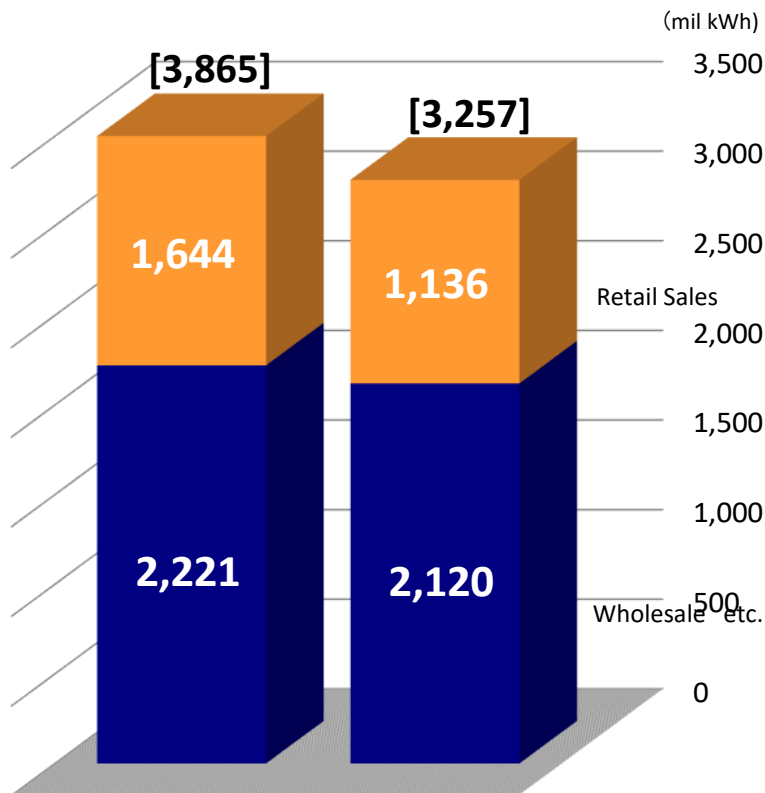
*1. Number of billed customers for city gas retail sales *2. Including inactive meters and meters for gas supply from other retail companies

FY2019 1Q Consolidated Electricity Sales Volume/ Number of Customers <vs. FY2018 1Q>

Electricity sales volume:

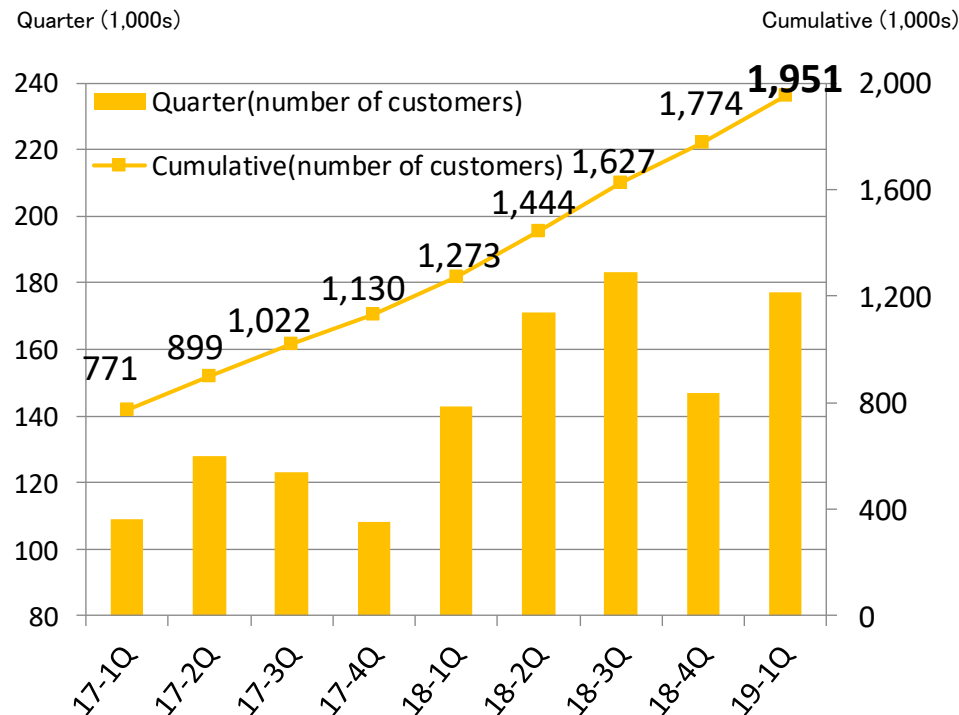
+608mil. kWh (+ 18.7%)

■ **Retailing** + 508 mil. kWh(+44.7%)
■ **Wholesale etc.** + 101 mil. kWh(+4.8%)



FY2019 1Q Results FY2018 1Q Results

New electricity retail customers won by Tokyo Gas



"Sales Campaign"

FY2019 Summer; From Jun. 17 to Oct. 08, 2019

FY2018 Winter; From Dec. 26, 2018 to Apr. 10, 2019

Autumn; From Oct. 22 to Dec. 17, 2018

Summer; From Jul. 13 to Sep. 26, 2018

FY2019 1Q Results : Sales and Operating Profit/Loss by Business Segments <vs. FY2018 1Q >

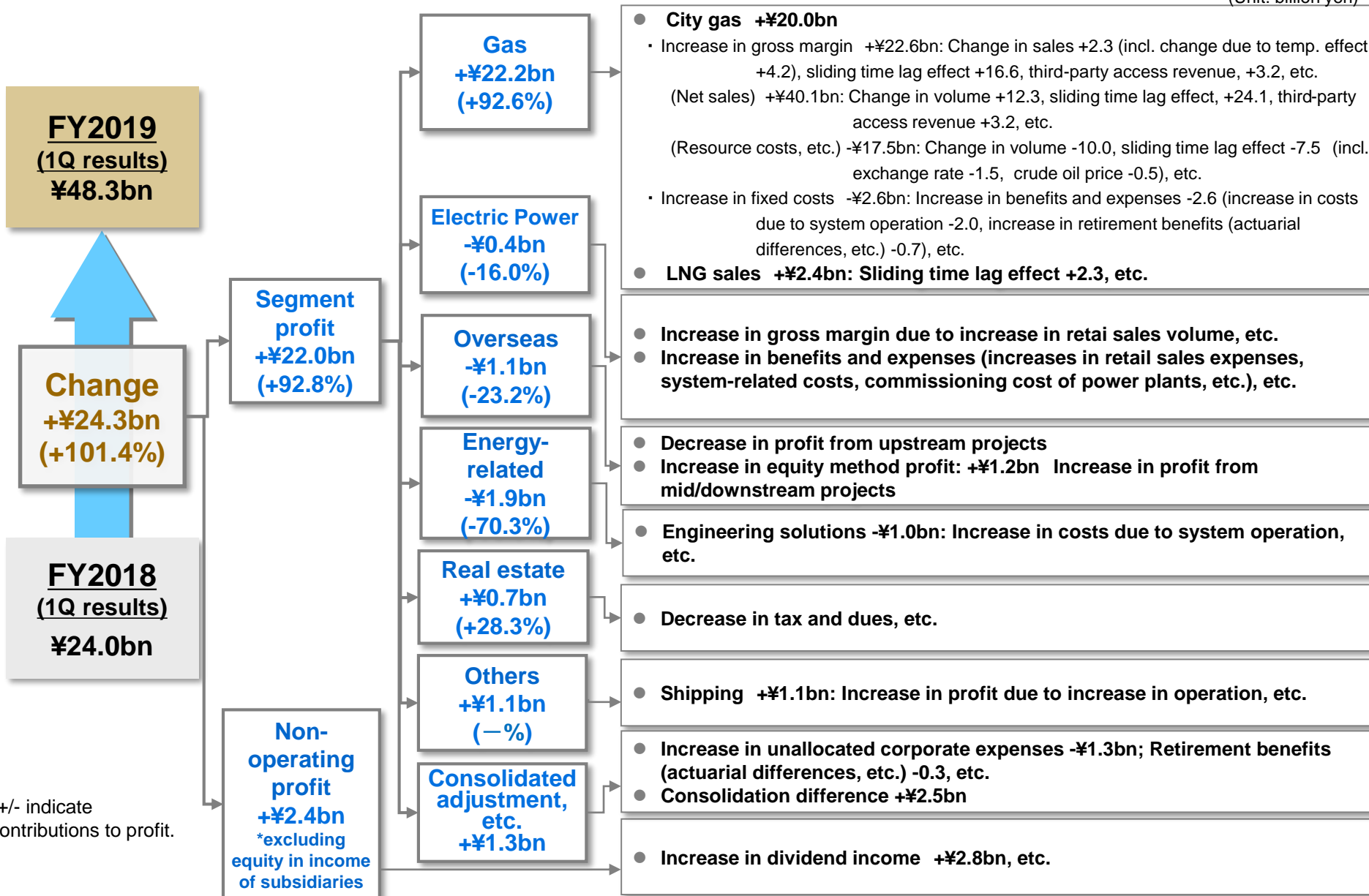
 TOKYO GAS
(unit : billion yen)

	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 1Q Results	FY2018 1Q Results	Change	%	FY2019 1Q Results	FY2018 1Q Results	Change	%
Gas	343.0	290.7	52.3	18.0	46.2	24.0	22.2	92.6
(City gas)	296.1	256.0	40.1	15.7	43.5	23.5	20.0	85.0
(LNG sales)	36.2	23.8	12.4	51.9	2.4	0.0	2.4	—
Electric Power	72.1	53.1	19.0	35.7	1.9	2.3	- 0.4	- 16.0
Overseas business	10.9	12.1	- 1.2	- 10.3	3.6	4.7	- 1.1	- 23.2
(equity income of subsidiaries)	—	—	—	—	1.5	0.3	1.2	386.8
Energy –related	70.5	74.3	- 3.8	- 5.1	0.7	2.6	- 1.9	- 70.3
(Engineering Solutions)	26.8	29.3	- 2.5	- 8.5	- 0.5	0.5	- 1.0	- 192.0
Real estate (including equity income of subsidiaries)	11.1	11.0	0.1	1.2	3.1	2.4	0.7	28.3
Others (including equity income of subsidiaries)	26.2	20.3	5.9	29.0	1.2	0.1	1.1	—
Adjustment	- 66.8	- 60.3	- 6.5	—	- 11.2	- 12.5	1.3	—
Consolidated	467.2	401.4	65.8	16.4	45.7	23.7	22.0	92.8
(equity income of subsidiaries)	—	—	—	—	1.7	0.4	1.3	278.6

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 information processing service and shipping, etc.
- The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.

FY2019 1Q Results: Ordinary Profit Analysis <vs. FY2018 1Q>



2. FY2019 Full Year Forecast



No change in forecasts compared with the previous announcement
(Earnings Announcement for FY2018 ended March 2019)

FY2019 Consolidated Forecast (Apr. 1, 2019 – Mar. 31, 2020) <vs. FY2018 Results>



Highlights: Sales Up, Profit Up

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

No change in forecasts compared with the previous announcement (Earnings Announcement for FY2018 ended March 2019)

Net sales	+80.7	:	+	Electric Power (+76.8: Increase in sales volume, etc.)
Operating expenses	-52.4	:	-	Electric Power (-76.0: Increase in costs due to increase in sales volume, increase in system costs, etc.)
Operating profit	+28.3	:	+	Gas (+29.9: Increase in unit cost of city gas +30.2, change in sales volume, etc. +11.8, increase in fixed costs -15.0, etc.)
			-	Overseas (-3.5: Decrease in profit from upstream projects, etc.)
Extraordinary profit/loss	-27.8	:	-	FY2018 +27.8: Gain on sale of non-current assets +29.3, gain on sale of investment securities +6.4, loss from revaluation of investment securities -7.8

(Unit: billion yen)

		Forecast	FY2018 results	Change	%
City gas sales volume (million m ³ , 45MJ)		14,541	15,198	-657	-4.3%
Electricity sales volume (million kWh)		19,941	15,482	+4,459	+28.8%
Net sales		2,043.0	1,962.3	+80.7	+4.1%
Operating expenses		1,921.0	1,868.6	+52.4	+2.8%
Operating profit		122.0	93.7	+28.3	+30.2%
Segment profit (operating profit + equity income of subsidiaries)		125.5	96.4	+29.1	+30.1%
Ordinary profit ⁽¹⁾		120.0	89.3	+30.7	+34.2%
Extraordinary profit/loss		0.0	27.8	-27.8	—
Profit attributable to owners of parent		86.0	84.5	+1.5	+1.7%
Adjustment items	Temperature effect ⁽²⁾	0.0	-14.1	+14.1	—
	Sliding time lag effect ⁽³⁾ (city gas + LNG sales)	+9.1 (7.8 + 1.3)	-25.0 (-22.4+ -2.6)	+34.1 (+30.2 + 3.9)	—
	Amortization of actuarial differences ⁽⁴⁾	-7.6	-4.6	-3.0	—
Adjusted ordinary profit ⁽¹⁾⁻⁽⁽²⁾⁺⁽³⁾⁺⁽⁴⁾⁾		118.5	133.0	-14.5	-10.9%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp. (°C)
FY2019 forecast	110.00 (-0.92)	70.00 (-2.12)	15.9 (-1.1)
FY2018 results	110.92	72.12	17.0

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

Pension assets	Investment yield (costs deducted)	Discount rate		Year-end assets (billion yen)
		Annuity portion	Lump-sum portion	
FY2018	1.65%	0.156%	0.000%	267.0
FY2017	1.03%	0.293%	0.046%	271.0
FY2016	1.57%	0.389%	0.055%	277.0

FY2019 Full Year Forecast ; Consolidated Gas Sales Volume/Number of Customers

(Figures are rounded nearest mil m³)

Unit : million m³

Consolidated City Gas Sales Volume

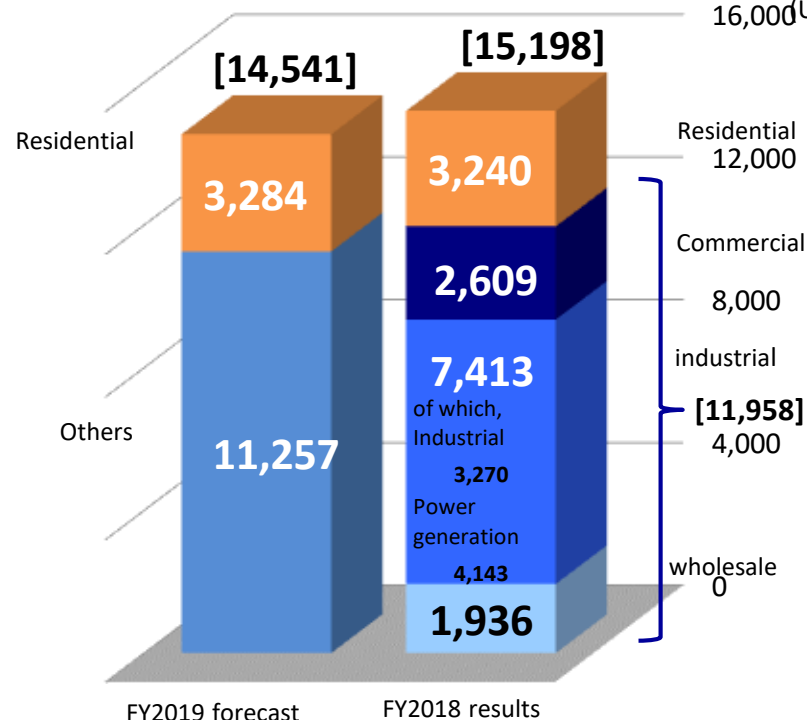
VS. FY2018 Results

-657 mil m³ (-4.3%)

[Including temperature effect +209mil. m³, +1.4%]

■ **Residential** + 44mil. m³ (+ 1.3%)

■ **Others** - 701mil. m³ (- 5.9%)



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

	Forecast	FY2018 Results	Change
Number of meters (10 thousands)	1,194.6	1,181.8	+12.8 (+1.1%)
LNG sales volume (thousands t)	1,251	1,095	+156 (+14.2%)
Average temperature (°C)	15.9	17.0	-1.1

Gas Sales Volume (Vision Basis) (Unit : million m³)

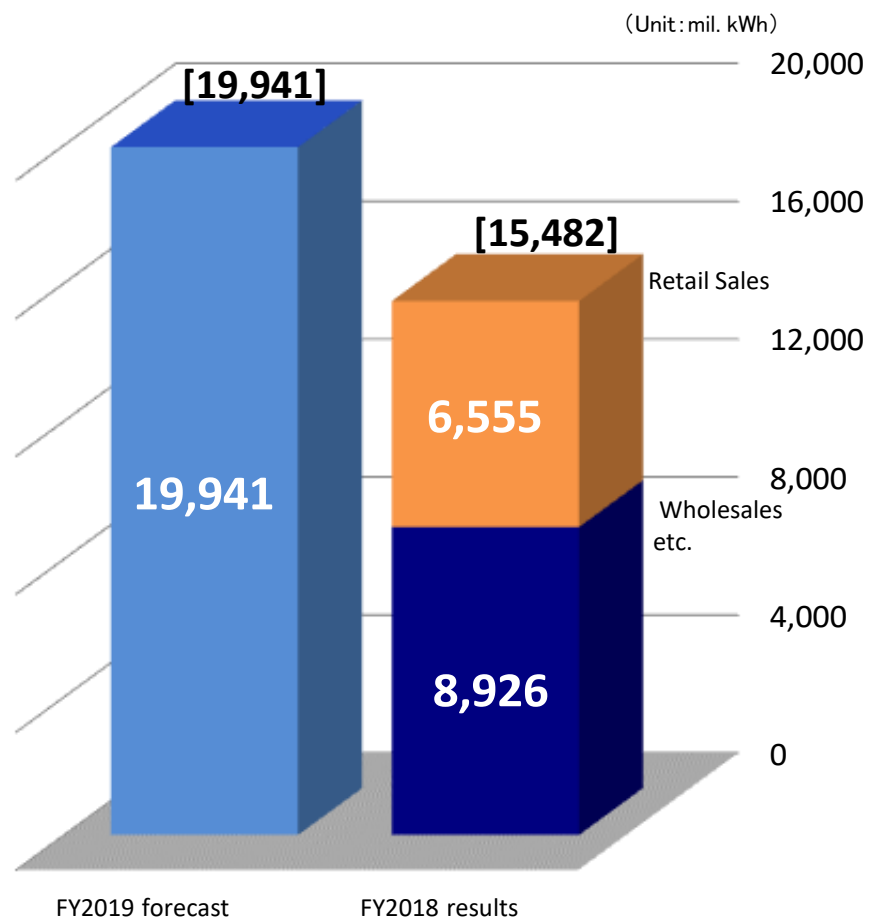
	Forecast	FY2018 Results	Change
City gas sales volume	14,541	15,198	-657 (-4.3%)
Gas volume used in-house under tolling arrangement	2,493	1,830	+663 (+36.2%)
LNG sales volume (m ³ basis)	1,564	1,369	+195 (+14.2%)
Total	18,598	18,397	+201 (+1.1%)

FY2019 Full Year Forecast ; Consolidated Electricity Sales Volume/Number of Customers

Consolidated Electricity Sales Volume

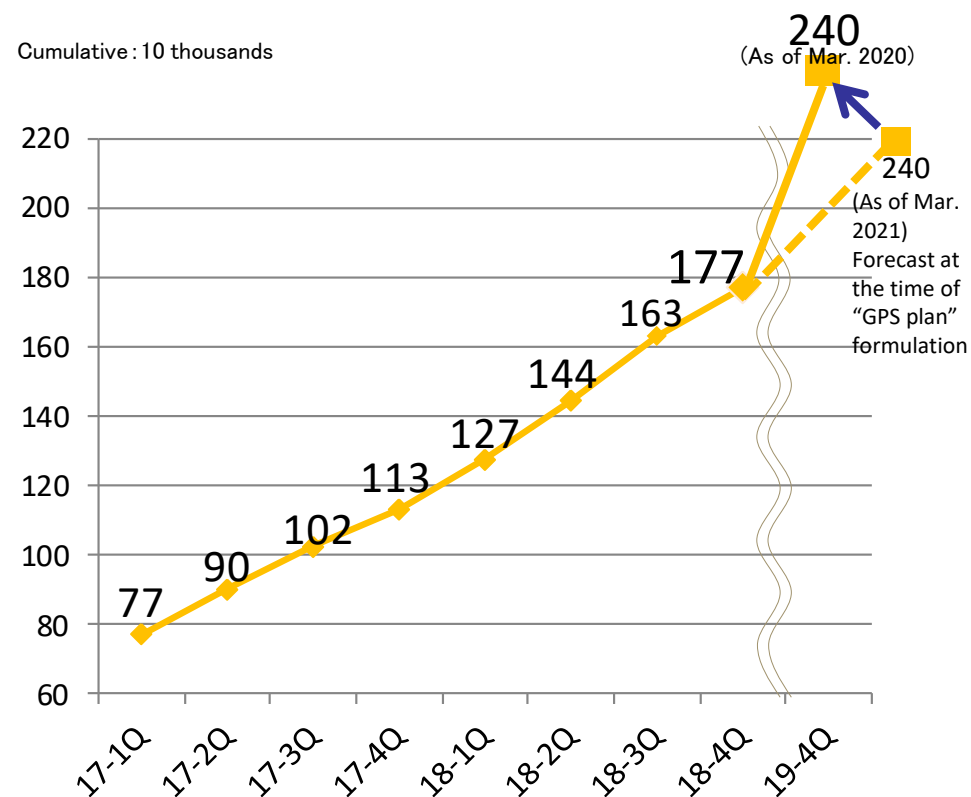
VS. FY2018 Results

+4,459 mil kWh (+28.8%)



Number of Retail Customers

	FY2019 Forecast	FY2018 Results	Change
Number of retail customers (10 thousands)	240.0	177.4	+62.6 (+35.3%)



FY2019 Full Year Forecast : Sales and Profit/Loss by Business Segments

<vs. FY2018 Results>

 TOKYO GAS
(unit : billion yen)

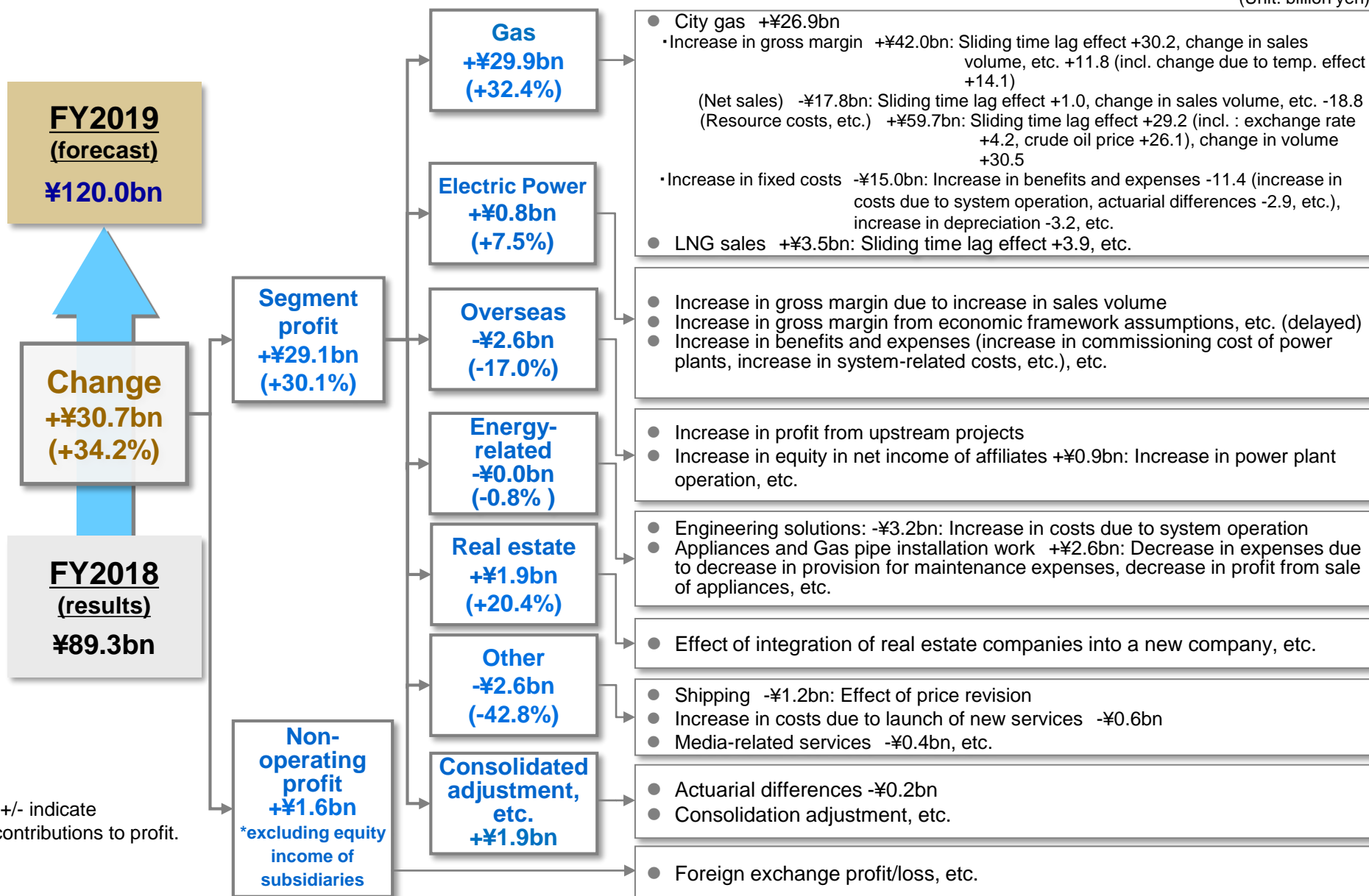
	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 Forecast	FY2018 Results	Change	%	FY2019 Forecast	FY2018 Results	Change	%
Gas	1,462.2	1,413.7	48.5	3.4	122.1	92.2	29.9	32.4
(City gas)	1,224.8	1,242.6	-17.8	-1.4	116.7	89.8	26.9	29.9
(LNG sales)	184.7	122.2	62.5	51.1	5.0	1.5	3.5	226.4
Electric Power	357.1	280.3	76.8	27.4	10.9	10.1	0.8	7.5
Overseas business	46.4	50.9	-4.5	-8.9	12.7	15.3	-2.6	-17.0
(equity income of subsidiaries)	—	—	—	—	3.0	2.1	0.9	38.0
Energy –related	362.3	363.5	-1.2	-0.4	11.1	11.1	-0.0	-0.8
(Engineering Solutions)	143.5	146.9	-3.4	-2.3	3.0	6.2	-3.2	-52.3
Real estate (including equity income of subsidiaries)	45.0	44.6	0.4	0.9	11.0	9.1	1.9	20.4
Others (including equity income of subsidiaries)	133.3	107.8	25.5	23.6	3.6	6.2	-2.6	-42.8
Adjustment	-363.3	-298.6	-64.7	—	-45.9	-47.8	1.9	—
Consolidated	2,043.0	1,962.3	80.7	4.1	125.5	96.4	29.1	30.1
(equity income of subsidiaries)	—	—	—	—	3.5	2.7	0.8	25.8

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 information processing service and shipping, etc.
 - The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.
- *Figures for net sales of “LNG sales” exclude internal transactions from FY2019 1Q presentation material.

FY2019 Forecast: Ordinary Profit Analysis

<vs. FY2018 Results>



FY2019 Uses of Cash Flow (Capex , Investment and financing)

(Unit: billion yen)

	Forecast	Main Items	FY2018 Results	Change	%
Capital Expenditure					
Gas	191.4	Production facilities : 14.0 (- 4.6) Hitachi LNG terminal expansion, etc. Distribution facilities : 106.2 (+5.7) Ibaraki Line installation, New demand development, etc. Service and maintenance facilities : 71.1 (+ 33.4) System related, etc.	156.7	+34.7	+22.1%
Electric Power	4.5	Improvement construction for power generation efficiency etc.	6.3	-1.8	-27.9%
Overseas business	7.5	Upstream (Australia, North America)	6.4	+1.1	+16.0%
Energy-related	26.2	Energy Service(TGES) etc.	22.5	+3.7	+16.2%
Real Estate	35.2	Msb Tamachi etc.	32.8	+2.4	+7.5%
Others	4.7	LNG carrier etc.	2.9	+1.8	+60.0%
Adjustment	-4.7		-4.1	-0.6	—
Sub Total	265.0		223.7	+41.3	+18.4%
Investment and Financing	80.5	Investment and financing 82.7(Including overseas) Collection -2.1	23.6	+56.9	—
Total	345.5		247.4	+98.1	+39.7%

Key Indicators (Consolidated)

	FY2019 Forecast	FY2018 Results	FY2017 Results
Total assets (a)	2,606.0	2,428.1	2,334.3
Shareholders' equity (b)	1,195.0	1,159.0	1,136.0
Shareholders' equity ratio (b)/(a)	45.9%	47.7%	48.7%
Interest-bearing debt (c)	923.0	803.2	724.9
D/E ratio (c)/(b)	0.77	0.69	0.64
Profit attributable to owners of parents (d)	86.0	84.5	74.9
Profit per share (EPS, yen per share)	193.64	187.60	164.12
Depreciation (e)	167.0	161.8	165.3
Operating cash flow (d) + (e)	253.0	246.4	240.3
Capital expenditure	265.0	223.7	208.7
ROA (d) / (a)	3.4%	3.6%	3.3%
ROE (d) / (b)	7.3%	7.4%	6.7%
TEP	31.3	6.8	24.4
WACC	2.9%	3.0%	3.1%
Total payout ratio	Approx. 60%	60.3%	60.2%

Note: Shareholders' equity = Net assets – minority interests
Profit per share is calculated on the assumption that share consolidation took place.(5 shares integrated to 1share)
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 (FY2019 forecast)
• Cost of interest-bearing debt : forecast interest rate (0.86%, after tax)
• Cost rate for shareholders' equity
• Risk free rate : 10-year JGB yield 0.06%
• Market Risk premium : 5.5% β: 0.75

3. Reference Materials

Gas Gross Margin Sensitivity to Change in Crude Oil Price and Exchange Rate

Impact of rising JCC by \$1/bbl

(Unit: billion yen)

		Impact on earnings			
		2Q	3Q	4Q	Full year
Period	2Q	-0.1	-0.7	+1.0	+0.2
	3Q	—	-0.3	-1.1	-1.4
	4Q	—	—	-0.2	-0.2
	Full year	-0.1	-1.0	-0.3	-1.4

Impact of depreciation by ¥1/\$

(Unit: billion yen)

		Impact on earnings			
		2Q	3Q	4Q	Full year
Period	2Q	-0.8	+0.7	+0.3	+0.2
	3Q	—	-0.8	+0.9	+0.1
	4Q	—	—	-1.1	-1.1
	Full year	-0.8	-0.1	+0.1	-0.8

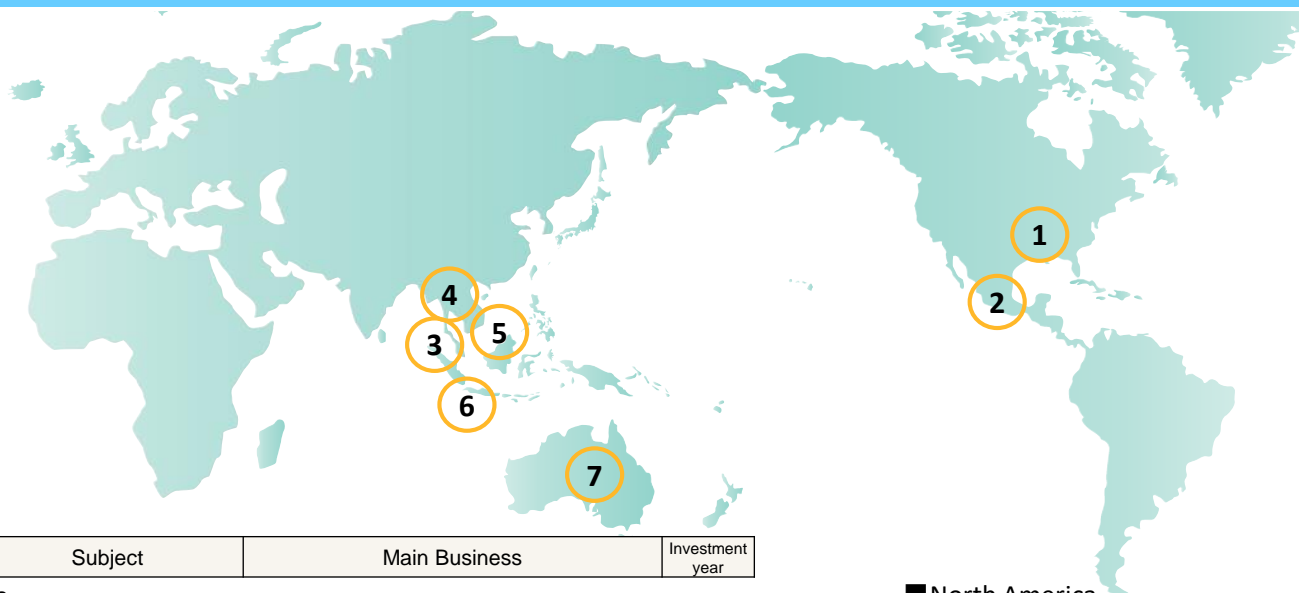
Key Topics in FY2019 (Excerpted from Press Releases up to 29th July)

Management Strategy	<ul style="list-style-type: none"> • Tokyo Gas Group Initiatives in FY2019 to Achieve GPS2020 (Apr. 10)
Gas Electric Power (G/P)	<ul style="list-style-type: none"> • Tokyo Gas executes a HOA with Shell Eastern Trading for the supply of LNG (Apr. 5)
Services (S)	<ul style="list-style-type: none"> ◆ Engineering Service <ul style="list-style-type: none"> • Mitsui Fudosan and Tokyo Gas's Nihonbashi Smart Energy Project comes on stream, that is Japan's first stable delivering of heat and electric power to a district with existing buildings(Apr. 15) • TGES Awarded CPC's Contract for Basic Design of Taiwan's Largest LNG Receiving Terminal (Jul. 25) *1 ◆ Other <ul style="list-style-type: none"> • Launch of “junijuni” sponsored by TOKYO GAS” shopping site to promote the UN's sustainable development goals (Apr. 4) • Phone app-based “Torisetsu + HOME” system of viewing manuals of housing equipment, etc., which is expected to promote paperless, adopted as standard for newly constructed Brillia condos in Greater Tokyo (Jun. 6) • Launch of the home robot “Makasete! BOCCO” childcare support service (Jun. 13) • Joint development of water heater remote control with safe bathing support functionality for the AXiS smart stealth remote control series (Jul. 11)
Global (× G, Overseas)	<ul style="list-style-type: none"> • ENGIE and Tokyo Gas to establish renewables joint venture company in Mexico (Apr. 8) • Birdsboro Natural Gas-Fired Power Plant in the U.S. Starts Commercial Operations(Jun. 7)
Digital Innovations	<ul style="list-style-type: none"> • Investment in Next Energy & Resources and joint development of IoT platform for coordinated control of distributed energy appliances to further enhance services and expand use of renewables (Jul. 3)
ESG	<ul style="list-style-type: none"> • Announcement of support for the Task Force on Climate-related Financial Disclosures (May. 27)
Finance and shareholder returns	<ul style="list-style-type: none"> • Notice Regarding the Appropriation of Surplus (Apr. 26) • Notification of resolution to acquire treasury shares (Apr.26), Notice Regarding Market Purchase of Treasury Stock and Completion of Acquisition(Jul.16), Notice of retirement of Treasury Stock (Jul.29) • Announcement of issue of the 50th, the 51th, the 52th and the 53th Domestic unsecured notes (May. 17)

Dates of press releases are shown in parentheses.

* 1 Press releases issued by Tokyo Gas Engineering Solutions.

Overseas Projects



No	Country	Subject	Main Business	Investment year
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■ Southeast Asia

③	Malaysia	GAS MALASIA Bhd.	Downstream City gas	1992
		GAS MALASIA ENERGY ADVANCE Sdn.Bhd.	Downstream Energy Service	2014
④	Thailand	Bang bo	Downstream Natural gas power	2016
		GWHAMT	Downstream Gas Supply	2018
⑤	Vietnam	PVGD	Downstream CNG Supply	2017
⑥	Indonesia	Sengkang	Upstream Production, liquefaction and sales of LNG	2010
		PRA	Downstream Gas Supply, Transfer	2017

■ Oceania

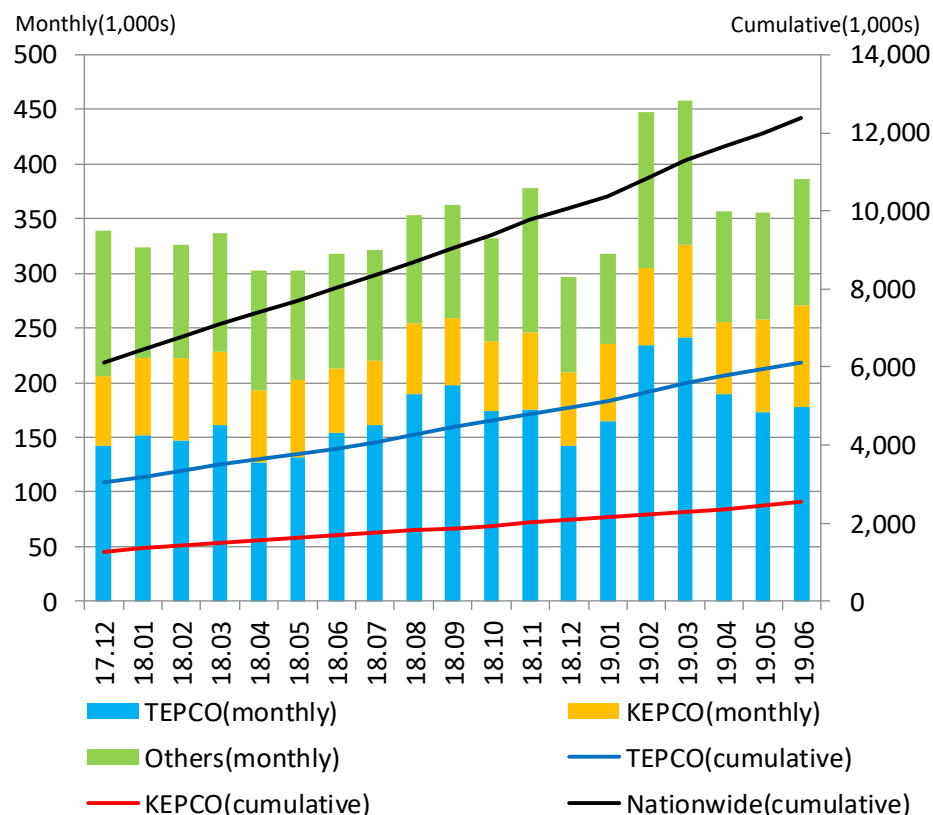
⑦	Australia	Darwin	Upstream Production, liquefaction and sales of LNG	2008
		Pluto	Upstream Production, liquefaction and sales of LNG	2008
		Gorgon	Upstream Production, liquefaction and sales of LNG	2009
		Queensland Curtis	Upstream Production, liquefaction and sales of LNG	2011
		Ichthys	Upstream Production, liquefaction and sales of LNG	2012

■ North America

①	U.S.A	Barnett	Upstream Shale gas	2013
		Eagle Ford	Upstream Shale gas	2016
		East Texas	Upstream Shale gas	2017
		TGES America	Downstream Energy Service	2015
		Empire Power Plant	Downstream Natural gas power	2016
		Birdsboro Power Plant	Downstream Natural gas power	2017
		Acario Ventures	Other Open Innovation	2017
②	Mexico	Bajio	Downstream Natural gas power	2004
		MT Falcon	Downstream Natural gas power	2010
		Heolios EnTG	Downstream Renewable venture	2019

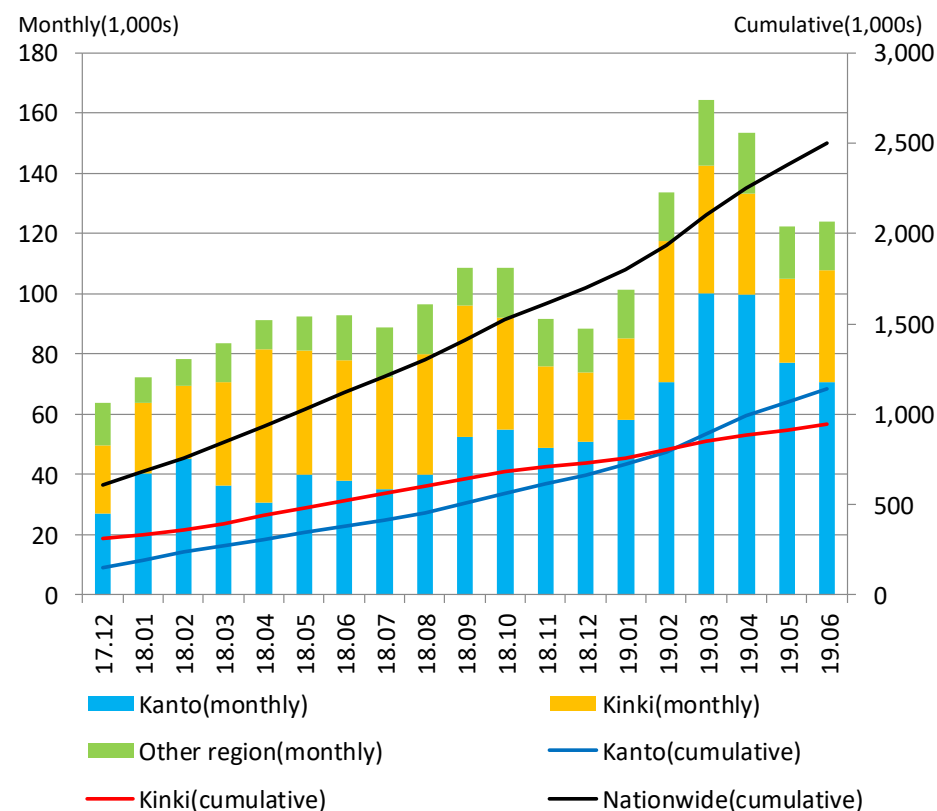
Trends in city gas/electricity switching(published data), Number of customers for city gas retail sales(Tokyo gas consolidated)

Electricity switchers (based on applications)



* Based on data published by the Organization for Cross-regional Coordination of Transmission Operators.

City gas switchers (based on applications)



* Based on data published by the Agency for Natural Resources and Energy.

Number of customers for city gas retail sales (Tokyo gas consolidated, 10thousands)

As of	2016.06	2016.09	2016.12	2017.03	2017.06	2017.09	2017.12	2018.03	2018.06	2018.09	2018.12	2019.03	2019.06
Number (Change)	1,019.9 (-)	1,020.8 (+0.9)	1,025.4 (+4.6)	1,026.9 (+1.5)	1,031.4 (+4.5)	1,028.9 (- 2.5)	1,029.6 (+0.7)	1,020.9 (- 8.7)	1,018.9 (- 2.0)	1,008.9 (- 10.0)	998.2 (- 10.7)	982.1 (- 16.1)	960.7 (- 21.4)

Full deregulation of the retail market (2017.04)



< 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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