

**FY2019 3Q Financial Results  
ended December, 2019**



**January 30, 2020**

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# **1. FY2019 Consolidated Financial Results**

## **ended December, 2019**

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# FY2019 3Q Consolidated Results (Apr. 1, 2019 – Dec. 31, 2019) <vs. FY2018 3Q>



## Highlights: Sales Up, Profit Down

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

<b>Net sales</b>	+35.4 :	<span style="border: 1px solid black; padding: 0 2px;">+</span>	Electricity (+58.0: Increase in sales volume due to increase in retail customers, etc.)
		<span style="border: 1px solid black; padding: 0 2px;">+</span>	Gas (+7.7: Decrease in city gas sales volume -42.9, increase in unit price of city gas due to resource cost adjustment +2.9, third-party access revenue +10.8, LNG sales +38.5, etc.)
		<span style="border: 1px solid black; padding: 0 2px;">-</span>	Overseas (-6.3: Decrease in sales from upstream projects, etc.)
		<span style="border: 1px solid black; padding: 0 2px;">-</span>	Energy-related (-4.1: Decrease in sales due to decrease in orders, etc.)
<b>Operating expenses</b>	-8.5 :	<span style="border: 1px solid black; padding: 0 2px;">-</span>	Electricity (-56.4: Increase in sales volume due to increase in retail customers, increase in fixed costs, etc.)
		<span style="border: 1px solid black; padding: 0 2px;">+</span>	Gas (+22.3: Decrease in unit price of city gas arising from economic framework assumptions +27.7, decrease in city gas sales volume +31.5, LNG sales -35.5, etc.)
		<span style="border: 1px solid black; padding: 0 2px;">+</span>	Energy related (+5.5: Decrease in expenses due to decrease in orders, etc.)
<b>Operating profit</b>	+27.0 :	<span style="border: 1px solid black; padding: 0 2px;">+</span>	Gas (+29.9: Change in unit price +30.6, change in sales volume -11.4, third-party access revenue +10.8, etc.)
		<span style="border: 1px solid black; padding: 0 2px;">-</span>	Overseas (-4.8: Decrease in profit from upstream projects, etc.)
<b>Extraordinary profit/loss</b>	-36.8 :	<span style="border: 1px solid black; padding: 0 2px;">-</span>	FY2019 3Q -8.0: Impairment loss -8.0 FY2018 3Q 28.8: Gain on sale of non-current assets +29.1, gain on sale of investment securities +6.2, loss on valuation of investment securities -6.5

(Unit: billion yen)

	FY2019 3Q	FY2018 3Q	Change	%
City gas sales volume (million m <sup>3</sup> , 45MJ)	9,923	10,637	- 714	- 6.7%
Electricity sales volume (million kWh)	14,158	10,998	3,160	28.7%
(Breakdown)				
Retail (million kWh, receiving end)	5,766	4,295	1,471	34.3%
Wholesale, etc. (million kWh)	8,392	6,703	1,689	25.2%
Net sales	13,620.0	1,326.6	35.4	2.7%
Operating expenses	13,07.3	1,298.8	8.5	0.6%
Operating profit	54.7	27.7	27.0	97.4%
Segment profit (operating profit + equity income of subsidiaries)	59.3	29.8	29.5	99.2%
Ordinary profit <sup>(1)</sup>	56.9	26.2	30.7	117.1%
Extraordinary profit/loss	- 8.0	28.8	- 36.8	-
Profit attributable to owners of parent	33.6	34.6	- 1.0	- 2.9%
<i>Temperature effect<sup>(2)</sup></i>	3.2	- 10.6	7.4	-
<i>Sliding time lag effect<sup>(3)</sup></i>	5.0	- 29.9	34.9	-
<i>(city gas + LNG sales)</i>	(3.4 + 1.6)	(-27.2 + -2.7)	(30.6 + 4.3)	-
<i>Amortization of actuarial differences<sup>(4)</sup></i>	- 5.7	-3.4	- 2.3	-
<b>Adjusted ordinary profit</b> <sup>(1)-(2)+(3)+(4)</sup>	60.8	70.1	- 9.3	- 13.3%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp (°C)
FY2019 3Q	108.65(- 2.49)	67.83(- 7.16)	19.5(- 0.8)
FY2018 3Q	111.14	74.99	20.3

Pension assets	Investment yield (costs deducted)	Year-end assets (billion yen)
FY2019 3Q	2.76%	265.0

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

Expected annual rate of return: 2%

# FY2019 3Q Consolidated Gas Sales Volume/ Number of Customers <vs. FY2018 3Q>

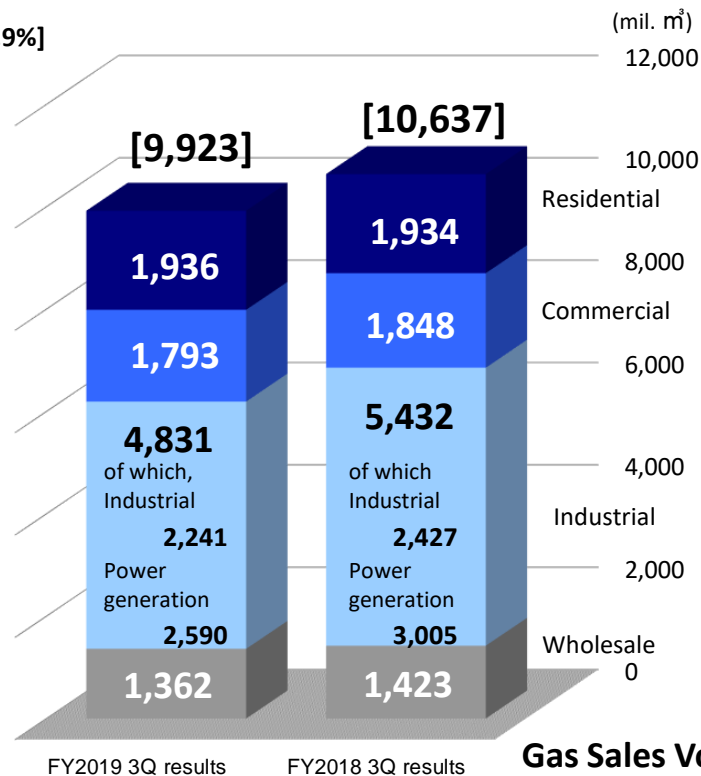
## City Gas sales volume :

\*Each value is rounded.

**-714mil.m<sup>3</sup> (-6.7%)**

[including temperature effect +94mil.m<sup>3</sup>, +0.9%]

<b>Residential</b> +2mil.m <sup>3</sup> (+0.2%)	
● Temperature effect	+103 mil.m <sup>3</sup>
● Number of days	+0 mil.m <sup>3</sup>
● Number of customers	-132 mil.m <sup>3</sup>
● Others	+31 mil.m <sup>3</sup>
<b>Commercial</b> -55mil.m <sup>3</sup> (-3.0%)	
● Temperature effect	-17 mil.m <sup>3</sup>
● Number of days	-4 mil.m <sup>3</sup>
● Number of customers	-43 mil.m <sup>3</sup>
● Others	+9 mil.m <sup>3</sup>
<b>Industrial</b> -601mil.m <sup>3</sup> (-11.1%)	
● Industrial	-186 mil.m <sup>3</sup>
● Power generation	-415 mil.m <sup>3</sup>
<b>Wholesale</b> - 61mil.m <sup>3</sup> (-4.3%)	
● Temperature effect	+8 mil.m <sup>3</sup>
● Others	-69 mil.m <sup>3</sup>
Decrease in wholesale demand, etc.	



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

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

	FY2019 3Q Results	FY2018 3Q Results	Change
Number of customers for city gas retail sales (10 thousands) *1	925.9	998.2	-72.3 (-7.2%)
Number of customers(meters) (10 thousands, meter) *2	1,190.5	1,177.0	+13.5 (+1.1%)
LNG sales volume (thousands t)	863	702	+161 (+22.9%)
Average temperature (°C)	19.5	20.3	-0.8

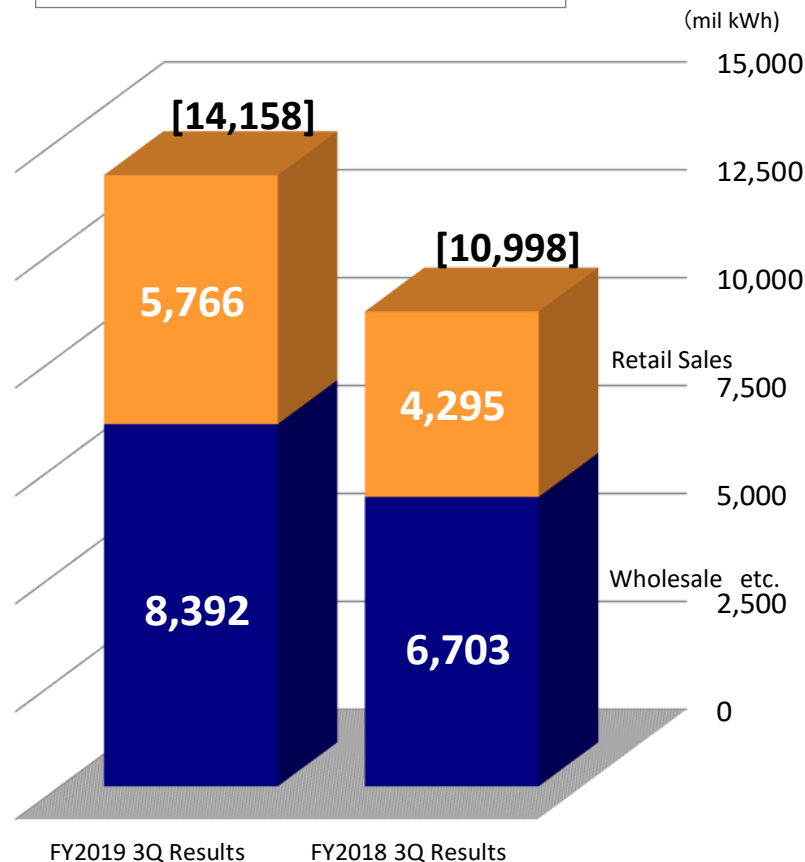
	FY2019 3Q Results	FY2018 3Q Results	Change
City gas sales volume (financial accounting basis)	9,923	10,637	-714 (-6.7%)
Gas volume used in-house under tolling arrangement	1,545	1,329	+216 (+16.2%)
LNG sales volume (m <sup>3</sup> basis)	1,079	878	+201 (+22.9%)
<b>Total</b>	<b>12,547</b>	<b>12,844</b>	<b>-297 (-2.3%)</b>

# FY2019 3Q Consolidated Electricity Sales Volume/ Number of Customers <vs. FY2018 3Q>

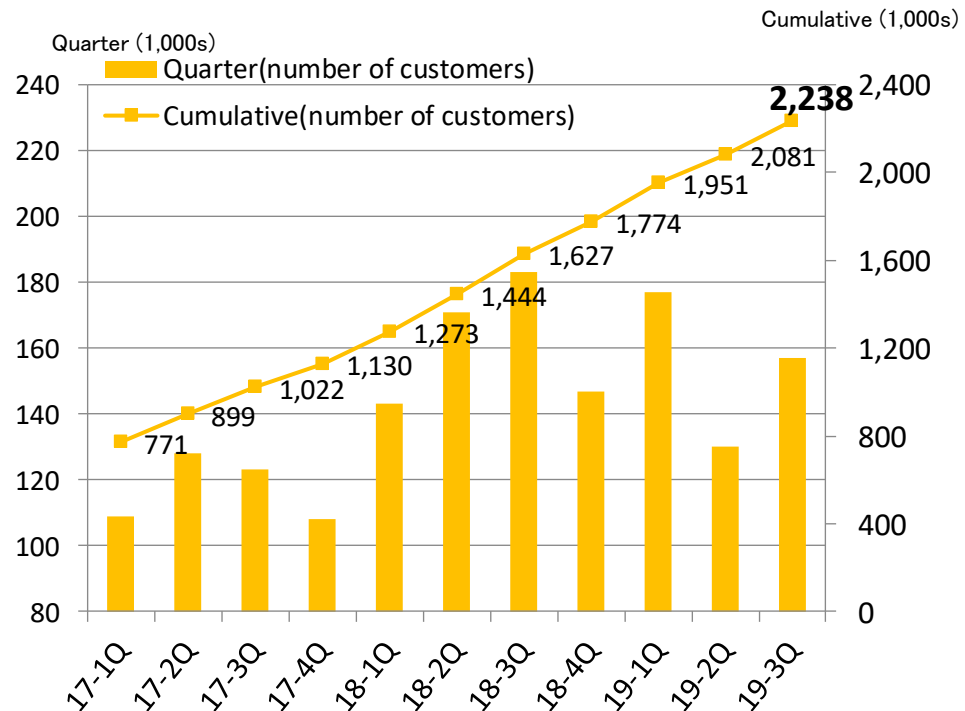
## Electricity sales volume:

**+3,160mil. kWh (+ 28.7%)**

Retailing	+ 1,471 mil. kWh(+34.3%)
Wholesale etc.	+ 1,689 mil. kWh(+25.2%)



## New electricity retail customers won by Tokyo Gas



### "Sales Campaign"

FY2019	Winter; From Jan. 06, 2020 to Apr. 30, 2020
	Autumn; From Oct. 15 to Dec. 23, 2019
	Summer; From Jun. 17 to Oct. 08, 2019
	Spring; From May. 2 to May. 31, 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 3Q Results : Sales and Profit/Loss by Business Segments <vs. FY2018 3Q >

 **TOKYO GAS**  
(unit : billion yen)

	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 3Q Results	FY2018 3Q Results	Change	%	FY2019 3Q Results	FY2018 3Q Results	Change	%
<b>Gas</b>	955.3	947.6	7.7	0.8	56.1	26.2	29.9	114.2
(City gas)	807.3	833.3	-26.0	-3.1	52.4	24.9	27.5	109.7
(LNG sales)	118.1	79.6	38.5	48.4	3.6	0.6	3.0	472.1
<b>Electric Power</b>	249.7	191.7	58.0	30.2	5.1	3.6	1.5	43.4
<b>Overseas business</b>	33.9	40.2	-6.3	-15.7	11.1	13.4	-2.3	-17.5
(equity income of subsidiaries )	—	—	—	—	4.0	1.6	2.4	145.9
<b>Energy –related</b>	244.9	249.0	-4.1	-1.7	11.7	10.4	1.3	12.8
(Engineering Solutions)	94.9	97.3	-2.4	-2.5	3.7	4.0	-0.3	-8.0
<b>Real estate</b> (including equity income of subsidiaries)	33.7	33.2	0.5	1.5	8.4	7.2	1.2	16.9
<b>Others</b> (including equity income of subsidiaries)	85.2	72.6	12.6	17.4	3.6	3.0	0.6	19.8
<b>Adjustment</b>	-240.9	-208.0	-32.9	—	-36.9	-34.2	-2.7	—
<b>Consolidated</b>	1,362.0	1,326.6	35.4	2.7	59.3	29.8	29.5	99.2
(equity income of subsidiaries)	—	—	—	—	4.6	2.0	2.6	123.4

## 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 3Q Results: Ordinary Profit Analysis <vs. FY2018 3Q>

**FY2019**  
(3Q results)  
**¥56.9bn**

**Change**  
**+ ¥30.7bn**  
**(+117.1%)**

**FY2018**  
(3Q results)  
**¥26.2bn**

**Segment  
profit**  
**+ ¥29.5bn**  
**(+99.2%)**

**Non-  
operating  
profit**  
**+ ¥1.1bn**  
*\*excluding  
equity in income  
of subsidiaries*

**Gas**  
**+ ¥29.9bn**  
**(+114.2%)**

**Electric Power**  
**+ ¥1.5bn**  
**(+43.4%)**

**Overseas**  
**- ¥2.3bn**  
**(-17.5%)**

**Energy-  
related**  
**+ ¥1.3bn**  
**(+12.8%)**

**Real estate**  
**+ ¥1.2bn**  
**(+16.9%)**

**Others**  
**+ ¥0.6bn**  
**(+19.8%)**

**Consolidated  
adjustment,  
etc.**  
**- ¥2.7bn**

- City gas +¥27.5bn
  - Increase in gross margin +¥33.1bn: Change in sales volume -11.4 (incl. change due to temp. effect +7.4), sliding time lag effect +30.6, third-party access revenue +10.8, etc.)
  - (Net sales) -¥26.0bn: Change in volume -42.9, sliding time lag effect +2.9, third-party access revenue +10.8, etc.
  - (Resource costs, etc.) +¥59.2bn: Change in volume +31.5, sliding time lag effect, +27.7 (incl. exchange rate +7.3, oil price +17.1)
- Increase in fixed costs -¥5.7bn: Benefits and expenses -4.3 (increase in costs due to system operation -3.4, increase in retirement benefits (actuarial differences, etc.) -2.1, decrease in marketing cost+1.5), depreciation expenses -1.7 (due to system operation, etc.)
- LNG sales +¥3.0bn: Sliding time lag effect +4.3, etc.

- Increase in gross margin due to increase in retail sales volume, etc.
- Increase in fixed costs (increases in retail sales expenses, system-related costs, commissioning cost of power plants, etc.)

- Decrease in profit from upstream projects
- Increase in equity method profit +¥2.4bn: Increase in profit from mid/downstream projects

- Appliances and gas pipe installation +0.8bn, etc.
- Engineering solutions -¥0.3bn: Increase in costs due to system operation, etc.

- Increase in rent income, etc.

- Shipping +¥0.5bn: Increase in profit due to increase in operation, etc.

- Increase in unallocated corporate expenses -¥3.0bn: Expenses -¥2.1 (increase in system-related costs, etc.), retirement benefits (actuarial differences, etc.) -0.7, etc.
- Consolidation adjustment +¥0.2bn

- Increase in dividend income +¥2.7bn, loss on valuation of investment securities -¥1.9bn, etc.

\*+/- indicate contributions to profit.

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## 2. FY2019 Full Year Forecast

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

**Highlights: Sales Down, Profit Unchanged from Previous Forecast** (+, -, +/- indicate impact on profit, billion yen)

<b>Net sales</b>	-21.0: -	Gas	(-31.5: Decrease in city gas sales volume, decrease in unit price of city gas arising from economic framework assumptions, etc.)
<b>Operating expenses</b>	+21.0: +	Gas	(+31.6: Decrease in city gas sales volume, decrease in unit price of city gas arising from economic framework assumptions, decrease in expenses, etc.)
<b>Operating profit</b>	±0.0: -	Overseas	(-1.8: Decrease in profit from upstream projects)
	+	Other	(+1.1: Increase in profit due to decrease in ship costs, etc.)
<b>Extraordinary profit/loss</b>	-0.4: -	Impairment loss	(-0.4: This forecast -8.0, previous forecast -7.6)

(Unit: billion yen)

	Forecast	Previous Forecast	Change	%	FY2018 Result	Change	%
City gas sales volume (million m3, 45MJ)	14,069	14,293	-224	-1.6%	15,198	-1,129	-7.4%
Electricity sales volume (million kWh)	20,387	20,057	+330	+1.6%	15,482	+4,905	+31.7%
Net sales	1,974.0	1,995.0	-21.0	-1.1%	1,962.3	+11.7	+0.6%
Operating expenses	1,861.0	1,882.0	-21.0	-1.1%	1,868.6	-76.0	-0.4%
Operating profit	113.0	113.0	0.0	0.0%	93.7	+19.3	+20.6%
Segment profit (operating profit + equity income of subsidiaries)	118.5	118.0	+0.5	+0.4%	96.4	+22.1	+22.8%
Ordinary profit <sup>(1)</sup>	114.0	114.0	0.0	0.0%	89.3	+24.7	+27.5%
Extraordinary profit/loss	-8.0	-7.6	-0.4	—	27.8	-35.8	—
Profit attributable to owners of parent	77.0	77.0	0.0	0.0%	84.5	-7.5	-8.9%
<i>Temperature effect<sup>(2)</sup></i>	-3.2	-0.2	-3.0	—	-14.1	+10.9	—
<i>(Adjustment items) Sliding time lag effect<sup>(3)</sup> (city gas, LNG sales)</i>	-0.5 (-1.4 + +0.9)	-2.1 (-2.4 + +0.3)	+1.6 (1.0 + 0.6)	—	-25.0 (-22.4 + -2.6)	+24.5 (+21.0 + +3.5)	—
<i>Amortization of actuarial differences<sup>(4)</sup></i>	-7.6	-7.6	0.0	—	-4.6	-3.0	—
<i>Adjusted ordinary profit<sup>(1)-(2)+(3)+(4)</sup></i>	125.3	123.9	+1.4	+1.1%	133.0	-7.7	-5.8%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp. (°C)
Forecast	109.00(-0.31)	68.42(-1.08)*	16.2(+0.2)
Previous forecast	109.31	69.50	16.0
FY2018 results	110.92	72.12	17.0

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

\*4Q~\$70.00/bbl, ¥110/\$

Figures in parentheses show change from previous forecast

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

(Figures are rounded nearest mil m<sup>3</sup>)

16,000 (Unit : million m<sup>3</sup>)

## VS. Previous Forecast

**-224 mil m<sup>3</sup> (-1.6%)**

[Including temperature effect -47mil. m<sup>3</sup>, -0.3%]

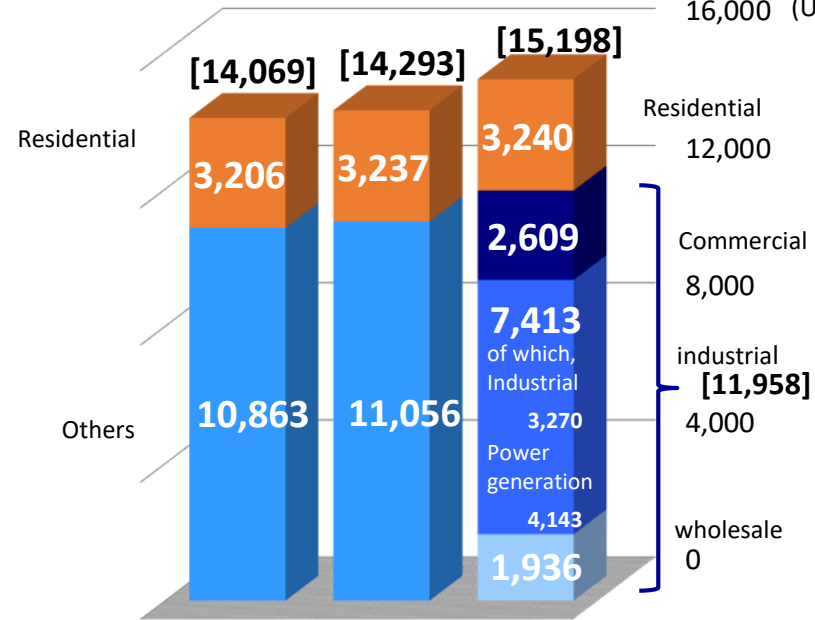
■ Residential	- 31mil. m <sup>3</sup> (- 1.0%)
■ Others	- 193mil. m <sup>3</sup> (- 1.7%)

## VS. FY2018 Results

**-1,129 mil m<sup>3</sup> (-7.4%)**

[Including temperature effect +154mil. m<sup>3</sup>, +1.0%]

■ Residential	- 34mil. m <sup>3</sup> (- 1.1%)
■ Others	- 1,095mil. m <sup>3</sup> (- 9.2%)



FY2019 forecast   Previous forecast   FY2018 results

## Gas Sales Volume (Vision Basis) (Unit : million m<sup>3</sup>)

	Forecast	Previous Forecast	Change	FY2018 Results	Change
Gas sales volume	14,069	14,293	-224 (-1.6%)	15,198	-1,129 (-7.4%)
Gas volume used in-house under tolling arrangement	2,392	2,417	-25 (-1.0%)	1,830	+562 (+30.7%)
LNG sales volume (m <sup>3</sup> basis)	1,473	1,503	-30 (-2.0%)	1,369	+104 (+7.6%)
<b>Total</b>	<b>17,934</b>	<b>18,213</b>	<b>-279 (-1.5%)</b>	<b>18,397</b>	<b>-463 (-2.5%)</b>

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

	Forecast	Previous Forecast	Change	FY2018 Results	Change
Number of meters (10 thousands)	1,195.5	1,195.5	0.0 (0.0%)	1,181.8	+13.7 (+1.2%)
LNG sales volume (thousands t)	1,178	1,202	-24 (-2.0%)	1,095	+83 (7.6%)
Average temperature (°C)	16.2	16.0	+0.2	17.0	-0.8

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

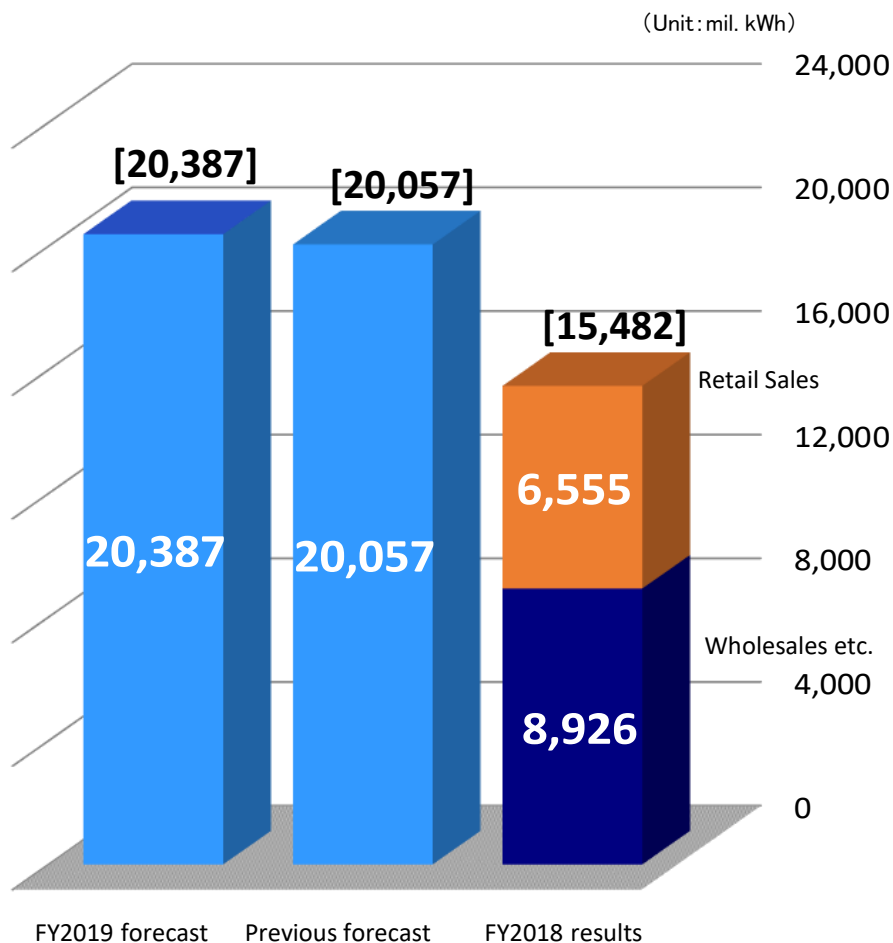
## Consolidated Electricity Sales Volume

### VS. Previous Forecast

**+330 mil kWh (+1.6%)**

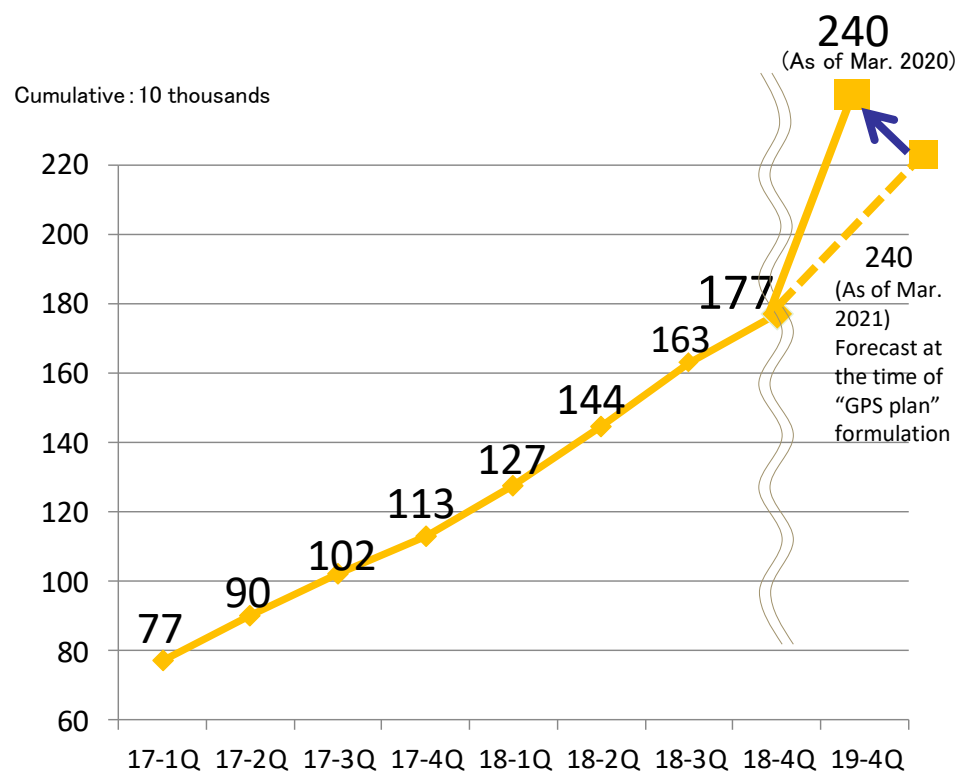
### VS. FY2018 Results

**+4,905 mil kWh (+31.7%)**



## Number of Retail Customers

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



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

< vs. FY2019 Previous Forecast >

 **TOKYO GAS**  
(unit : billion yen)

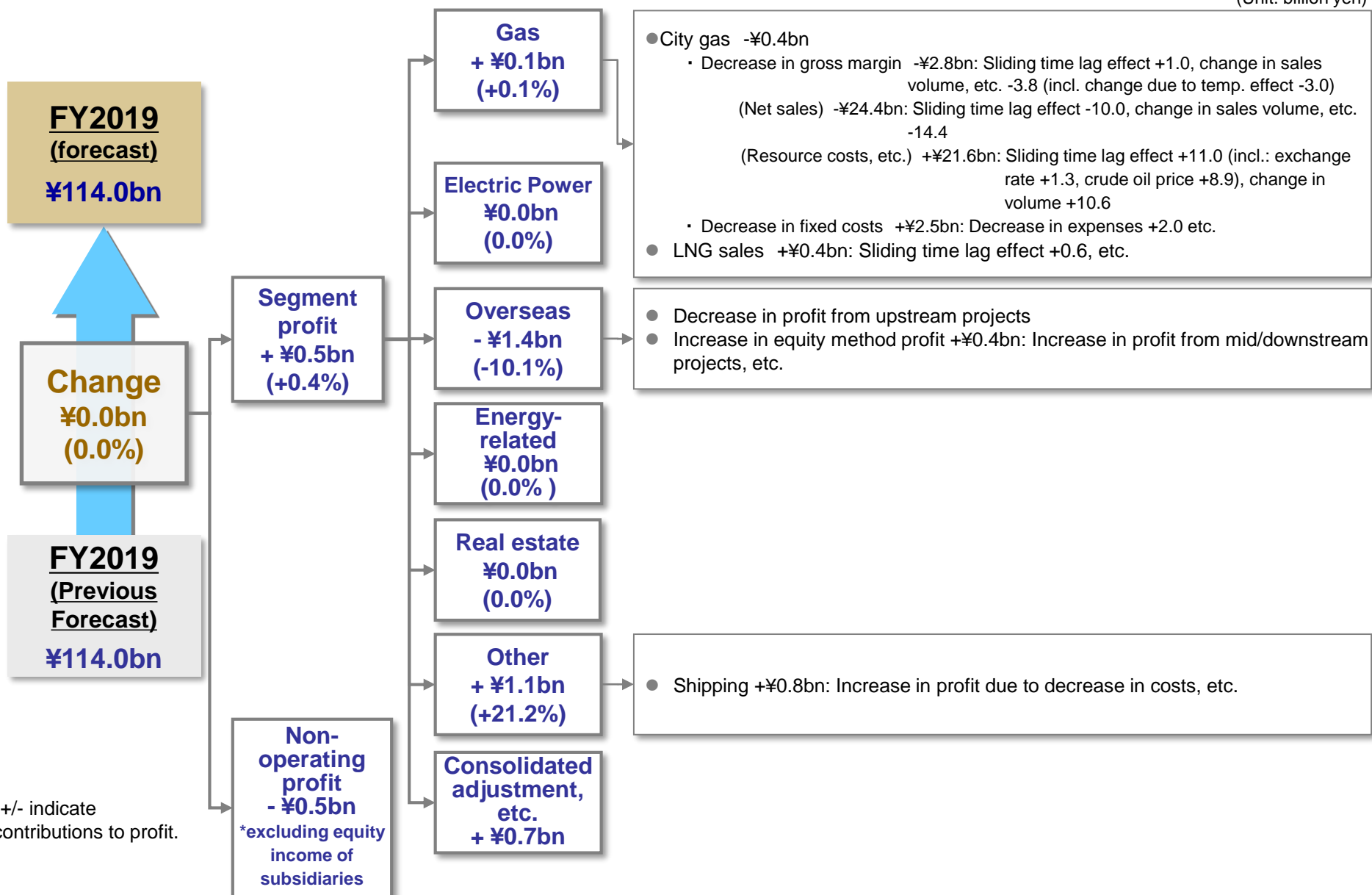
	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 Forecast	Previous Forecast	Change	%	FY2019 Forecast	Previous Forecast	Change	%
<b>Gas</b>	1,380.6	1,412.1	-31.5	-2.2	109.1	109.0	0.1	0.1
(City gas)	1,161.8	1,186.2	-24.4	-2.1	104.6	105.0	-0.4	-0.3
(LNG sales)	169.6	177.2	-7.6	-4.3	4.1	3.7	0.4	8.1
<b>Electric Power</b>	357.1	357.5	-0.4	-0.1	10.0	10.0	0.0	0.0
<b>Overseas business</b>	43.4	44.5	-1.1	-2.5	12.5	13.9	-1.4	-10.1
(equity income of subsidiaries)	—	—	—	—	4.9	4.5	0.4	8.9
<b>Energy –related</b>	360.0	360.6	-0.6	-0.2	14.5	14.5	0.0	0.0
(Engineering Solutions)	143.3	143.5	-0.2	-0.1	4.1	3.6	0.5	16.3
<b>Real estate</b> (including equity income of subsidiaries)	46.1	45.9	0.2	0.4	11.1	11.1	0.0	0.0
<b>Others</b> (including equity income of subsidiaries)	1,27.4	131.5	-4.1	-3.1	6.3	5.2	1.1	21.2
<b>Adjustment</b>	-340.6	-357.1	16.5	—	-45.0	-45.7	0.7	—
<b>Consolidated</b>	19,74.0	1,995.0	-21.0	-1.1	118.5	118.0	0.5	0.4
(equity income of subsidiaries)	—	—	—	—	5.4	5.0	0.4	8.0

## 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. FY2019 Previous Forecast>



\*+/- indicate contributions to profit.

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

<vs. FY2018 Results>

 TOKYO GAS  
(unit : billion yen)

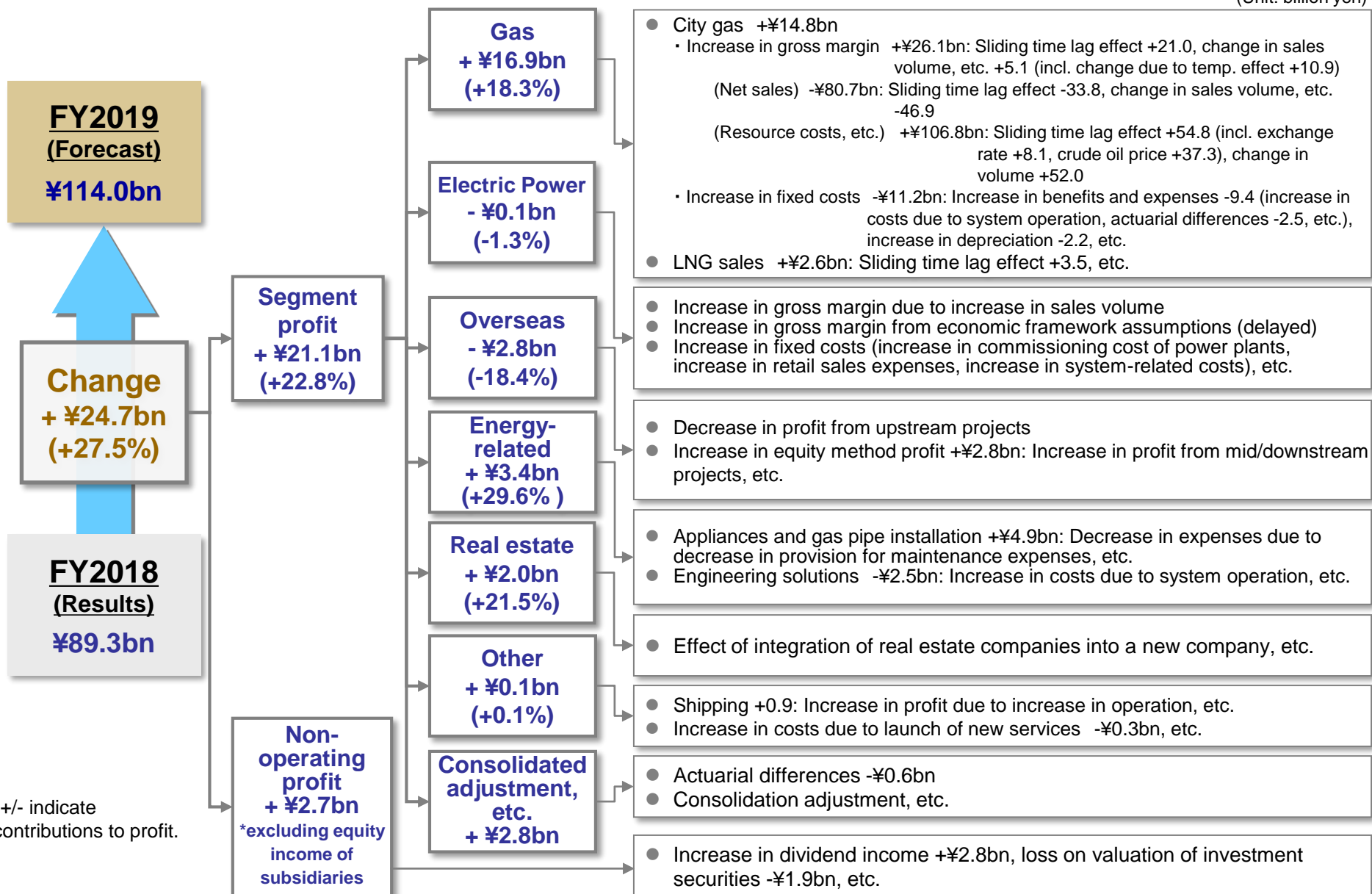
	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 Forecast	FY2018 Results	Change	%	FY2019 Forecast	FY2018 Results	Change	%
<b>Gas</b>	1,380.6	1,413.7	-33.1	-2.3	109.1	92.2	16.9	18.3
(City gas)	1,161.8	1,242.6	-80.8	-6.5	104.6	89.8	14.8	16.4
(LNG sales)	169.6	122.2	47.4	38.8	4.1	1.5	2.6	167.4
<b>Electric Power</b>	357.1	280.3	76.8	27.4	10.0	10.1	-0.1	-1.3
<b>Overseas business</b>	43.4	50.9	-7.5	-14.8	12.5	15.3	-2.8	-18.4
(equity income of subsidiaries )	—	—	—	—	4.9	2.1	2.8	125.3
<b>Energy –related</b>	360.0	363.5	-3.5	-1.0	14.5	11.1	3.4	29.6
(Engineering Solutions)	143.3	146.9	-3.6	-2.4	4.1	6.2	-2.1	-33.4
<b>Real estate</b> (including equity income of subsidiaries)	46.1	44.6	1.5	3.4	11.1	9.1	2.0	21.5
<b>Others</b> (including equity income of subsidiaries)	127.4	107.8	19.6	18.1	6.3	6.2	0.1	0.1
<b>Adjustment</b>	-340.6	-298.6	-42.0	—	-45.0	-47.8	2.8	—
<b>Consolidated</b>	1974.0	1,962.3	11.7	0.6	1,18.5	96.4	22.1	22.8
(equity income of subsidiaries)	—	—	—	—	5.4	2.7	2.7	93.8

## 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	Previous Forecast	Change	%	FY2018 Results	Change	%
<b>Capital Expenditure</b>								
Gas	171.5	Production facilities : 11.2 (- 0.8) Hitachi LNG terminal expansion, etc. Distribution facilities : 109.4 (-1.9) Ibaraki Line installation, New demand development, etc. Service and maintenance facilities : 50.8 (-16.6) System related, etc.	190.7	-19.2	-10.1%	156.7	+14.8	+9.4%
Electric Power	2.9	Improvement construction for power generation efficiency etc.	3.3	-0.4	-11.9%	6.3	-3.4	-53.5%
Overseas business	8.0	Upstream (Australia, North America)	8.4	-0.4	-4.9%	6.4	+1.6	+24.0%
Energy-related	21.6	Energy Service(TGES) etc.	25.0	-3.4	-13.3%	22.5	-0.9	-4.1%
Real Estate	34.0	Msb Tamachi etc.	35.1	-1.1	-3.3%	32.8	+1.2	+3.7%
Others	3.5	LNG carrier etc.	3.7	-0.2	-5.9%	2.9	+0.6	+19.1%
Adjustment	-4.7		-4.4	-0.3	—	-4.1	-0.6	—
<b>Sub Total</b>	<b>237.0</b>		<b>262.0</b>	<b>-25.0</b>	<b>-9.5%</b>	<b>223.7</b>	<b>+13.3</b>	<b>+5.9%</b>
<b>Investment and Financing</b>	<b>76.4</b>	Investment and financing 82.7(Including overseas) Collection -6.2	<b>78.0</b>	<b>-1.6</b>	<b>-2.0%</b>	<b>23.6</b>	<b>+52.8</b>	<b>+223.5%</b>
<b>Total</b>	<b>313.4</b>		<b>340.0</b>	<b>-26.6</b>	<b>-7.8%</b>	<b>247.4</b>	<b>+66.0</b>	<b>+26.7%</b>

# Key Indicators (Consolidated)

	<b>FY2019 Forecast</b>	<b>FY2018 Results</b>	<b>FY2017 Results</b>
<b>Total assets (a)</b>	<b>2,578.0</b>	2,428.1	2,334.3
<b>Shareholders' equity (b)</b>	<b>1,184.0</b>	1,159.0	1,136.0
<b>Shareholders' equity ratio (b)/(a)</b>	<b>45.9%</b>	47.7%	48.7%
<b>Interest-bearing debt (c)</b>	<b>923.0</b>	803.2	724.9
<b>D/E ratio (c)/(b)</b>	<b>0.78</b>	0.69	0.64
<b>Profit attributable to owners of parents (d)</b>	<b>77.0</b>	84.5	74.9
<b>Profit per share (EPS, yen per share)</b>	<b>174.06</b>	187.60	164.12
<b>Depreciation (e)</b>	<b>167.0</b>	161.8	165.3
<b>Operating cash flow (d) + (e)</b>	<b>244.0</b>	246.4	240.3
<b>Capital expenditure</b>	<b>237.0</b>	223.7	208.7
<b>ROA (d) / (a)</b>	<b>3.1%</b>	3.6%	3.3%
<b>ROE (d) / (b)</b>	<b>6.6%</b>	7.4%	6.7%
<b>TEP</b>	<b>29.2</b>	6.8	24.4
<b>WACC</b>	<b>2.9%</b>	3.0%	3.1%
<b>Total payout ratio</b>	<b>Approx. 60%</b>	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

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## 3. Reference Materials

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# 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
		4Q
Period	4Q	-0.1

## Impact of depreciation by ¥1/\$

(Unit: billion yen)

		Impact on earnings
		4Q
Period	4Q	-1.1

# Key Topics in FY2019 (Excerpted from Press Releases up to 30th January)

Management Strategy	<ul style="list-style-type: none"> <li>•Tokyo Gas Group Initiatives in FY2019 to Achieve GPS2020 (Apr.10)</li> <li>•Tokyo Gas Group Management Vision Compass2030 Providing energy and solutions to the future of our life, society and the earth (Nov. 27)</li> <li>•Tokyo Gas establishes three new subsidiaries to develop new business and deliver various services (Dec. 3)</li> </ul>
Gas Electric Power (G/P)	<ul style="list-style-type: none"> <li>•Tokyo Gas executes a HOA with Shell Eastern Trading for the supply of LNG (Apr.5)</li> <li>•Participation in real-world trial to develop virtual power plant (VPP) (Jun.4)</li> <li>•Conclusion of a heads of agreement with SUMITOMO JOINT ELECTRIC POWER regarding the Sale and Purchase of Liquefied Natural Gas (LNG)(Jun.19)</li> <li>•Tokyo Gas launches service to purchase surplus power generated by photovoltaic systems (Jul.1)</li> <li>•Progress Report about Electricity Sales for Retail Market (Aug.21)</li> <li>•Tokyo Gas and Kyuden Established Chiba Sodegaura Power Co.,Ltd.(Sep.2)</li> <li>•Receiving of Electricity from Moka Power Station(Oct.1)</li> <li>•50th Year Anniversary of LNG (liquefied natural gas) to Japan (Nov. 1)</li> <li>•Chugoku Electric and Tokyo Gas sign MOU regarding a Strategic Alliance in LNG Procurement (Dec. 12)</li> <li>•Launch of virtual power plant combining PV, storage battery, and gas cogeneration systems to deliver power based on highly accurate output and building electric power load forecasts (Jan. 8)</li> </ul>
Services (S)	<ul style="list-style-type: none"> <li>◆ Engineering Service                             <ul style="list-style-type: none"> <li>•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)</li> <li>•TGES Awarded CPC's Contract for Basic Design of Taiwan's Largest LNG Receiving Terminal (Jul.25) *1</li> </ul> </li> <li>◆ Other                             <ul style="list-style-type: none"> <li>•Launch of "junijuni" sponsored by TOKYO GAS" shopping site to promote the UN's sustainable development goals (Apr.4)</li> <li>•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)</li> <li>•Joint development of water heater remote control with safe bathing support functionality for the AXiS smart stealth remote control series (Jul.11)</li> <li>•120,000 ENE-FARM residential fuel cell systems sold (Aug. 6)</li> <li>•Launch of ENE-FARM Mini, the world's smallest high-efficiency fuel cell cogeneration system for residential use (Oct. 10)</li> <li>•Provisionally named "Yaesu 1-chome North District Category I Urban Redevelopment Project" to develop large-scale facilities along the Nihonbashi River finalized and core work scheduled to commence in fiscal 2025 (Oct. 11)*2</li> </ul> </li> </ul>
Global (× G, Overseas)	<ul style="list-style-type: none"> <li>• ENGIE and Tokyo Gas to establish renewables joint venture company in Mexico (Apr.8)</li> <li>• Birdsboro Natural Gas-Fired Power Plant in the U.S. Starts Commercial Operations(Jun.7)</li> <li>•Acquisition of Shale Gas Assets in the East Texas and Louisiana(Dec. 25)</li> <li>•The First Urban District Cooling and Power Distribution Business in Thailand(Jan.10) *1</li> </ul>

# Key Topics in FY2019 (Excerpted from Press Releases up to 30th January)

## Digital Innovations

- 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

- Announcement of support for the Task Force on Climate-related Financial Disclosures (May.27)
- Tokyo Gas executes a Master Agreement with Shell Eastern Trading (Pte) Ltd.for the supply of carbon neutral LNG(Jun.18)
- Tokyo Gas Group CSR Report 2019 published (Aug.30)
- Agreement on cooperation following disasters signed (Oct.16)
- Launch of Japan's first carbon neutral city gas supply service (Oct.23)
- Tokyo Gas wins the Minister of State for Special Missions Award for pioneers of women's progression in the workplace (Dec. 20)
- Opening of Toyosu Hydrogen Refueling Station, Japan's first to supply hydrogen generated from carbon neutral city gas (Jan. 16)

## Finance and shareholder returns

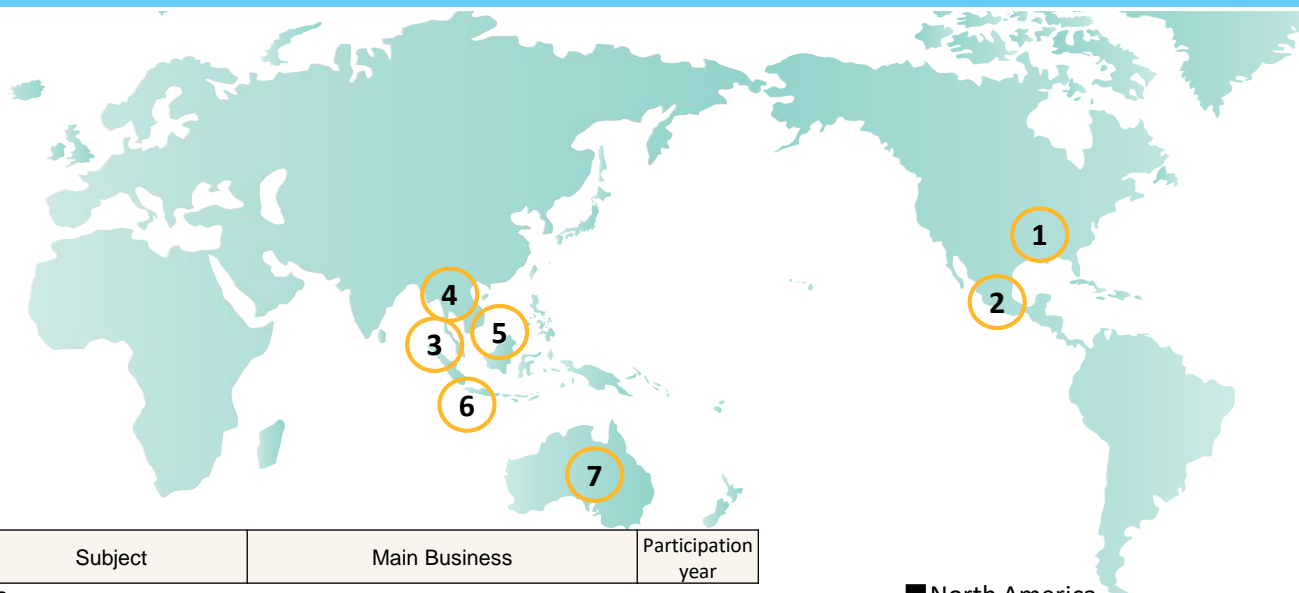
- Notice Regarding the Appropriation of Surplus (Apr.26)
- Notification of resolution to acquire treasury shares (Apr.26), Notice Regarding Market Purchase of Treasury Stock and Completion of Acquisition(Jul.16), Notice of retirement of Treasury Stock (Jul.29)
- Announcement of issue of the 50th, the 51th, the 52th and the 53th Domestic unsecured notes (May.17)
- Announcement of issue of the 54 th , the 55 th and the 56 th Domestic unsecured notes(Sep.6)
- Announcement of issue of the 57 th Domestic unsecured notes(Dec.18)

Dates of press releases are shown in parentheses.

\* 1 Press releases issued by Tokyo Gas Engineering Solutions.

\* 2 Press releases issued by Tokyo Gas Real Estate.

# Overseas Projects



No	Country	Subject	Main Business	Participation 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

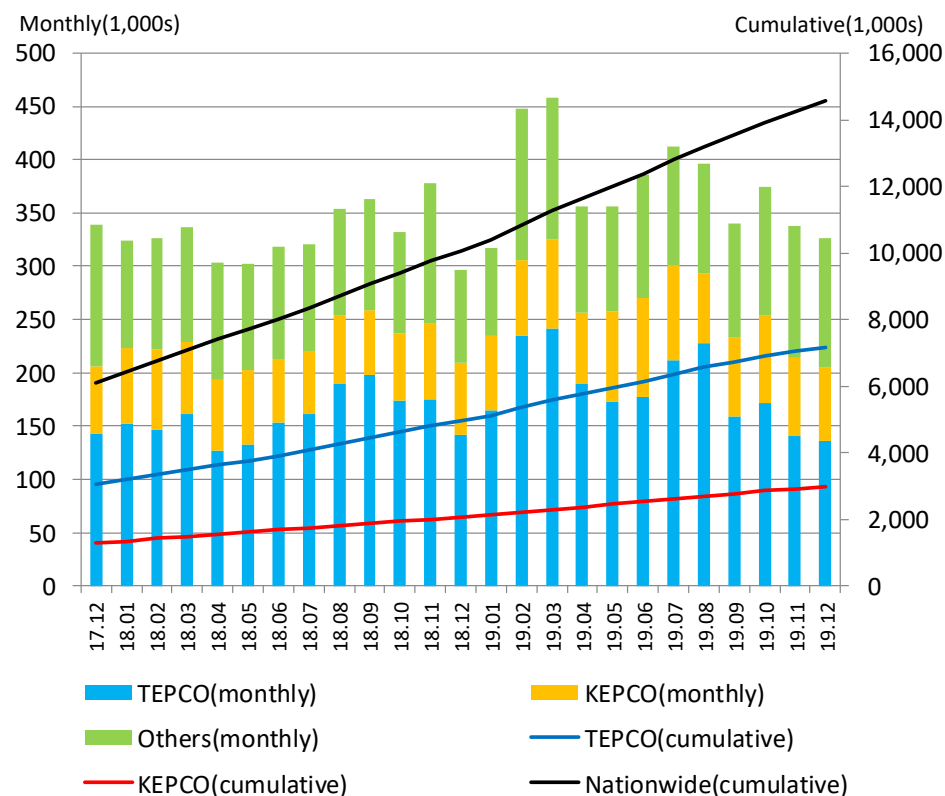
## ■ Oceania

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

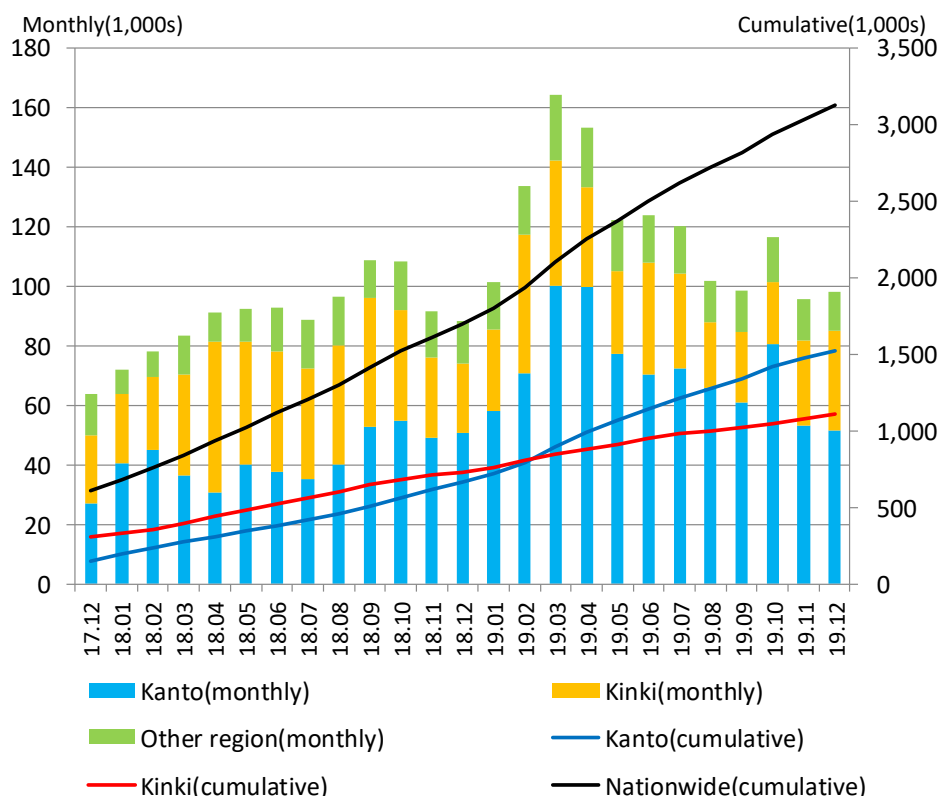
①	U.S.A	Barnett	Upstream Shale gas	2013
		Eagle Ford	Upstream Shale gas	2016
		East Texas	Upstream Shale gas	2017
		TGES America	Downstream Energy Service	2015
		Birdsboro Power Plant	Downstream Natural gas power	2017
		Acario Ventures	Other Open Innovation	2017
②	Mexico	Bajio	Downstream Natural gas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

## 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	2019.09	2019.12
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)	940.5 (-20.2)	925.9 (-14.6)

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.**

**TSE:9531**