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Results

Consolidated Financial Results (FY2015 vs. FY2014)

Actual Results of FY2015 1Q

100 million yen

	FY15 1Q	FY14 1Q	Change		Reference
Net sales	4,873	5,340	-467	-8.7%	City gas -416 (decreases in unit prices and sales volume), Other energy -107 (electric power -116, LNG sales +47)
Operating income	945	600	345	57.5%	City gas +323, Other energy +15
Ordinary income	933	596	337	56.6%	Foreign exchange effect -5 (-2 ← 3)
Net income attributable to the parent company	734	447	287	64.0%	Gain on sales of noncurrent assets -54 (0 ← 54), Valuation loss on investment securities +5 (0 ← -5)

Total assets[*]	22,110	22,576	-466	-2.1%	Accounts receivable - trade -593, Investments and other assets +93, Other current assets +39
Shareholders' equity[*]	11,073	10,695	378	3.5%	Net income attributable to the parent company +734, Acquisition of treasury stock -259, Dividend payment -122
Shareholders' equity ratio[*] (%)	50.1%	47.4%	2.7%	—	Went up because shareholders' equity increased (+3.5%) while total assets decreased (-2.1%).
Total assets turnover (times)	0.22	0.25	-0.03	—	
Interest-bearing debt[*]	7,284	7,307	-23	-0.3%	Tokyo Gas +90, TG Pluto +24, TG Engineering Solutions -136
Net income attributable to the parent company	734	447	287	64.0%	
Depreciation and amortization(*2·3)	333	336	-3	-0.9%	
Operating cash flow(*1)	1,067	783	284	36.2%	
Capex(*2)	349	388	-39	-9.9%	Tokyo Gas -19, Ohgishima Power -15, TGQCLNG -6
EPS (¥/share)	30.31	18.11	12.20	67.4%	Went up due to increased net income (+287)
BPS[*] (¥/share)	463.29	438.28	25.01	5.7%	

FY2014 1Q stands for end of June 2014 for P/L accounts, end of March 2015 for BS accounts (marked with *).

- (*1) Operating cash flow is calculated using the simplified accounting treatment of “Net income attributable to the parent company+ Depreciation and amortization.” (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)
- (*2) Amounts for Capex and depreciation and amortization are after offsetting of internal transactions.
- (*3) Depreciation and amortization includes amortization of long-term prepaid expenses.

Non-consolidated Financial Results(FY2015 vs. FY2014)

Actual Results of FY2015 1Q

100 million yen

	FY15 1Q	FY14 1Q	Change	
Gross sales	4,367	4,935	-568	-11.5%
Operating income	849	489	360	73.8%
Ordinary income	906	529	377	71.4%
Net income	736	387	349	89.9%

Impact of Sliding Time Lag

100 million yen

	FY15 1Q	FY14 1Q	Change	
Revenue from sliding system	-144	188	-332	
Increase in gas cost	-574	80	-654	
Change	430	108	322	

Change from standard average resource cost

Economic Frame

	FY15 1Q	FY14 1Q	Change	
JCC\$/bbl	59.49	109.57	-50.08	
Ex.rate ¥/\$	121.43	102.17	19.26	

100 million yen

	FY15 1Q	FY14 1Q	Change	
Gas sales	3,392	3,806	-414	-10.9%
Raw materials and supplies	1,652	2,384	-732	-30.7%
(Gross profit)	(1,740)	(1,422)	(318)	(22.3%)
Personnel expenses	214	216	-2	-0.8%
General expenses	556	560	-4	-0.8%
Depreciation & amortization	243	244	-1	-0.3%
LNG regasification	-11	-11	0	-
Operating cost Total	2,655	3,394	-739	-21.8%
Installation work	-2	-1	-1	-
Gas appliances, etc.	33	27	6	19.7%
Other operation income	31	25	6	20.3%
Supplementary business income	81	51	30	60.3%
Operating income	849	489	360	73.8%
Non operating income	57	40	17	42.3%
Ordinary income	906	529	377	71.4%
Extraordinary income	0	12	-12	-
Extraordinary loss	0	5	-5	-
Taxes	170	149	21	14.3%
Net income	736	387	349	89.9%

Volume/composition -89, Unit price -325

Volume/composition -78, Unit price -654 (Foreign exchange effect = +241, Oil price effect = -926)

Volume/composition -11, Unit price +329

Expenses from actuarial differences +13, Personnel decrease, etc.

See below

Gas appliance sales +8 (Maintenance +2, Increased no. of ENE-FARM +1, etc.)

LNG sales +54, Electric power sales -24, etc.

Dividends received from affiliates +16 etc.

FY2014: Gain on sales of noncurrent assets 12

FY2014: Valuation loss on investment securities of related companies 5

Breakdown of General Expenses

	FY15 1Q	FY14 1Q	増減	
Repair costs	76	77	-1	-1.5%
Expendable costs	32	36	-4	-10.6%
Rent	46	46	0	-0.6%
Consignment costs	162	162	0	0.3%
Taxes	115	119	-4	-3.6%
Marketing costs	36	37	-1	-2.4%
Others	89	83	6	7.2%

Decrease in enterprise tax from decreased net sales -5, etc.

Charges for various surveys +7 etc.

Non-consolidated Key Indices of Business Activities (FY2015 vs. FY2014)

Actual Results of FY2015 1Q

Number of customers

Thousands

	FY15 1Q	FY14 1Q	Change	
Number of customers	10,980	10,834	146	1.3%
Number of new customers	47	48	-1	-2.4%

Breakdown of Gas Sales Volume

Mil. m3

	FY15 1Q	FY14 1Q	Change			
Residential vol. per meter(m3)	85.4	88.1	-2.7	-3.1%	Temp. effect -1.8m3(-2.1%), No. of days +0.3m3(+0.3%), Other -1.2m3(-1.3%)	
Residential	795	808	-13	-1.6%	Temp. effect -17Mil. m3(-2.1%), No. of days +3Mil. m3(+0.3%), No. of contracts +13Mil. m3(+1.5%), Other -12Mil. m3(-1.3%)	
Commercial	Commercial	379	381	-2	-0.6%	
	other	181	180	1	0.7%	
	Commercial total	560	561	-1	-0.2%	Temp. effect -3Mil. m3(-0.6%), No. of days +1Mil. m3(+0.3%), No. of contracts +5Mil. m3(+0.8%), Other -4Mil. m3(-0.7%)
Industrial	Power gen.	886	982	-96	-9.8%	
	Other	728	731	-3	-0.4%	
	Industrial total	1,614	1,714	-100	-5.8%	
Total	2,174	2,275	-101	-4.4%		
Wholesale	520	523	-3	-0.6%	Temp. effect -2Mil. m3(-0.4%)	
Total	3,488	3,605	-117	-3.2%	Temp. effect -22Mil. m3(-0.6%), No. of days +4Mil. m3(+0.1%), No. of contracts +18Mil. m3(+0.5%) Other -117Mil. m3(-3.2%) (including,Power generation(Industrial)-96Mil. m3(-2.7%))	
(Large-volume gas demand)	1,852	1,957	-105	-5.4%		

(Consolidated) Breakdown of Operating Cash Flows/Capex

Breakdown of Operating Cash Flows

Actual Results of FY2015 1Q (FY2015 vs. FY2014) 100 million yen

Consolidated	FY15	FY14	Change	
Net income attributable to the parent company (A)	734	447	287	64.0%
Depreciation (B)	333	336	-3	-0.9%
Operating cash flows (A) + (B)	1,067	783	284	36.2%

Non-Consolidated	FY15	FY14	Change	
Net income (A)	736	387	349	89.9%
Depreciation (B)	252	253	-1	-0.5%
Operating cash flows (A) + (B)	988	641	347	54.2%

Breakdown of Capex

Actual Results of FY2015 1Q (FY2015 vs. FY2014) 100 million yen

	FY15	FY14	Change	
Production facilities	43	64	-21	-32.2%
Supply facilities	197	204	-7	-3.5%
Others	23	14	9	64.0%
Capital investment at consolidated subsidiaries*	85	105	-20	-18.7%
Total	349	388	-39	-9.9%

Production facilities: Hitachi LNG Terminal-related etc. -21
 Supply facilities: Stable supplies of energy-related etc. -7
 Others: Other facilities +9

Capital investment at consolidated subsidiaries: OP, TGQCLNG, etc.

*"Capital investment at consolidated subsidiaries" in the table above includes eliminations in consolidation.

Forecasts

(Non-consolidated) Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

Economic Frame

	FY2015new forecast		
	1st Half	2nd Half	Full-year
JCC \$/bbl	62.25	65.00	63.62
Ex. rate ¥/\$	120.72	120.00	120.36
	FY2015 forecast as of Apr. 28		
	1st Half	2nd Half	Full-year
JCC \$/bbl	55.00	65.00	60.00
Ex. rate ¥/\$	120.00	120.00	120.00
	Change		
	1st Half	2nd Half	Full-year
JCC \$/bbl	7.25	0.00	3.62
Ex. rate ¥/\$	0.72	0.00	0.36

Gross Profit Sensitivity to Changes in Oil Price 100 million yen

1\$/bbl	2Q	3Q	4Q	Full-year
Net sales	-26	-9	0	-35
Gas resource cost	-24	-27	-4	-55
Gross profit	-2	18	4	20

*Impact on JCC decrease by \$1

Gross Profit Sensitivity to Changes in EX Rate 100 million yen

¥1/\$	2Q	3Q	4Q	Full-year
Net sales	-15	-16	-4	-35
Gas resource cost	-14	-14	-16	-44
Gross profit	-1	-2	12	9

* Impact on a one-yen appreciation

Consolidated Financial Forecast (New Forecast vs. Initial Forecast)

FY2015 Full-year forecast		100 million yen				FY2015 2Q forecast		100 million yen	
	FY15	FY15	Change		Reference	FY15	FY15 initial	change	
Net sales	19,320	18,890	430	2.3%	City gas +296 (increases in unit sales prices etc.), Electric power +105 (increase in sales volume), etc.	8,820	8,820	0	0.0%
Operating income	1,400	1,400	0	0.0%		960	1,060	-100	-9.4%
Ordinary income	1,340	1,340	0	0.0%		920	1,030	-110	-10.7%
Net income attributable to the parent company	1,010	1,010	0	0.0%		700	790	-90	-11.4%
Total assets	23,300	23,200	100	0.4%					
Shareholders' equity	11,170	11,100	70	0.6%					
Shareholders' equity ratio (%)	47.9%	47.9%	0.0%	-					
Total assets turnover (times)	0.84	0.83	0.01	-					
ROA (*2) (%)	4.4%	4.4%	0.0%	-					
ROE (*2) (%)	9.2%	9.3%	-0.1%	-					
Interest-bearing debt	7,660	7,630	30	0.4%					
D/E ratio	0.69	0.69	0.00	-					
	Net income attributable to the parent company	1,010	1,010	0	0.0%				
	Depreciation and amortization(*3-4)	1,430	1,430	0	0.0%				
Operating cash flow(*1)	2,440	2,440	0	0.0%					
Capex(*3)	2,700	2,700	0	0.0%					
TEP	156	246	-90	-36.6%	Increase of Capital Cost(rising stock price due to reference period change)				
(WACC)	3.6%	3.5%	0.1%	-					
EPS (¥/share)	42.12	41.89	0.23	0.5%					
BPS (¥/share)	467.32	464.81	2.51	0.5%					
Total payout ratio(*5)	(*6)	-	-	-					

(*1) Operating cash flow is calculated using the simplified accounting treatment of "Net income attributable to the parent company + Depreciation and amortization." (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(*2) Total assets and shareholders' equity used to calculate ROA and ROE are the average of the amount as of the end of the previous term and the amount as of the end of the current term.

(*3) Amounts for capex and depreciation and amortization are after offsetting of internal transactions.

(*4) Depreciation and amortization includes amortization of long-term prepaid expenses.

(*5) FYn Gross payout ratio = ((FYn total annual dividend) + (FYn +1 stock repurchases)) / (FYn Net income attributable to the parent company)

(*6) To be maintained at approximately 60% each year to FY2020

Non-consolidated Financial Forecast (New Forecast vs. Initial Forecast)

FY2015 Full-year Forecast

100 million yen

	FY2015 new	FY2015 initial	Change	
Net sales	17,280	16,830	450	2.7%
Operating income	1,150	1,150	0	0.0%
Ordinary income	1,180	1,180	0	0.0%
Net income	930	930	0	0.0%

Impact of Sliding Time Lag

	FY2015 new	FY2015 initial	Change
Revenue from sliding system	-2,295	-2,679	384
Increase in gas cost	-2,548	-2,901	353
Change	253	222	31

Change from standard average resource cost

Economic Frame

	FY2015 new	FY2015 initial	Change
JCC \$/bbl	63.62	60.00	3.62
Ex. rate ¥/\$	120.36	120.00	0.36

100 million yen

	FY2015 new	FY2015 initial	Change		
Gas sales	12,970	12,680	290	2.3%	Volume/composition -94, Unit price +384
Raw materials and supplies	7,640	7,346	294	4.0%	Volume/composition -59, Unit price +353 (Foreign exchange effect = +14, Oil price effect = +321)
(Gross profit)	(5,330)	(5,334)	(-4)	(-0.1%)	Volume/composition -35, Unit price +31
Personnel expenses	890	890	0	0.0%	
General expenses	2,460	2,460	0	0.0%	See below.
Depreciation & amortization	1,048	1,048	0	0.0%	
LNG regasification	-40	-40	0	-	
Operating cost Total	11,998	11,704	294	2.5%	
Installation work	0	0	0	-	
Gas appliances, etc.	68	68	0	0.0%	
Other operation income	68	68	0	0.0%	
Supplementary business income	110	106	4	3.8%	LNG sales +3
Operating income	1,150	1,150	0	0.0%	
Non operating income	30	30	0	0.0%	
Ordinary income	1,180	1,180	0	0.0%	
Extraordinary income	0	0	0	-	
Extraordinary loss	0	0	0	-	
Taxes	250	250	0	0.0%	
Net income	930	930	0	0.0%	

Breakdown of General Expenses

	FY2015 new	FY2015 initial	増減	
Repair costs	355	355	0	0.0%
Expendable costs	150	150	0	0.0%
Rent	183	183	0	0.0%
Consignment costs	682	682	0	0.0%
Taxes	447	447	0	0.0%
Marketing costs	234	234	0	0.0%
Others	409	409	0	0.0%

Non-consolidated Key Indices of Business Activities (New Forecast vs. Initial Forecast)

FY2015 Full-year Forecast

Number of customers

Thousands

	FY15	FY2015 initial	change	
Number of customers	11,082	11,082	0	0.0%
Number of new customers	214	214	0	0.0%

Breakdown of Gas Sales Volume

Mil. m3

	FY15	FY2015 initial	change			
Residential vol. per meter (m3)	360.9	367.7	-6.8	-1.8%	Temp. effect -7.6m3(-2.1%), No. of days -0.2m3(-0.1%), Other +1.0m3(+0.3%)	
Residential	3,367	3,429	-62	-1.8%	Temp. effect -71mil. m3(-2.1%), No. of days -2mil. m3(-0.1%), No. of contracts +1mil. m3(+0.0%), Other +10mil. m3(+0.3%)	
Commercial	Commercial	1,679	1,661	18	1.1%	
	other	886	891	-5	-0.6%	
	Commercial total	2,565	2,552	13	0.5%	Temp. effect -5mil. m3(-0.2%), No. of contracts +4mil. m3(+0.2%), Other +14mil. m3(+0.5%)
Industrial	Power gen.	3,985	3,966	19	0.5%	
	Other	3,030	3,049	-19	-0.6%	
	Industrial total	7,015	7,014	1	0.0%	
Total	9,580	9,566	14	0.1%		
Wholesale	2,341	2,366	-25	-1.1%	Temp. effect -5mil. m3(-0.2%), Decrease in existing customer volume of other gas companies -20mil. m3 (-0.8%)	
Total	15,288	15,361	-73	-0.5%	Temp. effect -81mil. m3(-0.5%), No. of days -2mil. m3(-0.0%), No. of contracts +5mil. m3(+0.0%), Other +5mil. m3(+0.0%)	
(Large-volume gas demand)	8,668	8,657	11	0.1%		

(Consolidated) Breakdown of Operating Cash Flows/Capex

Forecast for FY2015 Full Year

[new forecast vs. initial forecast as of Apr. 28)

100 million yen

Consolidated	FY15	FY15 initial	Change	
Net income attributable to the parent company (A)	1,010	1,010	0	0.0%
Depreciation (B)	1,430	1,430	0	0.0%
Operating cash flows (A) + (B)	2,440	2,440	0	0.0%

100 million yen

Non-Consolidated	FY15	FY15 initial	Change	
Net income (A)	930	930	0	0.0%
Depreciation (B)	1,080	1,080	0	0.0%
Operating cash flows (A) + (B)	2,010	2,010	0	0.0%

Forecast for FY2015 Full Year

[new forecast vs. initial forecast as of Apr. 28)

100 million yen

	FY15	FY15 initial	Change	
Production facilities	401	401	0	0.0%
Supply facilities	1,036	1,036	0	0.0%
Others	470	470	0	0.0%
Capital investment at consolidated subsidiaries*	793	793	0	0.0%
Total	2,700	2,700	0	0.0%

*"Capital investment at consolidated subsidiaries" in the table above includes eliminations in consolidation.

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.