

# Reference Materials

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# Results

## Consolidated Financial Results (FY2015 vs. FY2014)

### Actual Results of FY2015 2Q

100 million yen

	FY15 2Q	FY14 2Q	Change		Reference
Net sales	9,014	10,310	-1,296	-12.6%	City gas -1,136 (decreases in unit prices), Other energy -266 (electric power -215, LNG sales +34)
Operating income	1,100	745	355	47.6%	City gas +354
Ordinary income	1,070	726	344	47.4%	Share of profit of entities accounted for using equity method -8 (7 ← 15)
Net income attributable to the parent company	806	570	236	41.3%	Valuation loss on investment securities -21 (-26 ← -5), Gain on sales of non-current assets -54 (0 ← 54), Gain on sales of investment securities -48 (0 ← -48)

Total assets[*]	22,179	22,576	-397	-1.8%	Accounts receivable trade -638, Property, plant and equipment/intangible assets +228, Investments and other assets +39
Shareholders' equity[*]	11,053	10,695	358	3.4%	Net income attributable to the parent company 806, Acquisition of treasury stock -338, Year-end dividends -122
Shareholders' equity ratio[*] (%)	49.8%	47.4%	2.4	—	Went up because shareholders' equity increased (+3.4%) while total assets decreased (-1.8%)
Total assets turnover (times)	0.40	0.48	-0.08	—	
Interest-bearing debt[*]	7,326	7,307	19	0.3%	Tokyo Gas +75, TG Pluto +57, TG Engineering Solutions -134
Net income attributable to the parent company	806	570	236	41.3%	
Depreciation and amortization(*2·3)	676	681	-5	-0.8%	
Operating cash flow(*1)	1,482	1,252	230	18.4%	
Capex(*2)	893	864	29	3.4%	Tokyo Gas +37
EPS (¥/share)	33.50	23.22	10.28	44.3%	Went up due to net income attributable to the parent company (+236)
BPS[*] (¥/share)	462.48	438.28	24.20	5.5%	

FY2014 2Q stands for end of September 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.

## <Consolidated>

### Changes in Consolidated Balance Sheets (Sep. 30, 2015 vs. Mar. 31, 2015)

(Changes from Mar. 31, 2015)

100 million yen

	Sep. 30, 2015		Mar. 31, 2015		Change		Changes
		%		%			
<b>【Assets】</b>							
Noncurrent assets	17,025	76.8%	16,759	74.2%	266	1.6%	Property, plant, and equipment/intangible assets: Capital expenditures 893, depreciation & amortization -676 Investments and other assets: Long-term loans receivable +39
Current assets	5,154	23.2%	5,817	25.8%	-663	-11.4%	Accounts receivable trade -638
<b>Total Assets</b>	<b>22,179</b>	<b>100.0%</b>	<b>22,576</b>	<b>100.0%</b>	<b>-397</b>	<b>-1.8%</b>	
<b>【Liabilities】</b>							
Interest-bearing debt	7,326	33.0%	7,307	32.4%	19	0.3%	Long-term loans payable: New loans +389; Bonds payable (redemption) -338
Provision for retirement benefits	733	3.3%	750	3.3%	-17	-2.3%	
Notes and accounts payable-trade	878	4.0%	1,089	4.8%	-211	-19.3%	Accounts payable trade -210
Other liabilities	2,005	9.0%	2,556	11.3%	-551	-21.5%	Accounts payable other etc. -451, Income taxes payable etc. -119
<b>Total Liabilities</b>	<b>10,944</b>	<b>49.3%</b>	<b>11,704</b>	<b>51.8%</b>	<b>-760</b>	<b>-6.5%</b>	
<b>【Net Assets】</b>							
Shareholders' equity	10,304	46.5%	9,959	44.1%	345	3.5%	Net income attributable to the parent company 806, Acquisition of treasury stock -338, Year-end dividends -122
Total other comprehensive income	749	3.4%	735	3.3%	14	1.9%	Foreign currency translation adjustment: +31; Valuation difference on available-for-sale securities -26
Minority interests	181	0.8%	177	0.8%	4	2.2%	
<b>Total Net Assets</b>	<b>11,235</b>	<b>50.7%</b>	<b>10,872</b>	<b>48.2%</b>	<b>363</b>	<b>3.3%</b>	Equity ratio: 49.8% (end of Sep 2015) ← 47.4% (end of Mar 2015)
<b>Total (Liabilities and Net Assets)</b>	<b>22,179</b>	<b>100.0%</b>	<b>22,576</b>	<b>100.0%</b>	<b>-397</b>	<b>-1.8%</b>	

## Non-consolidated Financial Results(FY2015 vs. FY2014)

### Actual Results of FY2015 2Q

100 million yen				
	FY15 2Q	FY14 2Q	Change	
Gross sales	8,041	9,439	-1,398	-14.8%
Operating income	940	555	385	69.1%
Ordinary income	988	600	388	64.7%
Net income	776	479	297	61.9%

### Impact of Sliding Time Lag

100 million yen			
	FY15 2Q	FY14 2Q	Change
Revenue from sliding system	-813	329	-1,142
Increase in gas cost	-1,250	188	-1,438
Change	437	141	296

Change from standard average resource cost

### Economic Frame

	FY15 2Q	FY14 2Q	Change
JCC\$/bbl	59.49	109.57	-50.08
Ex.rate ¥/\$	121.43	102.17	19.26

100 million yen				
	FY15 2Q	FY14 2Q	Change	
Gas sales	6,077	7,209	-1,132	-15.7%
Raw materials and supplies	3,325	4,772	-1,447	-30.3%
(Gross profit)	(2,752)	(2,437)	(315)	(12.9%)
Personnel expenses	430	428	2	0.5%
General expenses	1,103	1,135	-32	-2.9%
Depreciation & amortization	493	496	-3	-0.5%
LNG regasification	-22	-23	1	-
Operating cost Total	5,330	6,809	-1,479	-21.7%
Installation work	0	0	0	-
Gas appliances, etc.	66	54	12	21.4%
Other operation income	65	53	12	21.7%
Supplementary business income	128	101	27	26.0%
Operating income	940	555	385	69.1%
Non operating income	48	44	4	9.0%
Ordinary income	988	600	388	64.7%
Extraordinary income	0	61	-61	-
Extraordinary loss	25	5	20	-
Taxes	186	177	9	5.1%
Net income	776	479	297	61.9%

Volume/composition -4, Unit price -1,128
Volume/composition -9, Unit price -1,438 (Foreign exchange effect = +465, Oil price effect = -1,995)
Volume/composition +5, Unit price +310
Expenses from actuarial differences +26, Personnel decrease, etc.
See below
Decrease as a result of progress of depreciation & amortization -3
Income from gas appliances +14 (TES +6, Maintenance +4, etc.) etc.
Electric power sales -33, LNG sales +59, etc.
FY2014: Gain on sales of investment securities 48, Gain on sales of noncurrent assets 12
FY2015: Valuation loss on investment securities 25; FY2014: Valuation loss on investment securities 5

### Breakdown of General Expenses

100 million yen				
	FY15 2Q	FY14 2Q	Change	
Repair costs	158	162	-4	-2.4%
Expendable costs	68	72	-4	-5.2%
Rent	89	89	-0	-0.2%
Consignment costs	325	318	7	2.2%
Taxes	215	231	-16	-7.0%
Marketing costs	81	86	-5	-5.4%
Others	167	177	-10	-5.6%

Decrease in enterprise tax from decreased net sales etc.

Decrease in removal costs as a result of provision for aging gas pipes in FY2014 etc.

## (Consolidated) Breakdown of Operating Cash Flows/Capex/Investments and financing

### Breakdown of Operating Cash Flows

Actual Results (FY2015 2Q vs. FY2014 2Q) 100 million yen

Consolidated	FY15	FY14	Change	
Net income attributable to the parent company (A)	806	570	236	41.3%
Depreciation (B)	676	681	-5	-0.8%
Operating cash flows (A) + (B)	1,482	1,252	230	18.4%

Actual Results (FY2015 2Q vs. FY2014 2Q) 100 million yen

Non-Consolidated	FY15	FY14	Change	
Net income (A)	776	479	297	61.9%
Depreciation (B)	511	514	-3	-0.6%
Operating cash flows (A) + (B)	1,287	993	294	29.6%

\* Depreciation and amortization includes amortization of long-term prepaid expenses.

### Breakdown of Capex

Actual Results (FY2015 2Q vs. FY2014 2Q) 100 million yen

	FY15	FY14	Change	
Production facilities	159	150	9	6.2%
Supply facilities	430	417	13	3.2%
Operational facilities etc.	71	56	15	25.8%
Tokyo Gas Total	661	624	37	6.0%
Capital investment at consolidated subsidiaries*	238	247	-9	-3.9%
Adjustment	-6	-7	1	-
Total	893	864	29	3.4%

Production facilities: other Production facilities +9

Supply facilities: Stable supplies of energy-related +35,  
Marketing-related -22

Operational facilities etc.: other operational facilities etc. +15

Consolidated subsidiaries: Decrease of Ohgishima Power, etc.

Investments and financing 100 million yen

	FY15	FY14	Change	
investment & financing	56	1	55	-
collections	12	58	-46	-78.8%
after offset	44	-57	101	-

# Forecasts

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

### Economic Frame

	Current forecast Oct. 30			
	1st Half	2nd Half	Full-year	
JCC \$/bbl	58.85	55.00	56.93	\$/bbl
Ex. rate ¥/\$	121.87	120.00	120.94	yen/\$
	Previous forecast Jul. 30			
	1st Half	2nd Half	Full-year	
JCC \$/bbl	62.25	65.00	63.62	\$/bbl
Ex. rate ¥/\$	120.72	120.00	120.36	yen/\$
	Change			
	1st Half	2nd Half	Full-year	
JCC \$/bbl	-3.40	-10.00	-6.69	\$/bbl
Ex. rate ¥/\$	1.15	0.00	0.58	yen/\$

### Gross Profit Sensitivity to Changes in Oil Price/EX Rate

	1\$/bbl	3Q	4Q	Full-year
Net sales		10	0	10
Gas resource cost		28	4	32
Gross profit		-18	-4	-22

100 million yen

\*Impact on JCC increase by \$1

	1円/\$	3Q	4Q	Full-year
Net sales		14	4	18
Gas resource cost		13	14	27
Gross profit		1	-10	-9

100 million yen

\*Impact on a one-yen depreciation



## Consolidated Financial Forecast (Current Forecast vs. Jul.30 Forecast)

### FY2015 Full-year forecast

100 million yen

	Current forecast Oct. 30	Previous forecast Jul. 30	Change		Reference
Net sales	18,960	19,320	-360.0	-1.9%	City gas -193(decreases in unit prices,etc.)、Other energy -88(decreases in unit prices)etc.
Operating income	1,680	1,400	280	20.0%	City gas +216(economic framework etc.)、Other energy +40(economic framework etc.)
Ordinary income	1,620	1,340	280	20.9%	
Net income attributable to the parent company	1,220	1,010	210	20.8%	
Total assets	23,080	23,300	-220	-0.9%	
Shareholders' equity	11,290	11,170	120	1.1%	
Shareholders' equity ratio (%)	48.9%	47.9%	1.0%	-	
Total assets turnover (times)	0.83	0.84	-0.01	-	
ROA(*2) (%)	5.3%	4.4%	0.9%	-	
ROE(*2) (%)	11.1%	9.2%	1.9%	-	
Interest-bearing debt	7,390	7,660	-270	-3.5%	
D/E ratio	0.65	0.69	-	-	
Net income attributable to the parent company	1,220	1,010	210	20.8%	
Depreciation and amortization(*3·4)	1,430	1,430	0	0.0%	
Operating cash flow(*1)	2,650	2,440	210	8.6%	
Capex(*3)	2,700	2,700	0	0.0%	
TEP	398	156	242	155.1%	
(WACC)	3.6%	3.6%	-	-	
EPS (¥/share)	50.88	42.12	8.76	20.8%	
BPS (¥/share)	472.36	467.32	5.04	1.1%	
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 Results (Current Forecast vs. Jul. 30 Forecast)**

**FY2015 Full-year Forecast**

100 million yen				
	Current	Previous	Change	
Net sales	17,000	17,280	-280	-1.6%
Operating income	1,390	1,150	240	20.9%
Ordinary income	1,420	1,180	240	20.3%
Net income	1,100	930	170	18.3%

**Impact on Sliding Time Lag**

100 million yen			
	Current	Previous	Change
Revenue from sliding system	-2,560	-2,295	-265
Increase in gas cost	-3,033	-2,548	-485
Change	473	253	220

Change from standard average resource cost

**Economic Frame**

	Current	Previous	Change	
JCC \$/bbl	56.93	63.62	-6.69	\$/bbl
Ex. rate ¥/\$	120.94	120.36	0.58	¥/\$

100 million yen					
	Current	Previous	Change		
Gas sales	12,780	12,970	-190	-1.5%	
Operating cost	Raw materials and supplies	7,234	7,640	-406	-5.3%
	(Gross profit)	(5,546)	(5,330)	(216)	(4.1%)
	Personnel expenses	890	890	0	0.0%
	General expenses	2,460	2,460	0	0.0%
	Depreciation & amortization	1,048	1,048	0	0.0%
	LNG regasification	-40	-40	0	-
	Total	11,592	11,998	-406	-3.4%
Installation work	0	0	0	-	
Gas appliances, etc.	68	68	0	0.0%	
Other operation income	68	68	0	0.0%	
Supplementary business income	134	110	24	21.8%	
Operating income	1,390	1,150	240	20.9%	
Non operating income	30	30	0	0.0%	
Ordinary income	1,420	1,180	240	20.3%	
Extraordinary income	0	0	0	-	
Extraordinary loss	25	0	25	-	
Taxes	294	250	44	17.6%	
Net income	1,100	930	170	18.3%	

Volume/composition +93, Unit price -283

Volume/composition +79, Unit price -485 (Foreign exchange effect = +28, Oil price effect = -498)

Volume/composition +14, Unit price +202

See below.

Electric power sales +5, LNG sales +22, etc.

Current: Valuation loss on investment securities 25

**Breakdown of General Expenses**

100 million yen				
	Current	Previous	Change	
Repair costs	357	355	2	0.6%
Expendable costs	148	150	-2	-1.3%
Rent	182	183	-1	-0.5%
Consignment costs	685	682	3	0.4%
Taxes	440	447	-7	-1.6%
Marketing costs	231	234	-3	-1.3%
Others	417	409	8	2.0%

Decrease in enterprise tax from decreased net sales etc.

Increased removal costs etc.

<Non-consolidated>

**Financial Results (Current Forecast vs. FY2014 Results)**

**FY2015 Full-year Forecast**

100 million yen

	Current forecast	FY2014 results	Change	
Net sales	17,000	20,835	-3,835	-18.4%
Operating income	1,390	1,261	129	10.1%
Ordinary income	1,420	1,400	20	1.4%
Net income	1,100	1,038	62	5.9%

100 million yen

**Impact on Sliding Time Lag**

	Current forecast	FY2014 results	Change	
Revenue from sliding system	-2,560	779	-3,339	
Increase in gas cost	-3,033	500	-3,533	
Change	473	279	194	

Change from standard average resource cost

**Economic Frame**

	Current forecast	FY2014 results	Change	
JCC \$/bbl	56.93	90.36	-33.43	\$/bbl
Ex. rate ¥/\$	120.94	109.76	11.18	¥/\$

100 million yen

	Current forecast	FY2014 results	Change			
Gas sales	12,780	16,043	-3,263	-20.3%	Volume/composition +65, Unit price -3,328	
Operating cost	Raw materials and supplies	7,234	10,693	-3,459	-32.4%	Volume/composition +74, Unit price -3,533 (foreign exchange effect = +537, oil price effect = -4,287)
	(Gross profit)	(5,546)	(5,350)	(196)	(3.7%)	Volume/composition -9, Unit price +205
	Personnel expenses	890	862	28	3.2%	Expenses from actuarial differences +53, Personnel decrease, etc.
	General expenses	2,460	2,492	-32	-1.3%	See below.
	Depreciation & amortization	1,048	1,024	24	2.3%	Increased depreciation as a result of acquisition of new facilities etc.
	LNG regasification	-40	-46	6	-	
Total	11,592	15,027	-3,435	-22.1%		
Installation work	0	9	-9	-	Decrease in number of new customers etc.	
Gas appliances, etc.	68	56	12	19.4%	Gas appliance sales +12 (decreased provision for appliance maintenance +23) etc.	
Other operation income	68	66	2	2.3%		
Supplementary business income	134	179	-45	-25.2%	LNG sales +43, Electric power sales -90, etc.	
Operating income	1,390	1,261	129	10.1%		
Non operating income	30	138	-108	-78.3%	Dividends received from affiliates -95 (FY2015: 58; FY2014: 153) etc.	
Ordinary income	1,420	1,400	20	1.4%		
Extraordinary income	0	70	-70	-	FY2014: Gain on sales of investment securities 50, Gain on sales of noncurrent assets 19	
Extraordinary loss	25	13	12	-	FY2015: Valuation loss on investment securities 25; FY2014: Valuation loss on investment securities 7 etc.	
Taxes	294	418	-124	-29.8%		
Net income	1,100	1,038	62	5.9%		

**Breakdown of General Expenses** 100 million yen

	Current forecast	FY2014 results	Change		
Repair costs	357	361	-4	-1.1%	
Expendable costs	148	148	-0	-0.3%	
Rent	182	176	6	3.4%	
Consignment costs	685	646	39	5.9%	Increased maintenance and management of IT infrastructure etc.
Taxes	440	481	-41	-8.7%	Decrease in enterprise tax from decreased net sales etc.
Marketing costs	231	216	15	6.9%	Increased marketing-related expenses etc.
Others	417	464	-47	-9.9%	Decreased removal costs as a result of provision for aged gas pipes in FY2014 etc.

## Consolidated Breakdown of Operating Cash Flows/Capex/Investments and financing

### Operating Cash Flows

#### Consolidated Forecast

(Oct. 30 Forecast vs. FY2014 Actual)

100 million yen

	Oct. 30	FY2014	Change	
Net income attributable to the parent company (A)	1,220	958	262	27.3%
Depreciation (B)	1,430	1,418	12	0.8%
Operating cash flows (A) + (B)	2,650	2,376	274	11.5%

#### Non-consolidated Forecast

(Oct. 30 Forecast vs. FY2014 Actual)

100 million yen

	Oct. 30	FY2014	Change	
Net income (A)	1,100	1,038	62	5.9%
Depreciation (B)	1,080	1,059	21	2.0%
Operating cash flows (A) + (B)	2,180	2,097	83	4.0%

#### Consolidated Forecast

(Oct. 30 Forecast vs. Jul. 30 Forecast)

100 million yen

	Oct. 30	Jul. 30	Change	
Net income attributable to the parent company (A)	1,220	1,010	210	20.8%
Depreciation (B)	1,430	1,430	0	0.0%
Operating cash flows (A) + (B)	2,650	2,440	210	8.6%

#### Non-consolidated Forecast

(Oct. 30 Forecast vs. Jul. 30 Forecast)

100 million yen

	Oct. 30	Jul. 30	Change	
Net income (A)	1,100	930	170	18.3%
Depreciation (B)	1,080	1,080	0	0.0%
Operating cash flows (A) + (B)	2,180	2,010	170	8.5%

\*Depreciation and amortization includes amortization of long-term prepaid expenses.

### Breakdown of Capex

(Oct. 30 Forecast vs. FY2014 Actual)

100 million yen

	Oct. 30	FY2014	Change	
Production facilities	401	359	42	11.9%
Supply facilities	1,036	1,014	22	2.2%
Operational facilities etc.	470	213	257	119.7%
Tokyo Gas Total	1,908	1,587	321	20.2%
Capital investment at consolidated subsidiaries*	833	704	129	18.2%
Adjustment	-41	-46	5	-
Total	2,700	2,245	455	20.2%

Production facilities: Hitachi LNG Terminal-related etc. +42

Supply facilities: Stable supplies of energy-related etc. +22

Operational facilities etc.: Real estate development +145, IT +64,  
other operational facilities etc. +48

Consolidated subsidiaries: Real estate-related +35, LNG transport ship-related +21  
Energy service-related +18, City gas business +14,

(Oct. 30 Forecast vs. FY2014 Actual)

100 million yen

	Oct. 30	Jul. 30	Change	
Production facilities	401	401	0	0.0%
Supply facilities	1,036	1,036	0	0.0%
Operational facilities etc.	470	470	0	0.0%
Tokyo Gas Total	1,908	1,908	0	0.0%
Capital investment at consolidated subsidiaries*	833	833	0	0.0%
Adjustment	-41	-41	0	-
Total	2,700	2,700	0	0.0%

### Investments and financing

100 million yen

	Oct. 30	FY2014	Change	
investment & financing	334	35	299	829.9%
collections	22	80	-58	-71.7%
after offset	312	-45	357	-

# 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.