

Reference Materials(FY2016 1Q)

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Results

<Consolidated>Financial Results (FY2016 vs. FY2015)

100 million yen

	FY16 1Q	FY15 1Q	Change		Reference
Net sales	3,757	4,873	-1,116	-22.9%	City gas -915 (decrease in unit prices), Energy-related -211 (decrease in LNG sales -91), Electric power -23, Other +16 (information services +18)
Operating income	471	945	-474	-50.2%	City gas -375, Energy-related -42 (decrease in LNG sales -30), Electric power -30
Ordinary income	472	933	-461	-49.5%	Foreign exchange effect +4 (+2 ← -2), Dividends received +4 (13 ← 9)
parent company	391	734	-343	-46.6%	Gain on sales of investment securities +29 (29 ← 0)

Total assets *	20,880	22,515	-1,635	-7.3%	Cash and deposits -846, Accounts receivable trade and bills receivable -537
Shareholders' equity *	10,717	11,002	-285	-2.6%	Acquisition of treasury stock -404, Dividends -143, Net income +391
Shareholders' equity ratio * (%)	51.3%	48.9%	2.4	—	Went up because the decrease in shareholders' equity (-2.6%) was smaller than the decrease in total assets (-7.3%).
Total assets turnover (times)	0.17	0.22	-0.05	—	
Interest-bearing debt *	6,729	7,157	-428	-6.0%	Tokyo Gas -335, TG Pluto -32, Tokyo Gas Lease -15
Net income attributable to the parent company	391	734	-343	-46.6%	
Amortization(*1·2)	392	333	59	17.8%	Tokyo Gas +55 (non-consolidated basis)
Operating cash flow(*3)	784	1,067	-283	-26.5%	
Capex(*1)	389	349	40	11.2%	
EPS (¥/share)	16.71	30.31	-13.60	-44.9%	Went down due to a decrease in net income attributable to the parent company (-343)
BPS * (¥/share)	466.52	460.35	6.17	1.3%	

FY2015 1Q stands for end of June 2015 for P/L accounts, end of March 2016 for BS accounts (marked with *).

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

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

(*3)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)

<Consolidated>Breakdown of Other Energy-related Segment/Other Segment (FY2016 vs.

Breakdown of Energy-related Segment

100 million yen

Results	Net sales				Operating income			
	FY16 1Q	FY15 1Q	Change		FY16 1Q	FY15 1Q	Change	
Engineering solution	238	288	-50	-17.5%	3	3	0	-2.0%
Gas appliances	278	332	-54	-16.1%	1	17	-16	-89.6%
Installation work	86	82	4	4.4%	-1	-1	0	—
LNG sales	231	322	-91	-28.1%	40	70	-30	-43.3%
LPG, etc.	65	84	-19	-22.7%	2	1	1	68.3%
Industrial gas, etc.	44	52	-8	-13.7%	2	3	-1	-22.7%
Construction	140	113	27	23.3%	-2	-4	2	—

(Major change factors)

Engineering solution: Sales and income decreased due to decreased terminal construction despite increased income as a result of reduced energy service cost

Gas appliances: Effect of Gaster (sales -36, income -3); Income decreased due to provision for appliances maintenance cost

LNG sales: Sales decreased due to decreased unit sales prices despite increased sales volume; Income decreased due to slide differences

Breakdown of Other Segment

100 million yen

Results	Net sales				Operating income			
	FY16 1Q	FY15 1Q	Change		FY16 1Q	FY15 1Q	Change	
Shipping	43	46	-3	-8.2%	1	4	-3	-62.9%
Information services	60	42	18	42.6%	-2	-1	-1	—
Credit and Lease	33	33	0	-1.7%	2	2	0	-10.3%

(Major change factors)

Shipping: Sales and income decreased due to decreased freight income.

Information services: Sales increased due to increased large projects etc. and income decreased due to increased consignment cost etc.

<Consolidated>Main Consolidated Subsidiaries (FY2016 vs. FY2015)

million yen

	Net sales			Operating income			Reasons	
	FY16 1Q	FY15 1Q	Change	FY16 1Q	FY15 1Q	Change		
Consolidated	3,757	4,873	-1,116	471	945	-474		
City Gas etc. (*) Tokyo Gas Co.,Ltd.	3,319	4,367	-1,048	392	849	-457		
Electric Power business seg.	Nijio Co.,Ltd	227	250	-23	19	21	-2	Sales and income decreased due to lower electric power unit sales prices.
Other Energy seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	238	292	-54	3	4	-1	Sales and income decreased due to decreased terminal construction despite increased income as a result of reduced energy service cost.
Other Energy seg.	Capty Co.,Ltd.	122	98	24	-1	-3	2	Sales increased due to the transfer of the air-conditioning business from Gaster.
Real Estate seg.	Tokyo Gas Urban Development	57	59	-2	15	14	1	Sales decreased due to the transfer of facility management business while income increased due to decreased depreciation & amortization etc.
Others	Tokyo LNG Tanker Co., Ltd.	43	46	-3	1	4	-3	Sales and income decreased due to decreased freight income.
Other		579	725	-146	24	52	-28	TG Pluto: Sales and income decreased due to lower unit sales prices TG Barnett: Sales decreased but income increased due to lower unit sales prices and decreased sales volume Gaster: Sales and income decreased due to exclusion from consolidation.
Consolidated subsidiaries total		1,266	1,470	-204	61	92	-31	

(*) In addition to "City Gas," Tokyo Gas is engaged in "Electric Power," "Energy-Related," "Real estate," and "Other" segments.

<Non-consolidated>Financial Results (FY2016 vs. FY2015)

100 million yen				Impact of Sliding Time Lag			100 million yen			Economic Frame		
	FY16 1Q	FY15 1Q	Change		FY16 1Q	FY15 1Q	Change		FY16 1Q	FY15 1Q	Change	
Net Sales	3,319	4,367	-1,048	-24.0%	Revenue from sliding system	-383	562	-945	JCC \$/bbl	41.09	59.59	-18.50
Operating income	392	849	-457	-53.8%	Increase in gas cost	-515	132	-647	Ex. rate ¥/\$	108.16	121.43	-13.27
Ordinary income	432	906	-474	-52.3%	Change	132	430	-298				
Net income	649	736	-87	-11.8%	Change from standard average resource cost							

100 million yen								
	FY16 1Q	FY15 1Q	Change					
Gas sales	2,496	3,392	-896	-26.4%	Volume/composition +56, Unit prices -952			
Operating cost	Raw materials and supplies	1,030	1,652	-622	-37.7%	Volume/composition +19, Unit prices -641 (Foreign exchange effect = -102, Oil price effect = -545, etc.)		
	(Gross profit)	(1,466)	(1,740)	(-274)	(-15.7%)	Volume/composition +37, Unit prices -311		
	Personnel expenses	270	214	56	26.0%	Expenses from actuarial differences +54 etc.		
	General expenses	564	556	8	1.4%	See below.		
	Depreciation & amortization	293	243	50	20.5%	Increased depreciation as a result of acquisition of new facilities etc.		
	LNG regasification	-10	-11	1	-			
Total	2,147	2,655	-508	-19.1%				
Installation work	Gas appliances	-1	-2	1	-	Effect of provision for appliance maintenance -4 etc.		
	Other operation income	22	31	-9	-27.3%			
Supplementary business income	21	81	-60	-73.3%	LNG sales -30, Electric power sales -27, etc.			
Operating income	392	849	-457	-53.8%				
Non operating income	40	57	-17	-29.6%	Dividends received from affiliates -16 etc.			
Ordinary income	432	906	-474	-52.3%				
Extraordinary income	317	0	317	-	Gain on sales of assets 163, Gain on extinguishment of tie-in stocks (effect of integration of a subsidiary) 154, etc.			
Extraordinary loss	0	0	0	-				
Taxes	101	170	-69	-40.5%				
Net income	649	736	-87	-11.8%				

Breakdown of General Expenses				100 million yen			
	FY16 1Q	FY15 1Q	Change				
Repair costs	75	76	-1	-1.0%			
Expendable costs	35	32	3	8.5%			
Rent	47	46	1	1.9%			
Consignment costs	170	162	8	4.6%	Increased consignment costs etc.		
Taxes	104	115	-11	-9.4%	Decreased enterprise tax due to decreased net sales etc.		
Marketing costs	32	36	-4	-9.9%			
Others	101	89	12	13.5%	Increased removal costs as a result of provision for aging gas pipes etc.		

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis (FY2016 vs. FY2015)

Breakdown of Gas Sales

100 million yen

	FY16 1Q Results	FY15 1Q Results	Change		100 million yen		Mil. M3	
Residential	1,144	1,383	-239	-17.3%	Volume	21	14	
					Temp. effect	8	6	
					Sliding	-254	-	
					Other differences	-6	-	
Commercial・Industrial ・Wholesale	1,352	2,009	-657	-32.7%	Volume	35	55	
					Temp. effect	-1	-2	
					Sliding	-691	-	
					Other differences	-1	-	
Total	2,496	3,392	-896	-26.4%	Volume	56	69	
					Temp. effect	7	4	
					Sliding	-945	-	
					Other differences	-7	-	

Gross Profit Analysis

100 million yen

	Volume		Unit price		Change
Gas sales	Temp. effect	7	Sliding	-945	-896
			Other	-7	
		56		-952	
Raw materials and supplies	Temp. effect	2	Sliding	-647	-622
			Other	6	
		19		-641	
Gross profit	Temp. effect	5	Sliding	-298	-274
			Other	-13	
		37		-311	

<Non-consolidated> Power Generation Stock Volume and Sales of ENE-FARM

① Power Generation Stock Volume

Unit thousands kW

	FY16 1Q	FY15 4Q	Change (c)=(a)-(b)
	June 2016 Results(a)	March 2016 Results(b)	
Commercial-use cogeneration system	574	573	1
Industrial-use cogeneration system	1,277	1,277	0
Power gen.	3,761	3,755	6
Total	5,612	5,605	7

<Reference> Commercial-use cogeneration system (small gas engine in operation for 3,000 hours); about 1,000m³/kW
 Industrial-use cogeneration system (large gas engine in operation for 6,000 hours); about 1,300m³/kW

② Sales of ENE-FARM (Completion Basis)

(Year on Year)

Unit sales

	FY16 1Q Results	FY15 1Q Results	Change	Change ratio
ENE-FARM	3,648	3,716	-68	-1.8%

(Achievement of plan for FY16)

Unit sales

	FY16 1Q Results	Annual Plan	Achievement
ENE-FARM	3,648	18,600	19.6%

<Consolidated/Non-consolidated> Breakdown of Operating Cash Flows/Capex/Investments and

Breakdown of Operating Cash Flows

Actual Results of FY2016 1Q (FY2016 vs. FY2015)

100 million yen

Consolidated	FY16 1Q	FY15 1Q	Change	
Net income attributable to the parent company (A)	391	734	-343	-46.6%
Depreciation* (B)	392	333	59	17.8%
Operating cash flows (A)+(B)	784	1,067	-283	-26.5%

Actual Results of FY2016 1Q (FY2016 vs. FY2015)

100 million yen

Non-Consolidated	FY16 1Q	FY15 1Q	Change	
Net income (A)	649	736	-87	-11.8%
Depreciation* (B)	307	252	55	21.9%
Operating cash flows (A)+(B)	956	988	-32	-3.2%

* Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capex

Actual Results (FY2016 vs. FY2015)

100 million yen

	FY16 1Q	FY15 1Q	Change	
Production facilities	22	43	-21	-49.2%
Supply facilities	175	197	-22	-10.7%
Operational facilities etc.	57	23	34	150.5%
Tokyo Gas Total	256	264	-8	-2.8%
Capital investment at consolidated Subsidiaries	145	90	55	61.4%
Adjustment	-12	-5	-7	—
Total	389	349	40	11.2%

Production facilities: Hitachi LNG Terminal-related etc. -21

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

Operational facilities etc.: Real estate, IT, other operational facilities, etc. +34

Consolidated subsidiaries: Tokyo LNG Tanker etc. Increase

Investments and Financing

100 million yen

	FY16 1Q	FY15 1Q	Change	
Investment & financing	0	26	-26	-96.5%
Collections	4	4	0	0.0%
After offset	-4	22	-26	—

Forecasts

<Assumptions> Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

Economic Frame

<Consolidated/Non-consolidated>

	FY2016 New Forecast		
	1st Half	2nd Half	Full-year
JCC \$/bbl	43.05	45.00	44.02
Ex. rate ¥/\$	106.58	105.00	105.79
	FY2016 Initial Forecast as of Apr. 28		
	1st Half	2nd Half	Full-year
JCC \$/bbl	35.00	40.00	37.50
Ex. rate ¥/\$	115.00	115.00	115.00
	Change		
	1st Half	2nd Half	Full-year
JCC \$/bbl	8.05	5.00	6.52
Ex. rate ¥/\$	-8.42	-10.00	-9.21

Gross Profit Sensitivity to Changes in Oil Price<Consolidated>

Gross Profit Sensitivity to Changes in Oil Price

100 million yen

	2Q	3Q	4Q	Full-year
Net sales	20	9	0	29
Gas resource cost	20	21	3	44
Gross profit	0	-12	-3	-15

*Impact on JCC increase by \$1

Gross Profit Sensitivity to Changes in EX Rate

100 million yen

	2Q	3Q	4Q	Full-year
Net sales	10	11	3	24
Gas resource cost	10	11	11	32
Gross profit	0	0	-8	-8

* Impact on a one-yen depreciation

<Consolidated> Financial Forecast(New Forecast(Jul) vs. Initial Forecast(Apr))

Forecast of Full Year Results for FY2016

100 million yen

	New	Initial	Change		Reference
Net sales	15,910	15,810	100	0.6%	City gas +45 (increased unit sales prices), Electric power +40 (increased sales volume etc.) etc.
Operating income	480	480	0	0.0%	
Ordinary income	400	400	0	0.0%	
Net income attributable to the parent company	350	350	0	0.0%	
Total assets	21,880	22,270	-390	-1.8%	
Shareholders' equity	10,020	10,220	-200	-2.0%	
Shareholders' equity ratio (%)	45.8%	45.9%	-0.1%	-	
Total assets turnover (times)	0.72	0.71	0.01	-	
ROA (*1) (%)	1.6%	1.6%	0.0%	-	
ROE (*1) (%)	3.3%	3.3%	0.0%	-	
Interest-bearing debt	7,800	7,870	-70	-0.9%	
D/E ratio	0.78	0.77	0.01	-	
Net income attributable to the parent company	350	350	0	0.0%	
Depreciation and amortization(*2·3)	1,650	1,650	0	0.0%	
Operating cash flow(*4)	2,000	2,000	0	0.0%	
Capex(*2)	2,480	2,480	0	0.0%	
TEP	-228	-359	131	-	
(WACC)	3.4%	3.4%	0.0%	-	
EPS (¥/share)	15.16	15.01	0.15	1.0%	
BPS (¥/share)	436.39	446.27	-9.88	-2.2%	
Total payout ratio(*5)	(*6) -	-	-	-	

(*1)Total assets and shareholders' equity applied 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.

(*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.

(*4) 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)

(*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(Jul) vs. Initial Forecast(Apr))

Forecast of Full Year Results for FY2016

100 million yen

Impact of Sliding Time Lag

100 million yen

Economic Frame

	New	Initial	Change	
Net sales	13,930	13,770	160	1.2%
Operating income	260	280	-20	-7.1%
Ordinary income	340	400	-60	-15.0%
Net income	590	650	-60	-9.2%

	New	Initial	Change
Revenue from sliding system	-2,286	-2,396	110
Increase in gas cost	-2,206	-2,310	104
Change	-80	-86	6

	New	Initial	Change
JCC \$/bbl	44.02	37.50	6.52
Ex. rate ¥/\$	105.79	115.00	-9.21

Change from standard average resource cost

100 million yen

	New	Initial	Change		
Gas sales	9,980	9,940	40	0.4%	Volume/composition -70, Unit prices +110
Raw materials and supplies	4,937	4,860	77	1.6%	Volume/composition -27, Unit prices +104 (Foreign exchange effect -353, Oil price effect +447, etc.)
(Gross profit)	(5,043)	(5,080)	(-37)	(-0.7%)	Volume/composition -43, Unit prices +6
Personnel expenses	1,105	1,105	0	0.0%	
General expenses	2,590	2,590	0	0.0%	See below.
Depreciation & amortization	1,231	1,231	0	0.0%	
LNG regasification	-41	-41	0	-	
Operating cost Total	9,822	9,745	77	0.8%	
Installation work	1	1	0	0.0%	
Gas appliances, etc.	83	79	4	5.1%	
Other operation income	84	80	4	5.0%	
Supplementary business income	18	5	13	260.0%	Electric power sales +11, LNG sales +1, etc.
Operating income	260	280	-20	-7.1%	
Non operating income	80	120	-40	-33.3%	Dividends received from affiliates -42 etc.
Ordinary income	340	400	-60	-15.0%	
Extraordinary income	351	351	0	0.0%	
Extraordinary loss	0	0	0	-	
Taxes	101	101	0	0.0%	
Net income	590	650	-60	-9.2%	

Breakdown of General Expenses

100 million yen

	New	Initial	Change	
Repair costs	389	389	0	0.0%
Expendable costs	158	158	0	0.0%
Rent	186	186	0	0.0%
Consignment costs	731	731	0	0.0%
Taxes	413	413	0	0.0%
Marketing costs	233	233	0	0.0%
Others	480	480	0	0.0%

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis (New Forecast(Jul) vs. Initial Forecast(Apr))

Forecast of Full Year Results for FY2016

Breakdown of Gas Sales

100 million yen

	New forecast(Jul)	Initial forecast(Apr)	Change				
					100 million yen	Mil. m3	
Residential	4,504	4,565	-61	-1.3%	Volume	-108	-75
					Temp. effect	-75	-63
					Sliding	47	-
					Other difference	0	-
Commercial · Industrial · Wholesale	5,476	5,375	101	1.9%	Volume	38	33
					Temp. effect	-9	-12
					Sliding	63	-
					Other difference	0	-
Total	9,980	9,940	40	0.4%	Volume	-70	-42
					Temp. effect	-84	-75
					Sliding	110	-
					Other difference	0	-

Gross Profit Analysis

100 million yen

	Volume		Unit price		Total
	Temp. effect		Sliding		
Gas sales		-84	Sliding	110	40
			Other	0	
		-70		110	
Raw materials and supplies		-35	Sliding	104	77
			Other	0	
		-27		104	
Gross profit		-49	Sliding	6	-37
			Other	0	
		-43		6	

<Consolidated/Non-consolidated> Breakdown of Operating Cash Flows/Capex/Investments and Financing

Forecast of Full Year Results for FY2016

Breakdown of Operating Cash Flows

Consolidated(New Forecast(Jul) vs. Initial Forecast(Apr)) 100 million yen

	New	Initial	Change	
Net income attributable to the parent company (A)	350	350	0	0.0%
Depreciation* (B)	1,650	1,650	0	0.0%
Operating cash flows (A)+(B)	2,000	2,000	0	0.0%

Non-consolidated(New Forecast(Jul) vs. Initial Forecast(Apr)) 100 million yen

	New	Initial	Change	
Net income (A)	590	650	-60	-9.2%
Depreciation* (B)	1,289	1,289	0	0.0%
Operating cash flows (A)+(B)	1,879	1,939	-60	-3.1%

*Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capex

(New Forecast(Jul) vs. Initial Forecast(Apr)) 100 million yen

	New	Initial	Change	
Production facilities	247	247	0	0.0%
Supply facilities	1,002	1,002	0	0.0%
Operational facilities etc.	519	519	0	0.0%
Tokyo Gas Total	1,770	1,770	0	0.0%
Capital investment at consolidated subsidiaries*	740	740	0	0.0%
Adjustment	-30	-30	0	—
Total	2,480	2,480	0	0.0%

Investments and Financing 100 million yen

	New	Initial	Change	
Investment & financing	299	299	0	0.0%
Collections	15	15	0	0.0%
After offset	284	284	0	0.0%

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.