

# Reference Materials(FY2016 2Q)

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# Results

## <Consolidated>Financial Results (FY2016 vs. FY2015)

100 million yen

	FY16 2Q	FY15 2Q	Change		Reference
Net sales	7,077	9,014	-1,937	-21.5%	City gas -1,622 (decrease in unit prices), Energy-related -454 (LNG sales -130), Electric power +32, Other +36 (information services +35)
Operating income	362	1,100	-738	-67.1%	City gas -586, Energy-related -76 (LNG sales -42), Electric power -48
Ordinary income	343	1,070	-727	-67.9%	Decrease in Interest expenses +5 (-55 ← -60), Dividends received +4 (15←11)
Net income attributable to the parent company	264	806	-542	-67.1%	Gain on sales of investment securities +29 (29 ← 0), Valuation loss on investment securities +26 (0 ← -26)
Total assets *	20,783	22,515	-1,732	-7.7%	Cash and deposits -862, Notes and accounts receivable - trade -441
Shareholders' equity *	10,452	11,002	-550	-5.0%	Acquisition of treasury stock -409, Dividends -143, net income attributable to the parent company +264
Shareholders' equity ratio * (%)	50.3%	48.9%	1.4	—	Went up because the decrease in shareholders' equity (-5.0%) was smaller than the decrease in total assets (-7.7%).
Total assets turnover (times)	0.33	0.40	-0.07	—	
Interest-bearing debt *	6,672	7,157	-485	-6.8%	Tokyo Gas -295, TG Pluto -89, Tokyo Gas Lease -44
Net income attributable to the parent company	264	806	-542	-67.1%	
Amortization(*1·2)	795	676	119	17.6%	Tokyo Gas +113 (non-consolidated basis)
Operating cash flow(*3)	1,060	1,482	-422	-28.4%	
Capex(*1)	823	893	-70	-7.9%	
EPS (¥/share)	11.42	33.50	-22.08	-65.9%	Went down due to a decrease in net income attributable to the parent company (-542)
BPS * (¥/share)	455.21	460.35	-5.14	-1.1%	

FY2015 2Q stands for end of Oct. 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. FY2015)

#### Breakdown of Energy-related Segment

100 million yen

Results	Net sales				Operating income			
	FY16 2Q	FY15 2Q	Change		FY16 2Q	FY15 2Q	Change	
Engineering solution	490	629	-139	-22.0%	17	21	-4	-22.0%
Gas appliances	573	733	-160	-21.8%	9	36	-27	-74.7%
Installation work	180	181	-1	-0.4%	-1	0	-1	-
LNG sales	458	588	-130	-22.1%	45	87	-42	-47.8%
LPG, etc.	117	151	-34	-22.6%	1	-1	2	-
Industrial gas, etc.	88	105	-17	-15.9%	6	8	-2	-23.2%
Construction	285	252	33	13.1%	-4	-2	-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: Sales and income decreased due to the exclusion of Gaster from consolidation; Income decreased due to increased maintenance cost for ENE-FARM etc.

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 2Q	FY15 2Q	Change		FY16 2Q	FY15 2Q	Change	
Shipping	83	90	-7	-7.2%	1	6	-5	-70.5%
Information services	132	97	35	36.8%	-1	0	-1	-
Credit and Lease	67	67	0	-0.1%	4	5	-1	-13.7%

#### (Major change factors)

Shipping: Sales and income decreased due to decreased charter 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)

100 million yen

		Net sales			Operating income			Reasons
		FY16 2Q	FY15 2Q	Change	FY16 2Q	FY15 2Q	Change	
Consolidated		7,077	9,014	-1,937	362	1,100	-738	
City Gas etc. (*) Tokyo Gas Co.,Ltd.		6,272	8,041	-1,769	232	940	-708	
Electric Power business seg.	Nijio Co.,Ltd	471	504	-33	15	27	-12	Sales and income decreased due to lower electric power unit sales prices.
Other Energy seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	486	594	-108	17	20	-3	Sales and income decreased due to decreased terminal construction despite increased income as a result of reduced energy service cost.
	Capy Co.,Ltd.	268	225	43	-2	0	-2	Sales increased due to the transfer of the air-conditioning business from Gaster.
Real Estate seg.	Urban Development Co.,Ltd.	117	117	0	30	26	4	Income increased due to decreased depreciation & amortization etc.
Others	Tokyo LNG Tanker Co., Ltd.	83	90	-7	1	6	-5	Sales and income decreased due to decreased charter income.
Other		1,126	1,412	-286	43	69	-26	TG Pluto: Sales and income decreased due to lower unit sales prices Gaster: Sales and income decreased due to exclusion from consolidation.
Consolidated subsidiaries total		2,551	2,942	-391	104	148	-44	

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

**<Consolidated>Changes in Consolidated Balance Sheets (Sep. 30, 2016 vs. Mar. 31, 2016)**

(Changes from Mar. 31, 2016)

100 million yen

	Sep. 30, 2016		Mar. 31, 2016		Change		Changes
		%		%			
<b>【Assets】</b>							
Noncurrent assets	16,783	80.8%	17,277	76.7%	-494	-2.9%	Property, plant and equipment, intangible assets: Depreciation -795; Foreign exchange -260 Investments and other assets: Investment securities -195; Long-term loans receivable -14; Deferred tax assets -25 Capex +823
Current assets	4,000	19.2%	5,238	23.3%	-1,238	-23.6%	Cash and deposits -862, Notes and accounts receivable - trade -411
<b>Total Assets</b>	<b>20,783</b>	<b>100.0%</b>	<b>22,515</b>	<b>100.0%</b>	<b>-1,732</b>	<b>-7.7%</b>	

<b>【Liabilities】</b>							
Interest-bearing debt	6,672	32.1%	7,157	31.8%	-485	-6.8%	Bonds payable: Redemption -277; Long-term loans payable: Payments -141, Foreign exchange -158; New borrowings +150
Provision for retirement benefits	840	4.0%	894	4.0%	-54	-6.0%	
Notes and accounts payable-trade	707	3.4%	823	3.7%	-116	-14.1%	Notes and accounts payable-trade -116
Other liabilities	2,002	9.6%	2,488	11.1%	-486	-19.5%	Accounts payable - other etc. -357, Income taxes payable -95
<b>Total Liabilities</b>	<b>10,223</b>	<b>49.2%</b>	<b>11,363</b>	<b>50.5%</b>	<b>-1,140</b>	<b>-10.0%</b>	
<b>【Net Assets】</b>							
Shareholders' equity	10,201	49.1%	10,496	46.6%	-295	-2.8%	Retained earnings/treasury stock -296 (Net income attributable to the parent company 264, Acquisition of treasury stock -409, Dividend payments -143)
Total accumulated other comprehensive income	251	1.2%	506	2.2%	-255	-50.4%	Foreign currency translation adjustment -320; Remeasurements of defined benefit plans +84
Non-controlling interests	107	0.5%	149	0.7%	-42	-28.0%	
<b>Total net assets</b>	<b>10,559</b>	<b>50.8%</b>	<b>11,151</b>	<b>49.5%</b>	<b>-592</b>	<b>-5.3%</b>	Equity ratio 48.9% (Mar. 31, 2016) → 50.3% (Sep. 30, 2016)
<b>Total liabilities and net assets</b>	<b>20,783</b>	<b>100.0%</b>	<b>22,515</b>	<b>100.0%</b>	<b>-1,732</b>	<b>-7.7%</b>	

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

100 million yen				Impact of Sliding Time Lag			100 million yen			Economic Frame				
	FY16 2Q	FY15 2Q	Change		FY16 2Q	FY15 2Q	Change		FY16 2Q	FY15 2Q	Change			
Net Sales	6,272	8,041	-1,769	-22.0%	Revenue from sliding system	-996	623	-1,619	JCC \$/bbl	43.75	58.84	-15.09		
Operating income	232	940	-708	-75.3%	Increase in gas cost	-1,058	186	-1,244	Ex. rate ¥/\$	105.25	121.87	-16.62		
Ordinary income	321	988	-667	-67.5%	Change	62	437	-375						
Net income	550	776	-226	-29.1%	Change from standard average resource cost									

100 million yen									
	FY16 2Q	FY15 2Q	Change						
Gas sales	4,488	6,077	-1,589	-26.1%	Volume/composition +39, Unit prices -1,628				
Operating cost	Gas resource materials and supplies	2,098	3,325	-1,227	-36.9%	Volume/composition +3, Unit prices -1,230 (Foreign exchange effect -339, Oil price effect -890, etc.)			
	(Gross profit)	(2,390)	(2,752)	(-362)	(-13.1%)	Volume/composition +36, Unit prices -398			
	Personnel expenses	545	430	115	26.7%	Expenses from actuarial differences +108 etc.			
	General expenses	1,138	1,103	35	3.2%	See below.			
	Depreciation & amortization	596	493	103	20.8%	Increased depreciation as a result of acquisition of new facilities etc.			
	LNG regasification	-20	-22	2	-				
Total	4,358	5,330	-972	-18.2%					
Installation work	Installation work	-1	0	-1	-				
	Gas appliances	57	66	-9	-13.1%	Effect of provision for appliance maintenance -10 etc.			
Other operation income	56	65	-9	-14.4%					
Supplementary business income	45	128	-83	-64.1%	LNG sales -42, Electric power sales -38, etc.				
Operating income	232	940	-708	-75.3%					
Non operating income	88	48	40	84.4%	Dividends received from affiliates +41 etc.				
Ordinary income	321	988	-667	-67.5%					
Extraordinary income	317	0	317	-	FY16: Gain on sales of assets 163, Gain on extinguishment of tie-in stocks (effect of integration of a subsidiary) 154, etc.				
Extraordinary loss	0	25	-25	-	FY15: Valuation loss on investment securities 25				
Taxes	88	186	-98	-52.4%					
Net income	550	776	-226	-29.1%					

### Breakdown of General Expenses 100 million yen

	FY16 2Q	FY15 2Q	Change		
Repair costs	161	158	3	2.0%	
Expendable costs	73	68	5	7.3%	
Rent	94	89	5	5.6%	
Consignment costs	338	325	13	4.0%	Increased consignment costs etc.
Taxes	200	215	-15	-6.7%	Decreased enterprise tax due to decreased net sales etc.
Marketing costs	71	81	-10	-12.1%	
Others	201	167	34	20.4%	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 2Q Results	FY15 2Q Results	Change		100 million yen		Mil. M3	
Residential	1,823	2,166	-343	-15.9%	Volume	18	7	
					Temp. effect	1	0	
					Sliding	-352	-	
					Other differences	-10	-	
Commercial・Industrial ・Wholesale	2,665	3,911	-1,246	-31.8%	Volume	21	25	
					Temp. effect	2	4	
					Sliding	-1,267	-	
					Other differences	1	-	
Total	4,488	6,077	-1,589	-26.1%	Volume	39	32	
					Temp. effect	3	4	
					Sliding	-1,619	-	
					Other differences	-9	-	

### Gross Profit Analysis

100 million yen

	Volume		Unit price		Change
Gas sales	Temp. effect		Sliding	-1,619	-1,589
		3	Other	-9	
		39		-1,628	
Raw materials and supplies	Temp. effect		Sliding	-1,244	-1,227
		2	Other	14	
		3		-1,230	
Gross profit	Temp. effect		Sliding	-375	-362
		1	Other	-23	
		36		-398	



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

### ① Power Generation Stock Volume

Unit thousands kW

	FY16 2Q	FY15 4Q	Change (c)=(a)-(b)
	Sep. 2016 Results(a)	Mar. 2016 Results(b)	
Commercial-use cogeneration system	582	573	8
Industrial-use cogeneration system	1,277	1,277	0
Power gen.	3,769	3,755	14
Total	5,628	5,605	23

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

### ② Sales of ENE-FARM (Completion Basis)

(Year on Year)

Unit sales

	FY16 2Q Results	FY15 2Q Results	Change	Change ratio
ENE-FARM	8,210	8,599	-389	-4.5%

(Achievement of plan for FY16)

Unit sales

	FY16 2Q Results	Annual Plan	Achievement
ENE-FARM	8,210	18,600	44.1%

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

### Breakdown of Operating Cash Flows

Actual Results of FY2016 2Q (FY2016 vs. FY2015) 100 million yen

Consolidated	FY16 2Q	FY15 2Q	Change	
Net income attributable to the parent company (A)	264	806	-542	-67.1%
Depreciation* (B)	795	676	119	17.6%
Operating cash flows (A)+(B)	1,060	1,482	-422	-28.4%

### Actual Results of FY2016 2Q (FY2016 vs. FY2015)

100 million yen

Non-Consolidated	FY16 2Q	FY15 2Q	Change	
Net income (A)	550	776	-226	-29.1%
Depreciation* (B)	624	511	113	22.3%
Operating cash flows (A)+(B)	1,174	1,287	-113	-8.8%

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

### Breakdown of Capex

Actual Results (FY2016 vs. FY2015) 100 million yen

	FY16 2Q	FY15 2Q	Change	
Production facilities	54	159	-105	-65.8%
Supply facilities	358	430	-72	-16.8%
Operational facilities etc.	116	71	45	64.1%
Tokyo Gas Total	530	661	-131	-19.9%
Capital investment at consolidated Subsidiaries	301	238	63	26.6%
Adjustment	-8	-6	-2	—
Total	823	893	-70	-7.9%

Production facilities: Hitachi LNG Terminal-related etc. -105

Supply facilities: Stable supplies of energy-related etc. -72

Operational facilities etc.: Real estate, IT, other operational facilities, etc. +45

Consolidated subsidiaries: Increases in TG Eagle Ford etc.

### Investments and Financing

100 million yen

	FY16 2Q	FY15 2Q	Change	
Investment & financing	39	56	-17	-29.9%
Collections	13	12	1	5.4%
After offset	26	44	-18	-40.0%

# Forecasts

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

### Economic Frame

<Consolidated/Non-consolidated>

	FY2016 Current Forecast		
	1st Half	2nd Half	Full-year
JCC \$/bbl	43.75	45.00	44.38
Ex. rate ¥/\$	105.25	105.00	105.13
	FY2016 Previous Forecast as of Jul. 29		
	1st Half	2nd Half	Full-year
JCC \$/bbl	43.05	45.00	44.02
Ex. rate ¥/\$	106.58	105.00	105.79
	Change		
	1st Half	2nd Half	Full-year
JCC \$/bbl	0.70	0.00	0.36
Ex. rate ¥/\$	-1.33	0.00	-0.66

### Gross Profit Sensitivity<Non-Consolidated>

Gross Profit Sensitivity to Changes in Oil Price

100 million yen

	3Q	4Q	Full-year
Net sales	9	0	9
Gas resource cost	21	3	24
Gross profit	-12	-3	-15

\*Impact on JCC increase by \$1

Gross Profit Sensitivity to Changes in EX Rate

100 million yen

	3Q	4Q	Full-year
Net sales	11	3	14
Gas resource cost	11	11	22
Gross profit	0	-8	-8

\* Impact on a one-yen depreciation

## <Consolidated> Financial Forecast(Current Forecast vs. Previous Forecast(Jul.))

Forecast of Full Year Results for FY2016

100 million yen

	Current	Previous	Change		Reference
Net sales	15,960	15,910	50	0.3%	City gas +53, Electric power +53, Energy-related -69, etc.
Operating income	560	480	80	16.7%	City gas +36, Electric power +9, etc.
Ordinary income	480	400	80	20.0%	
Net income attributable to the parent company	410	350	60	17.1%	
Total assets	21,850	21,880	-30	-0.1%	
Shareholders' equity	10,110	10,020	90	0.9%	
Shareholders' equity ratio (%)	46.3%	45.8%	0.5%	-	
Total assets turnover (times)	0.72	0.72	0.00	-	
ROA (*1) (%)	1.8%	1.6%	0.2%	-	
ROE (*1) (%)	3.9%	3.3%	0.6%	-	
Interest-bearing debt	7,730	7,800	-70	-0.9%	
D/E ratio	0.76	0.78	-0.02	-	
Net income attributable to the parent company	410	350	60	17.1%	
Depreciation and amortization(*2-3)	1,630	1,650	-20	-1.2%	
Operating cash flow(*4)	2,040	2,000	40	2.0%	
Capex(*2)	2,400	2,480	-80	-3.2%	
TEP	-168	-228	60	-	
(WACC)	3.4%	3.4%	0.0%	-	
EPS ( ¥/share )	17.76	15.16	2.60	17.1%	
BPS ( ¥/share )	440.31	436.39	3.92	0.9%	
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

## <Consolidated>Main Consolidated Subsidiaries (Current Forecast vs. Previous Forecast(Apr.))

million yen

		Net sales			Operating income			Reasons
		Current	Previous	Change	Current	Previous	Change	
Consolidated		15,960	15,910	50	560	480	80	
City Gas etc. (*) Tokyo Gas Co.,Ltd.		14,030	13,930	100	300	260	40	
Electric Power business seg.	Nijio Co.,Ltd	988	978	10	33	22	11	Sales increase due to increased unit sales prices of electric power, income increase due to lower unit material cost, etc.
Other Energy seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	1,074	1,112	-38	37	37	0	Sales decrease due to decreased On-site energy service and construction etc.
	Capty Co.,Ltd.	622	637	-15	10	10	0	Sales decreases in GHP and installation work etc.
Real Estate seg.	Tokyo Gas Urban Development Co.,Ltd.	237	237	0	54	51	3	
Others	Tokyo LNG Tanker Co., Ltd.	188	190	-2	12	13	-1	
Other		2,451	2,472	-21	93	88	5	Tokyo Gas Chemicals: Sales decrease due to decreased unit prices of chemicals etc.
Consolidated subsidiaries total		5,560	5,626	-66	239	221	18	

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

## <Non-consolidated> Financial Forecast(Current Forecast vs. Previous Forecast(Jul.))

Forecast of Full Year Results for FY2016

100 million yen

Impact of Sliding Time Lag

100 million yen

Economic Frame

	Current	Previous	Change	
Net sales	14,030	13,930	100	0.7%
Operating income	300	260	40	15.4%
Ordinary income	370	340	30	8.8%
Net income	610	590	20	3.4%

	Current	Previous	Change
Revenue from sliding system	-2,292	-2,286	-6
Increase in gas cost	-2,223	-2,206	-17
Change	-69	-80	11

	Current	Previous	Change
JCC \$/bbl	44.38	44.02	0.36
Ex. rate ¥/\$	105.13	105.79	-0.66

Change from standard average resource cost

100 million yen

	Current	Previous	Change	
Gas sales	10,030	9,980	50	0.5%
Gas resource materials and supplies	4,953	4,937	16	0.3%
(Gross profit)	(5,077)	(5,043)	(34)	(0.7%)
Personnel expenses	1,105	1,105	0	0.0%
General expenses	2,590	2,590	0	0.0%
Depreciation & amortization	1,231	1,231	0	0.0%
LNG regasification	-41	-41	0	-
Operating cost Total	9,838	9,822	16	0.2%
Installation work	1	1	0	0.0%
Gas appliances, etc.	85	83	2	2.4%
Other operation income	86	84	2	2.4%
Supplementary business income	22	18	4	22.2%
Operating income	300	260	40	15.4%
Non operating income	70	80	-10	-12.5%
Ordinary income	370	340	30	8.8%
Extraordinary income	351	351	0	0.0%
Extraordinary loss	0	0	0	-
Taxes	111	101	10	9.9%
Net income	610	590	20	3.4%

Volume/composition +56, Unit prices -6

Volume/composition +33,  
Unit prices -17 (Foreign exchange effect -30, Oil price effect +25, etc.)

Volume/composition +23, Unit prices +11

See below.

LNG sales +4

Dividends received from affiliates -8 etc.

### Breakdown of General Expenses

100 million yen

	Current	Previous	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(Current Forecast vs. Previous Forecast(Jul.))**

Forecast of Full Year Results for FY2016

**Breakdown of Gas Sales**

100 million yen

	Current forecast	Previous forecast(Jul.)	Change		100 million yen		Mil. m3	
Residential	4,545	4,504	41	0.9%	Volume	47	34	
					Temp. effect	0	0	
					Sliding	-6	-	
					Other differences	0	-	
Commercial · Industrial · Wholesale	5,485	5,476	9	0.2%	Volume	9	42	
					Temp. effect	-1	1	
					Sliding	0	-	
					Other differences	0	-	
Total	10,030	9,980	50	0.5%	Volume	56	76	
					Temp. effect	-1	1	
					Sliding	-6	-	
					Other differences	0	-	

**Gross Profit Analysis**

100 million yen

	Volume		Unit price		Total
	Temp. effect		Sliding		
Gas sales		-1		-6	50
				0	
		56		-6	
Raw materials and supplies		0		-17	16
				0	
		33		-17	
Gross profit		-1		11	34
				0	
		23		11	



## <Non-consolidated> Financial Forecast(Current Forecast vs. FY2015 Results)

Forecast of Full Year Results for FY2016

100 million yen

Impact of Sliding Time Lag

100 million yen

Economic Frame

	Current forecast	FY2015 results	Change	
Net sales	14,030	16,773	-2,743	-16.4%
Operating income	300	1,550	-1,250	-80.6%
Ordinary income	370	1,640	-1,270	-77.4%
Net income	610	935	-325	-34.8%

	Current forecast	FY2015 results	Change
Revenue from sliding system	-2,292	541	-2,833
Increase in gas cost	-2,223	-147	-2,076
Change	-69	688	-757

	Current forecast	FY2015 results	Change
JCC \$/bbl	44.38	48.73	-4.35
Ex. rate ¥/\$	105.13	120.17	-15.04

Change from standard average resource cost

100 million yen

	Current forecast	FY2015 results	Change	
Gas sales	10,030	12,586	-2,556	-20.3%
Gas resource materials and supplies	4,953	6,891	-1,938	-28.1%
(Gross profit)	(5,077)	(5,695)	(-618)	(-10.8%)
Personnel expenses	1,105	868	237	27.3%
General expenses	2,590	2,475	115	4.6%
Depreciation & amortization	1,231	1,063	168	15.8%
LNG regasification	-41	-43	2	-
Operating cost Total	9,838	11,255	-1,417	-12.6%
Installation work	1	6	-5	-84.4%
Gas appliances, etc.	85	50	35	68.1%
Other operation income	86	56	30	50.9%
Supplementary business income	22	162	-140	-86.5%
Operating income	300	1,550	-1,250	-80.6%
Non operating income	70	90	-20	-22.4%
Ordinary income	370	1,640	-1,270	-77.4%
Extraordinary income	351	0	351	-
Extraordinary loss	0	341	-341	-
Taxes	111	363	-252	-69.5%
Net income	610	935	-325	-34.8%

Volume/composition +285, Unit prices -2,841

Volume/composition +107,

Unit prices -2,045 (Foreign exchange effect = -537, Oil price effect = -1,274, etc.)

Volume/composition +178, Unit prices -796

Expenses from actuarial differences +218 etc.

See below.

Increased depreciation as a result of acquisition of new facilities etc.

Decrease in number of new customers etc.

Effect of provision for appliance maintenance +49 etc.

LNG sales -110, Electric power sales -20, etc.

Income from foreign exchange rate difference -19, etc.

FY16: Gain on sales of assets 198, Gain on extinguishment of tie-in stocks (effect of integration of a subsidiary) 153, etc.

FY15: Valuation loss on investment securities 339 etc.

### Breakdown of General Expenses

100 million yen

	Current forecast	FY2015 results	Change	
Repair costs	389	363	26	7.0%
Expendable costs	158	147	11	7.4%
Rent	186	179	7	3.4%
Consignment costs	731	668	63	9.4%
Taxes	413	436	-23	-5.3%
Marketing costs	233	207	26	12.2%
Others	480	475	5	1.4%

Increase in LNG Terminal-related cost (full-year operation of Hitachi Terminal etc.) etc.

Increased maintenance and management of IT infrastructure etc.

Decreased enterprise tax due to decreased net sales etc.

Increased development-related fees etc.

## <Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. FY2015 Results)

Forecast of Full Year Results for FY2016

### Breakdown of Gas Sales

100 million yen

	Current forecast	FY2015 results	Change		100 million yen		Mil. m3	
Residential	4,545	5,007	-462	-9.2%	Volume	322	208	
					Temp. effect	217	145	
					Sliding	-771	-	
					Other difference	-13	-	
Commercial · Industrial · Wholesale	5,485	7,579	-2,094	-27.6%	Volume	-37	-1	
					Temp. effect	70	71	
					Sliding	-2,062	-	
					Other difference	5	-	
Total	10,030	12,586	-2,556	-20.3%	Volume	285	207	
					Temp. effect	287	216	
					Sliding	-2,833	-	
					Other difference	-8	-	

### Gross Profit Analysis

100 million yen

	Volume		Unit price		Total
Gas sales	Temp. effect	3	Sliding	-2,833	-2,556
			Other	-8	
		285		-2,841	
Raw materials and supplies	Temp. effect	2	Sliding	-2,076	-1,938
			Other	31	
		107		-2,045	
Gross profit	Temp. effect	1	Sliding	-757	-618
			Other	-39	
		178		-796	

## <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(Current Forecast vs. FY2015 Results)

100 million yen

	Current	FY2015	Change	
Net income attributable to the parent company (A)	410	1,119	-709	-63.4%
Depreciation* (B)	1,630	1,451	179	12.3%
Operating cash flows (A)+(B)	2,040	2,571	-530	-20.6%

#### Non-consolidated(Current Forecast vs. FY2015 Results)

100 million yen

	Current	FY2015	Change	
Net income (A)	610	935	-325	-34.8%
Depreciation* (B)	1,289	1,098	191	17.4%
Operating cash flows (A)+(B)	1,899	2,033	-134	-6.6%

#### Consolidated(Current Forecast vs. Previous Forecast(Jul.))

100 million yen

	Current	Previous	Change	
Net income attributable to the parent company (A)	410	350	60	17.1%
Depreciation* (B)	1,630	1,650	-20	-1.2%
Operating cash flows (A)+(B)	2,040	2,000	40	2.0%

#### Non-consolidated(Current Forecast vs. Previous Forecast(Jul.))

100 million yen

	Current	Previous	Change	
Net income (A)	610	590	20	3.4%
Depreciation* (B)	1,289	1,289	0	0.0%
Operating cash flows (A)+(B)	1,899	1,879	20	1.1%

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

### Breakdown of Capex

#### (Current Forecast vs. FY2015 Results)

100 million yen

	Current	FY2015	Change	
Production facilities	247	380	-133	-35.0%
Supply facilities	1,002	1,077	-75	-7.0%
Operational facilities etc.	519	369	150	40.4%
Tokyo Gas Total	1,770	1,828	-58	-3.2%
Capital investment at consolidated subsidiaries	658	539	119	22.0%
Adjustment	-28	-47	19	—
Total	2,400	2,320	80	3.4%

Production facilities: Hitachi LNG Terminal-related etc. -133

Supply facilities: Stable supplies of energy-related etc. -75

Operational facilities etc.: IT, other operational facilities, etc. +150

Consolidated subsidiaries: Energy service-related etc. +80

#### (Current Forecast vs. Previous Forecast(Jul.))

100 million yen

	Current	Previous	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	658	740	-82	-11.0%
Adjustment	-28	-30	2	—
Total	2,400	2,480	-80	-3.2%

Consolidated subsidiaries: IT, Real estate etc. -80

### Investments and Financing

#### (Current Forecast vs. FY2015 Results)

100 million yen

	Current	FY2015	Change	
Investment & financing	206	299	-93	-31.1%
Collections	21	15	6	35.8%
After offset	185	284	-99	-34.9%

# 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.