

April 28, 2017
Tokyo Gas Co., Ltd.

Presentation of results for the fiscal year ended March 31, 2017
Main Q&As

Q1: How have you incorporated the impact of the full deregulation of retail gas sales into your forecasts for FY2017?

A1: In addition to the drop in wholesale, which has been announced since last year, we forecast a decrease in residential demand due to the full deregulation of retail sales and intensified competition in the large-scale customer segment, which has already been deregulated. We have incorporated each of these matters to a certain degree in our forecast.

Q2: Please explain last year's evaluation and future outlook of the electricity retail business.

A2: Last year, which was the first year of deregulation, Tokyo Gas was chosen by 728,000 customers, which significantly exceeded our initial target of 400,000. This was due to our push-type marketing mainly through Lifeval. In FY2017, we intend to achieve our goal of 1 million customers, although this is not a target that can be easily achieved.

Q3: Please explain how you intend to control general expenses in the future.

A3: We will manage our expenses within a certain range by injecting them in necessary areas such as the deregulation of power and gas, while reducing spending in other areas.