

**FY2018 Financial Results
ended March 31, 2019**



April 26, 2019

1. FY2018 Consolidated Financial Results
ended March 31, 2019



FY2018 Consolidated Results (Apr. 1, 2018 – Mar. 31, 2019) <vs. FY2017 Results>

Highlights: Sales Up, Profit Up

(+ - , +/- indicate impact on profit, billion yen)

Net sales	+185.0	+	Gas (+108.9: Increase in unit cost due to resource cost adjustment +134.3, transmission service income +7.8, decrease in sales volume -48.0, etc.)
		+	Electricity (+61.7: Increase in sales volume due to increase in retail customers, etc.)
		+	Energy-related (+29.9: Engineering solutions +28.8, etc.)
Operating expenses	-207.6	-	Gas (-135.7: Increase in unit cost of city gas arising from economic framework assumptions -136.4, decrease in sales volume +16.6, increase in fixed cost due to increase in actuarial differences, etc.)
		-	Electricity (-61.1: Increase in costs due to increase in sales volume, increase in retail sales expenses, etc.)
		-	Energy-related (-30.8: Increase in engineering solution expenses -26.0, etc.)
Operating profit	-22.6	-	Gas (-26.8: Change in sales volume -31.4, change in unit price -2.1, transmission service income +7.8, etc.)
		+	Overseas (+7.9: Increase in profit from upstream projects, etc.)
Extraordinary profit/loss	+24.6	+	FY2018 +27.8: Gain on sale of non-current assets +29.3, gain on sale of investment securities +6.4, loss from revaluation of investment securities -7.8
			FY2017 +3.2: Gain on sale of non-current assets +3.4, gain on sale of investment securities +3.0, impairment loss -3.2

	FY2018	FY2017	Change	%
City gas sales volume (million m ³ , 45MJ)	15,198	15,568	-370	-2.4%
Electricity sales volume (million kWh)	15,482	14,656	+826	+5.6%
(Breakdown)				
Retail (million kWh, receiving end)	6,555	4,569	+1,986	+43.5%
Wholesale, etc. (million kWh)	8,926	10,087	-1,161	-11.5%
Net sales	1,962.3	1,777.3	+185.0	+10.4%
Operating expenses	1,868.6	1,661.0	+207.6	+12.5%
Operating profit	93.7	116.3	-22.6	-19.4%
Segment profit (operating profit + equity income of subsidiaries)	96.4	118.7	-22.3	-18.8%
Ordinary profit ⁽¹⁾	89.3	111.5	-22.2	-19.9%
Extraordinary profit/loss	27.8	3.2	+24.6	—
Profit attributable to owners of parent	84.5	74.9	+9.6	+12.8%
(Adjustment items)				
Temperature effect ⁽²⁾	-13.4	3.9	-17.3	—
Sliding time lag effect ⁽³⁾ (city gas + LNG sales)	-250	-23.0	-2.0	—
Amortization of actuarial differences ⁽⁴⁾	(-22.4 + -2.6)	(-20.3 + -2.7)	(-2.1 + 0.1)	—
Amortization of actuarial differences ⁽⁴⁾	-4.6	7.7	-12.3	—
Adjusted ordinary profit ⁽¹⁾⁻⁽²⁾⁻⁽³⁾⁻⁽⁴⁾	132.3	122.9	+9.4	+7.6%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp (°C)	Pension assets	Investment yield (costs deducted)	Discount rate		Year-end assets (billion yen)
						Annuity portion	Lump-sum portion	
FY2018	110.92 (+0.07)	72.12 (+15.08)	17.0 (+1.3)	FY2018	1.65%	0.156%	0.000%	267.0
FY2017	110.85	57.04	15.7	FY2017	1.03%	0.293%	0.046%	271.0
				FY2016	1.57%	0.389%	0.055%	277.0

Figures in parentheses () indicate year-on-year increase/decrease.

Expected annual rate of return: 2%

2

In FY2018, we posted a rise in net sales and profit year-on-year.

During the year under review, consolidated sales totaled ¥1,962.3 billion, a growth of ¥185.0 billion or 10.4% year-on-year. This reflects the following major factors. Although city gas sales declined in volume, city gas sales increased owing to a rise in gas unit price reflecting resource cost adjustments. In the electricity segment, net sales rose owing to an improvement in sales volume in tandem with an increase in retail customers. Also, in the energy-related segment, engineering solution sales also expanded.

Meanwhile, operating expenses came to ¥1,868.6 billion, a growth of ¥207.6 billion or 12.5% year-on-year. This reflects an increase in city gas resource costs owing in part to a higher unit cost arising from economic framework assumption. In the electricity segment, there was a rise in operating expense due to an increase in sales volume.

Consequently, operating profit was ¥93.7 billion, a decrease of ¥22.6 billion or 19.4% year-on-year, and ordinary profit totaled ¥89.3 billion, a drop of ¥22.2 billion or 19.9%.

Furthermore, profit attributable to owners of the parent came to ¥84.5 billion, a growth of ¥9.6 billion or 12.8% year-on-year. This outcome reflected the posting of the sale of fixed assets and gain on the sale of investment securities as extraordinary profit and the recording of a loss on the valuation of investment securities as an extraordinary loss, and the booking of corporate and other taxes. Note that the ¥7.8 billion loss on the valuation of investment securities reflects a ¥6.3 billion loss related to overseas investment projects posted in 2Q, and a loss of ¥1.4 billion loss related to other overseas investment projects.

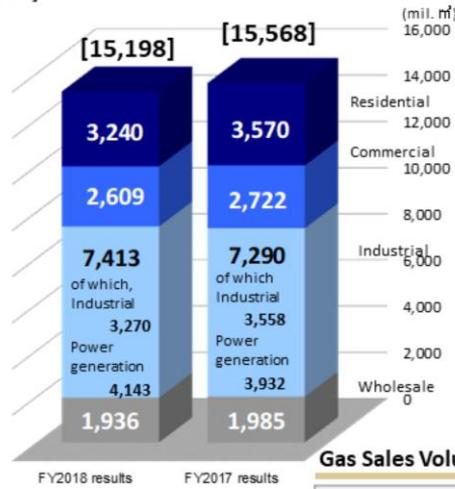
FY2018 Consolidated Gas Sales Volume/ Number of Customers <vs. FY2017>

City Gas sales volume :

*Each value is rounded.

-370mil.m³ (-2.4%)
 [including temperature effect -277mil.m³, -1.8%]

Residential	-330mil.m ³ (-9.2%)
● Temperature effect	-277 mil.m ³
● Number of days	+9 mil.m ³
● Number of customers	-80 mil.m ³
● Others	-32 mil.m ³
Commercial	-113mil.m ³ (-4.2%)
● Temperature effect	-37 mil.m ³
● Number of days	-0 mil.m ³
● Number of customers	-51 mil.m ³
● Others	-25 mil.m ³
Industrial	+123mil.m ³ (+1.7%)
● Industrial	-88 mil.m ³
● Power generation	+211 mil.m ³
Wholesale	-49mil.m ³ (-2.5%)
● Temperature effect	-13 mil.m ³
● Others	-36 mil.m ³
Decrease in wholesale demand, etc.	



Number of customers(City Gas), LNG sales volume, Average temperature

	FY2018 Results	FY2017 Results	Change
Number of customers for city gas retail sales (10 thousands) *1	982.1	1,020.9	-38.8 (-3.8%)
Number of customers(meters) (10 thousands, meter) *2	1,181.8	1,167.8	+14.0 (+1.2%)
LNG sales volume (thousandst)	1,095	1,150	-55 (-4.7%)
Average temperature(°C)	17.0	15.7	+1.3

Gas Sales Volume (Vision Basis) (Unit : million ton)

	FY2018 Results	FY2017 Results	Change
Gas sales volume (financial accounting basis)	15,198	15,568	-370 (-2.4%)
Gas volume used in-house under tolling arrangement	1,830	2,047	-217 (-10.6%)
LNG sales volume(m ³ basis)	1,369	1,437	-68 (-4.7%)
Total	18,397	19,052	-655 (-3.4%)

*1. Number of billed customers for city gas retail sales *2. Including inactive meters and meters for gas supply from other retail companies

Here are our results for gas sales volume.

Total gas sales volume was 15,198 million m³, a decrease of 370 million m³ or 2.4% year-on-year. The decline in gas sales volume primarily reflects a decline in volume of 277 million m³ as the average temperature was very high, 1.3°C higher than a year earlier, and a decrease of 131 million m³, in tandem with a drop in the number of retail customers.

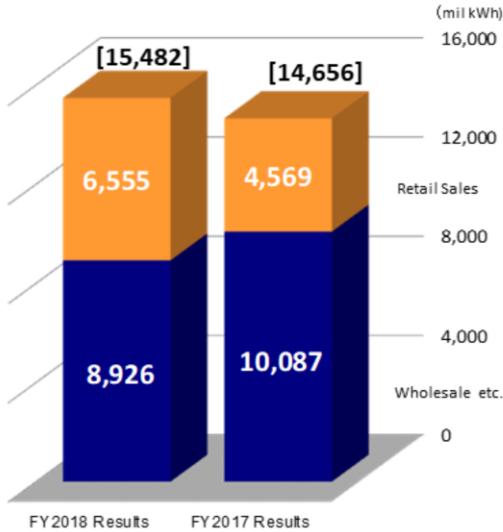
FY2018 Consolidated Electricity Sales Volume/ Number of Customers <vs. FY2017>



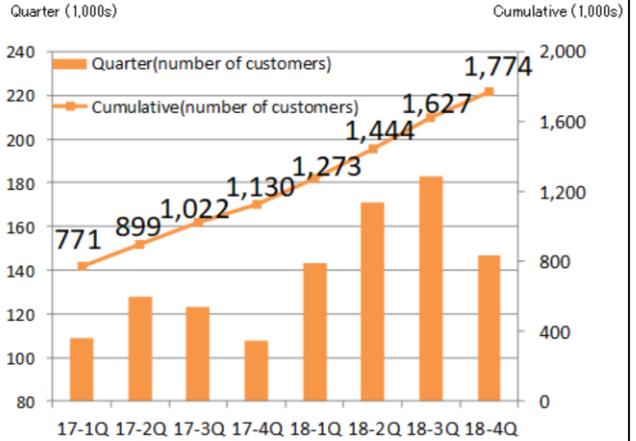
Electricity sales volume:

+826mil. kWh (+5.6%)

■ Retailing	+1,986mil. kWh(+43.5%)
■ Wholesale etc.	- 1,161mil. kWh(-11.5%)



New electricity retail customers won by Tokyo Gas



"Denki de Lucky Campaign"

Summer; From Jul., 13 to Sep., 26,
Autumn; From Oct., 22 to Dec., 17,
Winter; From Dec., 26 to Apr., 10

I would like to discuss our electricity sales volume performance. Consolidated electricity sales volume in FY2018 was 15,482 million kWh, an increase of 826 million kWh or 5.6% year-on-year. Retail sales volume rose 43.5% to 6,555 million kWh reflecting a rise in the number of subscribers. The number of retail customers increased steadily owing to the benefits of sales campaigns. As of the end of March 2019, we supplied electricity to 1.774 million customers. Meanwhile, wholesale sales volume dropped by 11.5% to 8,926 kWh due in part to the shift of group power resources to retail.

FY2018 Results : Sales and Operating Profit/Loss by Business Segments < vs. FY2017 >

Parts of segments change in FY2018 *

	Net sales					Segment Profit (Operating profit + Equity income/loss of subsidiary)				
	FY2018 Results	FY2017		Change	%	FY2018 Results	FY2017		Change	%
		After Conversion	Before Conversion				After Conversion	Before Conversion		
Gas	1,413.7	1,304.8	1,148.8	108.9	8.3	92.2	119.0	116.6	-26.8	-22.5
(City gas)	1,242.6	1,148.8	1,148.8	93.8	8.2	89.8	116.6	116.6	-26.8	-22.9
(LNG sales)	191.0	108.8	108.8	82.2	75.6	1.5	0.6	0.6	0.9	135.1
Electric Power	280.3	218.6	218.6	61.7	28.2	10.1	9.6	9.6	0.5	5.7
Overseas business	50.9	41.5	41.5	9.4	22.5	15.3	7.7	7.7	7.6	98.8
(equity income of subsidiaries)	—	—	—	—	—	2.1	2.4	2.4	-0.3	-12.3
Energy-related	363.5	333.6	480.8	29.9	9.0	11.1	11.9	13.7	-0.8	-6.4
(Engineering Solutions)	146.9	118.1	118.1	28.8	24.3	6.2	3.5	3.5	2.7	76.9
Real estate										
(including equity income of subsidiaries)	44.6	42.3	42.3	2.3	5.4	9.1	7.9	7.9	1.2	14.6
Others										
(including equity income of subsidiaries)	107.8	85.0	92.7	22.8	26.9	6.2	4.3	4.9	1.9	45.3
Adjustment	-298.6	-248.7	-247.6	-49.9	—	-47.8	-41.8	-41.8	-6.0	—
Consolidated	1,962.3	1,777.3	1,777.3	185.0	10.4	96.4	118.7	118.7	-22.3	-18.8
(equity income of subsidiaries)	—	—	—	—	—	2.7	2.4	2.4	0.3	12.1

Notes

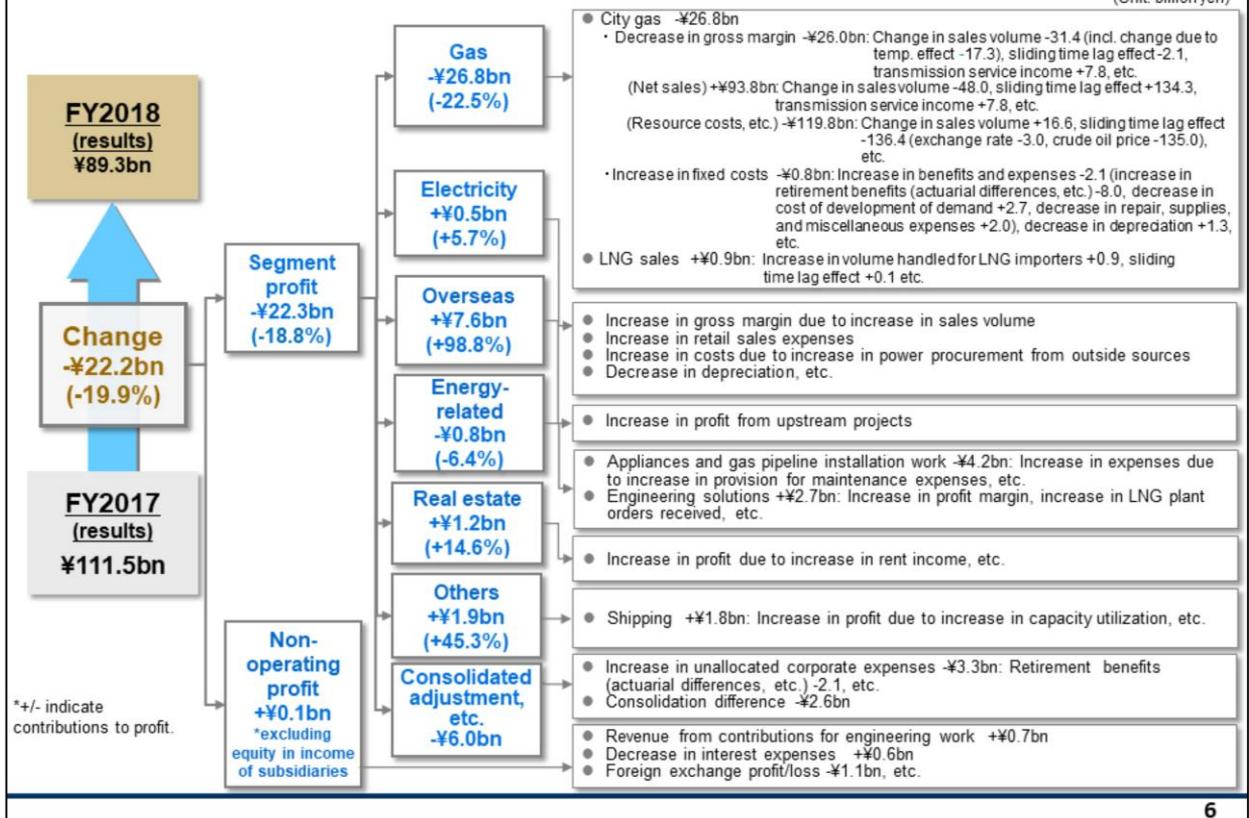
- Net sales by business segments include internal transactions.
- Net sales of "City gas" and "LNG sales" within "Gas" include internal transactions within Gas segment.
- "Gas" includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales. "Energy-related" includes businesses in engineering solutions, gas appliances sales, gas pipe installation, construction and credit, etc. "Others" includes businesses in shipping, information processing service and leasing, etc.
- The "Adjustment" to operating profit is primarily companywide expenses not allocated to individual segments.

*Segment change in FY 2018 are as follows. Liquid Gas Business("Liquefied petroleum gas" and "Industrial gas") and "LNG sales" included in "Energy-related" were recognized as "Gas".

"Credit" included in "Others" were recognized as "Energy-related".

Slide 5 indicates net sales by segment and segment profit (operating profit + equity income/loss of subsidiary), and changes thereof. Some of the segments have been revised from FY2018. The year-on-year results have been reclassified under the new segments and are indicated under "after conversion." In terms of segment profit, the ¥26.8 billion drop in income of the gas segment had a negative impact on overall profit.

FY2018 Results: Ordinary Profit Analysis <vs FY2017 Results>



In the gas segment, gross margin declined ¥26.0 billion year-on-year mainly attributable to higher weather temperatures and a rise in oil prices. In addition, a rise in city gas fixed cost squeezed profit by ¥800 million but overall fixed cost fell, excluding the ¥8.0 billion in allowance for retirements benefits, mainly reflecting actuarial differences.

In the electricity segment, profit rose ¥500 million year-on-year. Retail sales cost grew in tandem with the implementation of campaigns to fortify sales and the unit price for power supply procurement climbed due to an increase in power procurement from outside sources. Nonetheless, profit rose overall mainly attributable to a rise in the number of retail customers and sales volume.

In the overseas segment, profit grew ¥7.6 billion. This reflects an increase in sales volume for the Gorgon project, an upstream project launched in FY2017, and a reduction in initial year cost burden, as well as a rise in the profit of upstream projects in tandem with a rise in oil prices.

In the energy-related segment, profit dropped ¥800 million year-on-year. This was chiefly due to an increase in funds transferred to a maintenance reserve. On the plus side, there was an improvement in profit margin and rise in sales in tandem with construction progress in large-scale property orders.

FY2018 Uses of Cash Flow (Capex, Investment and financing)

(Unit: billion yen)

	FY2018 Results	Main Items	FY2017 Results	Change	%
Capital Expenditure					
Gas	156.7	Production facilities : 18.6(+1.7) Hitachi LNG terminal expansion, etc. Distribution facilities : 100.5(+6.5) Ibaraki Line installation, New demand development, etc. Service and maintenance facilities : 37.6(+8.7) System related, etc.	139.7	+17.0	+12.1%
Electric Power	6.3	Improvement construction for power generation efficiency etc.	1.7	+4.6	+267.6%
Overseas business	6.4	Upstream (Australia, North America)	7.1	-0.7	-9.1%
Energy-related	22.5	Energy Service(TGES) etc.	23.5	-1.0	-4.0%
Real Estate	32.8	Msb Tamachi etc.	32.0	+0.8	+2.5%
Others	2.9	LNG carrier etc.	7.6	-4.7	-61.3%
Adjustment	-4.1		-3.0	-1.1	—
Sub Total	223.7		208.7	+15.0	+7.2%
Investment and Financing	23.6	Investment and financing 33.6(Including overseas) Collection - 10.0	47.0	-23.4	—
Total	247.4		255.8	-8.4	-3.3%

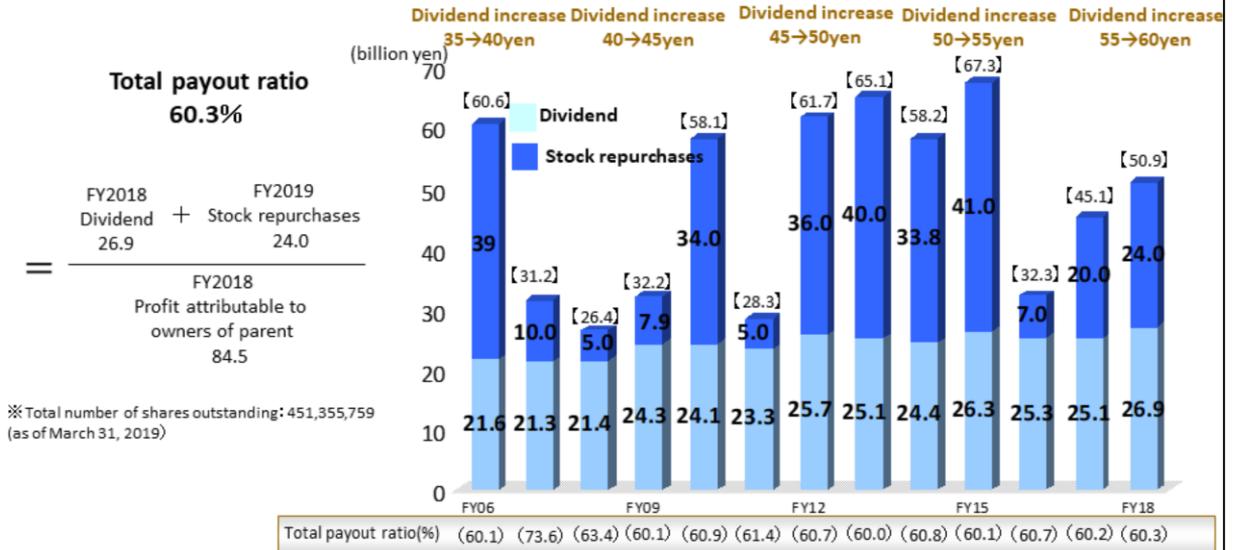
This slide explains the use of cash flows and performance versus the previous fiscal year

Returns to Shareholders

■ Our financial policy is to provide returns to shareholders through dividends and stock repurchases, with a target total payout ratio (dividends and stock repurchases as percentage of consolidated net income) of approx.60% each year until FY2020.

■ Considering the performance trends, we will increase the year-end dividend for FY2018 by ¥5 per share(¥55⇒¥60) .
 - Annual dividend per share ¥55→¥60 (Total dividend for FY2019: 26.9billion yen)
 - Repurchase treasury stock shares for liquidation up to the cap of 10 million shares (2.2%) for ¥24.0 billion

Maintaining 60% total payout ratio Change in total payout amount and dividend



• As of October 1, 2017, the Company changed unit stock number from 1,000 shares to 100 shares, and carried out a share consolidation at a ratio of 5 common shares to 1.
 • Dividend: Converted and displayed after a share consolidation

This slide explains our returns to shareholders for FY2018. We plan to boost our year-end dividend per share ¥5 given taking into account our earnings trends. In light of this, our annual dividend per share will be ¥60. It is our basic policy to maintain a total payout ratio of around 60%. Based on this, in addition to a total dividend payout amount of ¥26.9 billion, we plan stock repurchases in FY2019, with a ceiling of ¥24.0 billion or 10 million shares. In accordance with this, we plan a total payout ratio of 60.2% in FY2019, which factors in both dividend payouts and stock repurchases. Note that we plan to immediately retire the stock we repurchase. This concludes my explanation of results in FY2018.

2. FY2019 Full Year Forecast



FY2019 Consolidated Forecast (Apr. 1, 2019 – Mar. 31, 2020) <vs. FY2018 Results>

Highlights: Sales Up, Profit Up

+/- indicate impact on profit, billion yen

Net sales	+80.7	:	+	Electricity (+76.8: Increase in sales volume, etc.)
Operating expenses	-52.4	:	-	Electricity (-76.0: Increase in costs due to increase in sales volume, increase in system costs, etc.)
Operating profit	+28.3	:	+	Gas (+29.9: Increase in unit cost of city gas +30.2, change in sales volume, etc. +11.8, increase in fixed costs -15.0, etc.)
			-	Overseas (-3.5: Decrease in profit from upstream projects, etc.)
Extraordinary profit/loss	-27.8	:	-	FY2018 +27.8: Gain on sale of non-current assets +29.3, gain on sale of investment securities +6.4, loss from revaluation of investment securities -7.8

(Unit: billion yen)

	Forecast	FY2018 results	Change	%	
City gas sales volume (million m ³ , 45MJ)	14,541	15,198	-657	-4.3%	
Electricity sales volume (million kWh)	19,941	15,482	+4,459	+28.8%	
Net sales	2,043.0	1,962.3	+80.7	+4.1%	
Operating expenses	1,921.0	1,868.6	+52.4	+2.8%	
Operating profit	122.0	93.7	+28.3	+30.2%	
Segment profit (operating profit + equity income of subsidiaries)	125.5	96.4	+29.1	+30.1%	
Ordinary profit ⁽¹⁾	120.0	89.3	+30.7	+34.2%	
Extraordinary profit/loss	0.0	27.8	-27.8	—	
Profit attributable to owners of parent	86.0	84.5	+1.5	+1.7%	
Adjustment items	Temperature effect ⁽²⁾	0.0	-14.1	+14.1	—
	Sliding time lag effect ⁽³⁾ (city gas + LNG sales)	+9.1 (7.8 + 1.3)	-25.0 (-22.4 + -2.6)	+34.1 (+30.2 + 3.9)	—
	Amortization of actuarial differences ⁽⁴⁾	-7.6	-4.6	-3.0	—
Adjusted ordinary profit ⁽¹⁾⁻⁽²⁾⁻⁽³⁾⁻⁽⁴⁾	118.5	133.0	-14.5	-10.9%	

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp. (°C)	Pension assets	Investment yield (costs deducted)	Discount rate		Year-end assets (billion yen)
						Annuity portion	Lump-sum portion	
FY2019 forecast	110.00 (-0.92)	70.00 (-2.12)	15.9 (-1.1)	FY2018	1.65%	0.156%	0.000%	267.0
FY2018 results	110.92	72.12	17.0	FY2017	1.03%	0.293%	0.046%	271.0
				FY2016	1.57%	0.389%	0.055%	277.0

Figures in parentheses () indicate year-on-year increase/decrease.

This is our forecast for FY2019. I would like to explain our plans in comparison with performance in the previous fiscal year.

In FY2019, we estimate net sales and profit attributable to owners of the parent are likely to rise year-on-year. In our economic framework assumption, our foreign exchange rate assumption is ¥110/USD and our assumption for crude oil prices is USD70/barrel.

We forecast net sales of ¥2043.0 billion, an increase of ¥80.7 billion, owing to an expansion in electricity sales volume.

We estimate operating expenses of ¥1,921.0 billion, a increase of ¥52.4 billion. This chiefly reflects a increase in expenses in tandem with a rise in electricity sales volume and an increase in computer system costs.

Consequently, we forecast operating income of ¥122.0 billion, a rise of ¥28.3 billion year-on-year, ordinary profit of ¥120.0 billion, a growth of ¥30.7 billion, and profit attributable to owner of the parent of ¥86.0 billion, an improvement of ¥1.5 billion.

Note that, based on this, we estimate adjusted ordinary profit will be ¥118.5 billion reflecting ¥9.1 billion in slide time lag effect due to fluctuations in resource costs and ¥7.6 billion in actuarial differences.

FY2019 Full Year Forecast ; Consolidated Gas Sales Volume/Number of Customers



Consolidated City Gas Sales Volume

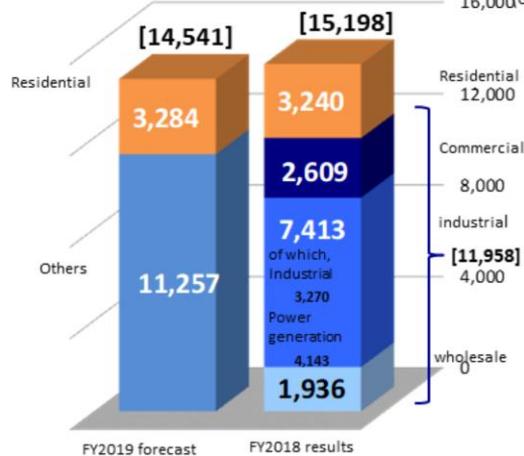
(Figures are rounded nearest mil m³)
16,000 (Unit : million m³)

VS. FY2018 Results

-657 mil m³ (-4.3%)

[Including temperature effect +209mil. m³, +1.4%]

- Residential + 44mil. m³ (+ 1.3%)
- Others - 701mil. m³ (- 5.9%)



Number of customers(City Gas), LNG sales volume, Average temperature

	Forecast	FY2018 Results	Change
Number of meters (10 thousands)	1,194.6	1,181.8	+12.8 (+1.1%)
LNG sales volume (thousandst)	1,251	1,095	+156 (+14.2%)
Average temperature (°C)	15.9	17.0	-1.1

Gas Sales Volume (Vision Basis) (Unit : million m³)

	Forecast	FY2018 Results	Change
Gas sales volume	14,541	15,198	-657 (-4.3%)
Gas volume used in-house under tolling arrangement	2,493	1,830	+663 (+36.2%)
LNG sales volume (m ³ basis)	1,564	1,369	+195 (+14.2%)
Total	18,598	18,397	+201 (+1.1%)

In this slide we look at our gas sales volume outlook.

In FY2019, we forecast gas sales volume of 14,541 million m³, a decrease of 4.3% year-on-year. Although we expect an increase in residential demand sales volume, based on our assumption of average weather temperatures, we anticipate a decline in sales volume for other uses.

Meanwhile, we estimate gas sales volume (vision basis) of roughly 200 million m³. Although we expect an overall decrease, one positive factor we anticipate is a rise in gas volume used in-house under a tolling arrangement given operations at the Moka Power Station.

FY2019 Full Year Forecast ; Consolidated Electricity Sales Volume/Number of Customers



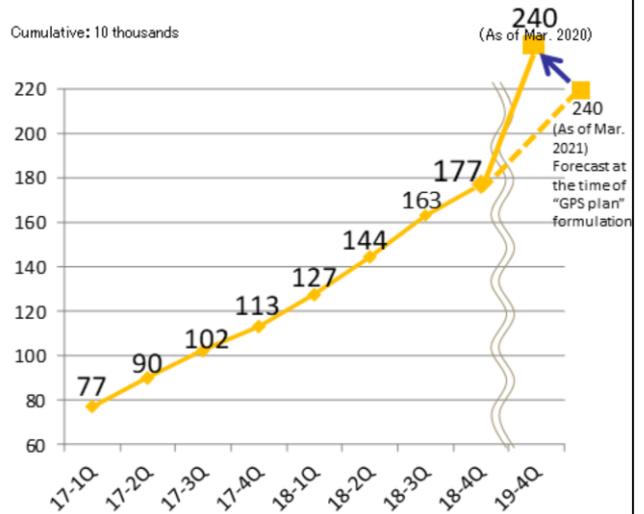
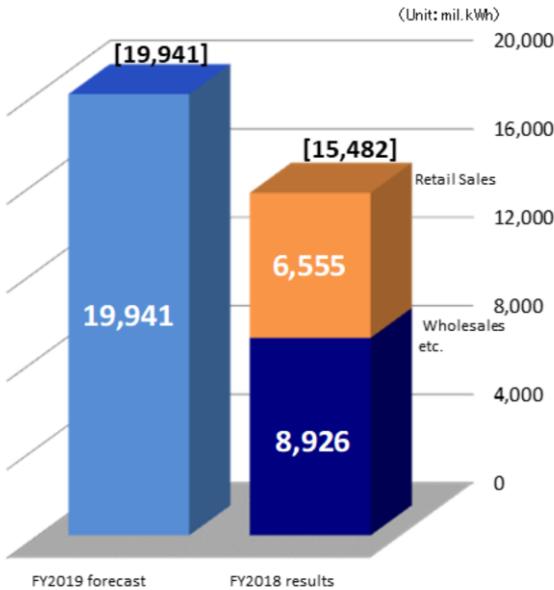
Consolidated Electricity Sales Volume

Number of Retail Customers

VS. FY2018 Results

+4,459 mil kWh (+28.8%)

	FY2019 Forecast	FY2018 Results	Change
Number of retail customers (10 thousands)	240.0	177.4	+62.6 (+35.3%)



See slide 12 for our electricity sale volume forecast .

We forecast electricity sales volume of 19,941 million kWh, a rise of 28.8%, owing mainly to our expectations that we will accomplish our goal for the number of retail customers, 2.4 million, a year earlier than planned.

FY2019 Full Year Forecast : Sales and Profit/Loss by Business Segments

<vs. FY2018 Results>



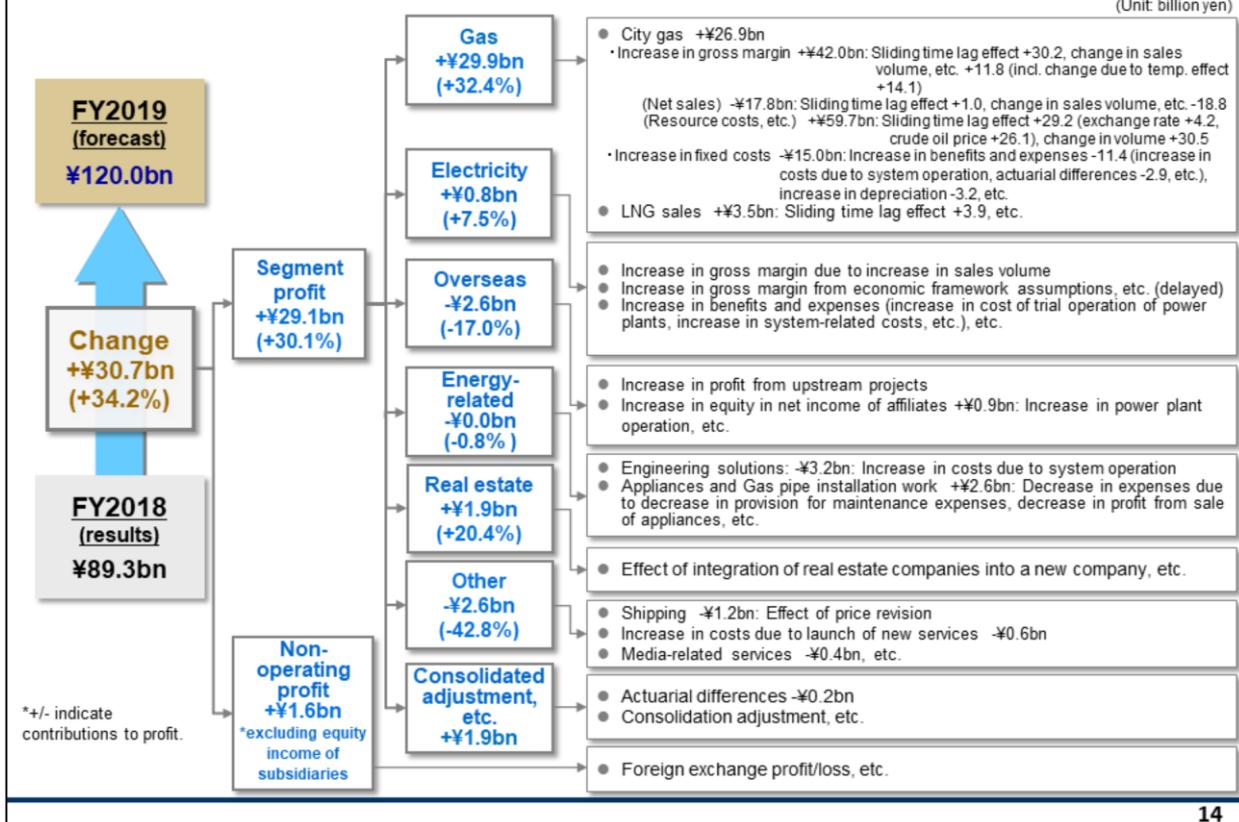
	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 Forecast	FY2018 Results	Change	%	FY2019 Forecast	FY2018 Results	Change	%
Gas	1,462.2	1,413.7	48.5	3.4	122.1	92.2	29.9	32.4
(City gas)	1,224.8	1,242.6	-17.8	-1.4	116.7	89.8	26.9	29.9
(LNG sales)	262.0	191.0	71.0	37.1	5.0	1.5	3.5	226.4
Electric Power	357.1	280.3	76.8	27.4	10.9	10.1	0.8	7.5
Overseas business	46.4	50.9	-4.5	-8.9	12.7	15.3	-2.6	-17.0
(equity income of subsidiaries)	—	—	—	—	3.0	2.1	0.9	38.0
Energy -related	362.3	363.5	-1.2	-0.4	11.1	11.1	-0.0	-0.8
(Engineering Solutions)	143.5	146.9	-3.4	-2.3	3.0	6.2	-3.2	-52.3
Real estate (including equity income of subsidiaries)	45.0	44.6	0.4	0.9	11.0	9.1	1.9	20.4
Others (including equity income of subsidiaries)	133.3	107.8	25.5	23.6	3.6	6.2	-2.6	-42.8
Adjustment	-363.3	-298.6	-64.7	—	-45.9	-47.8	1.9	—
Consolidated	2,043.0	1,962.3	80.7	4.1	125.5	96.4	29.1	30.1
(equity income of subsidiaries)	—	—	—	—	3.5	2.7	0.8	25.8

Notes

- Net sales by business segments include internal transactions.
- Net sales of "City gas" and "LNG sales" within "Gas" include internal transactions within Gas segment.
- "Gas" includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales. "Energy-related" includes businesses in engineering solutions, gas appliances sales, gas pipe installation, construction and credit, etc. "Others" includes businesses in shipping, information processing service and leasing, etc.
- The "Adjustment" to operating profit is primarily companywide expenses not allocated to individual segments.

This slide explains our FY2019 segment net sales and segment profit forecasts and changes versus the previous fiscal year. See the following slides for explanations for major factors triggering fluctuations in segment profit.

FY2019 Forecast: Ordinary Profit Analysis <vs. FY2018 Results>



In the gas segment, we estimate a profit growth of ¥29.9 billion, mainly reflecting a rise in gross profit owing to positive impact from the slide time lag and weather conditions.

In the electricity segment, we forecast a profit growth of ¥800 million primarily reflecting an increase in gross profit in tandem with an expansion in sales volume and positive impact from economic framework assumptions, and despite an increase in fixed costs, including Moka Power Station trial operation costs and system-related cost.

In the overseas segment, we anticipate a profit drop of ¥2.6 billion, as we look for a drop in profit in tandem with a decline in sales volume in upstream projects.

FY2019 Uses of Cash Flow (Capex, Investment and financing)

(Unit: billion yen)

	Forecast	Main Items	FY2018 Results	Change	%
Capital Expenditure					
Gas	191.4	Production facilities : 14.0(- 4.6) Hitachi LNG terminal expansion, etc. Distribution facilities : 106.2(+5.7) Ibaraki Line installation, New demand development, etc. Service and maintenance facilities : 71.1(+ 33.4) System related, etc.	156.7	+ 34.7	+ 22.1%
Electric Power	4.5	Improvement construction for power generation efficiency etc.	6.3	- 1.8	- 27.9%
Overseas business	7.5	Upstream (Australia, North America)	6.4	+ 1.1	+ 16.0%
Energy-related	26.2	Energy Service(TGES) etc.	22.5	+ 3.7	+ 16.2%
Real Estate	35.2	Msb Tamachi etc.	32.8	+ 2.4	+ 7.5%
Others	4.7	LNG carrier etc.	2.9	+ 1.8	+ 60.0%
Adjustment	- 4.7		- 4.1	- 0.6	—
Sub Total	265.0		223.7	+ 41.3	+ 18.4%
Investment and Financing	80.5	Investment and financing 82.7(Including overseas) Collection - 2.1	23.6	+ 56.9	—
Total	345.5		247.4	+ 98.1	+ 39.7%

This slide details plans for using cash flows in FY2019.

Key Indicators (Consolidated)

	FY2019 Forecast	FY2018 Results	FY2017 Results
Total assets (a)	2,606.0	2,428.1	2,334.3
Shareholders' equity (b)	1,195.0	1,159.0	1,136.0
Shareholders' equity ratio (b)/(a)	45.9%	47.7%	48.7%
Interest-bearing debt (c)	923.0	803.2	724.9
D/E ratio (c)/(b)	0.77	0.69	0.64
Profit attributable to owners of parents (d)	86.0	84.5	74.9
Profit per share (EPS, yen per share)	193.64	187.60	164.12
Depreciation (e)	167.0	161.8	165.3
Operating cash flow (d) + (e)	253.0	246.4	240.3
Capital expenditure	265.0	223.7	208.7
ROA (d) / (a)	3.4%	3.6%	3.3%
ROE (d) / (b)	7.3%	7.4%	6.7%
TEP	31.3	6.8	24.4
WACC	2.9%	3.0%	3.1%
Total payout ratio	Approx. 60%	60.3%	60.2%

Note: Shareholders' equity = Net assets - minority interests

Profit per share is calculated on the assumption that share consolidation took place (5 shares integrated to 1 share)

ROA = Net profit / Total assets (average of the amounts as of the end of the previous period and end of the current period)

ROE = Net profit / Shareholders' equity (average of the amounts as of the end of the previous period and end of the current period)

Balance sheet figures are as of the corresponding term-end

Operating cash flow = Net profit + Depreciation (including depreciation of long-term prepaid expenses)

Total payout ratio = [FY-N dividends + FY-(N+1) treasury stock purchased] / FY-N consolidated net profit

TEP (Tokyo Gas Economic Profit) : Profit after taxes and before interest payments - Cost of capital (invested capital × WACC)

Items for WACC calculation (FY2019 forecast)

- Cost of interest-bearing debt : forecast interest rate (0.86%, after tax)
- Cost rate for shareholders' equity
- Risk free rate : 10-year JGB yield 0.06%
- Market Risk premium : 5.5% β: 0.75

Slide 16 indicates consolidated key indicators.

3. Reference Materials



The following reference materials including a table on economic framework assumption, plus a list of major press releases in from April 1, 2018 to April 26, 2019, a list of overseas projects, and the number of switches to other electricity and city gas service providers.

Gas Gross Margin Sensitivity to Change in Crude Oil Price and Exchange Rate

Impact of rising JCC by \$1/bbl

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.2	-0.7	+0.6	+0.4	+0.1
	2Q	—	-0.1	-0.7	+1.0	+0.2
	3Q	—	—	-0.3	-1.1	-1.4
	4Q	—	—	—	-0.2	-0.2
	Full year	-0.2	-0.8	-0.4	0.1	-1.3

Impact of depreciation by ¥1/\$

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.7	+0.7	+0.1	0.0	+0.1
	2Q	—	-0.8	+0.7	+0.3	+0.2
	3Q	—	—	-0.8	+0.9	+0.1
	4Q	—	—	—	-1.1	-1.1
	Full year	-0.7	-0.1	0.0	+0.1	-0.7

Key Topics in FY2018-19 (Excerpted from Press Releases up to 26st April)

Management Strategy	<ul style="list-style-type: none"> • "Tokyo Gas Group CSR Report 2018" published (Aug. 31) • Initiatives towards achieving The Tokyo Gas Group FY2018-2020 management plan "GPS2020"(Oct. 11) • <u>Tokyo Gas Group Initiatives in FY2019 to Achieve GPS2020 (Apr. 10)</u>
Gas Electric power (G/P)	<ul style="list-style-type: none"> • Cove Point LNG Project in the U.S. starts commercial operation 3 firms have visited the LNG Plant in Lusby Maryland (Apr. 16) • Tokyo Gas electricity customers pass the 1.2 million mark, and Tokyo Gas Group improves and expands its "Zuttomo" total energy service plan (May 10) • Details of Tokyo Gas Group's "Zuttomo" total energy service plan offerings for the Nichigas Moka service area (May 11) • Letter of intent on renewable electricity generation and acquisition of equity interest in photovoltaic power plant operator (May 28) • Tokyo Gas signs agreement on cooperation in photovoltaic power generation business (June 1) • Tokyo Gas and Centrica sign Heads of Agreement to purchase LNG from Mozambique LNG Project (Jun. 15) • Personnel dispatched to assist earthquake recovery in northern Osaka (Jun. 19) • Tokyo Gas Group makes first purchase of FIT electricity certified to have been generated using non-fossil fuel energy sources (Jul. 2) • LPG refueling and delivery company Gaskuru Co., Ltd. launched (July 10)^{*3} • Tokyo Gas signs Heads of Agreement to purchase LNG from LNG Canada Project (Oct. 10) • New 0120 phone number set up to simplify the process of applying for electricity service using a smartphone's camera (Oct. 22) • Tokyo Gas signs Heads of Agreement to purchase LNG from Energia Costa Azul LNG Project (Nov. 8) • Tokyo Gas Signs Memorandum of Understanding on Mutual Cooperation with RWE (Germany) (Nov. 9) • "Personalized map service" developed to keep customers informed about progress on restoration of gas supplies following a major earthquake (Nov. 30) • Changes in the Thermal Power Plant Project in Sodegaura City, Chiba Prefecture (Jan. 31) • <u>Photovoltaic power project acquired to boost presence in the renewable energy business (Feb. 1)</u> • <u>Tokyo Gas and Centrica sign Sale and Purchase Agreement from Mozambique LNG Project (Feb. 5)</u> • <u>Tokyo Gas executes a HOA with Shell Eastern Trading for the supply of LNG (Apr. 5)</u>
Services (S)	<ul style="list-style-type: none"> ◆ Engineering Service • Niihama LNG Co., Ltd. established (Apr. 2)^{*1} • Construction work starts on the Niihama LNG terminal, which will have the world's largest aboveground LNG tank (230,000 kiloliters) (Oct. 1)^{*1} • <u>Mitsui Fudosan and Tokyo Gas's Nihonbashi Smart Energy Project comes on stream, that is Japan's first stable delivering of heat and electric power to a district with existing buildings (Apr. 15)</u> ◆ Urban Development Service (Real Estate) • Construction work starts on new "Toyotama Rental Housing" (provisional name) (May 9)^{*2} • Two rental housing properties acquired (June 29)^{*2} • Rental housing property acquired (Dec. 7)^{*2} • <u>Tokyo Gas officially given share of reserved floor space for the Toranomon 2-chome Type 1 Urban Redevelopment Project (Mar. 22)^{*2}</u>

Dates of press releases are shown in parentheses. *1 Press releases issued by Tokyo Gas Engineering Solutions. *2 Press releases issued by Tokyo Gas Real Estate Holdings. *3 Press releases issued by Tokyo Gas Liquid Holdings.
Press releases issued after the 3Q results were announced (Jan. 31) are underlined.

Key Topics in FY2018-19 (Excerpted from Press Releases up to 26st April)

Services (S)	<ul style="list-style-type: none"> ◆Other • Total number of ENE-FARM residential fuel cells sold hits 100,000 (Jun. 8) • Service jointly developed for apartment dwellers to allow unified smartphone-based management of user manuals: Tokyo Tatemono's Brillia Ichinoe condos to get first use (Aug. 21) • "Stop Heat Shock!"TM project launched (Nov. 1) • Launch of new housekeeping service: Tokyo Gas expands its Always Plan through co-creation with business partners (Nov. 8) • Tokyo Gas signs capital and business alliance partnership to develop sleep and fatigue recovery support service: Always Plan expanded through co-creation with business partners (Nov. 15) • Tokyo Gas signs capital and business alliance partnership to develop new audio content service: through co-creation with business partners (Nov. 27) • Total number of ENE-FARM residential fuel cells sold hits 110,000 (Dec. 21) • <u>Tokyo Gas expands its "Always Plan" lineup with launch of new sensor-based "residential monitoring service" (Feb. 27)</u> • <u>Expansion of services for "myTOKYOGAS" members (Mar. 1)</u>
Global (XG, Overseas)	<ul style="list-style-type: none"> • Completion of Sale of Shares in Natural Gas Fired Power Station in Belgium (Oct. 3) • Tokyo Gas and First Gen sign Joint Development Agreement regarding the construction and operation of the LNG receiving terminal in Republic of the Philippines (Dec. 5) • Launch of Thailand's Very First Fully Private Natural Gas Distribution Business (Dec. 7) • <u>ENGIE and Tokyo Gas to establish renewables joint venture company in Mexico (Apr. 8)</u>
Digital Innovations	<ul style="list-style-type: none"> • Tokyo Gas develops "ShaTeki", application for equipment management featuring AI-based speech recognition: Goes on sale to corporate users end April 2019 (Jan. 29) • <u>Tokyo Gas invests in Exergy Power Systems, Inc (Feb. 4)</u> • <u>Launch of LPG container delivery plan optimization system using AI (Mar. 18)³</u>
ESG	<ul style="list-style-type: none"> • Carbon offsetting of CO2 emissions from FC Tokyo home matches (Apr. 23) • Environment Month initiatives to help build a sustainable society (May 24) • Tokyo Gas joins the Japanese Ministry of the Environment's "Cool Share" scheme and registers five facilities as "Cool Share Spots" (Jun. 20) • Tokyo Gas assists with offsetting carbon emissions generated by Japan's 89th Intercity Baseball Tournament (Jul. 9) • With two years to go to the Tokyo 2020 Paralympic Games, Tokyo Gas hosts a participatory event to showcase all 22 Paralympic sports being contested at the games (Jul. 12) • Verification test of "suidel" city gas reforming hydrogen generator commences (Oct. 16) • Announcement of construction of "Toyosu hydrogen station (provisional name)": Japan's first large-scale onsite hydrogen station capable of refueling fuel cell buses (Nov. 12) • <u>Launch of "junijuni sponsored by TOKYO GAS" shopping site to promote the social contributions (Apr. 4)</u>

Dates of press releases are shown in parentheses. *1 Press releases issued by Tokyo Gas Engineering Solutions. *2 Press releases issued by Tokyo Gas Real Estate Holdings. *3 Press releases issued by Tokyo Gas Liquid Holdings.
Press releases issued after the 3Q results were announced (Jan. 31) are underlined.

Key Topics in FY2018-19 (Excerpted from Press Releases up to 26st April)¥

Finance and
shareholder
returns

- Announcement of revision to forecast results(Apr. 20)
- Notification of resolution to acquire treasury shares (Apr.27), notice of share buyback (Jun.18), notice of retirement of treasury stock (Jun.28)
- Announcement of 44th, 45th, and 46th issues of debenture bonds (Jul. 13)
- Partial transfer of stock in Capty Co., Ltd. (Nov. 5)
- Announcement of issue of the 47th, the 48th and the 49th Domestic unsecured notes(Nov. 22)
- Notice on Company Split(Simple Absorption-type Company Split)(Mar. 22)
- Tokyo Gas designated a Nadeshiko Brand for the third year running(Mar. 25)
- Notification of Resolution to Acquire of Treasury Shares(Apr. 26)
- Notice Regarding the Appropriation of Surplus(Apr. 26)

Dates of press releases are shown in parentheses. *1 Press releases issued by Tokyo Gas Engineering Solutions. *2 Press releases issued by Tokyo Gas Real Estate Holdings. *3 Press releases issued by Tokyo Gas Liquid Holdings.
Press releases issued after the 3Q results were announced (Jan. 31) are underlined.

Overseas Projects



No	Country	Subject	Main Business	Investment year
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■ Southeast Asia

⊕	Malaysia	GAS MALASIA Bhd.	Downstream City gas	1992
		GAS MALASIA ENERGY ADVANCE Sdn.Bhd.	Downstream Energy Service	2014
⊕	Thailand	Bang bo	Downstream Natural gas power	2016
		GWHAMT	Downstream Gas Supply	2018
⊕	Vietnam	PVGD	Downstream CNG Supply	2017
⊕	Indonesia	Sengkang	Upstream Production, liquefaction and sales of LNG	2010
		PRA	Downstream Gas Supply, Transfer	2017

■ Oceania

⊕	Australia	Darwin	Upstream Production, liquefaction and sales of LNG	2008
		Pluto	Upstream Production, liquefaction and sales of LNG	2008
		Gorgon	Upstream Production, liquefaction and sales of LNG	2009
		Queensland Curtis	Upstream Production, liquefaction and sales of LNG	2011
		Ichthys	Upstream Production, liquefaction and sales of LNG	2012

■ North America

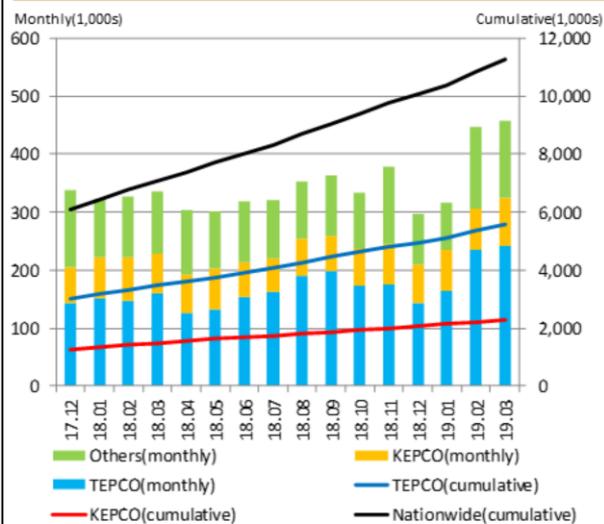
⊕	U.S.A	Barnett	Upstream Shale gas	2013
		Eagle Ford	Upstream Shale gas	2016
		East Texas	Upstream Shale gas	2017
		TGES America	Downstream Energy Service	2015
		Empire Power Plant	Downstream Natural gas power	2016
		Birdsboro Power Plant	Downstream Natural gas power	2017
		Acario Ventures	Other Open Innovation	2017
⊕	Mexico	Bajo	Downstream Natural gas power	2004
		MT Falcon	Downstream Natural gas power	2010
		Heolios EnTG	Downstream Renewable venture	2019

■ Europe

⊕	Belgium	T-Power	Downstream Natural gas power	2012 ~ 2018
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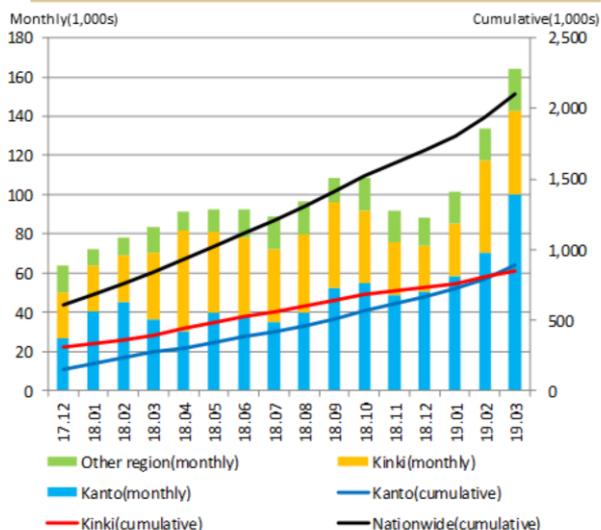
Trends in city gas/electricity switching(published data),
Number of customers for city gas retail sales(Tokyo gas consolidated)

Electricity switchers (based on applications)



* Based on data published by the Organization for Cross-regional Coordination of Transmission Operators.

City gas switchers (based on applications)



* Based on data published by the Agency for Natural Resources and Energy.

Number of customers for city gas retail sales (Tokyo gas consolidated, 10thousands)

As of	2016.06	2016.09	2016.12	2017.03	2017.06	2017.09	2017.12	2018.03	2018.06	2018.09	2018.12	2019.03
Number	1,019.9	1,020.8	1,025.4	1,026.9	1,031.4	1,028.9	1,029.6	1,020.9	1,018.9	1,008.9	998.2	982.1
(Change)	(+ 7.3)	(+ 0.9)	(+ 4.6)	(+ 1.5)	(+ 4.5)	(- 2.5)	(+ 0.7)	(- 8.7)	(- 2.0)	(- 10.0)	(- 10.7)	(- 16.1)

Full deregulation of the retail market (2017.04)



< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies and beliefs, and other statements herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. As such, they are based on management's assumptions and opinions stemming from currently available information and therefore involve risks and uncertainties.

The Company's actual performance may greatly differ from these projections, due to these risks and uncertainties which include without limitation 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.

TSE:9531