

Reference Materials (FY2018)

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Reference Materials (FY2018)
1. <Consolidated>Financial Results

	<FY2018 vs. FY2017>				<FY2019 Forecast vs. FY2018 Results>				100 million yen
	FY18	FY17	Change		Reference	FY19 Forecast	Change		
Net sales	19,623	17,773	1,850	10.4%	City gas +1,089, Electric power +617, Energy-related +299, Others +228, etc.	20,430	807	4.1%	Electric power +768, etc.
Operating profit	937	1,163	-226	-19.4%	City gas -268, Energy-related -8, Overseas +79, Others +19, etc	1,220	283	30.2%	City gas +299, Real estate +19, Overseas -35, etc.
Ordinary profit	893	1,115	-222	-19.9%	Increases in income from contributions for engineering work, etc.	1,200	307	34.2%	Increase in overseas equity income, Increase in foreign exchange profit, etc.
Profit attributable to owners of parent	845	749	96	12.8%	Increases in gain on sales of non-current assets and loss on devaluation of investment securities, etc.	860	15	1.7%	
Total assets(*1·10)	24,281	23,343	938	4.0%	Notes and accounts receivable +490, Other facilities +414, Other intangible assets +269, Cash and deposits -353	26,060	1,779	7.3%	
Equity(*1)	11,590	11,360	230	2.0%	Net profit +845, Dividends -249, Acquisition of treasury stock -199	11,950	360	3.1%	
Equity ratio(*1) (%)	47.7%	48.7%	-1.0%	-	Went down because an increase in equity (2.0%) was smaller than that in total assets (4.0%)	45.9%	-1.8%	-	
Total assets turnover(*2) (times)	0.82	0.78	0.04	-		0.81	-0.01	-	
ROA(*2) (%)	3.6%	3.3%	0.3%	-	Went up due to an increase in profit attributable to owners of parent (+96)	3.4%	-0.2%	-	
ROE(*2) (%)	7.4%	6.7%	0.7%	-	Went up due to an increase in profit attributable to owners of parent (+96)	7.3%	-0.1%	-	
Interest-bearing debt(*1)	8,032	7,249	783	10.8%	Tokyo Gas +889	9,230	1,198	14.9%	
D/E ratio	0.69	0.64	0.05	-		0.77	0.08	-	
Profit attributable to owners of parent	845	749	96	12.8%		860	15	1.7%	
Depreciation(*3·4)	1,618	1,653	-35	-2.1%		1,670	52	3.2%	
Operating cash flow(*5)	2,464	2,403	61	2.5%		2,530	66	2.7%	
Capital expenditure(*3)	2,237	2,087	150	7.2%	Tokyo Gas +133, Consolidated subsidiaries, etc. +18	2,650	413	18.4%	
Investments and Financing(after offset)	236	470	-234	-49.8%		805	569	240.6%	
TEP(*6)	68	244	-176	-		313	245	-	
WACC (%)	3.0%	3.1%	-0.1%	-		2.9%	-0.1%	-	
EPS(*7) (¥/share)	187.60	164.12	23.48	14.3%	Went up due to an increase in profit attributable to owners of parent (+96)	193.64	6.04	3.1%	
BPS(*1·*7) (¥/share)	2,575.99	2,487.58	88.41	3.6%		2,702.43	126.43	4.7%	
Total payout ratio(*8)	60.3%	60.2%	0.1%	-		(*9) -	-	-	

(*1)Figures in B/S items for FY17 are the figures as of the end of FY17 (end of March 2018)

(*2)The calculation of total assets turnover, ROA, and ROE are based upon average Total assets and Shareholders' equity in each period.

(*3)Amounts for capital Expenditure and depreciation are after offsetting of internal transactions.

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

(*5)Operating cash flow is calculated using the simplified accounting treatment of "Net profit attributable to the parent + Depreciation and amortization."(simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(*6)TEP in forecasts has been recalculated based upon average Market Capitalization in each period.EPS, and BPS in forecasts have been recalculated based upon the number of stocks after the acquisition of treasury stocks.

(*7)EPS and BPS are after the share consolidation.

(*8)FYn Gross payout ratio = ((FYn total annual dividend) + (FYn +1 stock repurchases)) / (FYn profit attributable to owners of the parent)

(*9)To be maintained at approximately 60% each year to FY2020

(*10)The total amount of assets and debt as of the end of the previous period (end of March 2018) decreased by ¥405 million as the Partial Amendments to Accounting Standard for Tax Effect Accounting(ASBJ Statement No. 28, February 16, 2018) was introduced in the 1st quarter of this fiscal year.

2. <Consolidated>Breakdown of Segments(FY2018 vs. FY2017)

100 million yen

Segment	Breakdown	Net sales				Reference	Operating profit			Reference	
		FY18	FY17	Change			FY18	FY17	Change		
Gas Segment	Liquefied petroleum gas	298	305	-7	-2.0%	Decrease in sales due to decrease in contracts for LNG transportation business (transfer of operations)	0	7	-7	-89.7%	Decrease in profit due to increase in shipment unit prices
	Industrial gas	233	214	19	8.5%	Increase in sales due to increase in the number of LNG satellites established	7	9	-2	-22.6%	Decrease in profit due to exclusion of subsidiary from consolidation
Energy-related Segment	Gas appliances	1,309	1,274	35	2.8%	Increase in sales due to increase in the number of sales of air-conditioning appliances, etc.	16	61	-45	-73.1%	Decrease in profit due to increase in provision for maintenance expenses
	Gas pipe Installation work	423	416	7	1.7%	Increase in sales due to increase in the number of installations	15	11	4	33.9%	Increase in profit due to increase in sales
	Construction etc.	651	663	-12	-1.9%	Decrease in sales due to transfer of business	14	11	3	23.0%	Increase in profit due to increase in large projects
	Credit	74	81	-7	-9.0%	Decrease in sales due to decrease in large properties	6	5	1	5.2%	Increase in profit due to decrease in costs for purchasing leasing properties
Other Segment	IT services	420	344	76	21.9%	Increase in sales due to increase in orders received for system development	11	4	7	145.1%	Increase in profit due to increase in sales
	Shipping	379	219	160	73.1%	Increase in sales due to commencement of North American LNG transportation	46	28	18	61.5%	Increase in profit due to increase in operation

**City gas", "LNG sales", "Engineering Solutions" are described in Presentation Material.

3. <Consolidated>Main Consolidated Subsidiaries

(1) FY2018 vs. FY2017

100 million yen

Segment	Company name	Net sales				Reference	Operating profit			Reference	
		FY18	FY17	Change			FY18	FY17	Change		
Gas etc.(*1)	Tokyo Gas Co.,Ltd.	17,685	15,988	1,697	10.6%		489	824	-335	-40.7%	
Electric Power	Nijio Co.,Ltd	1,156	1,109	47	4.2%	Increase in sales due to increase in unit sales prices	28	29	-1	-4.1%	Decrease in profit due to time lag of higher oil prices
Overseas seg.	TG Australia Group(*2)	472	344	128	37.4%	(TG Gorgon) Increase in sales due to increase in the number of LNG transportation ships [3 ← 2] (TG Pluto) Increase in sales due to increase in unit sales prices and sales volume	166	66	100	151.5%	(TG Gorgon) Increase in profit due to increase in sales (TG Pluto) Increase in profit due to increase in sales
Energy-related seg.	Tokyo Gas Engineering Solutions Group(*2)	1,475	1,188	287	24.2%	Increase in sales due to increase in orders received for LNG plants, etc.	66	37	29	76.3%	Increase in profit due to increase in sales
Real Estate seg.	Tokyo Gas Urban Development Co.,Ltd.	254	243	11	4.5%	Increase in sales due to increase in rent income	74	66	8	11.2%	Increase in profit due to increase in sales
Others	Tokyo LNG Tanker Co., Ltd.	355	219	136	62.1%	Increase in sales due to commencement of North American LNG transportation	43	28	15	49.4%	Increase in profit due to increase in operation
Other		3,737	3,002	735	24.5%	(TG PLUS) Increase in sales due to commencement LNG sales (TGinet) Increase in sales due to increase in orders received for system development	133	141	-8	-5.9%	
Consolidated subsidiaries total		7,451	6,106	1,345	22.0%		511	370	141	38.0%	
Consolidated total		19,623	17,773	1,850	10.4%		937	1,163	-226	-19.4%	

(*1)In addition to "Gas", Tokyo Gas is engaged in "Electric Power", "Energy-related", "Real-Estate", and "Others" segments.

(*2)Consolidated figures are simple sums before elimination of intra-company transactions.

(2) FY2018 Forecast vs. FY2017 Results

100 million yen

Segment	Company name	Net sales				Reference	Operating profit			Reference	
		FY19 Forecast	FY18	Change			FY19 Forecast	FY18	Change		
Gas etc.(*1)	Tokyo Gas Co.,Ltd.	18,900	17,685	1,215	6.9%		820	489	331	67.6%	
Electric Power	Nijio Co.,Ltd	1,589	1,156	433	37.5%	Increase in sales due to increase in sales volume	30	28	2	4.6%	
Overseas seg.	TG Australia Group(*2)	409	472	-63	-13.5%	(TG Gorgon) Decrease in sales due to decrease in sales volume (TG Pluto) Decrease in sales due to decrease in equity income and sales volume (TG ICHTHYS) Increase in sales due to commencement of operation	129	166	-37	-21.8%	(TG Gorgon) Decrease in profit due to decrease in sales volume (TG ICHTHYS) Increase in profit due to commencement of operation
Energy-related seg.	Tokyo Gas Engineering Solutions Group(*2)	1,435	1,475	-40	-2.8%	Decrease in sales due to decrease in sales from LNG plant work	30	66	-36	-53.7%	Decrease in profit due to increase in costs due to commencement of system operation
Real Estate seg.	Tokyo Gas Real Estate Co., Ltd.(*3)	301	291	10	3.2%	Increase in sales due to transfer of properties from TG	81	82	-1	-1.5%	
Others	Tokyo LNG Tanker Co., Ltd.	377	355	22	6.3%	Increase in sales due to improvement of operating rates	31	43	-12	-27.5%	Decrease in profit due to price revisions
Other		4,033	3,702	331	8.9%	(TGinet) Increase in sales due to increase in orders received for system development	70	126	-56	-44.4%	(TG East Texas) Decrease in profit due to decrease in equity income (TGIH) Decrease in profit due to decrease in dividends
Consolidated subsidiaries total		8,144	7,451	693	9.3%		371	511	-140	-27.3%	
Consolidated total		20,430	19,623	807	4.1%		1,220	937	283	30.2%	

(*1)In addition to "Gas", Tokyo Gas is engaged in "Electric Power", "Energy-related", "Real-Estate", and "Others" segments.

(*2)Consolidated figures are simple sums before elimination of intra-company transactions.

(*3)Consolidated figures for FY17 are simple sums before elimination of intra-company transactions.

4. <Consolidated>Breakdown of Capital Expenditure/Investments and Financing

(FY2018 vs. FY2017)

(FY2019 Forecast vs. FY2018 Results)

100 million yen

	FY18	FY17	Change	Reference	FY19 Forecast	Change	Reference		
【Capital Expenditure】									
Production facilities	186	169	17	9.7%	Hitachi LNG receiving terminal-related, etc.	140	-46 -24.5%	Hitachi LNG receiving terminal-related, etc.	
Distribution facilities	966	907	59	6.5%	Security-related, etc.	1,001	35	3.6%	Security-related, etc.
Service and maintenance facilities etc.	634	576	58	10.1%	IT, etc.	757	123	19.3%	IT, etc.
Tokyo Gas Total	1,787	1,654	133	8.1%		1,900	113	6.3%	
Capital expenditure at consolidated subsidiaries	491	463	28	6.1%	Real estate, Electric power, etc.	797	306	62.2%	Real estate, etc.
Adjustment	-41	-30	-11	—		-47	-6	—	
Capital Expenditure total	2,237	2,087	150	7.2%		2,650	413	18.4%	
【Investments and Financing】									
Investment and financing	336	526	-190	-36.0%		827	491	145.7%	
Collections	100	55	45	81.5%		21	-79	-78.2%	
Investments and Financing total(after offset)	236	470	-234	-49.8%		805	569	240.6%	
Capital Expenditure total+Investments and Financing (Except Collections)	2,474	2,558	-84	-3.3%		3,455	981	39.7%	

5. <Consolidated>Balance Sheets (as of Mar. 31, 2019 vs. as of Mar. 31, 2018)

100 million yen

	Mar.31.2019 (%)	Mar.31.2018 (%)	Change	Reference	
【Assets】					
Noncurrent assets	19,014 (78.3%)	18,511 (79.3%)	503	2.7%	Property, plant and equipment, intangible assets: Capex 2,237, Depreciation -1,618, Foreign exchange -30 Investments and other asset: Long-term loans receivable 122
Current assets	5,267 (21.7%)	4,831 (20.7%)	436	9.0%	Notes and accounts receivable 490, Raw materials and supplies 183, Cash and deposits -353
Total Assets	24,281 (100.0%)	23,343 (100.0%)	938	4.0%	
【Liabilities】					
Interest-bearing debt	8,032 (33.1%)	7,249 (31.1%)	783	10.8%	Long-term loans payable: New borrowings 543, Payments -186 Bonds payable: Issuance 700, Redemption -400, Commercial papers: Issuance 2,700, Redemption -2,600
Provision for retirement benefits	752 (3.1%)	731 (3.1%)	21	2.9%	
Notes and accounts payable-trade	696 (2.9%)	808 (3.5%)	-112	-13.9%	Accounts payable-trade -112
Other liabilities	3,087 (12.7%)	3,069 (13.1%)	18	0.6%	
Total Liabilities	12,568 (51.8%)	11,858 (50.8%)	710	6.0%	
【Net Assets】					
Shareholders' equity	11,159 (46.0%)	10,767 (46.1%)	392	3.6%	Profit attributable to owners of parent 845, Dividend payments -249, Acquisition of treasury stock -199
Accumulated other comprehensive income	431 (1.8%)	592 (2.5%)	-161	-27.2%	Foreign currency translation adjustment -85, Valuation difference on available-for-sale securities -75
Non-controlling interests	122 (0.5%)	124 (0.5%)	-2	-0.9%	
Total Net Assets	11,713 (48.2%)	11,484 (49.2%)	229	2.0%	Equity ratio 47.7% (Mar. 31, 2019) ← 48.7% (Mar. 31, 2018)
Total (Liabilities and Net Assets)	24,281 (100.0%)	23,343 (100.0%)	938	4.0%	

6. <Non-consolidated> Financial Forecast

(FY2018 vs. FY2017)

(FY2019 Forecast vs. FY2018 Results)

100 million yen

	FY18	FY17	Change		Reference	FY19 Forecast	Change		Reference
Net sales	17,685	15,988	1,697	10.6%		18,900	1,215	6.9%	
Operating profit	489	824	-335	-40.7%		820	331	67.6%	
Ordinary profit	629	958	-329	-34.4%		820	191	30.3%	
Net profit	537	759	-222	-29.2%		600	63	11.7%	
Impact of Sliding Time Lag(*1)									
Revenue from sliding system	185	-1,147	1,332	—		195	10	5.1%	
Increase in gas cost	409	-994	1,353	—		117	-292	-251.0%	
Change	-224	-203	-21	—		78	302	—	
Economic Frame									
JCC	\$/bbl	72.12	57.04	15.08	26.4%	70.00	-2.12	-3.0%	
EX Rate	¥/\$	110.92	110.85	0.07	0.1%	110.00	-0.92	-0.8%	
Gas sales	11,936	11,086	850	7.7%		11,543	-393	-3.3%	
Transmission service income	103	26	77	294.0%	Volume/composition -477, Sliding time lag effect +1,332, Transmission service income +77, etc.	343	168	94.4%	Volume/composition, etc. -236, Sliding time lag effect +10, etc.
Intercompany adjustment income	72	71	1	0.8%					
LNG regasification and calorific adjustment income	0	0	0	—					
Gas Business Sales	12,112	11,184	928	8.3%		11,886	-226	-1.9%	
Raw materials and supplies	7,329	6,144	1,185	19.3%	Volume/composition -168, Sliding time lag effect +1,353 (Foreign exchange +30, Oil price +1,350, etc.)	6,732	-597	-8.2%	Volume/composition -305, Sliding time lag effect -292
(Gross profit)	(4,783)	(5,040)	(-257)	(-5.1%)	Volume/composition, etc. -231, Sliding time lag effect -21, etc.	(5,154)	(371)	(7.8%)	Volume/composition, etc. +69, Sliding time lag effect +302, etc.
Personnel expenses	784	748	36	4.8%	Retirement allowance +102 (Actuarial differences +123, Changes in personnel system -18, etc.), Salaries -24, Bonuses -29, etc.	835	51	6.4%	Actuarial differences +31, Changes in personnel system +18, etc.
General expenses	2,577	2,568	9	0.3%	See below. Changes in accounts reflecting the transfer of operations to an affiliate (Personnel expenses → General expenses)	2,640	63	2.4%	Consignment costs +68 (System data transfer costs, etc.), Costs for coping with consumption tax rise etc.), Expendable costs +26, Removal costs -31, etc.
Depreciation	1,188	1,205	-17	-1.4%	Decrease due to progress of depreciation, etc.	1,220	32	2.6%	Increase as a result of acquisition of new assets
LNG regasification	-36	-39	3	—		-34	2	—	
Operating costs	11,844	10,627	1,217	11.5%		11,393	-451	-3.8%	
Installation work	15	11	4	32.7%	Increase in profitability due to increase in completion of large-scale installations, etc.	6	-9	-61.2%	Decrease in number of installations
Others	136	173	-37	-21.1%	Allowance for appliance repairs, etc.	223	87	63.4%	(FY2018) Allowance for appliance repairs, etc.
Miscellaneous operating profit	151	184	-33	-17.7%		229	78	50.7%	
Expenses for incidental businesses	69	83	-14	-16.7%	Electricity -15, LNG sales -1, etc.	98	29	41.1%	LNG sales +45, Electricity -8, etc.
Operating profit	489	824	-335	-40.7%		820	331	67.6%	
Non operating profit	139	134	5	4.4%	Gain on sale of affiliates' securities +17, Land rents +11, Dividends received from affiliates -28, etc.	0	-139	—	Dividends received from affiliates -111, Gain on sale of affiliates' securities -17, etc.
Ordinary profit	629	958	-329	-34.4%		820	191	30.3%	
Extraordinary income	44	61	-17	-28.6%	Gain on sales of non-current assets -32, Gain on sales of investment securities +15	0	-44	—	Gain on sales of investment securities -44
Extraordinary loss	0	24	-24	—	(FY2017) Impairment loss -24	0	0	—	
Taxes	136	237	-101	-42.7%		220	84	61.6%	
Net profit	537	759	-222	-29.2%		600	63	11.7%	
Net profit	537	759	-222	-29.2%		600	63	11.7%	
Depreciation(*2)	1,257	1,268	-11	-0.8%		1,280	23	1.7%	
Operating cash flows (Net profit + Depreciation)	1,795	2,027	-232	-11.5%		1,880	85	4.7%	

(*1) Change from standard average resource cost

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

※ Revised in red on May 9th, 2019

Breakdown of General Expenses	FY18	FY17	Change		Reference
Repair costs	357	366	-9	-2.5%	
Expendable costs	151	155	-4	-3.2%	
Rent	188	186	2	0.9%	
Consignment costs	751	721	30	4.1%	Changes in accounts reflecting the transfer of operations (Personnel expenses → General expenses), etc.
Taxes	451	430	21	4.8%	Increase in enterprise tax due to increased net sales, etc.
Marketing costs	146	173	-27	-15.6%	Decrease in advertisement costs, etc.
Others	533	537	-4	-0.3%	

7. <Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis

(1) Breakdown of Gas Sales

	(FY2018 vs. FY2017)					(FY2019 Forecast vs. FY2018 Results)				
	FY18	FY17	Change	change factors	(100 million yen)	(million m3)	FY19 Forecast	Change		
Residential	4,660	4,759	-99	-2.1%	Volume, etc.	-411	-326	4,710	50	1.1%
					(Temp. effect)	(-255)	(-227)			
					Sliding	312				
					Other	0				
Others (Commercial·Industrial·Wholesale)	7,452	6,425	1,027	16.0%	Volume, etc.	-66	-38	7,176	-276	-3.8%
					(Temp. effect)	(-45)	(-51)			
					Sliding	1,020				
					Other	73				
Total	12,112	11,184	928	8.3%	Volume, etc.	-477	-364	11,886	-226	-1.9%
					(Temp. effect)	(-300)	(-277)			
					Sliding	1,332				
					Other	73				

(2) Gas Gross Profit Analysis

	Change(FY2018 vs. FY2017)					Change(FY2019 Forecast vs. FY2018 Results)							
	Volume, etc.	(Breakdown)	Unit price	(Breakdown)	Total	Volume, etc.	(Breakdown)	Unit price	(Breakdown)	Total			
Gas sales	-477	Temp. effect	-300	1,405	Sliding	1,332	-236	Temp. effect	238	10	Sliding	10	-226
		Other	-177		Other	73		Other	-474		Other	0	
		Other	-127		Sliding	1,353		Temp. effect	97		Sliding	-292	
Raw materials and supplies	-168	(crude oil price)	1,350	1,353	(exchange rate)	30	-305	Other	-402	-292	(crude oil price)	-261	-597
		Other	-41		Other	73		(exchange rate)	-42				
		Other	-136		Other	73		Other	-72		Other	0	
Gross profit	-309	Temp. effect	-173	52	Sliding	-21	69	Temp. effect	141	302	Sliding	302	371
		Other	-136		Other	73		Other	-72		Other	0	

8. <Non-consolidated> Sales Data

(1) <Non-consolidated> Power Generation Stock Volume

Unit : thousands kW

	FY18 March 2019 Results(a)	FY17 March 2018 Results(b)	Change (c)=(a)-(b)
Commercial-use cogeneration system	640	600	40
Industrial-use cogeneration system	1,646	1,474	172
Power gen.	3,892	4,036	-144
Total	6,178	6,110	68

(2) <Non-consolidated> Sales of ENE-FARM (Completion Basis)

(Year on Year) Unit : sales

	FY18	FY17	Change	Change ratio
ENE-FARM	17,713	18,606	-893	-4.8%

(Achievement of plan for FY17) Unit : sales

	FY18	Annual Plan	Achievement
ENE-FARM	17,713	18,498	95.8%

<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

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

(1) Economic Frame<Consolidated/Non-consolidated>

		FY19 Forecast				
		1Q	2Q	3Q	4Q	Full-year
FY19 Forecast	JCC \$/bbl	70.00				
	EX Rate ¥/\$	110.00				
		FY18 Results				
		1Q	2Q	3Q	4Q	Full-year
FY18 Results	JCC \$/bbl	73.78				
	EX Rate ¥/\$	110.26				

(2) Gross Profit Sensitivity<Non-consolidated>

■ Gross Profit Sensitivity to Changes in Oil Price 100 million yen

	1Q	2Q	3Q	4Q	Full-year
Net sales	19	22	5	0	46
Gas resource cost	18	20	19	2	59
Gross profit	1	2	-14	-2	-13

*Impact on JCC increase by \$1

■ Gross Profit Sensitivity to Changes in EX Rate 100 million yen

	1Q	2Q	3Q	4Q	Full-year
Net sales	13	14	14	3	44
Gas resource cost	12	12	13	14	51
Gross profit	1	2	1	-11	-7

* Impact on a one-yen depreciation

< 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.