

Reference Materials (FY2019)

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The consolidated results forecast for the FY2020 ending March 31, 2021 has not been determined as it is difficult to reasonably quantify the impact of the new coronavirus pandemic at this moment. We will disclose our forecast as soon as it can be reasonably calculated.

Reference Materials (FY2019)

1. <Consolidated>Financial Results

<FY2019 vs. FY2018>

100 million yen

	FY19	FY18	Change		Reference
Net sales	19,252	19,623	-371	-1.9%	Gas -583, Energy-related -116, Overseas -70, Electric power +783, Others +154, etc.
Operating profit	1,015	937	78	8.3%	Gas +102, Energy-related +58, Overseas -45, etc.
Ordinary profit	1,027	893	134	14.9%	Increase in dividend income +26, Increase in overseas equity income +25, etc.
Profit attributable to owners of parent	433	845	-412	-48.7%	[FY19] Gain on settlement of contracts, Impairment loss, Loss on devaluation of investment securities [FY18] Gain on sale of non-current assets, Gain on sale of investment securities, Loss on devaluation of investment securities
Total assets(*1・10)	25,377	24,281	1,096	4.5%	Non-current assets +738 (Property, plant and equipment +337, Intangible assets +337, etc.), Current assets +357 (Cash and deposits +582, etc.)
Equity(*1)	11,478	11,590	-112	-1.0%	Net profit +433, Dividends -278, Acquisition of treasury stock -239
Equity ratio(*1) (%)	45.2%	47.7%	-2.5%	—	Went down because equity decreased (-1.0%) while total assets increased (+4.5%)
Total assets turnover(*2) (times)	0.78	0.82	-0.04	—	
ROA(*2) (%)	1.7%	3.6%	-1.9%	—	Went down due to decrease in profit attributable to owners of parent (-412)
ROE(*2) (%)	3.8%	7.4%	-3.6%	—	Went down due to decrease in profit attributable to owners of parent (-412)
Interest-bearing debt(*1)	9,050	8,032	1,018	12.7%	Tokyo Gas +755
D/E ratio	0.79	0.69	0.10	—	
Profit attributable to owners of parent	433	845	-412	-48.7%	
Depreciation(*3・4)	1,696	1,618	78	4.8%	
Operating cash flow(*5)	2,130	2,464	-334	-13.5%	
Capital expenditure(*3)	2,270	2,237	33	1.5%	Consolidated subsidiaries, etc. +178, Tokyo Gas -145
Investments and Financing(after offset)	525	236	289	122.3%	
WACC (%)	2.7%	3.0%	-0.3%	—	
EPS (¥/share)	98.07	187.60	-89.53	-47.7%	Went down due to decrease in profit attributable to owners of parent (-412)
BPS(*1) (¥/share)	2,602.74	2,575.99	26.75	1.0%	
Total payout ratio(*6)	61.0%	60.3%	0.7%	—	

(*1) Figures in B/S items for FY18 are the figures as of the end of FY18 (end of March 2019)

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

2. <Consolidated>Breakdown of Segments(FY2019 vs. FY2018)

100 million yen

Segment	Breakdown	Net sales				Reference	Operating profit				Reference
		FY19	FY18	Change			FY19	FY18	Change		
Gas Segment	Liquefied petroleum gas	257	298	-41	-14.0%	Decrease in sales due to decrease in sales volume and lower unit prices	1	0	1	108.7%	
	Industrial gas	227	233	-6	-2.4%		6	7	-1	-9.3%	
Energy-related Segment	Gas appliances	1,272	1,309	-37	-2.8%	Decrease in sales due to decrease in sales volume	73	16	57	345.8%	Increase in profit due to decrease in provision for maintenance expenses
	Gas pipe Installation work	433	423	10	2.2%	Increase in sales due to increase in number of projects	8	15	-7	-42.2%	Decrease in profit due to lower profitability reflecting decrease in number of large installation projects
	Construction etc.	622	651	-29	-4.4%	Decrease in sales due to decrease in number of installations	24	14	10	71.2%	Increase in profit due to decrease in personnel expenses
	Credit	78	74	4	5.6%		7	6	1	21.0%	
Other Segment	IT services	553	420	133	31.7%	Increase in sales due to increase in orders received for system development	14	11	3	26.7%	
	Shipping	352	379	-27	-7.0%	Decrease in sales due to price revision	41	46	-5	-11.9%	

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

3. <Consolidated>Main Consolidated Subsidiaries(FY2019 vs. FY2018)

100 million yen

Segment	Company name	Net sales				Reference	Operating profit				Reference
		FY19	FY18	Change			FY19	FY18	Change		
Gas etc.(*1)	Tokyo Gas Co.,Ltd.	17,879	17,685	194	1.1%		620	489	131	26.8%	
Electric Power seg.	Nijio Co.,Ltd	1,458	1,156	302	26.1%	Increase in sales due to increase in sales volume	18	28	-10	-36.0%	Decrease in profit due to lower unit sales prices
Overseas seg.	TG Australia Group(*2)	390	472	-82	-17.4%	(TG Pluto) Decrease in sales due to decrease in volume due to large-scale repairs (TG Gorgon) Decrease in sales due to decrease in sales volume	116	166	-50	-30.1%	(TG Pluto) Decrease in profit due to decrease in sales (TG Gorgon) Decrease in profit due to decrease in sales
Energy-related seg.	Tokyo Gas Engineering Solutions Group(*2)	1,394	1,475	-81	-5.5%	Decrease in sales due to decrease in orders received for engineering facility installations	60	66	-6	-9.2%	Decrease in profit due to Increase in costs reflecting the operation of a new system
Real Estate seg.	Tokyo Gas Real Estate Co., Ltd.(*3)	313	276	37	13.3%	Increase in sales due to increase in rent income as a result of transfer of assets	95	69	26	38.4%	Increase in profit due to increase in sales
Others	Tokyo LNG Tanker Co., Ltd.	369	355	14	4.0%	Increase in sales due to increase in North American LNG transportation	49	43	6	13.7%	
Other		3,896	3,715	181	4.9%	(TG PLUS) Increase in sales due to increase in LNG sales (TGinet) Increase in sales due to increase in orders received for system development	116	138	-22	-15.4%	
Consolidated subsidiaries total		7,822	7,451	371	5.0%		455	511	-56	-10.8%	
Consolidated total		19,252	19,623	-371	-1.9%		1,015	937	78	8.3%	

(*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 FY18 are after the elimination of transactions among the three companies integrated in FY19.

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

(FY2019 vs. FY2018)

100 million yen

	FY19	FY18	Change		Reference
【Capital Expenditure】					
Production facilities	101	186	-85	-45.3%	Hitachi LNG receiving terminal-related, etc.
Distribution facilities	1,057	966	91	9.4%	Stable supply-related, etc.
Service and maintenance facilities etc.	482	634	-152	-24.0%	Real estate, etc.
Tokyo Gas Total	1,642	1,787	-145	-8.2%	
Capital expenditure at consolidated subsidiaries	677	491	186	37.8%	Real estate, etc.
Adjustment	-48	-41	-7	—	
Capital Expenditure total	2,270	2,237	33	1.5%	
【Investments and Financing】					
Investment and financing	598	336	262	77.7%	
Collections	72	100	-28	-27.5%	
Investments and Financing total(after offset)	525	236	289	122.3%	
Capital Expenditure total+Investments and Financing(after offset)	2,795	2,474	321	13.0%	

5. <Consolidated>Balance Sheets (as of Mar. 31, 2020 vs. as of Mar. 31, 2019)

100 million yen

	Mar,31,2020 (%)	Mar,31,2019 (%)	Change		Reference
【Assets】					
Noncurrent assets	19,752 (77.8%)	19,014 (78.3%)	738	3.9%	Property, plant and equipment, intangible assets: Capex 2,270, Depreciation -1,696, Foreign exchange -20 Investments and other assets: Long-term loans receivable 105, Investment securities -92
Current assets	5,624 (22.2%)	5,267 (21.7%)	357	6.8%	Cash and deposits 582, Other current assets 204, Notes and accounts receivable -441
Total Assets	25,377 (100.0%)	24,281 (100.0%)	1,096	4.5%	
【Liabilities】					
Interest-bearing debt	9,050 (35.7%)	8,032 (33.1%)	1,018	12.7%	Bonds payable: Issuance 900, Redemption -300 Commercial papers: Issuance 800, Redemption -900 Long-term loans payable: New borrowings 948, Payments -458
Provision for retirement benefits	719 (2.8%)	752 (3.1%)	-33	-4.4%	
Notes and accounts payable-trade	785 (3.1%)	696 (2.9%)	89	12.9%	Accounts payable-trade 91
Other liabilities	3,228 (12.7%)	3,087 (12.7%)	141	4.6%	Other current liabilities 199
Total Liabilities	13,784 (54.3%)	12,568 (51.8%)	1,216	9.7%	
【Net Assets】					
Shareholders' equity	11,078 (43.7%)	11,159 (46.0%)	-81	-0.7%	Dividend payments -278, Acquisition of treasury stock -239, Profit attributable to owners of parent 433
Accumulated other comprehensive income	399 (1.6%)	431 (1.8%)	-32	-7.3%	Valuation difference on available-for-sale securities -69, Premeasurements of defined benefit plans 61
Non-controlling interests	113 (0.4%)	122 (0.5%)	-9	-7.3%	
Total Net Assets	11,592 (45.7%)	11,713 (48.2%)	-121	-1.0%	Equity ratio 45.2% (Mar. 31, 2020) ← 47.7% (Mar. 31 2019)
Total (Liabilities and Net Assets)	25,377 (100.0%)	24,281 (100.0%)	1,096	4.5%	

6. <Non-consolidated> Financial Forecast

(FY2019 vs. FY2018)

100 million yen

	FY19	FY18	Change		Reference
Net sales	17,879	17,685	194	1.1%	
Operating profit	620	489	131	26.8%	
Ordinary profit	683	629	54	8.6%	
Net profit	567	537	30	5.6%	
Impact of Sliding Time Lag(*1)					
Revenue from sliding system	-162	185	-347	—	
Increase in gas cost	-162	409	-571	—	
Change	0	-224	224	—	
Economic Frame					
JCC(Japan Crude Cocktail) \$/bbl	67.79	72.15	-4.36	-6.0%	
EX Rate ¥/\$	108.71	110.92	-2.21	-2.0%	
Gas sales	10,717	11,936	-1,219	-10.2%	Volume/composition -872, Sliding time lag effect -347,Third-party access revenue +172, etc.
Transmission service income	275	103	172	165.7%	
Intercompany adjustment income	72	72	-0	-0.1%	
LNG regasification and calorie adjustment income	0	0	0	—	
Gas Business Sales	11,065	12,112	-1,047	-8.6%	
Raw materials and supplies	6,156	7,329	-1,173	-16.0%	Volume/composition -602, Sliding time lag effect -571(Foreign exchange -92, Oil price -380, etc.)
(Gross profit)	(4,909)	(4,783)	(126)	(2.6%)	Volume/composition, etc. -270, Sliding time lag effect +224, Third-party access revenue +172, etc.
Personnel expenses	820	784	36	4.5%	Retirement allowance +54 (Actuarial differences +31, Changes in personnel system +18, etc.), Salaries -6, Bonuses -11, etc.
General expenses	2,651	2,577	74	2.9%	Consignment costs +70, etc.
Depreciation	1,213	1,188	25	2.1%	
LNG regasification	-37	-36	-1	—	
Operating costs	10,804	11,844	-1,040	-8.8%	
Installation work	8	15	-7	-43.6%	
Others	245	136	109	80.0%	Decrease in provision for maintenance expenses, etc.
Miscellaneous operating profit	254	151	103	67.4%	
Expenses for incidental businesses	105	69	36	52.4%	LNG sales +40, etc.
Operating profit	620	489	131	26.8%	
Non operating profit	62	139	-77	-55.0%	Dividends received from affiliates -21, Land rent -20 (Decrease in rent income as a result of transfer of assets), Gain on sale of affiliates' securities -17, etc.
Ordinary profit	683	629	54	8.6%	
Extraordinary income	96	44	52	119.2%	Gain on settlement of contracts +96, Gain on sale of investment securities -44
Extraordinary loss	20	0	20	—	Loss on devaluation of investment securities
Taxes	192	136	56	41.7%	
Net profit	567	537	30	5.6%	
Net profit	567	537	30	5.6%	
Depreciation(*2)	1,285	1,257	28	2.2%	
Operating cash flows (Net profit+ Depreciation)	1,852	1,795	57	3.2%	

(*1)Change from standard average resource cost

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

Breakdown of General Expenses	FY19	FY18	Change		Reference
Repair costs	350	357	-7	-1.8%	
Expendable costs	163	151	12	8.4%	Costs for company-wide replacement of terminals for office automation, etc.
Rent	200	188	12	6.2%	Increase in building rent, etc.
Consignment costs	821	751	70	9.4%	Increase in system data transfer costs, etc.
Taxes	441	451	-10	-2.2%	Decrease in enterprise tax due to decreased net sales, etc.
Marketing costs	134	146	-12	-8.1%	Decrease in gas development fees, etc.
Others	542	533	9	1.5%	

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

(1) Breakdown of Gas Sales

(FY2019 vs. FY2018)						100 million yen	
	FY19	FY18	Change		change factors	(100 million yen)	(million m3)
Residential	4,425	4,660	-235	-5.0%	Volume, etc.	-202	-116
					(Temp. effect)	(85)	(69)
					Sliding	-33	
Others (Commercial·Industrial·Wholesale)	6,640	7,452	-812	-10.9%	Volume, etc.	-669	-1,226
					(Temp. effect)	(-25)	(-46)
					Sliding	-315	
Total	11,065	12,112	-1,047	-8.6%	Volume, etc.	-872	-1,342
					(Temp. effect)	(60)	(23)
					Sliding	-347	
					Other	172	

(2) Gas Gross Profit Analysis

100 million yen								
	Change(FY19 vs. FY18)							
	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Other	Total
Gas Business Sales	-872	Temp. effect	60	-347	Sliding	-347	172	-1,047
		Other	-932		Other	0		
Raw materials and supplies	-602	Temp. effect	10	-571	Sliding	-571	0	-1,173
		Other	-612		crude oil price	-380		
					exchange rate	-92		
		Gross profit	-270		Temp. effect	50		
		Other	-320		Other	0		

8. <Non-consolidated> Sales Data

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

Unit : thousands kW

	FY19 March 2020 Results(a)	FY18 March 2019 Results(b)	Change (c)=(a)-(b)
Commercial-use cogeneration system	689	640	49
Industrial-use cogeneration system	1,651	1,646	5
Power gen.	4,404	3,892	512
Total	6,744	6,178	566

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

(Year on Year)

Unit : sales

	FY19	FY18	Change	Change ratio
ENE-FARM	15,254	17,713	-2,459	-13.9%

(Achievement of plan for FY19)

Unit : sales

	FY19	Annual Plan	Achievement
ENE-FARM	15,254	18,500	82.5%

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

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

		FY19 Results				
		1Q	2Q	3Q	4Q	Full-year
FY19 Results	JCC \$/bbl	68.87		66.71		67.79
	EX Rate ¥/\$	108.60		108.82		108.71

< 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.