

Reference Materials (FY2017 2Q)

		Page
Results		
▪ Consolidated	Financial Results (FY2017 vs. FY2016)	1
	Breakdown of Other Energy-related Segments/Other Segments (FY2017 vs. FY2016)	2
	Main Consolidated Subsidiaries Results (FY2017 vs. FY2016)	3
	Changes in Consolidated Balance Sheets (Sep. 30, 2017 vs. Mar. 31, 2017)	4
▪ Non-consolidated	Financial Results (FY2017 vs. FY2016)	5
	Breakdown of Gas Business Sales & Gross Profit Analysis (FY2017 vs. FY2016)	6
	Power Generation Stock Volume and Sales of ENE-FARM	7
▪ Consolidated/Non-consolidated	Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing	8
Forecasts		
▪ Assumptions	Oil Price and Currency Forecasts, and Their Impacts on Gross Profit	9
▪ Consolidated	Financial Forecast(Current Forecast vs. Previous Forecast(Jul.))	10
	Main Consolidated Subsidiaries (Current Forecast vs. Previous Forecast(Apr.))	11
▪ Non-consolidated	Financial Forecast(Current Forecast vs. Previous Forecast(Jul.))	12
	Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. Previous Forecast(Jul.)) *	13
	Financial Forecast(Current Forecast vs. FY2016 Results)	14
	Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. FY2016 Results)	15
▪ Consolidated/Non-consolidated	Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing	16
Reference		
▪ Non-consolidated	Revision of Gas Business Accounting Rules	17

* Revised in February 2018

Results

<Consolidated>Financial Results (FY2017 vs. FY2016)

100 million yen

	FY17 2Q	FY16 2Q	Change		Reference
Net sales	7,903	7,077	826	11.7%	City gas +451, Electric power +341, Overseas +75, Energy-related +59 (LNG sales +59, Engineering solution +33, Gas appliances -49) , Others +28, Real estate +5
Operating profit	442	362	80	22.1%	Electric power +46, Overseas +18, Others +6, Energy-related -12, City gas -10
Ordinary profit	426	343	83	23.9%	Dividend income +8 (23 ← 15), Valuation loss on investment securities -2 (-3 ← -1)
Profit attributable to owners of parent	319	264	55	20.6%	Gain on sales of noncurrent assets +32 (32 ← 0), Gain on sales of investment securities -29 (0 ← 29)

Total assets(*1)	22,192	22,302	-110	-0.5%	Cash and deposits -321, Property, plant and equipment, -180, Investment securities +281, Work in process +99
Equity(*1)	11,061	11,014	47	0.4%	Net profit +319, Dividends -126, Accumulated other comprehensive profit -77, Acquisition of treasury stock -69
Equity ratio(*1) (%)	49.8%	49.4%	0.4	-	Went up because equity increased (0.4%) while total assets decreased (-0.5%)
Total assets turnover(*2) (times)	0.36	0.33	0.03	-	
Interest-bearing debt(*1)	7,146	7,135	11	0.2%	Tokyo Gas +104, TG Lease -47, TG Pluto -20, TG Europower -17, TG Gorgon -11
Profit attributable to owners of parent	319	264	55	20.6%	
Depreciation(*3·4)	789	795	-6	-0.8%	
Operating cash flow(*5)	1,108	1,060	48	4.5%	
Capital expenditure(*3)	678	823	-145	-17.6%	Consolidated subsidiaries -151 (TG Eagle Ford, Tokyo LNG Tanker, Tokyo Gas Engineering Solution America, etc.)
EPS(*6) (¥/share)	69.91	57.09	12.82	22.5%	Went up due to an increase in profit attributable to owners of parent (+55)
BPS(*1,*6) (¥/share)	2,421.98	2,398.70	23.28	1.0%	

(*1) Figures in B/S items for FY16 2Q are the figures as of the end of FY16 (end of March 2017)

(*2) The calculation of total assets turnover is based upon average total assets 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) The figures in EPS and BPS are after the reverse stock split.

<Consolidated>

Breakdown of Energy-related Segment/Other Segment (FY2017 vs. FY2016)

Breakdown of Energy-related Segment

100 million yen

Results	Net sales				Operating Profit			
	FY17 2Q	FY16 2Q	Change		FY17 2Q	FY16 2Q	Change	
Engineering solution	523	490	33	6.6%	15	17	-2	-11.8%
LPG	123	117	6	5.0%	0	1	-1	-44.7%
Industrial gas	98	88	10	10.8%	6	6	0	-1.7%
LNG sales	517	458	59	12.9%	6	45	-39	-85.7%
Gas appliances	524	573	-49	-8.6%	30	9	21	237.2%
Gas pipe Installation work	170	180	-10	-5.4%	0	-1	1	-
Construction etc.	306	285	21	7.3%	3	-4	7	-

(Major change factors)

- Engineering solution : Increase in sales due to the acceptance of CGS orders and increase in on-site energy service business
Decrease in profit due to increase in repair costs for on-site energy service facilities
- LNG sales : Increase in sales due to ocean-going ships; Decrease in profit due to sliding time lag
- Gas appliances : Decrease in sales due to decrease in the number of sales of commercial appliances
Increase in profit due to decrease in maintenance costs etc.

Breakdown of Other Segment

100 million yen

Results	Net sales				Operating profit			
	FY17 2Q	FY16 2Q	Change		FY17 2Q	FY16 2Q	Change	
Information services	150	132	18	13.3%	-2	-1	-1	-
Shipping	94	83	11	13.4%	9	1	8	428.2%
Credit and leasing	66	67	-1	-1.9%	4	4	0	0.6%

(Major change factors)

- Information services : Increase in sales due to increase in large projects etc.
- Shipping : Increase in sales and profit due to higher unit operation fees reflecting higher oil prices
and increase in the number of transportation ships

<Consolidated>Main Consolidated Subsidiaries (FY2017 vs. FY2016)

100 million yen

		Net sales			Operating profit			Reference
		FY17 2Q	FY16 2Q	Change	FY17 2Q	FY16 2Q	Change	
Consolidated		7,903	7,077	826	442	362	80	
City Gas etc.(*1) Tokyo Gas Co.,Ltd.		7,067	6,272	795	283	232	51	
Electric Power seg.	Nijio Co.,Ltd	546	471	75	17	15	2	Increase in sales due to higher unit sales prices Increase in profit due to increase in sales volume
Overseas seg.	TG Australia Group (*2)	167	117	50	24	15	9	(TG Gorgon) Increase in sales and profit due to the commencement of sales during the term
Energy-related seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	526	487	39	17	16	1	Increase in sales due to the acceptance of CGS orders
Real Estate seg.	Tokyo Gas Urban Development Co.,Ltd.	118	117	1	35	30	5	Increase in profit due to decrease in depreciation
Others	Tokyo LNG Tanker Co., Ltd.	94	83	11	9	1	8	Increase in sales and profit due to higher unit operation fees reflecting higher oil prices and increase in the number of transportation ships
Other		1,347	1,276	71	60	27	33	(TG Real Estate HD) Increase in sales and profit due to the reporting of dividend income (established in FY2017; TG reported the income in FY16.) (TG Bajio) Increase in sales and profit due to increase in interest income
Consolidated subsidiaries total		2,798	2,551	247	162	104	58	

(*1) In addition to "City 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.

<Consolidated>Changes in Consolidated Balance Sheets (Sep. 30, 2017 vs. Mar. 31, 2017)

(Changes from Mar. 31, 2017)

100 million yen

	Sep. 30, 2017		Mar. 31, 2017		Change		Changes
		%		%			
【Assets】							
Noncurrent assets	17,655	79.6%	17,608	79.0%	47	0.3%	Property, plant and equipment, intangible assets: Capex +678; Depreciation -789; Foreign exchange -68 Investments and other assets: Investment securities +281; Deferred tax assets -22; Other investments and other assets -18
Current assets	4,537	20.4%	4,694	21.0%	-157	-3.4%	Cash and deposits -321; Work in process +99; Raw materials and supplies +72
Total Assets	22,192	100.0%	22,302	100.0%	-110	-0.5%	
【Liabilities】							
Interest-bearing debt	7,146	32.2%	7,135	32.0%	11	0.2%	Bonds payable: Issuance +200; Long-term loans payable: New borrowings +16, Payments -171, Foreign exchange -23; Short-term loans payable -16
Provision for retirement benefits	708	3.2%	735	3.3%	-27	-3.7%	
Notes and accounts payable-trade	708	3.2%	964	4.3%	-256	-26.5%	
Other liabilities	2,454	11.1%	2,339	10.5%	115	4.9%	
Total Liabilities	11,018	49.6%	11,174	50.1%	-156	-1.4%	
【Net Assets】							
Shareholders' equity	10,463	47.1%	10,340	46.4%	123	1.2%	Profit attributable to owners of parent +319, Dividend payments -126, Acquisition of treasury stock -69
Total accumulated other comprehensive income	597	2.7%	674	3.0%	-77	-11.3%	Foreign currency translation adjustment -93
Non-controlling interests	112	0.5%	113	0.5%	-1	-0.1%	
Total net assets	11,173	50.4%	11,128	49.9%	45	0.4%	Equity ratio: 49.8% (Sep. 31, 2017) – 49.4% (Mar. 31, 2017)
Total liabilities and net assets	22,192	100.0%	22,302	100.0%	-110	-0.5%	

<Non-consolidated>Financial Results (FY2017 vs. FY2016)

The Gas Business Accounting Rules have been revised, and titles of accounts are changed. Aggregation of FY2016 results are based on standards before the change. (Refer to p.17 for details of the change in system)

100 million yen				Impact of Sliding Time Lag				100 million yen				Economic Frame			
	FY17 2Q	FY16 2Q	Change			FY17 2Q	FY16 2Q	Change		FY17 2Q	FY16 2Q	Change			
Net Sales	7,067	6,272	795	12.7%	Revenue from sliding system	-540	-996	456	JCC \$/bbl	51.37	43.78	7.59			
Operating profit	283	232	51	22.2%	Increase in gas cost	-428	-1,058	630	Ex. rate ¥/\$	111.04	105.25	5.79			
Ordinary Profit	308	321	-13	-3.9%	Change	-112	62	-174							
Net profit	250	550	-300	-54.5%											

*Change from standard average resource cost

		100 million yen							
	FY17 2Q	FY16 2Q	Change						
Gas Business Sales(*)	4,934	4,488	446	9.9%	Gas sales (*)	4,488	446	9.9%	Volume/composition -10, Unit prices +456
Raw materials and supplies	2,683	2,098	585	27.9%	Raw materials and supplies	2,098	585	27.9%	Volume/composition -31, Unit prices +616 (Foreign exchange +108, Oil price +544, etc.)
(Gross profit)	(2,251)	(2,390)	(-139)	(-5.8%)	(Gross profit)	(2,390)	(-139)	(-5.8%)	Volume/composition +21, Unit prices -160
Personnel expenses	364	545	-181	-33.2%	Personnel expenses	545	-181	-33.2%	Expenses from actuarial differences -157, etc.
General expenses	1,185	1,138	47	4.2%	General expenses	1,138	47	4.2%	
Repair expenses	165	161	4	2.2%	Repair expenses	161	4	2.2%	
Others	1,020	977	43	4.5%	Others	977	43	4.5%	Consignment costs +15, Intercompany adjustment cost +14, Taxes +8, etc.
Depreciation	578	596	-18	-3.0%	Depreciation	596	-18	-3.0%	Decrease due to progress of depreciation
LNG regasification	-19	-20	1	-	LNG regasification	-20	1	-	
Operating costs	4,792	4,358	434	10.0%	Operating cost	4,358	434	10.0%	
Installation work	0	-1	1	-	Installation work	-1	1	-	
Others	89	57	32	55.0%	Gas appliances, etc. (*)	57	32	55.0%	Decrease in provision for maintenance expenses +8, Increase in TES profitability +7, etc.
Miscellaneous operating income	89	56	33	59.4%	Miscellaneous operating income	56	33	59.4%	
Expenses for incidental businesses	52	45	7	13.8%	Expenses for incidental businesses	45	7	13.8%	Electricity sales +46, LNG sales -39, etc.
Operating profit	283	232	51	22.2%	Operating profit	232	51	22.2%	
Non operating income	24	88	-64	-72.1%	Non operating income	88	-64	-72.1%	Dividends received from affiliates -63 etc.
Ordinary profit	308	321	-13	-3.9%	Ordinary profit	321	-13	-3.9%	
Extraordinary income	32	317	-285	-89.9%	Extraordinary income	317	-285	-89.9%	FY2016: Gain on sale of assets +148; Gain on extinguishment of tie-in shares +154
Extraordinary loss	0	0	0	-	Extraordinary loss	0	0	-	
Taxes	90	88	2	1.8%	Taxes	88	2	1.8%	
Net profit	250	550	-300	-54.5%	Net profit	550	-300	-54.5%	

(*) Gas business sales (FY17) consist of Gas sales (FY16), Transmission service income (included in Miscellaneous operating income in FY16), Intercompany adjustment revenue (new), and Consigned income for LNG regasification and calorie adjustment (new).

<Non-consolidated>

Breakdown of Gas Business Sales & Gross Profit Analysis (FY2017 vs. FY2016)

Breakdown of Gas Business Sales

100 million yen

	FY17 2Q Results	FY16 2Q Results	Change		100 million yen		Mil. m3
					100 million yen	Mil. m3	
Residential	1,853	1,823	30	1.7%	Volume	52	41
					Temp. effect	38	34
					Sliding	-22	-
					Other differences	0	-
Others (Commercial・Industrial・ Wholesale)	3,081	2,665	416	13.5%	Volume	-67	-116
					Temp. effect	10	13
					Sliding	478	-
					Other differences	0	-
Total	4,934	4,488	446	9.0%	Volume	-10	-75
					Temp. effect	48	47
					Sliding	456	-
					Other differences	0	-

Gross Profit Analysis

100 million yen

	Volume		Unit price		Total
	Gas sales	Temp. effect	48	Sliding	456
			Other	0	
		-10		456	
Raw materials and supplies	Temp. effect	21	Sliding	630	585
			Other	-14	
		-31		616	
Gross profit	Temp. effect	27	Sliding	-174	-139
			Other	14	
		21		-160	

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

①Power Generation Stock Volume

Unit : thousands kW

	FY17 September 2017 Results(a)	FY16 March 2017 Results(b)	Change (c)=(a)-(b)
Commercial-use cogeneration system	589	588	1
Industrial-use cogeneration system	1,454	1,432	22
Power gen.	4,036	3,934	102
Total	6,079	5,953	126

<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

②Sales of ENE-FARM (Completion Basis)

(Year on Year)

Unit : sales

	FY17 2Q Results	FY16 2Q Results	Change	Change ratio
ENE-FARM	8,249	8,210	39	0.5%

(Achievement of plan for FY17)

Unit : sales

	FY17 2Q Results	Annual Plan	Achievement
ENE-FARM	8,249	19,075	43.2%

<Consolidated/Non-consolidated>

Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing

Breakdown of Operating Cash Flows

Actual Results of 2Q (FY2017 vs. FY2016)

100 million yen

Consolidated	FY17 2Q	FY16 2Q	Change	
Net profit (A)	319	264	55	20.6%
Depreciation* (B)	789	795	-6	-0.8%
Operating cash flows (A)+(B)	1,108	1,060	48	4.5%

Actual Results of 2Q (FY2017 vs. FY2016)

100 million yen

Non-Consolidated	FY17 2Q	FY16 2Q	Change	
Net profit (A)	250	550	-300	-54.5%
Depreciation* (B)	610	624	-14	-2.3%
Operating cash flows (A)+(B)	860	1,174	-314	-26.7%

* Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capital Expenditure

Actual Results (FY2017 vs. FY2016)

100 million yen

	FY17 2Q	FY16 2Q	Change	
Production facilities	39	54	-15	-27.0%
Distribution facilities	364	358	6	1.8%
Service and maintenance facilities etc.	125	116	9	7.4%
Tokyo Gas Total	530	530	0	0.1%
Capital expenditure at consolidated subsidiaries	150	301	-151	-50.0%
Adjustment	-3	-8	5	-
Total	678	823	-145	-17.6%

Production facilities : Other production facilities, etc. -15

Distribution facilities : Security-related etc. +6

Service and maintenance facilities etc.

: IT, etc. +9

Consolidated subsidiaries : Decrease at TG Eagle Ford, TLT, etc.

Investments and Financing

100 million yen

Actual Results (FY2017 vs. FY2016)

	FY17 2Q	FY16 2Q	Change	
Investment & financing	281	39	242	616.6%
Collections	13	13	0	5.1%
After offset	268	26	242	921.6%

Forecasts

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

Economic Frame

Gross Profit Sensitivity to Changes in Oil Price<Consolidated>

<Consolidated/Non-consolidated>

	FY2017 Current Forecast		
	1st Half	2nd Half	Full-year
JCC \$/bbl	51.37	55.00	53.19
Ex. rate ¥/\$	111.04	115.00	113.02
	FY2017 Previous Forecast as of Jul. 28		
	1st Half	2nd Half	Full-year
JCC \$/bbl	54.18	55.00	54.59
Ex. rate ¥/\$	113.05	115.00	114.02
	Change		
	1st Half	2nd Half	Full-year
JCC \$/bbl	-2.81	0.00	-1.40
Ex. rate ¥/\$	-2.01	0.00	-1.00

Gross Profit Sensitivity to Changes in Oil Price

100 million yen

	3Q	4Q	Full-year
Net sales	7	0	7
Gas resource cost	22	4	26
Gross profit	-15	-4	-19

*Impact on JCC increase by \$1

Gross Profit Sensitivity to Changes in EX Rate

100 million yen

	3Q	4Q	Full-year
Net sales	12	3	15
Gas resource cost	12	13	25
Gross profit	0	-10	-10

* Impact on a one-yen depreciation

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

Forecast of Full Year Results for FY2017

100 million yen

	Current	Previous (Jul.)	Change		Reference
Net sales	17,950	18,080	-130	-0.7%	City gas -148, Electric power +26, etc.
Operating profit	880	840	40	4.8%	City gas +24, Electric power -9, etc.
Ordinary profit	830	800	30	3.8%	
Profit attributable to owners of parent	630	610	20	3.3%	
Total assets	23,410	23,400	10	0.0%	
Equity	11,300	11,280	20	0.2%	
Equity ratio (%)	48.3%	48.2%	0.1%	-	
Total assets turnover(*1) (times)	0.79	0.79	0.00	-	
ROA(*1) (%)	2.8%	2.7%	0.1%	-	
ROE(*1) (%)	5.6%	5.5%	0.1%	-	
Interest-bearing debt	7,960	8,010	-50	-0.6%	
D/E ratio	0.70	0.71	-0.01	-	
Profit attributable to owners of parent	630	610	20	3.3%	
Depreciation(*2·3)	1,660	1,680	-20	-1.2%	
Operating cash flow(*4)	2,290	2,290	0	0.0%	
Capital expenditure(*2)	2,600	2,650	-50	-1.9%	
TEP	76	62	14	-	
(WACC)	2.9%	2.9%	0.0%	-	
EPS(*5) (Vshare)	137.88	133.50	4.38	3.3%	
BPS(*5) (Vshare)	2,474.30	2,469.87	4.43	0.2%	
Total payout ratio(*6)	(*7) -	-	-	-	

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

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

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

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

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

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

(*7) 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 profit			Reasons
		Current	Previous (Apr.)	Change	Current	Previous (Apr.)	Change	
Consolidated		17,950	18,130	-180	880	820	60	
City Gas etc.(*1) Tokyo Gas Co.,Ltd.		15,860	16,060	-200	570	530	40	
Electric Power seg.	Nijio Co.,Ltd	1,106	1,122	-16	20	20	0	Decrease in sales due to lower unit selling price of electricity power, etc.
Overseas seg.	TG Australia Group (*2)	355	362	-7	61	70	-9	Decrease in sales and profit due to lower unit selling price and volume, etc.
Energy-related seg.	Tokyo Gas Engineering Solutions Co.,Ltd.	1,216	1,226	-10	40	36	4	Decrease in sales due to lower unit selling price of on-site energy service business Increase in profit due to decrease in selling, general and administrative expenses, etc.
Real Estate seg.	Tokyo Gas Urban Development Co.,Ltd.	242	241	1	62	60	2	
Others	Tokyo LNG Tanker Co., Ltd.	211	230	-19	24	11	13	Decrease in sales and increase in profit due to review of accounting treatment Deferred charge due to delayed entry into service of own vessels
Other		3,126	3,087	39	124	79	45	
Consolidated subsidiaries total		6,256	6,268	-12	331	276	55	

(*1) In addition to "City 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.

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

100 million yen

	Current	Previous (Jul.)	Change	
Net Sales	15,860	16,010	-150	-0.9%
Operating profit	570	550	20	3.6%
Ordinary Profit	580	560	20	3.6%
Net profit	450	430	20	4.7%

Impact of Sliding Time Lag

100 million yen

	Current	Previous (Jul.)	Change
Revenue from sliding system	-1,138	-980	-158
Increase in gas cost	-877	-719	-158
Change	-261	-261	0

*Change from standard average resource cost

Economic Frame

	Current	Previous (Jul.)	Change
JCC \$/bbl	53.19	54.59	-1.40
Ex. rate ¥/\$	113.02	114.02	-1.00

100 million yen

	Current	Previous (Jul.)	Change		
Gas Business Sales	11,050	11,200	-150	-1.3%	Volume/composition +8; Unit price -158
Raw materials and supplies	6,118	6,270	-152	-2.4%	Volume/composition +6; Unit price -158 (Foreign exchange -37; Oil price -116, etc.)
(Gross profit)	(4,932)	(4,930)	(2)	(0.0%)	Volume/composition +2
Personnel expenses	744	744	0	0.0%	
General expenses	2,620	2,620	0	0.0%	
Depreciation	1,214	1,234	-20	-1.6%	Decrease due to delay in acquisition, etc.
LNG regasification	-35	-35	0	-	
Operating cost	10,661	10,833	-172	-1.6%	
Installation work	3	3	0	0.0%	
Others	113	109	4	3.7%	
Miscellaneous operating income	116	112	4	3.6%	
Expenses for incidental businesses	65	71	-6	-8.5%	Electricity sales -5 (Increase in retail sales expenses, etc.), etc.
Operating profit	570	550	20	3.6%	
Non operating income	10	10	0	0.0%	
Ordinary profit	580	560	20	3.6%	
Extraordinary income	32	32	0	-	
Extraordinary loss	0	0	0	-	
Taxes	162	162	0	0.0%	
Net profit	450	430	20	4.7%	

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. Previous Forecast(Jul.))

Forecast of Full Year Results for FY2017

Breakdown of Gas Sales

100 million yen

	Current	Previous (Jul.)	Change	
Residential	4,682	4,809	-127	-2.6%
Others (Commercial・Industrial・ Wholesale)	6,368	6,391	-23	-0.4%
Total	11,050	11,200	-150	-1.3%

Gross Profit Analysis

100 million yen

	Volume		Unit price		合計
Gas sales	Temp. effect	1	Sliding	-158	
			Other	0	
	8		-158		
Raw materials and supplies	Temp. effect	1	Sliding	-158	
			Other	0	
	6		-158		
Gross profit	Temp. effect	0	Sliding	0	
			Other	0	
	2		0		

<Non-consolidated> Financial Forecast(Current Forecast vs. FY2016 Results)

The Gas Business Accounting Rules have been revised, and titles of accounts are changed. Aggregation of FY2016 results are based on standards before the change.
(Refer to p.17 for details of the change in system)

100 million yen **Impact of Sliding Time Lag** 100 million yen **Economic Frame**

	Current forecast	FY2016 results	Change			Current forecast	FY2016 results	Change			Current forecast	FY2016 results	Change	
Net Sales	15,860	14,084	1,776	12.6%	Revenue from sliding system	-1,138	-2,218	1,080		JCC \$/bbl	53.19	47.51	5.68	
Operating profit	570	294	276	93.3%	Increase in gas cost	-877	-2,018	1,141		Ex. rate ¥/\$	113.02	108.38	4.64	
Ordinary profit	580	370	210	56.6%	Change	-261	-200	-61						
Net profit	450	687	-237	-34.6%	*Change from standard average resource cost									

		Current forecast	100 million yen				100 million yen		
			FY2016 results	Change					
Gas Business Sales(*)	11,050	10,119	931	9.2%	Gas sales(*)	10,119	931	9.2%	Volume/composition -149; Unit price +1,080
Raw materials and supplies	6,118	5,171	947	18.3%	Raw materials and supplies	5,171	947	18.3%	Volume/composition -165 Unit price +1,112 (Foreign exchange +205; Oil price +811, etc.)
(Gross profit)	(4,932)	(4,948)	(-16)	(-0.3%)	(Gross profit)	(4,948)	(-16)	(-0.3%)	Volume/composition +16; Unit price -32
Personnel expenses	744	1,100	-356	-32.4%	Personnel expenses	1,100	-356	-32.4%	Expenses from actuarial difference -315, etc.
General expenses	2,620	2,521	99	3.9%	General expenses	2,521	99	3.9%	
Repair expenses	375	414	-39	-9.6%	Repair expenses	414	-39	-9.6%	Decrease due to the provision for gas cock valve security measures in FY2016 -44, etc.
Others	2,245	2,107	138	0.1%	Others	2,107	138	0.1%	Consignment costs +47, Intercompany adjustment cost +29, etc.
Depreciation	1,214	1,224	-10	-0.9%	Depreciation	1,224	-10	-0.9%	Decrease due to progress of depreciation
LNG regasification	-35	-42	7	-	LNG regasification	-42	7	-	
Operating costs	10,661	9,977	684	6.9%	Operating cost	9,977	684	6.9%	
Installation work	3	8	-5	-65.5%	Installation work	8	-5	-65.5%	Drop in number of new installations, etc.
Others	113	107	6	5.1%	Gas appliances, etc.(*)	107	6	5.1%	
Miscellaneous operating income	116	116	0	-0.2%	Miscellaneous operating income	116	0	-0.2%	
Expenses for incidental businesses	65	36	29	79.3%	Expenses for incidental businesses	36	29	79.3%	Electricity sales +60; LNG sales -28, etc.
Operating profit	570	294	276	93.3%	Operating profit	294	276	93.3%	
Non operating income	10	75	-65	-86.8%	Non operating income	75	-65	-86.8%	Dividends received from affiliates -63 etc.
Ordinary profit	580	370	210	56.6%	Ordinary profit	370	210	56.6%	
Extraordinary income	32	445	-413	-92.8%	Extraordinary income	445	-413	-92.8%	FY2016: Gain on sale of assets +148; Gain on extinguishment of tie-in shares +154
Extraordinary loss	0	0	0	-	Extraordinary loss	0	0	-	
Taxes	162	128	34	26.1%	Taxes	128	34	26.1%	
Net profit	450	687	-237	-34.6%	Net profit	687	-237	-34.6%	

(*) Gas business sales (FY17) consist of Gas sales (FY16), Transmission service income (included in Miscellaneous operating income in FY16), Intercompany adjustment revenue (new), and Consigned income for LNG regasification and calorie adjustment (new).

<Non-consolidated> Breakdown of Gas Sales & Gross Profit Analysis(Current Forecast vs. FY2016 Results)

Forecast of Full Year Results for FY2017

Breakdown of Gas Sales

100 million yen

	Current forecast	FY2016 results	Change	
			Amount	Percentage
Residential	4,682	4,474	208	4.6%
Others (Commercial・Industrial・Wholesale)	6,368	5,645	723	12.8%
Total	11,050	10,119	931	9.2%

Gross Profit Analysis

100 million yen

	Volume		Unit price		Total
	Temp. effect	Amount	Sliding	Other	
Gas sales	Temp. effect	102	Sliding	1,080	931
			Other	0	
		-149		1,080	
Raw materials and supplies	Temp. effect	44	Sliding	1,141	947
			Other	-29	
		-165		1,112	
Gross profit	Temp. effect	58	Sliding	-61	-16
			Other	29	
		16		-32	

<Consolidated/Non-consolidated>

Breakdown of Operating Cash Flows/Capital Expenditure/Investments and Financing

Forecast of Full Year Results for FY2017

Breakdown of Operating Cash Flows

[Current Forecast vs. Previous Forecast(Jul.)]

(Consolidated)

100 million yen

	Current	Previous (Jul.)	Change	
Profit attributable to owners of parent (A)	630	610	20	3.3%
Depreciation* (B)	1,660	1,680	-20	-1.2%
Operating cash flows (A)+(B)	2,290	2,290	0	0.0%

(Non-consolidated)

100 million yen

	Current	Previous (Jul.)	Change	
Profit attributable to owners of parent (A)	450	430	20	4.7%
Depreciation* (B)	1,276	1,293	-17	-1.3%
Operating cash flows (A)+(B)	1,726	1,723	3	0.2%

[Current Forecast vs. FY2016 Results]

(Consolidated)

100 million yen

	Current	FY2016	Change	
Profit attributable to owners of parent (A)	630	531	99	18.6%
Depreciation* (B)	1,660	1,643	17	1.0%
Operating cash flows (A)+(B)	2,290	2,174	116	5.3%

(Non-consolidated)

100 million yen

	Current	FY2016	Change	
Profit attributable to owners of parent (A)	450	687	-237	-34.6%
Depreciation* (B)	1,276	1,281	-5	-0.4%
Operating cash flows (A)+(B)	1,726	1,968	-242	-12.3%

*Depreciation includes amortization of long-term prepaid expenses.

Breakdown of Capital Expenditure

[Current Forecast vs. Previous Forecast(Jul.)]

100 million yen

	Current	Previous (Jul.)	Change	
Production facilities	210	210	0	0.0%
Distribution facilities	942	992	-50	-5.0%
Service and maintenance facilities etc.	757	757	0	0.0%
Tokyo Gas Total	1,910	1,960	-50	-2.6%
Capital expenditure at consolidated subsidiaries	736	736	0	0.0%
Adjustment	-46	-46	0	-
Total	2,600	2,650	-50	-1.9%

Distribution facilities : Stable supply (main line)-related, etc. -50

[Current Forecast vs. FY2016 Results]

100 million yen

	Current	FY2016	Change	
Production facilities	210	224	-14	-6.5%
Distribution facilities	942	943	-1	-0.1%
Service and maintenance facilities etc.	757	363	394	107.7%
Tokyo Gas Total	1,910	1,532	378	24.6%
Capital expenditure at consolidated subsidiaries	736	540	196	36.2%
Adjustment	-46	-39	-7	-
Total	2,600	2,033	567	27.9%

Production facilities : Hitachi LNG base-related, etc. -14

Service and maintenance facilities etc.

: Real estate, IT, other general facilities, etc. +394

Consolidated subsidiaries : TGES, etc. +196

Investments and Financing

[Current Forecast vs. FY2016 Results]

100 million yen

	Current	FY2016	Change	
Investment & financing	435	163	272	166.5%
Collections	22	25	-3	-14.2%
After offset	413	138	275	200.4%

Reference

(Reference) Revision of Gas Business Accounting Rules

Supplement for "(Non-consolidated) Financial Results" of pages 5 and 14

The gas business system has been changed to cope with the full liberalization of retail sales of gas in FY2017. The Gas Business Accounting Rules have also been revised to reflect the change.

<New>	<4>	<Former>
(Gas business Sales) <ul style="list-style-type: none"> • Gas sales • Transmission service income • Intercompany adjustment income • LNG regasification and calorie adjustment income 	<4>	(Product sales) <ul style="list-style-type: none"> • Gas sales
(Cost of sales) <ul style="list-style-type: none"> • Beginning inventories • Cost of products manufactured • Purchase of finished goods • Costs of gas for own use • Ending inventories 	<About 30>	(Cost of sales) <ul style="list-style-type: none"> • Beginning inventories • Cost of products manufactured • Purchase of finished goods • Costs of gas for own use • Ending inventories
• Gross profit <ul style="list-style-type: none"> • Supply and sales expenses • General and administrative expenses • Total selling, general and administrative expenses 		• Gross profit <ul style="list-style-type: none"> • Supply and sales expenses • General and administrative expenses • Total selling, general and administrative expenses
• Profit on core business		• Profit on core business
(Miscellaneous operating income) <ul style="list-style-type: none"> • Income from installation work 		(Miscellaneous operating income) <ul style="list-style-type: none"> • Income from installation work • Income from gas appliance sales • Transmission service income • Other miscellaneous operating income
<ul style="list-style-type: none"> • Other miscellaneous operating income 		<ul style="list-style-type: none"> • Other miscellaneous operating income

(Omitted below)

* Gas sales were divided into Gas sales and Intercompany adjustment income (fees for using gas pipes).

* Part of Purchase of finished goods is divided into Purchase of finished goods and Intercompany adjustment cost (fees for using gas pipes) included in Supply and sales expenses.

(Reference) Intercompany adjustment cost

It is equivalent to transmission service fees paid to other pipeline service operators in accordance with the adjustment contract between the relevant operators when gas is supplied through pipes held by more than one pipeline service operators.

If gas is supplied to a user of pipeline service operators C through gas pipes of pipeline service operators A and B, C receives transmission service fees from its retailer and then pays to B, which pays to A.

* Under the new system, transmission service income is regarded as income from core business, reflecting the idea that transmission service business is collateral to gas business.

[Note] The figures in < > in the table above show major effects of the revision of the Gas Business Accounting Rules (Figures for FY16 in 100 million yen)

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.