

**FY2019 3Q Financial Results
ended December, 2019**



January 30, 2020

1. FY2019 Consolidated Financial Results

ended December, 2019



FY2019 3Q Consolidated Results (Apr. 1, 2019 – Dec. 31, 2019) <vs. FY2018 3Q>



Highlights: Sales Up, Profit Down

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

Net sales	+35.4 :	+	Electricity (+58.0: Increase in sales volume due to increase in retail customers, etc.)
		+	Gas (+7.7: Decrease in city gas sales volume -42.9, increase in unit price of city gas due to resource cost adjustment +2.9, third-party access revenue +10.8, LNG sales +38.5, etc.)
		-	Overseas (-6.3: Decrease in sales from upstream projects, etc.)
		-	Energy-related (-4.1: Decrease in sales due to decrease in orders, etc.)
Operating expenses	-8.5 :	-	Electricity (-56.4: Increase in sales volume due to increase in retail customers, increase in fixed costs, etc.)
		+	Gas (+22.3: Decrease in unit price of city gas arising from economic framework assumptions +27.7, decrease in city gas sales volume +31.5, LNG sales -35.5, etc.)
		+	Energy related (+5.5: Decrease in expenses due to decrease in orders, etc.)
Operating profit	+27.0 :	+	Gas (+29.9: Change in unit price +30.6, change in sales volume -11.4, third-party access revenue +10.8, etc.)
		-	Overseas (-4.8: Decrease in profit from upstream projects, etc.)
Extraordinary profit/loss	-36.8 :	-	FY2019 3Q -8.0: Impairment loss -8.0
		-	FY2018 3Q 28.8: Gain on sale of non-current assets +29.1, gain on sale of investment securities +6.2, loss on valuation of investment securities -6.5

	FY2019 3Q	FY2018 3Q	Change	%
City gas sales volume (million m ³ , 45MJ)	9,923	10,637	- 714	- 6.7%
Electricity sales volume (million kWh)	14,158	10,998	3,160	28.7%
(Breakdown)				
Retail (million kWh, receiving end)	5,766	4,295	1,471	34.3%
Wholesale, etc. (million kWh)	8,392	6,703	1,689	25.2%
Net sales	13,62.0	1,326.6	35.4	2.7%
Operating expenses	13,07.3	1,298.8	8.5	0.6%
Operating profit	54.7	27.7	27.0	97.4%
Segment profit (operating profit + equity income of subsidiaries)	59.3	29.8	29.5	99.2%
Ordinary profit ⁽¹⁾	56.9	26.2	30.7	117.1%
Extraordinary profit/loss	- 8.0	28.8	- 36.8	
Profit attributable to owners of parent	33.6	34.6	- 1.0	- 2.9%
Temperature effect ⁽²⁾	3.2	- 10.6	7.4	-
(Adjustment items)				
Sliding time lag effect ⁽³⁾	5.0	- 29.9	34.9	-
(city gas + LNG sales)	(3.4 + 1.6)	(-27.2 + -2.7)	(30.6 + 4.3)	-
Amortization of actuarial differences ⁽⁴⁾	- 5.7	- 3.4	- 2.3	-
Adjusted ordinary profit ⁽¹⁾⁺⁽²⁾⁺⁽³⁾⁺⁽⁴⁾	60.8	70.1	- 9.3	- 13.3%
Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp (°C)	
FY2019 3Q	108.65(- 2.49)	67.83(- 7.16)	19.5(- 0.8)	
FY2018 3Q	111.14	74.99	20.3	
		Pension assets	Investment yield (costs deducted)	Year-end assets (billion yen)
		FY2019 3Q	2.76%	265.0

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

Expected annual rate of return: 2%

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Sales increased but profits decreased in 3Q FY2019.

Net sales were ¥1,362.0 billion, a rise of ¥35.4 billion. This was mainly attributable to performance in the electric power segment and the gas segment. In the electric power segment, net sales rose reflecting the benefit of ¥58.0 billion segment from an increase in retail sales volume. In the gas segment, net sales were up ¥7.7 billion due to a rise in city gas unit price owing to resource cost adjustments, an increase in third-party access revenue, and an increase in LNG sales.

Operating expenses totaled ¥1,307.3 billion, a rise of ¥8.5 billion. This was mainly due to an increase of ¥56.4 billion in the electric power segment owing to increases in sales volume due to an increase in retail customers and fixed costs, despite a decrease of ¥22.3 billion in the gas segment due to a drop in unit price of city gas arising from economic framework assumptions and a decrease in sales volume.

As a result, operating profit amounted to ¥54.7 billion, a growth of ¥27.0 billion or 97.4% year on year, and ordinary profit ended at ¥56.9 billion, a rise of ¥30.7 billion or 117.1% year on year.

Extraordinary profit and loss, however, decreased ¥36.8 billion since impairment loss of ¥8.0 billion was booked, although there was a gain on sale of non-current assets in the previous fiscal year. Due to this, profit attributable to owners of parent ended at ¥33.6 billion, a decrease of ¥1.0 billion or 2.9% year on year.

The impairment loss of ¥8.0 billion concerns the loss posted in 2Q related to the overseas business. Although ¥7.6 billion was booked in 2Q, the loss became ¥8.0 billion as we reviewed our oil price outlook and reassessed the book value in accordance with IFRS.

With regard to the impairment loss concerning this overseas investment project, we have also booked ¥1.8 billion as loss on valuation of investment securities under non-operating expenses. The total impact on revenue is ¥9.9 billion.

FY2019 3Q Consolidated Gas Sales Volume/ Number of Customers <vs. FY2018 3Q>

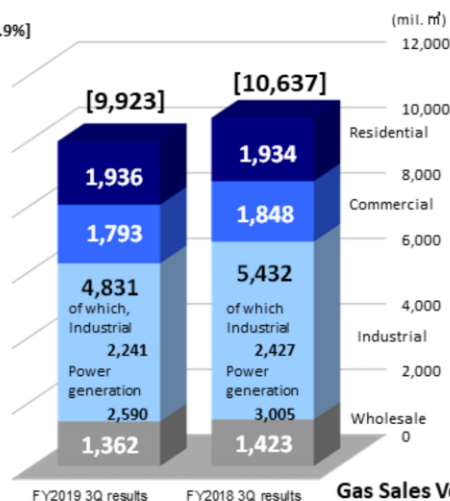
City Gas sales volume :

*Each value is rounded.

-714mil.m³ (-6.7%)

[including temperature effect +94mil.m³, +0.9%]

Residential	+2mil.m ³ (+0.2%)
● Temperature effect	+103 mil.m ³
● Number of days	+0 mil.m ³
● Number of customers	-132 mil.m ³
● Others	+31 mil.m ³
Commercial	-55mil.m ³ (-3.0%)
● Temperature effect	-17 mil.m ³
● Number of days	-4 mil.m ³
● Number of customers	-43 mil.m ³
● Others	+9 mil.m ³
Industrial	-601mil.m ³ (-11.1%)
● Industrial	-186 mil.m ³
● Power generation	-415 mil.m ³
Wholesale	-61mil.m ³ (-4.3%)
● Temperature effect	+8 mil.m ³
● Others	-69 mil.m ³
Decrease in wholesale demand, etc.	



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

	FY2019 3Q Results	FY2018 3Q Results	Change
City gas sales volume (financial accounting basis)	9,923	10,637	-714 (-6.7%)
Gas volume used in-house under tolling arrangement	1,545	1,329	+216 (+16.2%)
LNG sales volume (m ³ basis)	1,079	878	+201 (+22.9%)
Total	12,547	12,844	-297 (-2.3%)

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

	FY2019 3Q Results	FY2018 3Q Results	Change
Number of customers for city gas retail sales (10 thousands) *1	925.9	998.2	-72.3 (-7.2%)
Number of customers(meters) (10 thousands, meter) *2	1,190.5	1,177.0	+13.5 (+1.1%)
LNG sales volume (thousands t)	863	702	+161 (+22.9%)
Average temperature(°C)	19.5	20.3	-0.8

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

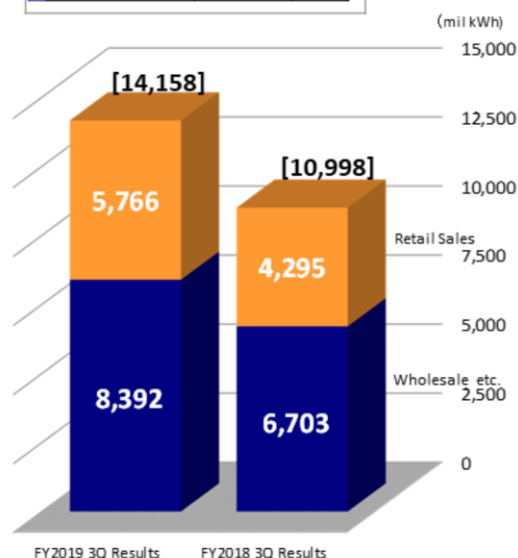
City gas sales volume was 9,923 million m³ in 3Q, a 6.7% drop year on year. The main factors for the decrease were a decrease of 415 million m³ among power generation customers, a decline of 186 million m³ among industrial customers, and a decrease of 69 million m³ in wholesale.

FY2019 3Q Consolidated Electricity Sales Volume/ Number of Customers <vs. FY2018 3Q>

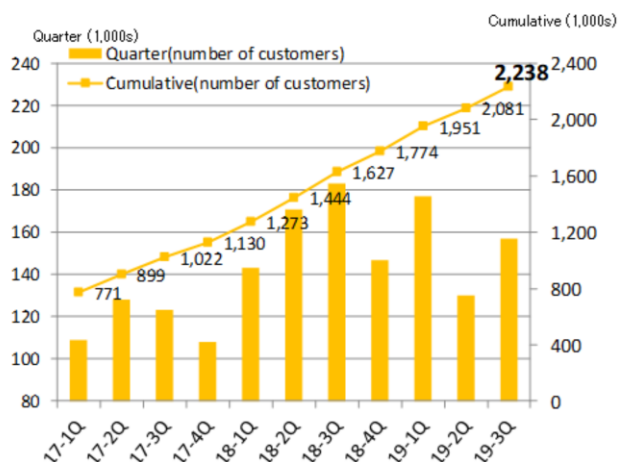
Electricity sales volume:

+3,160mil. kWh (+28.7%)

Retailing	+1,471 mil. kWh(+34.3%)
Wholesale etc.	+1,689 mil. kWh(+25.2%)



New electricity retail customers won by Tokyo Gas



"Sales Campaign"

FY2019 Winter; From Jan. 06, 2020 to Apr. 30, 2020
Autumn; From Oct. 15 to Dec. 23, 2019
Summer; From Jun. 17 to Oct. 08, 2019
Spring; From May. 2 to May. 31, 2019
FY2018 Winter; From Dec. 26, 2018 to Apr. 10, 2019
Autumn; From Oct. 22 to Dec. 17, 2018
Summer; From Jul. 13 to Sep. 26, 2018

Electricity sales volume in 3Q FY2019 totaled 14,158 million kWh, up 28.7% year on year. Retail electricity sales volume was 5,766 million kWh, up 34.3% year on year, due to an increase in the number of customers. New electricity retail customers won by Tokyo Gas is growing steadily and reached 2,238 thousand as of end of December, thanks to the sales campaign in the summer and autumn. Wholesale and other electricity sales volume ended at 8,392 million kWh, up 25.2% year on year.

FY2019 3Q Results : Sales and Profit/Loss by Business Segments < vs. FY2018 3Q >

 TOKYO GAS
(unit : billion yen)

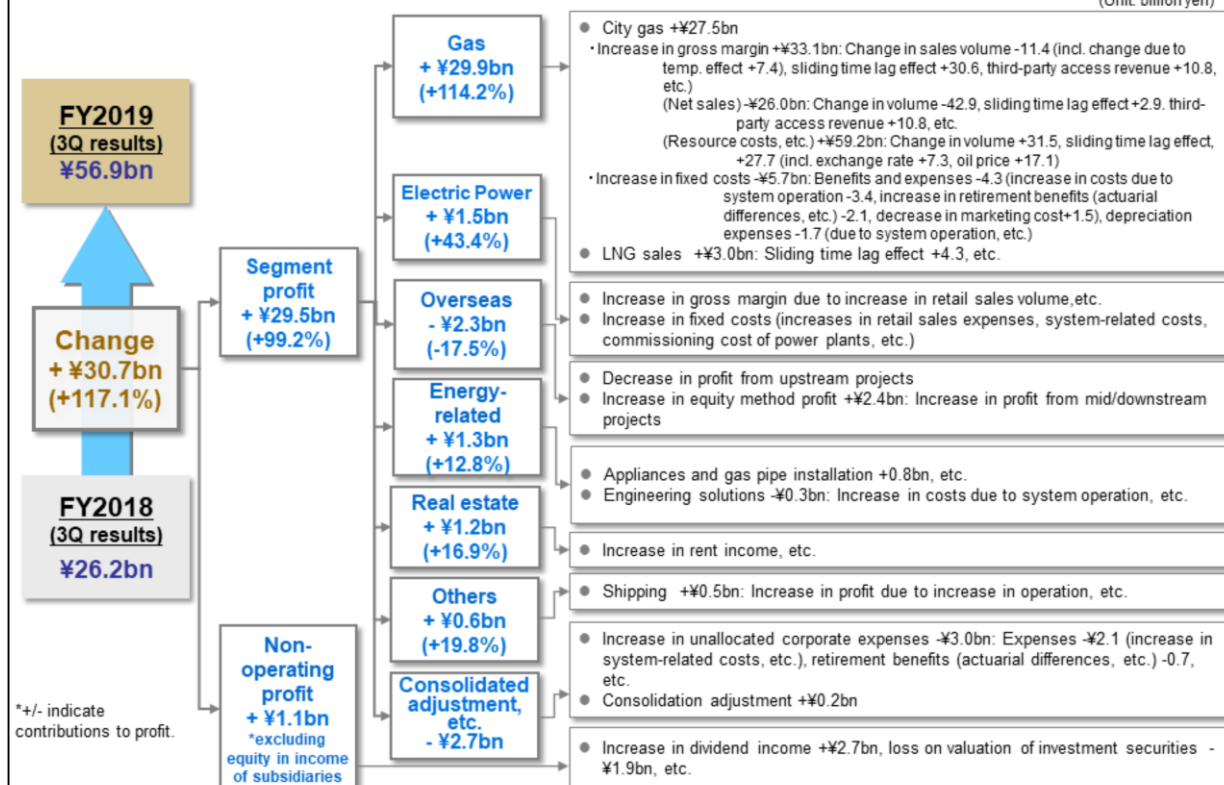
	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 3Q Results	FY2018 3Q Results	Change	%	FY2019 3Q Results	FY2018 3Q Results	Change	%
Gas	955.3	947.6	7.7	0.8	56.1	26.2	29.9	114.2
(City gas)	807.3	833.3	-26.0	-3.1	52.4	24.9	27.5	109.7
(LNG sales)	118.1	79.6	38.5	48.4	3.6	0.6	3.0	472.1
Electric Power	249.7	191.7	58.0	30.2	5.1	3.6	1.5	43.4
Overseas business	33.9	40.2	-6.3	-15.7	11.1	13.4	-2.3	-17.5
(equity income of subsidiaries)	—	—	—	—	4.0	1.6	2.4	145.9
Energy-related	244.9	249.0	-4.1	-1.7	11.7	10.4	1.3	12.8
(Engineering Solutions)	94.9	97.3	-2.4	-2.5	3.7	4.0	-0.3	-8.0
Real estate (including equity income of subsidiaries)	33.7	33.2	0.5	1.5	8.4	7.2	1.2	16.9
Others (including equity income of subsidiaries)	85.2	72.6	12.6	17.4	3.6	3.0	0.6	19.8
Adjustment	-240.9	-208.0	-32.9	—	-36.9	-34.2	-2.7	—
Consolidated	1,362.0	1,326.6	35.4	2.7	59.3	29.8	29.5	99.2
(equity income of subsidiaries)	—	—	—	—	4.6	2.0	2.6	123.4

Notes

- Net sales by business segments include internal transactions.
- “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 information processing service and shipping, etc.
- The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.

Slide 5 shows net sales by segment and segment profit (operating profit + equity income/loss of subsidiary), and changes thereof.
Segment profit was boosted by the ¥29.9 billion increase in the gas segment.

FY2019 3Q Results: Ordinary Profit Analysis <vs. FY2018 3Q>



In the gas segment, the growth in profit of ¥29.9 billion is mainly attributable to a ¥30.6 billion rise in the sliding time lag and a ¥10.8 billion increase in third-party access revenue.

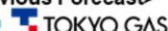
In the electric power segment, profit was up ¥1.5 billion. The rise in gross profit due to an increase in retail customers and sales volume exceeded increases in retail sales expenses for carrying out the sales reinforcement campaign and system-related costs.

In the overseas segment, profit was down ¥2.3 billion. This reflects a decline in profit following a drop in sales volume in an overseas upstream project. An increase in profits of equity method companies carrying out mid/downstream projects led to a rise in equity method profit by ¥2.4 billion.

2. FY2019 Full Year Forecast



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



Highlights: Sales Down, Profit Unchanged from Previous Forecast (+, -, +/- indicate impact on profit, billion yen)

Net sales	-21.0	-	Gas	(-31.5: Decrease in city gas sales volume, decrease in unit price of city gas arising from economic framework assumptions, etc.)
Operating expenses	+21.0	+	Gas	(+31.6: Decrease in city gas sales volume, decrease in unit price of city gas arising from economic framework assumptions, decrease in expenses, etc.)
Operating profit	± 0.0	-	Overseas	(-1.8: Decrease in profit from upstream projects)
		+	Other	(+1.1: Increase in profit due to decrease in ship costs, etc.)
Extraordinary profit/loss	-0.4	-	Impairment loss	(-0.4: This forecast -8.0, previous forecast -7.6)

(Unit: billion yen)

	Forecast	Previous Forecast	Change	%	FY2018 Result	Change	%
City gas sales volume (million m ³ , 45MJ)	14,069	14,293	-224	-1.6%	15,198	-1,129	-7.4%
Electricity sales volume (million kWh)	20,387	20,057	+330	+1.6%	15,482	+4,905	+31.7%
Net sales	1,974.0	1,995.0	-21.0	-1.1%	1,962.3	+11.7	+0.6%
Operating expenses	1,861.0	1,882.0	-21.0	-1.1%	1,868.6	-76.0	-0.4%
Operating profit	113.0	113.0	0.0	0.0%	93.7	+19.3	+20.6%
Segment profit (operating profit + equity income of subsidiaries)	118.5	118.0	+0.5	+0.4%	96.4	+22.1	+22.8%
Ordinary profit ⁽¹⁾	114.0	114.0	0.0	0.0%	89.3	+24.7	+27.5%
Extraordinary profit/loss	-8.0	-7.6	-0.4	—	27.8	-35.8	—
Profit attributable to owners of parent	77.0	77.0	0.0	0.0%	84.5	-7.5	-8.9%
Temperature effect ⁽²⁾	-3.2	-0.2	-3.0	—	-14.1	+10.9	—
(Adjustment items)							
Sliding time lag effect ⁽³⁾ (city gas, LNG sales)	-0.5	-2.1	+1.6	—	-25.0	+24.5	—
Amortization of actuarial differences ⁽⁴⁾	-7.6	-7.6	0.0	—	-4.6	-3.0	—
Adjusted ordinary profit ^{(1), (2), (3), (4)}	125.3	123.9	+1.4	+1.1%	133.0	-7.7	-5.8%

Economic framework	Exchange rate (¥/\$)	Crude oil price (\$/bbl)	Avg. air temp. (°C)
Forecast	109.00(-0.31)	68.42(-1.08)*	16.2(+0.2)
Previous forecast	109.31	69.50	16.0
FY2018 results	110.92	72.12	17.0

*4Q~\$70.00/bbl, ¥110/\$

Figures in parentheses show change from previous forecast

Pension assets	Investment yield (costs deducted)	Discount rate		Year-end assets (billion yen)
		Annuity portion	Lump-sum portion	
FY2018	1.65%	0.156%	0.000%	267.0
FY2017	1.03%	0.293%	0.046%	271.0
FY2016	1.57%	0.389%	0.055%	277.0

Regarding the full-year forecasts that are included in slide 8 and onward, we have not revised our profit forecast that was announced in 2Q.

Our profit forecast remains unchanged from the previous forecast by supplementing the drop in gross profit due to a decline in gas sales volume with a reduction of fixed costs.

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

Consolidated City Gas Sales Volume

TOKYO GAS

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

VS. Previous Forecast

-224 mil m³ (-1.6%)

[Including temperature effect -47mil. m³, -0.3%]

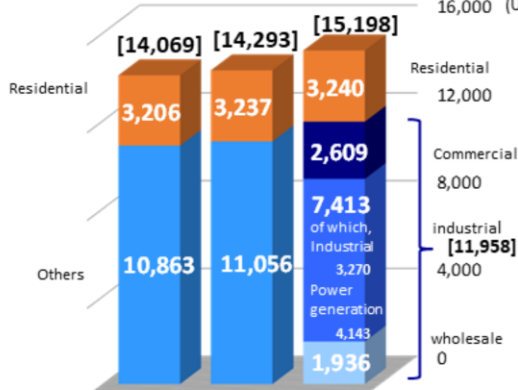
- Residential -31mil. m³ (-1.0%)
- Others -193mil. m³ (-1.7%)

VS. FY2018 Results

-1,129 mil m³ (-7.4%)

[Including temperature effect +154mil. m³, +1.0%]

- Residential -34mil. m³ (-1.1%)
- Others -1,095mil. m³ (-9.2%)



FY2019 forecast Previous forecast FY2018 results

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

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

	Forecast	Previous Forecast	Change	FY2018 Results	Change
Number of meters (10 thousands)	1,195.5	1,195.5	0.0 (0.0%)	1,181.8	+13.7 (+1.2%)
LNG sales volume (thousandst)	1,178	1,202	-24 (-2.0%)	1,095	+83 (+7.6%)
Average temperature (°C)	16.2	16.0	+0.2	17.0	-0.8

	Forecast	Previous Forecast	Change	FY2018 Results	Change
Gas sales volume	14,069	14,293	-224 (-1.6%)	15,198	-1,129 (-7.4%)
Gas volume used in-house undertolling arrangement	2,392	2,417	-25 (-1.0%)	1,830	+562 (+30.7%)
LNG sales volume (m ³ basis)	1,473	1,503	-30 (-2.0%)	1,369	+104 (+7.6%)
Total	17,934	18,213	-279 (-1.5%)	18,397	-463 (-2.5%)

Gas sales volume outlook has been revised downward by 224 million m³ or 1.6% from the previous forecast. This is mainly attributable to a 193 million m³ downward revision due to a drop in the utilization by large customers.

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

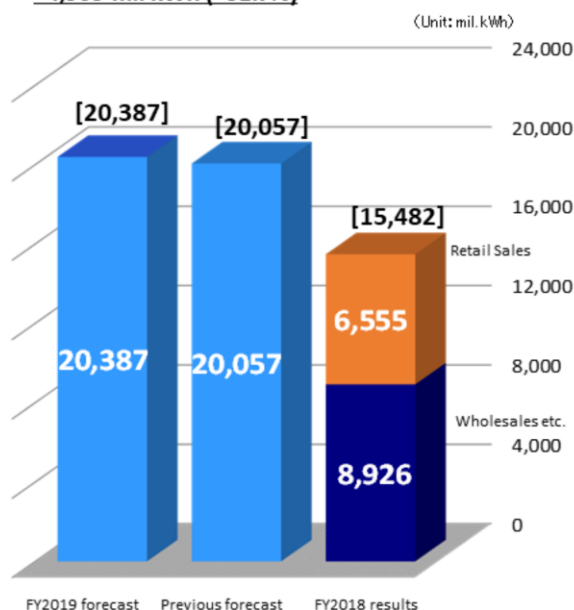
Consolidated Electricity Sales Volume

VS. Previous Forecast

+330 mil kWh (+1.6%)

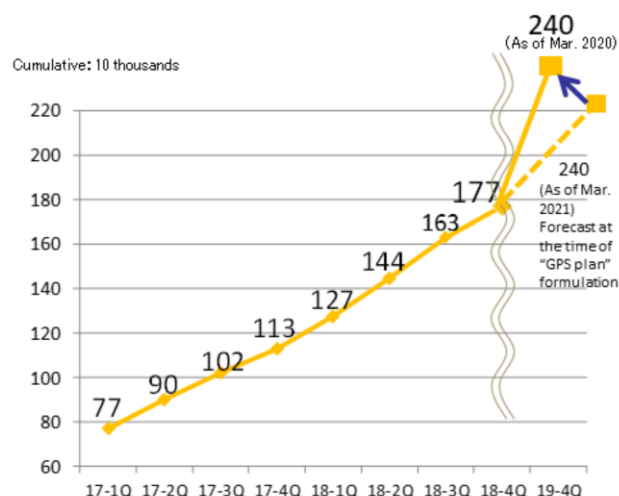
VS. FY2018 Results

+4,905 mil kWh (+31.7%)



Number of Retail Customers

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



Electricity sales volume outlook has been revised upward by 330 million kWh or 1.6% from the previous forecast. One of the factors is the increase in the number of retail customers up to 3Q. The number of electricity retail customers is expected to reach 2.4 million by the end of this fiscal year.

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

< vs. FY2019 Previous Forecast >

 TOKYO GAS
(unit : billion yen)

	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 Forecast	Previous Forecast	Change	%	FY2019 Forecast	Previous Forecast	Change	%
Gas	1,380.6	1,412.1	-31.5	-2.2	109.1	109.0	0.1	0.1
(City gas)	1,161.8	1,186.2	-24.4	-2.1	104.6	105.0	-0.4	-0.3
(LNG sales)	169.6	177.2	-7.6	-4.3	4.1	3.7	0.4	8.1
Electric Power	357.1	357.5	-0.4	-0.1	10.0	10.0	0.0	0.0
Overseas business	43.4	44.5	-1.1	-2.5	12.5	13.9	-1.4	-10.1
(equity income of subsidiaries)	—	—	—	—	4.9	4.5	0.4	8.9
Energy-related	360.0	360.6	-0.6	-0.2	14.5	14.5	0.0	0.0
(Engineering Solutions)	143.3	143.5	-0.2	-0.1	4.1	3.6	0.5	16.3
Real estate (including equity income of subsidiaries)	46.1	45.9	0.2	0.4	11.1	11.1	0.0	0.0
Others (including equity income of subsidiaries)	1,27.4	131.5	-4.1	-3.1	6.3	5.2	1.1	21.2
Adjustment	-340.6	-357.1	16.5	—	-45.0	-45.7	0.7	—
Consolidated	19,74.0	1,995.0	-21.0	-1.1	118.5	118.0	0.5	0.4
(equity income of subsidiaries)	—	—	—	—	5.4	5.0	0.4	8.0

Notes

- Net sales by business segments include internal transactions.
- “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 information processing service and shipping, etc.
- The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.
- *Figures for net sales of “LNG sales” exclude internal transactions from FY2019 1Q presentation material.

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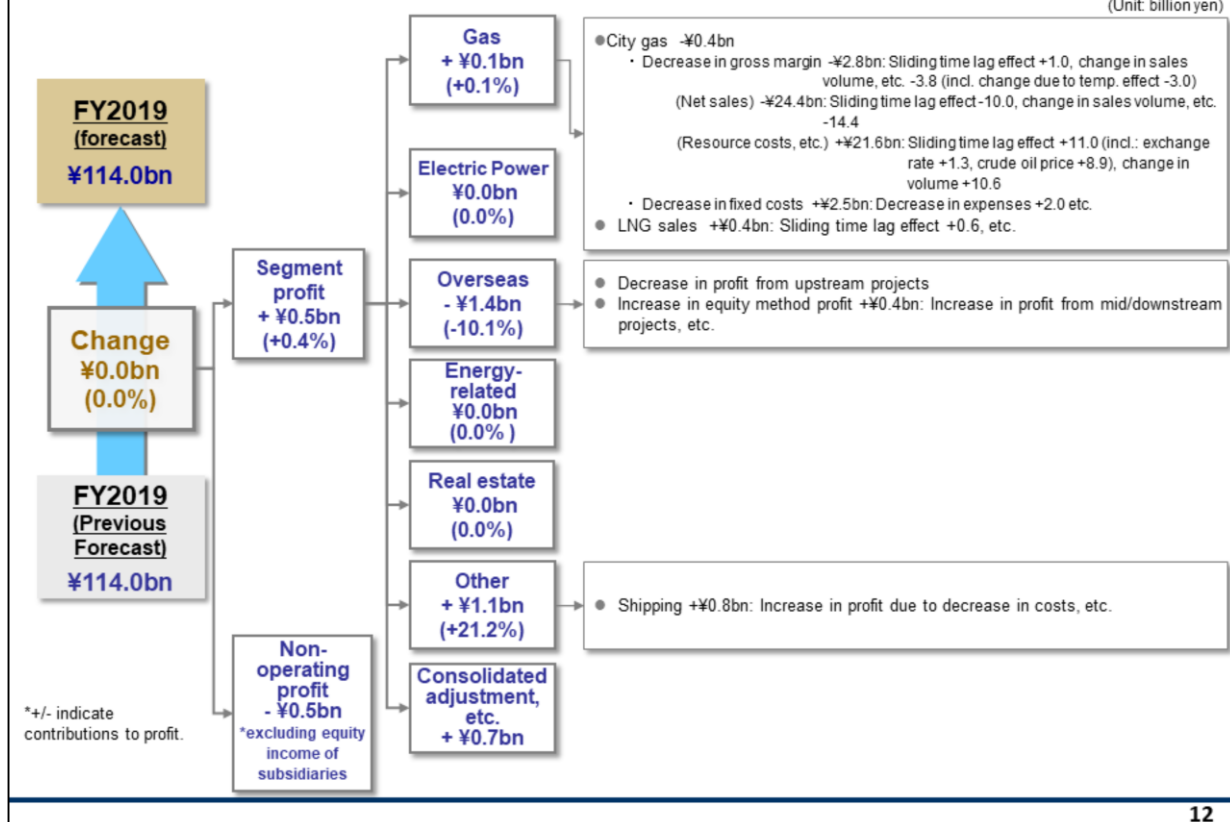
This slide explains our FY2019 segment net sales and segment profit forecasts and changes from the previous forecast.

There has been no large difference in the forecast of segment profits from the forecast announced in 2Q.

The difference from the previous forecast for each segment will be explained in Slide 12.

FY2019 Forecast: Ordinary Profit Analysis

<vs. FY2019 Previous Forecast>



In the gas segment, the drop in gross profit due to a decline in sales volume following a drop in utilization by large customers will be supplemented by a reduction in fixed costs, etc.

In the overseas segment, the forecast was decreased by ¥1.4 billion due to a drop in profit of an upstream project following a decline in oil prices, although an increase in profit from mid/downstream projects will continue to contribute to profits.

The forecast for the “other” segment was raised by ¥1.1 billion, reflecting an increase in profit from improved operation of LNG vessels owned and managed by the Group.

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

<vs. FY2018 Results>

TOKYO GAS
(unit : billion yen)

	Net sales				Segment Profit (Operating profit + Equity income/loss of subsidiary)			
	FY2019 Forecast	FY2018 Results	Change	%	FY2019 Forecast	FY2018 Results	Change	%
Gas	1,380.6	1,413.7	-33.1	-2.3	109.1	92.2	16.9	18.3
(City gas)	1,161.8	1,242.6	-80.8	-6.5	104.6	89.8	14.8	16.4
(LNG sales)	169.6	122.2	47.4	38.8	4.1	1.5	2.6	167.4
Electric Power	357.1	280.3	76.8	27.4	10.0	10.1	-0.1	-1.3
Overseas business	43.4	50.9	-7.5	-14.8	12.5	15.3	-2.8	-18.4
(equity income of subsidiaries)	—	—	—	—	4.9	2.1	2.8	125.3
Energy -related	360.0	363.5	-3.5	-1.0	14.5	11.1	3.4	29.6
(Engineering Solutions)	143.3	146.9	-3.6	-2.4	4.1	6.2	-2.1	-33.4
Real estate (including equity income of subsidiaries)	46.1	44.6	1.5	3.4	11.1	9.1	2.0	21.5
Others (including equity income of subsidiaries)	127.4	107.8	19.6	18.1	6.3	6.2	0.1	0.1
Adjustment	-340.6	-298.6	-42.0	—	-45.0	-47.8	2.8	—
Consolidated	1974.0	1,962.3	11.7	0.6	1,18.5	96.4	22.1	22.8
(equity income of subsidiaries)	—	—	—	—	5.4	2.7	2.7	93.8

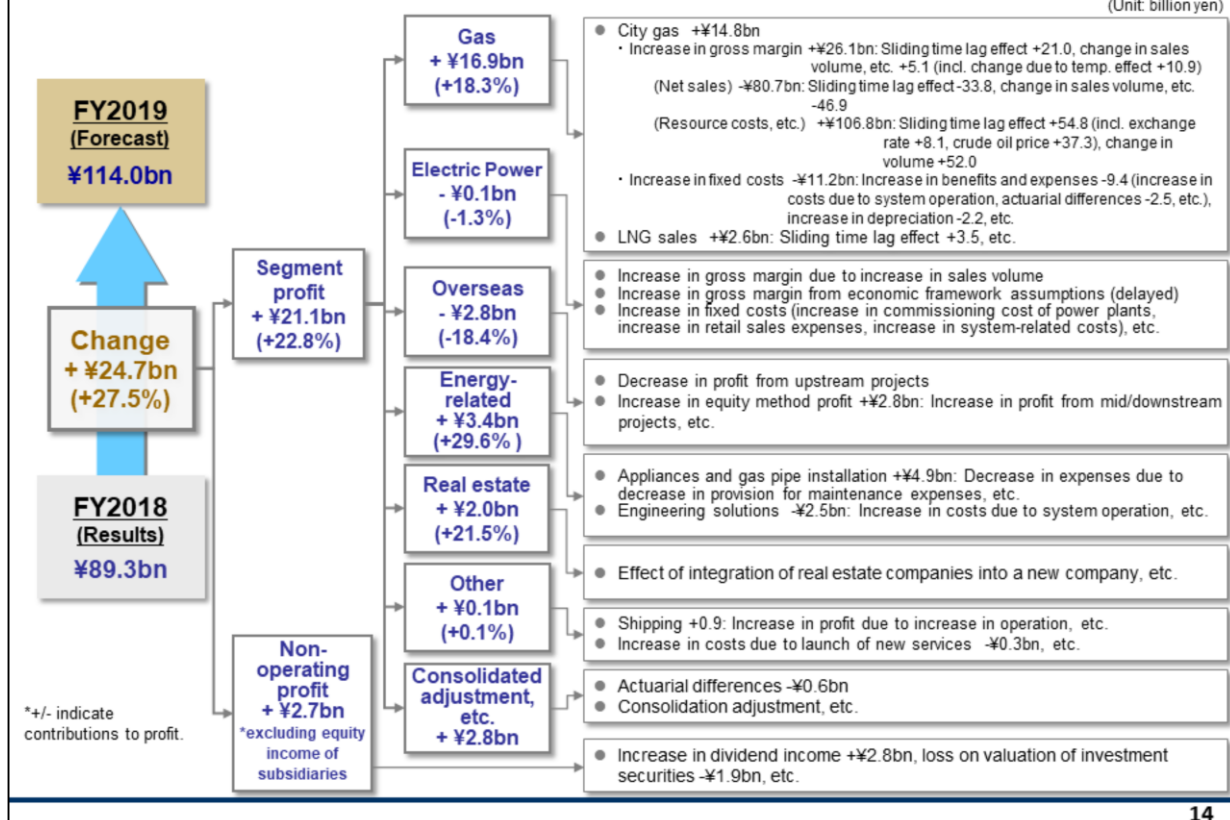
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- Net sales by business segments include internal transactions.
 - “Gas” includes businesses in city gas, liquefied petroleum gas, industrial gas, LNG sales. “Energy-related” includes businesses in engineering solutions, gas appliances sales, gas pipe installation, construction and credit, etc. “Others” includes businesses in information processing service and shipping, etc.
 - The “Adjustment” to operating profit is primarily companywide expenses not allocated to individual segments.
- *Figures for net sales of “LNG sales” exclude internal transactions from FY2019 1Q presentation material.

This slide explains our FY2019 segment net sales and segment profit forecasts and changes from the previous fiscal year. The major changes in segment profits are explained in the following slide.

FY2019 Forecast: Ordinary Profit Analysis

<vs. FY2018 Results>



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

(Unit: billion yen)

	Forecast	Main Items	Previous Forecast	Change	%	FY2018 Results	Change	%
Capital Expenditure								
Gas	171.5	Production facilities : 11.2 (-0.8) Hitachi LNG terminal expansion, etc. Distribution facilities : 109.4 (-1.9) Ibaraki Line installation, New demand development, etc. Service and maintenance facilities : 50.8 (-16.6) System related, etc.	190.7	-19.2	-10.1%	156.7	+14.8	+9.4%
Electric Power	2.9	Improvement construction for power generation efficiency etc.	3.3	-0.4	-11.9%	6.3	-3.4	-53.5%
Overseas business	8.0	Upstream (Australia, North America)	8.4	-0.4	-4.9%	6.4	+1.6	+24.0%
Energy-related	21.6	Energy Service (TGES) etc.	25.0	-3.4	-13.3%	22.5	-0.9	-4.1%
Real Estate	34.0	Msb Tamachi etc.	35.1	-1.1	-3.3%	32.8	+1.2	+3.7%
Others	3.5	LNG carrier etc.	3.7	-0.2	-5.9%	2.9	+0.6	+19.1%
Adjustment	-4.7		-4.4	-0.3	—	-4.1	-0.6	—
Sub Total	237.0		262.0	-25.0	-9.5%	223.7	+13.3	+5.9%
Investment and Financing	76.4	Investment and financing 82.7 (Including overseas) Collection -6.2	78.0	-1.6	-2.0%	23.6	+52.8	+223.5%
Total	313.4		340.0	-26.6	-7.8%	247.4	+66.0	+26.7%

This slide details plans for using cash flows in FY2019.

Key Indicators (Consolidated)

	FY2019 Forecast	FY2018 Results	FY2017 Results
Total assets (a)	2,578.0	2,428.1	2,334.3
Shareholders' equity (b)	1,184.0	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)	0.78	0.69	0.64
Profit attributable to owners of parents (d)	77.0	84.5	74.9
Profit per share (EPS, yen per share)	174.06	187.60	164.12
Depreciation (e)	167.0	161.8	165.3
Operating cash flow (d) + (e)	244.0	246.4	240.3
Capital expenditure	237.0	223.7	208.7
ROA (d) / (a)	3.1%	3.6%	3.3%
ROE (d) / (b)	6.6%	7.4%	6.7%
TEP	29.2	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, 2019 to January 30, 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
		4Q
Period	4Q	-0.1

Impact of depreciation by ¥1/\$

(Unit: billion yen)

		Impact on earnings
		4Q
Period	4Q	-1.1

Key Topics in FY2019 (Excerpted from Press Releases up to 30th January)

Management Strategy	<ul style="list-style-type: none"> • Tokyo Gas Group Initiatives in FY2019 to Achieve GPS2020 (Apr.10) • Tokyo Gas Group Management Vision Compass2030 Providing energy and solutions to the future of our life, society and the earth (Nov. 27) • Tokyo Gas establishes three new subsidiaries to develop new business and deliver various services (Dec. 3)
Gas Electric Power (G/P)	<ul style="list-style-type: none"> • Tokyo Gas executes a HOA with Shell Eastern Trading for the supply of LNG (Apr.5) • Participation in real-world trial to develop virtual power plant (VPP) (Jun.4) • Conclusion of a heads of agreement with SUMITOMO JOINT ELECTRIC POWER regarding the Sale and Purchase of Liquefied Natural Gas (LNG) (Jun.19) • Tokyo Gas launches service to purchase surplus power generated by photovoltaic systems (Jul.1) • Progress Report about Electricity Sales for Retail Market (Aug.21) • Tokyo Gas and Kyuden Established Chiba Sodegaura Power Co.,Ltd. (Sep.2) • Receiving of Electricity from Moka Power Station (Oct.1) • 50th Year Anniversary of LNG (liquefied natural gas) to Japan (Nov. 1) • Chugoku Electric and Tokyo Gas sign MOU regarding a Strategic Alliance in LNG Procurement (Dec. 12) • Launch of virtual power plant combining PV, storage battery, and gas cogeneration systems to deliver power based on highly accurate output and building electric power load forecasts (Jan. 8)
Services (S)	<ul style="list-style-type: none"> ◆ Engineering Service <ul style="list-style-type: none"> • 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) • TGES Awarded CPC's Contract for Basic Design of Taiwan's Largest LNG Receiving Terminal (Jul.25) *1 ◆ Other <ul style="list-style-type: none"> • Launch of "junijuni" sponsored by TOKYO GAS* shopping site to promote the UN's sustainable development goals (Apr.4) • Phone app-based "Torisetsu + HOME" system of viewing manuals of housing equipment, etc., which is expected to promote paperless, adopted as standard for newly constructed Brilia condos in Greater Tokyo (Jun.6) • Joint development of water heater remote control with safe bathing support functionality for the AXIS smart stealth remote control series (Jul.11) • 120,000 ENE-FARM residential fuel cell systems sold (Aug. 6) • Launch of ENE-FARM Mini, the world's smallest high-efficiency fuel cell cogeneration system for residential use (Oct. 10) • Provisionally named "Yaesu 1-chome North District Category I Urban Redevelopment Project" to develop large-scale facilities along the Nihonbashi River finalized and core work scheduled to commence in fiscal 2025 (Oct. 11)*2
Global (XG, Overseas)	<ul style="list-style-type: none"> • ENGIE and Tokyo Gas to establish renewables joint venture company in Mexico (Apr.8) • Birdsboro Natural Gas-Fired Power Plant in the U.S. Starts Commercial Operations (Jun.7) • Acquisition of Shale Gas Assets in the East Texas and Louisiana (Dec. 25) • The First Urban District Cooling and Power Distribution Business in Thailand (Jan.10) *1

Key Topics in FY2019 (Excerpted from Press Releases up to 30th January)

Digital Innovations	<ul style="list-style-type: none"> Investment in Next Energy & Resources and joint development of IoT platform for coordinated control of distributed energy appliances to further enhance services and expand use of renewables (Jul.3)
ESG	<ul style="list-style-type: none"> Announcement of support for the Task Force on Climate-related Financial Disclosures (May.27) Tokyo Gas executes a Master Agreement with Shell Eastern Trading (Pte) Ltd. for the supply of carbon neutral LNG (Jun. 18) Tokyo Gas Group CSR Report 2019 published (Aug.30) Agreement on cooperation following disasters signed (Oct.16) Launch of Japan's first carbon neutral city gas supply service (Oct.23) Tokyo Gas wins the Minister of State for Special Missions Award for pioneers of women's progression in the workplace (Dec. 20) Opening of Toyosu Hydrogen Refueling Station, Japan's first to supply hydrogen generated from carbon neutral city gas (Jan. 16)
Finance and shareholder returns	<ul style="list-style-type: none"> Notice Regarding the Appropriation of Surplus (Apr.26) Notification of resolution to acquire treasury shares (Apr.26), Notice Regarding Market Purchase of Treasury Stock and Completion of Acquisition (Jul.16), Notice of retirement of Treasury Stock (Jul.29) Announcement of issue of the 50th, the 51th, the 52th and the 53th Domestic unsecured notes (May.17) Announcement of issue of the 54 th, the 55 th and the 56 th Domestic unsecured notes (Sep.6) Announcement of issue of the 57 th Domestic unsecured notes (Dec.18)

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.

Overseas Projects



No	Country	Subject	Main Business	Participation year
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■ Southeast Asia

④	Malaysia	GAS MALASIA Bhd.	Downstream City gas	1992
		GAS MALASIA ENERGY ADVANCE Sdn.Bhd.	Downstream Energy Service	2014
④	Thailand	Bang bo	Downstream Natural gas power	2016
		GWHAMT	Downstream Gas Supply	2018
④	Vietnam	PVGD	Downstream CNG Supply	2017
④	Indonesia	Sengkang	Upstream Production, liquefaction and sales of LNG	2010
		PRA	Downstream Gas Supply, Transfer	2017

■ Oceania

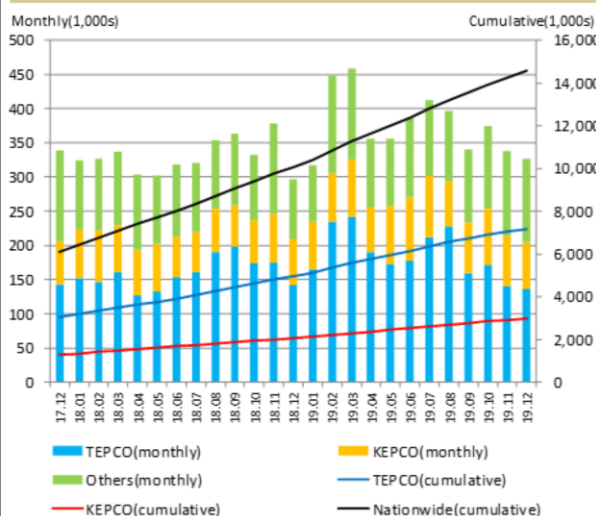
④	Australia	Darwin	Upstream Production, liquefaction and sales of LNG	2008
		Pluto	Upstream Production, liquefaction and sales of LNG	2008
		Gorgon	Upstream Production, liquefaction and sales of LNG	2009
		Queensland Curtis	Upstream Production, liquefaction and sales of LNG	2011
		Ichthys	Upstream Production, liquefaction and sales of LNG	2012

■ North America

④	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
		Birdsboro Power Plant	Downstream Natural gas power	2017
		Acario Ventures	Other Open Innovation	2017
④	Mexico	Bajio	Downstream Natural gas power	2004
		MT Falcon	Downstream Natural gas power	2010
		Heolios EnTG	Downstream Renewable venture	2019

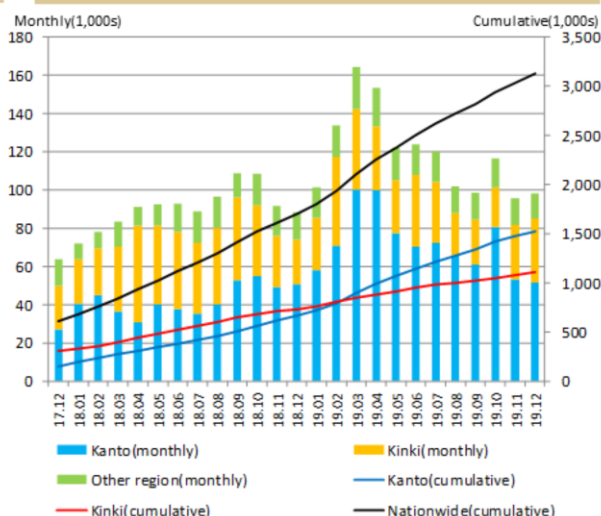
Trends in city gas/electricity switching(published data),
Number of customers for city gas retail sales(Tokyo gas consolidated)

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	2019. 06	2019. 09	2019. 12
Number (Change)	1,019.9 (-)	1,020.8 (+ 0.9)	1,025.4 (+ 4.6)	1,026.9 (+ 1.5)	1,031.4 (+ 4.5)	1,028.9 (- 2.5)	1,029.6 (+ 0.7)	1,020.9 (- 8.7)	1,018.9 (- 2.0)	1,008.9 (- 10.0)	998.2 (- 10.7)	982.1 (- 16.1)	960.7 (- 21.4)	940.5 (- 20.2)	925.9 (- 14.6)

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.

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