

April 28, 2020
Tokyo Gas Co., Ltd.

Main Q&As
At the Results Presentation for FY2019 Ended March 2020

Q1: I think your business environment has been greatly affected by the global spread of the new coronavirus infection. Is there any possibility that you will review your strategies to achieve the goals of your medium-term management plan?

A1: We have not changed our environment recognition of our medium-term management plan (“Decarbonization,” “Digitalization,” “Diversification of customer,” and “Deregulation in Energy Market”) and do not plan to review the plan. The outbreak of the new coronavirus is expected to lead to accelerated digitalization and increased opportunities in LNG trading. These changes conform with the directions of the initiatives indicated in the medium-term management plan, which we intend to reinforce.

Q2: How are you responding to the impact of the COVID-19 outbreak in terms of management of the company?

A2: We have established a task force (headed by President Uchida) and are making group-wide efforts towards the stable energy supply and ensuring safety to achieve its public mission as a lifeline operator based on a business continuity plan (BCP). We are also taking the necessary measures for subsidiaries, cooperating companies, clients, and employees to ensure the safety of their lives and bodies.

Q3: Your net profit was ¥43.3 billion and total dividends were ¥26.4 billion in FY2019 due to the recording of extraordinary losses (impairment loss, etc.), among others. Since this resulted in your total payout ratio reaching 60%, you do not plan any share buybacks, but will you not consider a stock repurchases on the basis of profits excluding extraordinary losses, which are one-off?

A3: We have continued our total payout ratio at 60% for more than 10 years. We do not plan a stock repurchases during FY2020 since we are not considering changing this policy due to a fluctuation in business performance for short-term factors alone.