

Reference Materials (FY2020 1Q)

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Reference Materials (FY2020 1Q)

1. <Consolidated>Financial Results

<FY2020 1Q vs. FY2019 1Q>

100 million yen

	FY20 1Q	FY19 1Q	Change		Reference
Net sales	4,156	4,672	-516	-11.0%	Gas -581, Electric power +170, Energy-related +21, Overseas +10, etc.
Operating profit	274	440	-166	-37.7%	Gas -185, Electric power +10, Energy-related +7, Overseas +6, etc.
Ordinary profit	280	483	-203	-42.1%	Decrease in dividend income -32, Decrease in overseas equity income -14, etc.
Profit attributable to owners of parent	163	349	-186	-53.2%	[FY20] Impairment loss
Total assets(*1・10)	25,306	25,377	-71	-0.3%	Non-current assets +40 (Investments and other assets +123, Intangible assets +84, Property, plant and equipment -167) Current assets -111 (Notes and accounts receivable -470, Cash and deposits -84, Other current assets +374), etc.
Equity(*1)	11,501	11,478	23	0.2%	Net profit +163, Dividend payments -132, etc.
Equity ratio(*1) (%)	45.4%	45.2%	0.2%	—	Went up because equity increased (+0.2%) while total assets decreased (-0.3%)
Total assets turnover(*2) (times)	0.16	0.19	-0.03	—	
ROA(*2) (%)	—	—	—	—	
ROE(*2) (%)	—	—	—	—	
Interest-bearing debt(*1)	9,729	9,050	679	7.5%	Tokyo Gas +672
D/E ratio	—	—	—	—	
Profit attributable to owners of parent	163	349	-186	-53.2%	
Depreciation(*3・4)	431	406	25	6.2%	
Operating cash flow(*5)	595	755	-160	-21.2%	
Capital expenditure(*3)	362	407	-45	-11.0%	Consolidated subsidiaries, etc. -35, Tokyo Gas -10
Investments and Financing(after offset)	110	89	21	23.1%	
WACC (%)	—	—	—	—	
EPS (¥/share)	37.08	78.23	-41.15	-52.6%	Went down due to decrease in profit attributable to owners of parent (-186)
BPS(*1) (¥/share)	2,607.95	2,602.74	5.21	0.2%	
Total payout ratio(*6)	—	—	—	—	

(*1)Figures in B/S items for FY18 are the figures as of the end of FY18 (end of March 2020)

(*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(FY2020 1Q vs. FY2019 1Q)

100 million yen

Segment	Breakdown	Net sales			Reference	Operating profit				Reference	
		FY20 1Q	FY19 1Q	Change		FY20 1Q	FY19 1Q	Change			
Gas Segment	Liquefied petroleum gas	44	64	-20	-30.8%	Decrease in sales due to decrease in sales volume and lower unit prices	0	1	-1	—	
	Industrial gas	45	51	-6	-10.2%	Decrease in sales due to decrease in sales volume and lower unit prices	2	2	0	-7.6%	
Energy-related Segment	Gas appliances	263	266	-3	-1.2%		12	14	-2	-9.4%	
	Gas pipe Installation work	83	78	5	7.1%	Increase in sales due to increase in number of new projects	-2	0	-2	—	
	Construction etc.	131	121	10	7.7%	Increase in sales due to Increase in number of installations	-1	0	-1	—	Decrease in profit due to lower profitability reflecting decrease in number of large installation projects
	Credit	18	18	0	2.8%		1	1	0	1.9%	
Other Segment	IT services	111	111	0	0.3%		-1	-1	0	—	
	Shipping	73	77	-4	-5.4%		15	12	3	21.0%	

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

3. <Consolidated>Main Consolidated Subsidiaries(FY2020 1Q vs. FY2019 1Q)

100 million yen

Segment	Company name	Net sales			Reference	Operating profit				Reference	
		FY20 1Q	FY19 1Q	Change		FY20 1Q	FY19 1Q	Change			
Gas etc.(*)	Tokyo Gas Co.,Ltd.	3,887	4,273	-386	-9.0%		200	323	-123	-38.0%	
Electric Power seg.	Nijio Co.,Ltd	413	273	140	51.3%	Increase in sales due to increase in sales volume	-8	32	-40	—	Decrease in gross profit reflecting the economic frame,etc.
Overseas seg.	TG Australia Group(*2)	112	96	16	16.3%	(TG Gorgon) Increase in sales due to increase in sales volume (TG Pluto) Decrease in sales due to lower unit prices	38	28	10	32.8%	
Energy-related seg.	Tokyo Gas Engineering Solutions Group(*2)	311	290	21	6.9%	Increase in sales due to increase in sales of commercial air-conditioning appliances	5	0	5	936.8%	
Real Estate seg.	Tokyo Gas Real Estate Co., Ltd.	104	74	30	38.8%	Increase in sales due to increase in rent income as a result of transfer of assets	39	29	10	35.5%	
Others	Tokyo LNG Tanker Co., Ltd.	77	98	-21	-21.7%	Decrease in sales due to decrease in North American LNG transportation	13	13	0	2.8%	Increase in profit due to price revision
Other		783	895	-112	-12.5%	(TG PLUS) Decrease in sales due to decrease in LNG sales (Park Tower Hotel) Decrease in sales due to decrease in number of guests	-80	33	-113	—	
Consolidated subsidiaries total		1,801	1,729	72	4.2%		7	137	-130	-94.3%	
Consolidated total		4,156	4,672	-516	-11.0%		274	440	-166	-37.7%	

(*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.

4. <Consolidated>Breakdown of Capital Expenditure/Investments and Financing (FY2020 1Q vs. FY2019 1Q)

100 million yen

	FY20 1Q	FY19 1Q	Change		Reference
[Capital Expenditure]					
Production facilities	6	8	-2	-23.9%	
Distribution facilities	195	196	-1	-0.2%	
Service and maintenance facilities etc.	86	94	-8	-8.5%	IT, etc.
Tokyo Gas Total	288	298	-10	-3.5%	
Capital expenditure at consolidated subsidiaries	77	109	-32	-28.8%	Overseas, etc.
Adjustment	-3	0	-3	—	
Capital Expenditure total	362	407	-45	-11.0%	
[Investments and Financing]					
Investment and financing	112	104	8	7.6%	
Collections	1	14	-13	-87.2%	
Investments and Financing total(after offset)	110	89	21	23.1%	
Capital Expenditure total + Investments and Financing (after offset)	473	496	-23	-4.6%	

5. <Non-consolidated> Financial Forecast

(FY2020 1Q vs. FY2019 1Q)

100 million yen

	FY20 1Q	FY19 1Q	Change		Reference
Net sales	3,887	4,273	-386	-9.0%	
Operating profit	200	323	-123	-38.0%	
Ordinary profit	235	400	-165	-41.3%	
Net profit	185	305	-120	-39.3%	
Impact of Sliding Time Lag(*1)					
Revenue from sliding system	-88	111	-199	—	
Increase in gas cost	-19	56	-75	—	
Change	-69	55	-124	—	
Economic Frame					
JCC(Japan Crude Cocktail \$/bbl		32.22	71.47	-39.25	-54.9%
EX Rate ¥/\$		107.64	109.90	-2.26	-2.1%
Gas Business Sales	2,309	2,875	-566	-19.7%	Volume/composition -419, Sliding time lag effect -199, Third-party access revenue +53, etc.
Raw materials and supplies	1,133	1,498	-365	-24.4%	Volume/composition, etc. -290, Sliding time lag effect -75 (Foreign exchange -19, Oil price +5, etc.)
(Gross profit)	(1,176)	(1,376)	(-200)	(-14.6%)	Volume/composition, etc. -129, Sliding time lag effect -124, Third-party access revenue +53, etc.
Personnel expenses	175	201	-26	-12.8%	Retirement allowance -20 (Actuarial differences -20), etc.
General expenses	601	628	-27	-4.3%	
Repair costs	63	74	-11	-14.0%	
Others	537	554	-17	-3.0%	Consignment costs -17, Marketing costs -8, Taxes -7, Rent +21, etc.
Depreciation	290	287	3	0.7%	
LNG regasification	-7	-8	1	—	
Operating costs	2,192	2,608	-416	-15.9%	
Installation work	-2	0	-2	—	
Others	71	53	18	32.5%	Increase in profit from appliance sales (maintenance), etc.
Miscellaneous operating profit	68	53	15	30.2%	
Expenses for incidental businesses	14	3	11	345.6%	Electric power +53, LNG sales -39, etc.
Operating profit	200	323	-123	-38.0%	
Non operating profit	34	76	-42	-55.0%	Dividends received from affiliates -32, Rent -13 (Decrease in rent income as a result of transfer of assets), etc.
Ordinary profit	235	400	-165	-41.3%	
Extraordinary income	0	0	0	—	
Extraordinary loss	0	0	0	—	
Taxes	50	95	-45	-47.4%	
Net profit	185	305	-120	-39.3%	
Net profit	185	305	-120	-39.3%	
Depreciation(*2)	306	310	-4	-1.5%	
Operating cash flows (Net profit + Depreciation)	491	616	-125	-20.3%	

(*1)Change from standard average resource cost

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

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

(1) Breakdown of Gas Sales

〈FY2020 1Q vs. FY2019 1Q〉						100 million yen	
	FY20 1Q	FY19 1Q	Change		change factors	(100 million yen)	(million m3)
Residential	1,123	1,196	-73	-6.0%	Volume, etc.	-5	11
					(Temp. effect)	(4)	(3)
					Sliding	-68	
Others (Commercial·Industrial·Wholesale)	1,186	1,679	-493	-29.4%	Volume, etc.	-414	-723
					(Temp. effect)	(3)	(4)
					Sliding	-131	
Total	2,309	2,875	-566	-19.7%	Volume, etc.	-419	-712
					(Temp. effect)	(7)	(7)
					Sliding	-199	
					Other	53	

(2) Gas Gross Profit Analysis

Change(FY20 1Q vs. FY19 1Q)							100 million yen	
	Volume, etc.	(Breakdown)		Unit price	(Breakdown)		Other	Total
Gas Business Sales	-419	Temp. effect	7	-199	Sliding	-199	53	-566
		Other	-426		Other	0		
Raw materials and supplies	-290	Temp. effect	4	-75	Sliding	-75	0	-365
		Other	-294		(crude oil price)	5		
					(exchange rate)	-19		
Gross profit	-129	Temp. effect	3	-124	Sliding	-124	53	-200
		Other	-132		Other	0		

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

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

		FY20 Results		FY20 Forecast		
		1Q	2Q	3Q	4Q	Full-year
FY20 Forecast	JCC \$/bbl	32.22	45.00			41.38
	EX Rate ¥/\$	107.64	110.00			109.41

(2) Gross Profit Sensitivity<Non-consolidated>

■ Gross Profit Sensitivity to Changes in Oil Price					100 million yen
	2Q	3Q	4Q	Full-year	
Net sales	17	5	0	22	
Gas resource cost	18	15	1	34	
Gross profit	-1	-10	-1	-12	

*Impact on JCC increase by \$1

■ Gross Profit Sensitivity to Changes in EX Rate					100 million yen
	2Q	3Q	4Q	Full-year	
Net sales	8	9	2	19	
Gas resource cost	6	8	9	23	
Gross profit	2	1	-7	-4	

* 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.