

**Consolidated Financial Results Bulletin for the 1st Quarter Ended June 30, 2018****(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531

(URL <http://www.tokyo-gas.co.jp/IR/english/index.html>)

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Contact: Mr. Masami ADACHI, General Manager,  
Consolidated Settlements Group**Stock listings:**

Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: August 10, 2018

Scheduled date of the start of dividend payments: —

Preparation of 1Q earnings presentation material (yes/no): **Yes**Holding of 1Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Performance for 1st Quarter (from April 1, 2018 to June 30, 2018)**

(Unit: million yen)

**(1) Consolidated Business Performance**

(% of change from the corresponding period of previous year)

|                                  | Net sales |          | Operating profit |          | Ordinary profit |          | Profit attributable to owners of parent |          |
|----------------------------------|-----------|----------|------------------|----------|-----------------|----------|---|----------|
|                                  | Amount    | % Change | Amount           | % Change | Amount          | % Change | Amount                                  | % Change |
| Three months ended Jun. 30, 2018 | 401,434   | -0.7%    | 23,274           | -32.9%   | 24,028          | -33.0%   | 37,713                                  | 35.4%    |
| Three months ended Jun. 30, 2017 | 404,100   | 7.6%     | 34,673           | -26.4%   | 35,887          | -24.0%   | 27,855                                  | -28.9%   |

Note: Total comprehensive income

Three months ended June 30, 2018: 21,682 million yen (3.1%)

Three months ended June 30, 2017: 21,024 million yen (-22.4%)

|                                  | Profit per share | Diluted profit per share |
|----------------------------------|------------------|--------------------------|
| Three months ended Jun. 30, 2018 | 83.25 yen        | —                        |
| Three months ended Jun. 30, 2017 | 60.88 yen        | —                        |

Note: As of October 1, 2017, the Company carried out a share consolidation at a ratio of 5 common shares to 1. "Profit per share" is calculated on the assumption that the share consolidation took place at the beginning of the previous fiscal year.

**(2) Consolidated Financial Position**

(Unit: million yen)

|                     | Total assets | Total net assets | Equity ratio |
|---------------------|--------------|------------------|--------------|
| As of Jun. 30, 2018 | 2,348,069    | 1,137,094        | 47.9%        |
| As of Mar. 31, 2018 | 2,334,316    | 1,148,433        | 48.7%        |

Reference: Shareholders' equity

As of June 30, 2018: 1,124,917 million yen

As of March 31, 2018: 1,136,027 million yen

**2. Dividend**

|  | Dividend per share (Unit: yen) |           |           |           |        |
|--|--------------------------------|-----------|-----------|-----------|--------|
|  | End of 1Q                      | End of 2Q | End of 3Q | End of 4Q | Annual |
| FY2017 ended Mar. 31, 2018             | —                              | 5.50      | —         | 27.50     | —      |
| FY2018 ending Mar. 31, 2019            | —                              |           |           |           |        |
| FY2018 ending Mar. 31, 2019 (Forecast) |                                | 27.50     | —         | 27.50     | 55.00  |

Note: Revision to the dividend forecast that has been disclosed lastly: No

Note: As of October 1, 2017, the Company carried out a share consolidation at a ratio of 5 common shares to 1. The dividend shown for the quarters prior to 2Q FY2017 are the actual dividend prior to the share consolidation. The full-year dividend per share, converted to factor in the share consolidation, is 55 yen.

### 3. Consolidated Results Forecast for FY2018 ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Unit: million yen)

(% of change from the corresponding period of previous year)

|           | Net sales |      | Operating profit |        | Ordinary profit |        | Net profit attributable to owners of parent |       | Profit per share |
|-----------|-----------|------|------------------|--------|-----------------|--------|---|-------|------------------|
|           |           |      |                  |        |                 |        |   |       |                  |
| Full-year | 1,954,000 | 9.9% | 93,000           | -20.0% | 93,000          | -16.6% | 88,000                                      | 17.4% | 195.24 yen       |

Note: Revision to the consolidated results forecast that has been disclosed lastly: *No*

#### \*Notes

(1) Significant changes in consolidated subsidiaries (changes in specified subsidiaries resulting in change of scope of consolidation during the quarter) (yes/no): *No*

(2) Application of accounting treatment peculiar to quarterly consolidated financial statement preparation (yes/no): *Yes*  
 Note: Please see page 8 of the Attachment, “2. Consolidated Financial Statements and Main Notes: (3) Notes on consolidated financial statements (Application of accounting treatment peculiar to quarterly consolidated financial statement preparation)” for details.

(3) Change in accounting policies or estimates and retrospective restatements

1) Change in accounting policies in accordance with revision of accounting standards: *No*

2) Change in accounting policies other than item 1) above: *No*

3) Change in accounting estimates: *No*

4) Retrospective restatements: *No*

(4) Number of issued shares (common stock)

(Unit: share)

|   |                  |             |                  |             |
|---|------------------|-------------|------------------|-------------|
| 1) Number of issued shares at end of period (including treasury stock): | Jun. 30, 2018    | 458,073,259 | Mar. 31, 2018    | 458,073,259 |
| 2) Number of shares of treasury stock at end of period:                 | Jun. 30, 2018    | 8,114,212   | Mar. 31, 2018    | 1,393,435   |
| 3) Average number of shares during period:                              | Apr. – Jun. 2018 | 453,020,638 | Apr. – Jun. 2017 | 457,537,486 |

Note: As of October 1, 2017, the Company carried out a share consolidation at a ratio of 5 common shares to 1. “Average number of shares during period” is calculated on the assumption that the share consolidation took place at the beginning of the previous fiscal year.

\* Quarterly review procedures by a certified public accountant or an audit firm do not apply to quarterly consolidated financial results bulletins.

\* Explanation related to appropriate use of results forecasts and other items warranting special mention

1. The above forecasts are based on the information available at the time this report was prepared, and Tokyo Gas makes no guarantee that these figures will be achieved. Actual results may differ from these forecasts for a variety of reasons. Please see page 3 of the Attachment “1. Overview of Business Performance, etc.: (2) Future outlook” for matters concerning the above forecasts.

2. The information related to this Financial Results will be posted on the Web site of the Company.

**Non-Consolidated Results Forecast for FY2018 ending March 31, 2019 (April 1, 2018 - March 31, 2019)**

(Unit: million yen)

(% of change from the corresponding period of previous year)

|           | Net sales |      | Operating profit |        | Ordinary profit |        | Net income |        | Profit per share |
|-----------|-----------|------|------------------|--------|-----------------|--------|------------|--------|------------------|
|           |           |      |                  |        |                 |        |            |        |                  |
| Full-year | 1,747,000 | 9.3% | 64,000           | -22.4% | 66,000          | -31.2% | 49,000     | -35.4% | 108.71 yen       |

Note: Revision to the non-consolidated results forecast that has been disclosed lastly: *No*

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# 1. Overview of Business Performance, etc.

## (1) Overview of business performance of the 1st quarter

### <Summary by segment>

(Unit: million yen)

|                    |                  | Gas     | Electric power | Overseas | Energy-related | Real estate | Others |
|--------------------|------------------|---------|----------------|----------|----------------|-------------|--------|
| Sales              | FY2018           | 290,738 | 53,167         | 12,169   | 74,388         | 11,023      | 20,342 |
|                    | (% of total)     | (63.0%) | (11.5%)        | (2.6%)   | (16.1%)        | (2.4%)      | (4.4%) |
|                    | FY2017           | 303,801 | 45,296         | 11,714   | 67,777         | 10,443      | 17,598 |
|                    | (% of total)     | (66.5%) | (9.9%)         | (2.6%)   | (14.8%)        | (2.3%)      | (3.9%) |
|                    | Amount of change | -13,063 | 7,871          | 455      | 6,611          | 580         | 2,744  |
|                    | (Rate of change) | -4.3%   | 17.4%          | 3.9%     | 9.8%           | 5.5%        | 15.6%  |
| Operating expenses | FY2018           | 266,707 | 50,810         | 7,742    | 71,738         | 8,734       | 20,228 |
|                    | (% of total)     | (62.7%) | (11.9%)        | (1.8%)   | (16.8%)        | (2.1%)      | (4.7%) |
|                    | FY2017           | 267,710 | 42,202         | 10,188   | 66,705         | 8,153       | 17,521 |
|                    | (% of total)     | (64.9%) | (10.2%)        | (2.5%)   | (16.2%)        | (2.0%)      | (4.2%) |
|                    | Amount of change | -1,003  | 8,608          | -2,446   | 5,033          | 581         | 2,707  |
|                    | (Rate of change) | -0.4%   | 20.4%          | -24.0%   | 7.5%           | 7.1%        | 15.4%  |
| Segment profit     | FY2018           | 24,030  | 2,356          | 4,749    | 2,649          | 2,435       | 100    |
|                    | (% of total)     | (66.1%) | (6.5%)         | (13.1%)  | (7.3%)         | (6.7%)      | (0.3%) |
|                    | FY2017           | 36,091  | 3,093          | 1,963    | 1,071          | 2,290       | 68     |
|                    | (% of total)     | (81.0%) | (6.9%)         | (4.4%)   | (2.4%)         | (5.1%)      | (0.2%) |
|                    | Amount of change | -12,061 | -737           | 2,786    | 1,578          | 145         | 32     |
|                    | (Rate of change) | -33.4%  | -23.8%         | 141.8%   | 147.2%         | 6.4%        | 46.3%  |

Notes:

- Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments. Figures for segment profit are adjusted against the amount based on operating profit of consolidated financial statements plus or minus investment income or loss on equity method.
- We have revised our reporting segments starting the three months ended June 30, 2018 due to the revision of business segments starting in FY2018 based on the “Tokyo Gas Group FY2018–2020 management plan GPS2020” that was announced on October 5, 2017.

We have renamed the city gas segment the gas segment, and transferred the liquid gas business (LPG, industrial gas) and LNG sales, etc., which were included in the energy-related segment, to the gas segment, and credit services, which were included in the others segment, to the energy-related segment, respectively.

Segment information for the three months ended June 30, 2017 have been restated based on the revised reporting segments.

### <Consolidated City Gas Sales Volume for Three Months Ended June 30, 2018>

|                       |                             | Apr. – Jun. 2018    | Apr. – Jun. 2017 | Change | % change |       |
|-----------------------|-----------------------------|---------------------|------------------|--------|----------|-------|
| No. of customers      | Thousands                   | 11,702              | 11,553           | 149    | 1.3      |       |
| City gas sales volume | Residential                 | Mil. m <sup>3</sup> | 778              | 861    | -83      | -9.6  |
|                       | Commercial                  | Mil. m <sup>3</sup> | 549              | 590    | -41      | -7.0  |
|                       | Industrial                  | Mil. m <sup>3</sup> | 1,335            | 1,821  | -486     | -26.7 |
|                       | Subtotal                    | Mil. m <sup>3</sup> | 1,884            | 2,412  | -528     | -21.9 |
|                       | Supplies to other utilities | Mil. m <sup>3</sup> | 483              | 437    | 46       | 10.5  |
| Total                 | Mil. m <sup>3</sup>         | 3,145               | 3,710            | -565   | -15.2    |       |
| Average temperature   | °C                          | 17.9                | 16.7             | 1.2    | —        |       |

Notes:

- No. of customers indicates the number of Tokyo Gas’ city gas meters installed within the supply area as of end of June 2018.
- “Commercial” indicates sales to commercial, public and medical institutions.
- City gas sales volumes are on the basis of 45MJ/m<sup>3</sup>.
- Average temperature is the average temperature during the period of use by each customer (from date of initial month’s meter reading to final month’s meter reading).

The aforementioned notes also apply to the relevant tables.

<Consolidated Electric Power Sales Volume for Three Months Ended June 30, 2018>

|                             |                |             | Apr. – Jun. 2018 | Apr. – Jun. 2017 | Change | % change |
|-----------------------------|----------------|-------------|------------------|------------------|--------|----------|
| Electric power sales volume | Retail         | million kWh | 1,136            | 785              | 351    | 44.7     |
|                             | Wholesale etc. | million kWh | 2,120            | 2,587            | -467   | -18.1    |
|                             | Total          | million kWh | 3,257            | 3,372            | -115   | -3.4     |

<Foreign Exchange Rate and Crude Oil Price>

| ¥/\$ rate | Apr. – Jun. 2018 | Apr. – Jun. 2017 | Change | Crude oil price (\$/bbl) | Apr. – Jun. 2018 | Apr. – Jun. 2017 | Change |
|-----------|------------------|------------------|--------|--------------------------|------------------|------------------|--------|
|           | 109.10           | 111.09           | -1.99  |                          | 70.53            | 53.34            | 17.19  |

(2) Future outlook

There are no changes to the previous forecast that was announced on April 27, 2018. The following information is of the previous forecast.

a. Consolidated city gas sales volume forecast for FY2018

|                       |             |                     | FY2018 (Forecast) | FY2017 (Results) | Change | % change |
|-----------------------|-------------|---------------------|-------------------|------------------|--------|----------|
| City gas sales volume | Residential | Mil. m <sup>3</sup> | 3,449             | 3,570            | -121   | -3.4     |
|                       | Others      | Mil. m <sup>3</sup> | 12,092            | 11,998           | 94     | 0.8      |
|                       | Total       | Mil. m <sup>3</sup> | 15,542            | 15,568           | -26    | -0.2     |
| Average temperature   |             | °C                  | 15.9              | 15.7             | 0.2    | —        |

b. Consolidated electric power sales volume forecast for FY2018

|                                   |             | FY2018 (Forecast) | FY2017 (Results) | Change | % change |
|-----------------------------------|-------------|-------------------|------------------|--------|----------|
| Total electric power sales volume | million kWh | 15,128            | 14,656           | 472    | 3.2      |

c. Consolidated earnings forecast for FY2018

(Unit: hundred million yen)

|                   | Net sales |             |       | Operating profit | Ordinary profit | Profit attributable to owners of parent |
|-------------------|-----------|-------------|-------|------------------|-----------------|---|
|                   | Gas sales | Other sales |       |                  |                 |   |
| FY2018 (forecast) | 19,540    | 14,003      | 5,537 | 930              | 930             | 880                                     |
| FY2017 (results)  | 17,773    | 13,048      | 4,725 | 1,163            | 1,115           | 749                                     |
| Change            | 1,767     | 955         | 812   | -233             | -185            | 131                                     |
| % change          | 9.9%      | 7.3%        | 17.2% | -20.0%           | -16.6%          | 17.4%                                   |

Note: Internal sales between segments are adjusted in the “Other sales” column.

<Foreign Exchange Rate and Crude Oil Price>

| ¥/\$ rate | FY2018 (Forecast) | FY2017 (Results) | Change | Crude oil price (\$/bbl) | FY2018 (Forecast) | FY2017 (Results) | Change |
|-----------|-------------------|------------------|--------|--------------------------|-------------------|------------------|--------|
|           | 110.00            | 110.85           | -0.85  |                          | 65.00             | 57.03            | 7.97   |

## 2. Consolidated Financial Statements and Main Notes

### (1) Consolidated balance sheets

(Millions of yen)

|   | As of March 31, 2018 | As of June 30, 2018 |
|---|----------------------|---------------------|
| <b>Assets</b>                           |                      |                     |
| Non-current assets                      |                      |                     |
| Property, plant and equipment           |                      |                     |
| Production facilities                   | 236,334              | 233,447             |
| Distribution facilities                 | 560,216              | 552,537             |
| Service and maintenance facilities      | 52,244               | 51,086              |
| Other facilities                        | 406,221              | 407,818             |
| Inactive facilities                     | 316                  | 316                 |
| Construction in progress                | 157,913              | 165,365             |
| Total property, plant and equipment     | 1,413,246            | 1,410,573           |
| Intangible assets                       |                      |                     |
| Goodwill                                | 1,254                | 1,156               |
| Other intangible assets                 | 92,167               | 94,741              |
| Total intangible assets                 | 93,422               | 95,898              |
| Investments and other assets            |                      |                     |
| Investment securities                   | 239,379              | 237,864             |
| Long-term loans receivable              | 27,929               | 29,825              |
| Net defined benefit asset               | 17                   | 22                  |
| Deferred tax assets                     | 40,856               | 39,866              |
| Other investments and other assets      | 36,693               | 41,715              |
| Allowance for doubtful accounts         | -378                 | -383                |
| Total investments and other assets      | 344,497              | 348,911             |
| Total non-current assets                | 1,851,165            | 1,855,383           |
| Current assets                          |                      |                     |
| Cash and deposits                       | 128,331              | 109,470             |
| Notes and accounts receivable - trade   | 216,234              | 188,731             |
| Lease receivables and investment assets | 22,188               | 20,529              |
| Securities                              | 15                   | 15                  |
| Merchandise and finished goods          | 2,494                | 2,566               |
| Work in process                         | 12,417               | 18,702              |
| Raw materials and supplies              | 45,454               | 70,744              |
| Other current assets                    | 56,897               | 82,676              |
| Allowance for doubtful accounts         | -884                 | -749                |
| Total current assets                    | 483,150              | 492,686             |
| <b>Total assets</b>                     | <b>2,334,316</b>     | <b>2,348,069</b>    |

(Millions of yen)

As of March 31, 2018

As of June 30, 2018

|   | As of March 31, 2018 | As of June 30, 2018 |
|---|----------------------|---------------------|
| <b>Liabilities</b>                                    |                      |                     |
| Non-current liabilities                               |                      |                     |
| Bonds payable   | 294,998              | 294,998             |
| Long-term loans payable                               | 358,680              | 359,253             |
| Deferred tax liabilities                              | 10,898               | 10,230              |
| Net defined benefit liability                         | 73,161               | 71,167              |
| Provision for gas holder repairs                      | 3,107                | 3,169               |
| Provision for safety measures                         | 3,115                | 2,741               |
| Provision for appliance warranties                    | 9,984                | 9,864               |
| Provision for point card certificates                 | 835                  | 972                 |
| Asset retirement obligations                          | 13,200               | 12,705              |
| Other noncurrent liabilities                          | 61,572               | 61,693              |
| <b>Total non-current liabilities</b>                  | <b>829,554</b>       | <b>826,794</b>      |
| Current liabilities                                   |                      |                     |
| Current portion of non-current liabilities            | 58,094               | 18,559              |
| Notes and accounts payable - trade                    | 80,819               | 71,791              |
| Short-term loans payable                              | 7,800                | 7,088               |
| Income taxes payable                                  | 30,237               | 20,351              |
| Other current liabilities                             | 179,376              | 266,390             |
| <b>Total current liabilities</b>                      | <b>356,328</b>       | <b>384,180</b>      |
| <b>Total liabilities</b>                              | <b>1,185,882</b>     | <b>1,210,975</b>    |
| <b>Net assets</b>                                     |                      |                     |
| Shareholders' equity                                  |                      |                     |
| Capital stock   | 141,844              | 141,844             |
| Capital surplus                                       | 1,898                | 1,901               |
| Retained earnings                                     | 936,635              | 961,661             |
| Treasury shares                                       | -3,642               | -23,651             |
| <b>Total shareholders' equity</b>                     | <b>1,076,736</b>     | <b>1,081,755</b>    |
| Accumulated other comprehensive income                |                      |                     |
| Valuation difference on available-for-sale securities | 30,282               | 30,937              |
| Deferred gains or losses on hedges                    | -251                 | 776                 |
| Foreign currency translation adjustment               | 33,206               | 14,569              |
| Remeasurements of defined benefit plans               | -3,945               | -3,121              |
| <b>Total accumulated other comprehensive income</b>   | <b>59,291</b>        | <b>43,162</b>       |
| Non-controlling interests                             | 12,405               | 12,176              |
| <b>Total net assets</b>                               | <b>1,148,433</b>     | <b>1,137,094</b>    |
| <b>Total liabilities and net assets</b>               | <b>2,334,316</b>     | <b>2,348,069</b>    |

**(2) Consolidated statements of income and comprehensive income**

(Consolidated statement of income : Three months ended June 30, 2018)

(Millions of yen)

|   | Three months ended<br>June 30, 2017 | Three months ended<br>June 30, 2018 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 404,100                             | 401,434                             |
| Cost of sales   | 264,032                             | 268,640                             |
| Gross profit  | 140,067                             | 132,794                             |
| Selling, general and administrative expenses                  |                                     |                                     |
| Supply and sales expenses                                     | 90,596                              | 94,093                              |
| General and administrative expenses                           | 14,798                              | 15,426                              |
| Total selling, general and administrative expenses            | 105,394                             | 109,520                             |
| Operating profit  | 34,673                              | 23,274                              |
| Non-operating income  |                                     |                                     |
| Interest income   | 271                                 | 333                                 |
| Dividend income   | 2,140                               | 1,719                               |
| Share of profit of entities accounted for using equity method | 429                                 | 455                                 |
| Gain on sales of investment securities                        | 72                                  | 1,400                               |
| Miscellaneous income  | 2,248                               | 1,499                               |
| Total non-operating income                                    | 5,162                               | 5,408                               |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 2,853                               | 2,690                               |
| Miscellaneous expenses  | 1,094                               | 1,963                               |
| Total non-operating expenses                                  | 3,947                               | 4,654                               |
| Ordinary profit   | 35,887                              | 24,028                              |
| Extraordinary income  |                                     |                                     |
| Gain on sales of non-current assets                           | 3,214                               | 29,172                              |
| Total extraordinary income                                    | 3,214                               | 29,172                              |
| Profit before income taxes                                    | 39,102                              | 53,201                              |
| Income taxes  | 11,055                              | 15,273                              |
| Profit  | 28,047                              | 37,927                              |
| Profit attributable to non-controlling interests              | 191                                 | 214                                 |
| Profit attributable to owners of parent                       | 27,855                              | 37,713                              |

## (Consolidated statement of comprehensive income : Three months ended June 30, 2018)

(Millions of yen)

|   | Three months ended<br>June 30, 2017 | Three months ended<br>June 30, 2018 |
|---|-------------------------------------|-------------------------------------|
| Profit  | 28,047                              | 37,927                              |
| Other comprehensive income  |                                     |                                     |
| Valuation difference on available-for-sale securities                             | 3,661                               | 660                                 |
| Deferred gains or losses on hedges  | 124                                 | 493                                 |
| Foreign currency translation adjustment   | -8,562                              | -15,202                             |
| Remeasurements of defined benefit plans, net of tax                               | -1,380                              | 824                                 |
| Share of other comprehensive income of entities accounted for using equity method | -865                                | -3,022                              |
| Total other comprehensive income  | -7,022                              | -16,245                             |
| Comprehensive income  | 21,024                              | 21,682                              |
| Comprehensive income attributable to  |                                     |                                     |
| Comprehensive income attributable to owners of parent                             | 20,817                              | 21,584                              |
| Comprehensive income attributable to non-controlling interests                    | 207                                 | 98                                  |

### (3) Notes on consolidated financial statements

#### (Note on going concerns' premise)

Not applicable

#### (Additional information)

Implementation of Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.

The Company has implemented the Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018), etc. starting the first three months ended June 30, 2018. Deferred tax assets and deferred tax liabilities are shown under investments and other assets and non-current liabilities, respectively.

And the Company has implemented this standard etc. in consolidated financial position and balance sheets as of 31 March, 2018 retroactively.

As a result, total assets and total liabilities for the consolidated fiscal year ended March 31, 2018 decreased by ¥405 million. This does not have an impact on equity ratio figures.

#### (Significant changes in shareholders' equity)

Purchase of treasury stock

The Company purchased treasury stock from the market as per the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 165, Section 3 of the Companies Act.

- Purchase period May 8 – June 15, 2018 (contract basis)
- Number of shares purchased 6,717,500 shares
- Total amount of purchase ¥19,999 million
- Purchase method Market purchase on the Tokyo Stock Exchange

#### (Application of accounting treatment peculiar to quarterly consolidated financial statement preparation)

Calculation of taxes

Taxes are calculated by multiplying profit before income taxes for the first-quarter period under review by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the profit income before income taxes for the current consolidated fiscal year ending March 31, 2019 including the first quarter under review.

#### (Material subsequent events)

In accordance with the resolution at the Board of Directors meeting held on March 23, 2018, the Company issued its 44th, 45th, and 46th domestic unsecured notes as below.

|                                 | 44th                                  | 45th                                  | 46th                                  |
|---------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| (1) Total value of notes        | ¥10,000,000,000                       | ¥20,000,000,000                       | ¥10,000,000,000                       |
| (2) Coupon rate                 | 1.095%                                | 0.876%                                | 0.580%                                |
| (3) Denomination                | ¥100 per value                        | ¥100 per value                        | ¥100 per value                        |
| (4) Due date of payment         | July 20th, 2018                       | July 20th, 2018                       | July 20th, 2018                       |
| (5) Maturity date               | July 19th, 2058                       | July 17th, 2048                       | July 20th, 2038                       |
| (6) Term to maturity            | 40 years                              | 30 years                              | 20 years                              |
| (7) Method of redemption        | Bullet payment                        | Bullet payment                        | Bullet payment                        |
| (8) Payment date                | January 20th and July 20th every year | January 20th and July 20th every year | January 20th and July 20th every year |
| (9) Reason of issue of the note | Payment for the commercial paper      | Payment for the commercial paper      | Payment for the commercial paper      |