

January 15, 2016

To whom it may concern:

Company: Tokyo Gas Co., Ltd.
Representative: Michiaki Hirose
(President & Representative Director)
(Code: 9531)

Notice of Posting of Impairment Loss (Consolidated) and Valuation Loss on Shares of Affiliated Companies (Non-Consolidated)

Tokyo Gas Co., Ltd. expects to post an impairment loss (consolidated) and a valuation loss on shares of affiliated companies (non-consolidated) as extraordinary losses for the third quarter of FY2015 (October 1 – December 31, 2015).

1. Impairment Loss(Consolidated)

Tokyo Gas projects an impairment loss of approximately ¥10.6 billion because the business value of the shale gas development project* in the Barnett basin in Texas, U.S. which Tokyo Gas is participating in through its wholly owned subsidiary Tokyo Gas America Ltd. via its subsidiary TG Barnett Resources LP (wholly owned by the Tokyo Gas Group) has been reevaluated considering the impact from the decline in gas and oil prices.

*For information regarding the project, see “Participation in the shale gas development joint venture in US Barnett basin” released March 29, 2013.

2. Valuation Loss on Shares of Affiliated Companies (Non-consolidated)

TG Barnett Resources LP posted an impairment loss of ¥23.0 billion in the year ended March 31, 2015, and combined with the additional posting of the impairment loss described in 1. above, the actual value of the shares of Tokyo Gas America Ltd. held by Tokyo Gas has significantly declined, so Tokyo Gas expects to post a valuation loss on shares of affiliated companies of ¥24.6 billion..

This valuation loss on the shares of affiliated companies concerning Tokyo Gas America Ltd. will be offset in the consolidated settlement, so it will have no impact on the consolidated earnings of Tokyo Gas.

3. Outlook

The consolidated and non-consolidated earnings forecasts for the full year FY2015 ending March 31, 2016 are presently being examined, and announcements of the revised performance projections will be made promptly once they are prepared.

For reference, the most recently announced earnings forecasts and results for the previous period are attached.

【Reference①】

FY2015 consolidated forecast (announced on Oct.30, 2015) and FY2014 consolidated result

(Unit: million yen)

| | Sales | Operating income | Ordinary income | Profit attributable to owners of parent |
|------------------------------|-----------|------------------|-----------------|---|
| FY2015 consolidated forecast | 1,896,000 | 168,000 | 162,000 | 122,000 |
| FY2014 consolidated result | 2,292,548 | 171,753 | 168,169 | 95,828 |

【Reference②】

FY2015 non-consolidated forecast (announced on Oct.30, 2015) and FY2014 non-consolidated result

(Unit: million yen)

| | Sales | Operating income | Ordinary income | Net income |
|----------------------------------|-----------|------------------|-----------------|------------|
| FY2015 non-consolidated forecast | 1,700,000 | 139,000 | 142,000 | 110,000 |
| FY2014 non-consolidated result | 2,083,595 | 126,192 | 140,048 | 103,863 |