April 28, 2015

Consolidated Financial Results Bulletin for the Fiscal Year Ended March 31, 2015 (J-GAAP)
Tokyo Gas Co., Ltd.

Securities code: 9531
(URL http://www.tokyo-gas.co.jp/index_e.html)
Representative: Mr. Michiaki HIROSE, President
Contact: Mr. Narumi TOMITA, General Manager, Consolidated Settlements Group

Stock listings:
Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

General shareholders' meeting schedule: June 26, 2015
Scheduled date of the filing of securities report: June 26, 2015
Scheduled date of the start of dividend payments: June 29, 2015
Preparation of earnings presentation material (yes/no): ***Yes***
Holding of earnings announcement (yes/no): ***Yes*** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Performance for FY2014 ended March 31, 2015 (from April 1, 2014 to - March 31, 2015)

(Unit: million yen)

(1) Consolidated Business Performance (% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
FY2014 ended Mar. 31, 2015	2,292,548	8.5%	171,753	3.4%	168,169	5.4%	95,828	-11.6%
FY2013 ended Mar. 31, 2014	2,112,117	10.3%	166,044	14.0%	159,613	8.2%	108,451	6.7%

Note: Total comprehensive income
FY2014 ended March 31, 2015: 125,826 million yen (-14.5%) FY2013 ended March 31, 2014: 147,138 million yen (23.6%)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
FY2014 ended Mar. 31, 2015	39.15 yen	—	9.2%	7.6%	7.5%
FY2013 ended Mar. 31, 2014	43.10 yen	—	11.2%	7.7%	7.9%

Reference: Income or loss on investment accounted for by equity method
FY2014 ended March 31, 2015: 3,313 million yen FY2013 ended March 31, 2014: 4,838 million yen

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2015	2,257,662	1,087,262	47.4%	438.28 yen
As of Mar. 31, 2014	2,176,816	1,029,492	46.5%	402.91 yen

Reference: Shareholders' equity
As of March 31, 2015: 1,069,515 million yen As of March 31, 2014: 1,011,787 million yen

(3) Consolidated Cash Flows

(Unit: million yen)

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of year
FY2014 ended Mar. 31, 2015	223,225	(184,838)	(67,741)	128,333
FY2013 ended Mar. 31, 2014	240,993	(235,636)	(9,195)	150,918

2. Dividend

	Dividend per share (Unit: yen)					Total dividend payments (Full-year) (Unit: million yen)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full- year			
FY2013 ended Mar. 31, 2014	—	5.00	—	5.00	10.00	25,112	23.2%	2.6%
FY2014 ended Mar. 31, 2015	—	5.00	—	5.00	10.00	24,402	25.5%	2.4%
FY2015 ending Mar. 31, 2016 (Forecast)	—	5.00	—	5.00	10.00		23.9%	

3. Consolidated Results Forecast for FY2015 ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(1) Consolidated Business Performance

(Unit: million yen)
(% of change from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company		Net income per share
Half-year	882,000	-14.5%	106,000	42.1%	103,000	41.9%	79,000	38.5%	32.48 yen
Full-year	1,889,000	-17.6%	140,000	-18.5%	134,000	-20.3%	101,000	5.4%	41.89 yen

	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Full-year	9.3%	5.9%	7.4%

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
Full-year	2,320,000	1,130,000	47.9%	464.81 yen

Reference: Shareholders' equity 1,111,000 million yen

*Notes

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

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 69 (Increased by 2 companies and decreased by 2 companies

Number of subsidiaries and affiliates accounted for by equity method: 6 (—)

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

1) Change in accounting policies in accordance with revision of accounting standards: *Yes*
2) Change in accounting policies other than item 1) above: *No*
3) Change in accounting estimates: *No*
4) Retrospective restatements: *No*

Note: Please see page 25 of the Attachment, "(5) Notes on consolidated financial statements: 3) Change in accounting policies or estimates and retrospective restatements" for details.

(3) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Mar. 31, 2015	2,446,778,295	Mar. 31, 2014	2,517,551,295
2) Number of shares of treasury stock at end of period:	Mar. 31, 2015	6,540,207	Mar. 31, 2014	6,334,608
3) Average number of shares during period:	Apr. 2014–Mar. 2015	2,447,967,930	Apr. 2013–Mar. 2014	2,516,349,285

(Reference)

1. Non-Consolidated Business Results for FY2014 ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(1) Non-Consolidated Business Performance

(Unit: million yen)
(% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
FY2014 ended Mar. 31, 2015	2,083,595	9.2%	126,192	-1.9%	140,048	7.5%	103,863	15.3%
FY2013 ended Mar. 31, 2014	1,908,505	11.3%	128,607	22.7%	130,260	13.7%	90,047	14.6%

	Net income per share	Diluted net income per share
FY2014 ended Mar. 31, 2015	42.43 yen	—
FY2013 ended Mar. 31, 2014	35.78 yen	—

(2) Non-Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2015	1,827,125	810,965	44.4%	332.33 yen
As of Mar. 31, 2014	1,763,621	773,280	43.8%	307.93 yen

Reference: Shareholders' equity
As of Mar. 31, 2015: 810,965 million yen As of Mar. 31, 2014: 773,280 million yen

2. Non-Consolidated Results Forecast for FY2015 ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(Unit: million yen)
(% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Half-year	782,000	-17.2%	95,000	70.9%	99,000	65.0%	78,000	62.7%	32.07 yen
Full-year	1,683,000	-19.2%	115,000	-8.9%	118,000	-15.7%	93,000	-10.5%	38.57 yen

* Presentation of implementation status for auditing procedures
The auditing procedure based on the Financial Instruments and Exchange Act does not apply to this Consolidated Financial Results Bulletin, and the auditing procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this Consolidated Financial Results Bulletin.

* 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 5 of the Attachment, “I. Business Performance and Financial Position: (1) Analysis on business performance: <Forecast for FY2015>” for details.
2. The information related to this Financial Results will be posted on the Web site of the Company.

Contents of Attachment

I. Business Performance and Financial Position

(1) Analysis on business performance

<Results of FY2014>

During FY2014, the Japanese economy progressed under increasing uncertainty over the future with effects including from consumption tax hike and the devaluation of the Japanese yen. On the other hand, there was a sign of an economic upturn, such as improvement in corporate sector's performance and employment picture, driven by the effects from monetary and fiscal policies by the Japanese government and the Bank of Japan.

In addition, Japan's energy market is now gradually clarifying its future direction as shown in the outline of the Electricity and Gas Market Reform.

Against the backdrop of this economic situation and operating environment, the Tokyo Gas Group formulated "The Tokyo Gas Group's Vision for Energy and the Future-Challenge 2020 Vision-" (the "Challenge 2020 Vision"), under which the Group is "Enhancing the LNG Value Chain" by enhancing added value and expanding area coverage.

Boosted by these intense efforts, city gas sales increased from an increase in sales unit price due to resource cost adjustment associated with a weaker yen as well as a year-on-year increase in gas sales reflecting growing power generation demand, combined with sales growth at the other energy segment mainly from increased retail electricity sales. Accordingly, consolidated net sales for the year rose 8.5%, to ¥2,292.5 billion.

In terms of operating expenses, despite further improvement in management efficiency and extensive efforts to contain expenses, the yen's depreciation and higher gas sales volume led to higher gas resource costs, and expenses at the other energy segment rose on increased retail electricity sales, leading to a 9.0% increase in operating expenses, to ¥2,120.7 billion.

As a result, operating income grew 3.4%, to ¥171.7 billion, and ordinary income rose 5.4%, to ¥168.1 billion. With the recording of extraordinary income consisting of gain on sales of noncurrent assets (¥6.1 billion) and gain on sales of investment securities (¥5 billion), extraordinary loss consisting of impairment loss on overseas upstream projects (¥30.9 billion), loss on reduction of noncurrent assets (¥0.5 billion) and loss on valuation of investment securities (¥0.6 billion), and income taxes, net income dropped 11.6%, to ¥95.8 billion.

<Segment summary>

1) City gas

Gas sales volume for FY2014 increased 5.5% from the previous year, to 15,541 million m^3. Of this amount, residential demand was 3,482 million m^3 (a 0.9% increase), due mainly to an increase in the number of customers from the previous year.

Commercial demand was 2,750 million m^3 (a 3.3% decrease), with a decline in air-conditioning demand due mainly to cooler temperature in the first half of FY2014 and warmer temperature in the second half of FY2014 than the previous year.

Industrial demand was 7,235 million m^3 (a 12.5% increase), primarily driven by the expanding demand for industrial-use, especially for power generation, which more than offset a decline in operation of existing facilities.

Wholesale supplies to other gas utilities grew 3.3%, to 2,074 million m^3 due to a growth in customer demand.

Reflecting the increase in gas sales volume and upward gas unit price adjustments under the gas rate adjustment system, city gas sales grew ¥135.8 billion, or 9.0%, to ¥1,640.9 billion.

With a rise in LNG prices from the weaker yen accompanied by an increase in gas sales volume, total operating expenses rose 9.7%, by ¥131.2 billion.

As a result, segment profit increased ¥4.5 billion, or 2.9%, to ¥157.1 billion.

<Consolidated Gas Sales Volume for FY2014 Ended March 31, 2015>

			FY2014	FY2013	Change	% change
No. of customers		Thousand	11,263	11,111	152	1.4
Gas sales volume	Residential	m^3	30.69	30.86	-0.17	-0.6
		Mil. m^3	3,482	3,450	32	0.9
	Commercial	Mil. m^3	2,750	2,844	-94	-3.3
	Industrial	Mil. m^3	7,235	6,433	802	12.5
	Subtotal	Mil. m^3	9,984	9,278	706	7.6
	Supplies to other utilities	Mil. m^3	2,074	2,007	67	3.3
	Total	Mil. m^3	15,541	14,735	806	5.5
Average temperature		°C	16.0	16.1	-0.1	—

Notes:
1. The upper row of figures for residential demand indicates gas sales per meter read (m^3/household, month).
2. “Commercial” indicates sales to commercial, public and medical institutions.
3. Gas sales volumes are on the basis of $45MJ/m^3$.
4. 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). Additionally, given that the temperature observation site in Tokyo changed from Otemachi to Kitamomaru Park effective December 2, 2014, the monthly temperature data were calculated based on the temperature data observed at Kitamomaru Park prior to the date of change.

The aforementioned notes also apply to the relevant tables.

(Foreign Exchange Rate and Crude Oil Price)

¥/$ rate	FY2014	FY2013	Change	Crude oil price ($/bbl)	FY2014	FY2013	Change
	109.76	100.17	9.59		90.35	110.01	-19.66

2) Gas appliances and installation work

Sales decreased by ¥16.8 billion or 7.6% compared to the previous year to ¥204.9 billion. Operating expenses decreased by ¥12.1 billion or 5.7%. As a result, segment income decreased by ¥4.6 billion or 60.3% to ¥3 billion.

3) Other energy

Sales increased by ¥50.7 billion or 14.2% compared to the previous year to ¥408.2 billion. Operating expenses increased by ¥52.7 billion or 16.2%. As a result, segment income dropped by ¥2 billion or 6.2% to ¥30.5 billion.

4) Real estate

Sales decreased by ¥2.4 billion or 8.4% compared to the previous year to ¥25.9 billion. Operating expenses declined by ¥1.1 billion or 4.7%. As a result, segment income decreased by ¥1.4 billion or 23.1% to ¥4.3 billion.

5) Others

Sales at other business grew by ¥26.9 billion or 13.5% to ¥226.2 billion. Operating expenses grew by ¥19.1 billion or 10.1%. As a result, segment profit increased by ¥7.9 billion or 67.0% to ¥19.5 billion.

<Summary by segment> (Unit: billion yen)

		City gas	Gas appliances and installation work	Other energy	Real estate	Others
Sales	FY2014 (% of total)	1,640.9 (65.5%)	204.9 (8.2%)	408.2 (16.3%)	25.9 (1.0%)	226.2 (9.0%)
	FY2013 (% of total)	1,505.1 (65.1%)	221.7 (9.6%)	357.5 (15.5%)	28.3 (1.2%)	199.3 (8.6%)
	Amount of change (Rate of change)	135.8 (9.0%)	-16.8 (-7.6%)	50.7 (14.2%)	-2.4 (-8.4%)	26.9 (13.5%)
Operating expenses	FY2014 (% of total)	1,483.7 (64.8%)	201.9 (8.8%)	377.7 (16.5%)	21.5 (0.9%)	206.7 (9.0%)
	FY2013 (% of total)	1,352.5 (64.3%)	214.0 (10.2%)	325.0 (15.5%)	22.6 (1.1%)	187.6 (8.9%)
	Amount of change (Rate of change)	131.2 (9.7%)	-12.1 (-5.7%)	52.7 (16.2%)	-1.1 (-4.7%)	19.1 (10.1%)
Segment income	FY2014 (% of total)	157.1 (73.3%)	3.0 (1.4%)	30.5 (14.2%)	4.3 (2.0%)	19.5 (9.1%)
	FY2013 (% of total)	152.6 (72.6%)	7.6 (3.6%)	32.5 (15.5%)	5.7 (2.7%)	11.6 (5.6%)
	Amount of change (Rate of change)	4.5 (2.9%)	-4.6 (-60.3%)	-2.0 (-6.2%)	-1.4 (-23.1%)	7.9 (67.0%)

Note: Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments.

<Forecast for FY2015>

We are forecasting a 0.2% increase from the previous year in consolidated gas sales volume for FY2015, to 15,571 million m3, based on assumption of several factors, including growth in residential demand an increase in the number of customers from the previous year as well as a recovery from a decline in demand due to temperature effects in FY2014.
We are projecting a ¥403.5 billion, or 17.6%, decrease in consolidated net sales to ¥1,889 billion, with a ¥31.7 billion, or 18.5%, decrease in operating income to ¥140.0 billion, a ¥34.1 billion, or 20.3% decrease in ordinary income to ¥134.0 billion, and a ¥5.2 billion, or 5.4%, increase in net income attributable to the parent company to ¥101.0 billion.
On a non-consolidated basis, along with on a consolidated basis, we are forecasting a 0.2% increase in gas sales volume, to 15,361 million m3, in anticipation for growth in residential demand an increase in the number of customers from the previous year as well as a recovery from a decline in demand due to temperature effects in FY2014. We expect city gas sales to decrease ¥336.3 billion, or 21.0%, to ¥1,268.0 billion, on downward unit price adjustments under the gas rate adjustment system despite a growth in gas sales volume. At the same time, with regard to operating expenses, we are forecasting a decrease in resource costs, mainly reflecting a drop in crude oil prices. Also taking into account other operations and supplementary income, we are forecasting a ¥11.1 billion, or 8.9%, decrease in operating income to ¥115.0 billion, a ¥22.0 billion, or 15.7%, decrease in ordinary income to ¥118.0 billion, and a ¥10.8 billion, or 10.5%, decrease in net income, to ¥93.0 billion.
The economic frame assumed for FY2015 is ¥120.00/$ for foreign exchange rate for the full-year, and $60.00/bbl for the full-year ($55.00/bbl for 1H and $65.00/bbl for 2H) for crude oil price.

1) Consolidated Business Results

a. Gas sales volume forecast for FY2015

			FY2015 (Forecast)	FY2014 (Results)	Change	% change
Gas sales volume	Residential	Mil. m^3	3,535	3,482	53	1.5
	Commercial	Mil. m^3	2,713	2,750	-37	-1.3
	Industrial	Mil. m^3	7,198	7,235	-37	-0.5
	Subtotal	Mil. m^3	9,911	9,984	-73	-0.7
	Supplies to other utilities	Mil. m^3	2,125	2,074	51	2.4
	Total	Mil. m^3	15,571	15,541	30	0.2
Average temperature		°C	15.8	16.0	-0.2	—

b. Forecast for FY2015 (Unit: hundred million yen)

	Net sales	Gas sales	Other sales	Operating income	Ordinary income	Net income attributable to the parent company
FY2015 (forecast)	18,890	13,030	5,860	1,400	1,340	1,010
FY2014 (results)	22,925	16,409	6,516	1,717	1,681	958
Change	-4,035	-3,379	-656	-317	-341	52
% change	-17.6%	-20.6%	-10.1%	-18.5%	-20.3%	5.4%

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

2) Non-consolidated Business Results

a. Gas sales volume forecast for FY2015

			FY2015 (Forecast)	FY2014 (Results)	Change	% change
Gas sales volume	Residential	Mil. m^3	3,429	3,377	52	1.5
	Commercial	Mil. m^3	2,552	2,591	-39	-1.5
	Industrial	Mil. m^3	7,014	7,053	-39	-0.5
	Subtotal	Mil. m^3	9,566	9,644	-78	-0.8
	Supplies to other utilities	Mil. m^3	2,366	2,311	55	2.4
	Total	Mil. m^3	15,361	15,332	29	0.2

b. Forecast for FY2015 (Unit: hundred million yen)

	Net sales			Operating income	Ordinary income	Net income
		Gas sales	Other sales			
FY2015 (forecast)	16,830	12,680	4,150	1,150	1,180	930
FY2014 (results)	20,835	16,043	4,792	1,261	1,400	1,038
Change	-4,005	-3,363	-642	-111	-220	-108
% change	-19.2%	-21.0%	-13.4%	-8.9%	-15.7%	-10.5%

(Foreign Exchange Rate and Crude Oil Price)

¥/$ rate	FY2015 (Forecast)	FY2014 (Results)	Change	Crude oil price ($/bbl)	FY2015 (Forecast)	FY2014 (Results)	Change
	120.00	109.76	10.24		60.00	90.35	-30.35

(2) Analysis on financial position

<Analysis on assets, debt, shareholders' equity and cash flows>

Situation of assets, debt and shareholders' equity

Assets as of March 31, 2015, totaled ¥2,257.6 billion, a ¥80.8 billion increase from March 31, 2014, reflecting increase in investment securities (¥18 billion) as well as increases in property, plant and equipment (¥69.5 billion) associated with capital expenditures for the establishment of production and supply systems, including the construction of Hitachi LNG Terminal.

Liabilities grew ¥23.1 billion, to ¥1,170.4 billion, on increases in the outstanding amount of interest-bearing debt (¥16.9 billion) and increase in asset retirement obligations (¥3.8 billion).

Net assets totaled ¥1,087.2 billion. This included increases in shareholders' equity (¥28.6 billion) from the recording of net income (¥95.8 billion) and in valuation and translation adjustments (¥29.2 billion) from increases in foreign currency translation adjustments (¥25.2 billion), as well as decreases from the payment of dividends from surplus (¥24.7 billion) and purchases of treasury stock in the market (¥39.9 billion).

With the rate of increase in shareholders' equity (calculated as the total of shareholders' equity and valuation and translation adjustments) above the growth rate for total assets, the shareholders' equity ratio rose 0.9 percentage points from March 31, 2014, to 47.4% as of March 31, 2015.

Situation of cash flow

(Unit: billion yen)

	FY2014	FY2013	Change
Cash flow from operating activities	223.2	240.9	-17.7
Cash flow from investing activities	-184.8	-235.6	50.8
Cash flow from financing activities	-67.7	-9.1	-58.6
Effect of exchange rate change on cash and cash equivalents	6.7	10.4	-3.7
Net increase (decrease) in cash and cash equivalents	-22.5	6.6	-29.1
Cash and cash equivalents at beginning of year	150.9	144.2	6.7
Cash and cash equivalents at end of year	128.3	150.9	-22.6

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities totaled ¥223.2 billion. This was primarily from the recording of income before income taxes (¥147.2 billion) and depreciation and amortization (¥138.6 billion), despite income taxes paid (¥-50.5 billion).

b) Cash flow from investing activities

Cash and cash equivalents used as a result of investing activities totaled ¥184.8 billion. Despite inflows from proceeds from sales of noncurrent assets (¥13.2 billion), outlays for purchase of property, plant and equipment associated with capital expenditures for the establishment of production and supply system (¥-180 billion) resulted in a net outflow.

c) Cash flow from financing activities

Cash and cash equivalents used as a result of financing activities totaled ¥67.7 billion. Despite proceeds from long-term loans payable (¥29.3 billion), outlays for payments for purchase of treasury stock (¥-40.1 billion), repayment of long-term loans payable (¥-30.8 billion) and cash dividends paid (¥-24.7 billion) resulted in a net outflow.

<Cash Flow Indicators>

	FY2010	FY2011	FY2012	FY2013	FY2014
Equity ratio	46.9%	45.0%	46.6%	46.5%	47.4%
Equity ratio based on market value	55.6%	54.1%	66.3%	60.4%	81.7%
Rate of cash flow to interest-bearing debt	3.6	4.2	3.0	3.0	3.3
Interest coverage ratio	16.4	14.6	19.4	20.1	17.6

Equity ratio: Equity capital / total assets
Equity ratio based on market value: total market capitalization / total assets
Ratio of cash flow to interest-bearing debt: interest-bearing debt / cash flow
Interest coverage ratio: cash flow / interest payments

Notes: 1. All calculation based on consolidated financial figures.
2. Total market capitalization is calculated based on the number of shares as of the end of fiscal year (excluding treasury stocks).
3. Cash flow means cash flow from operating activities.
4. Interest bearing debt covers bonds, convertible bonds, long-term bank loan payable (all including debts due within one year), short-term bank loan payable and commercial papers out of the interest bearing debt recorded on the balance sheet.

(3) Basic policy on the corporate profit allocation and dividend

Cash flow generated under the Challenge 2020 Vision will be invested for LNG enhancement that will lead to new growth, while at the same time the successful results of our operations will be distributed to shareholders in an appropriate and timely manner.

More specifically, the Company emphasizes the acquisition of treasury stock with the intention of its retirement as a form of returns to shareholders in addition to dividends, and we have set a target for the total payout ratio to shareholders (dividends plus treasury stock acquisition as a percentage of consolidated net income) of roughly 60% in each year to fiscal 2020.

With regard to distributions to shareholders, the Company will maintain a stable dividend while carrying out a gradual increase in dividends in accordance with the growth of the Company by taking into comprehensive consideration medium- to long-term profit levels.

Total payout ratio of year n = [(total annual dividends in year n) +
(amount of treasury stocks acquired in year n + 1)] / (consolidated net income in year n)

Based on the above policy for the total payout ratio, the Company decided ¥10 per share for FY2014, which is the same as the previous fiscal year. In addition, taking into account the recent share price level, the Board of Directors resolved at its meeting held on April 28, 2015, to carry out a stock repurchase of up to 50 million shares or ¥34.0 billion.

The Company intends to maintain a stable and continuous dividend going forward, and plans to pay a dividend of ¥10 per share for FY2015.

(4) Risks of businesses

Of the items related to business results and financial position in the financial results, the following ones could possibly exert a major influence on decisions by investors. It should be noted that statements concerning the future in this document are judgments made by the Company based on information available at the end of the term.

A Risks associated with accidents, disasters, etc.

(a) Gas resource procurement difficulties

The Group depends on import from other countries for most of natural gas and other gas resources used to produce city gas. The supply of city gas therefore could possibly be impaired in the event of inability to procure gas resources for a long period of time owing to country risks at import sources, troubles affecting gas fields or LNG liquefaction terminals, difficulties in the process of LNG carrier transport, or restriction on entry into port at Tokyo Bay. It is making efforts to spread procurement risks to achieve stable and flexible procurement of LNG through such activities as diversifying suppliers by importing LNG from five countries and 11 projects and allocating ships flexibly using its own LNG ships.

(b) Natural disasters

The Group is an equipment-intensive industry whose business activities are grounded in facilities for the production and supply of city gas. It therefore is enforcing countermeasures to keep the aftermath of natural disasters minimal. Some examples of the countermeasures include a, provision to produce and supply city gas even in the event of large-scale earthquakes with a magnitude of the Great Hanshin-Awaji Earthquake, preparation of countermeasures against earthquake, contingency plan to prevent second disasters, and a BCP (Business Continuity Plan) prepared for such large-scale earthquakes as the Cabinet Office assumes and improvement of contingency plan and execution of regular drills for natural disasters including earthquakes, typhoons and tsunamis. However, the supply of city gas could possibly be impaired due to damage inflicted on its LNG terminals or other production facilities and pipelines or other supply facilities. In such a case, the cost required for resumption of normal production and supply could possibly affect the Group’s profitability.

(c) Accidents accompanying gas manufacture and supply, and supply impairments

The production and supply of city gas and electricity that is essential to the life of customers and industries is at the foundation of the Group's business activities. For this reason, it is implementing measures to prevent accidents and supply impairments through systematic implementation of BCP to prepare for significant troubles which may shut off gas supply, various security measures, preparation of business contingency plan and execution of regular drills. However, in the event of large-scale leakage, explosions, or supply difficulties in the process of city gas production or supply, it could possibly result in tangible and intangible loss in aspects including social responsibility, in addition to the direct loss. In the event supply impairment occurs to power supply, it may result in additional loss to fix the problem.

(d) Unforeseen, large-scale power outages

The Company’s LNG terminals receive electricity from highly reliable grids, and the possibility of an interruption in the supply of electricity to LNG terminals is deemed low. Nevertheless, we have prepared for the possibility of an unforeseen, large-scale power outage in the Kanto area by formulating a BCP and other measures designed to minimize the effect of the outage. In addition, if the supply of electricity from the grid source were to be interrupted, demand for gas would be expected to decline because of the outage. At the same time, it would be possible to operate production equipment using the Company’s own generators and supply a certain amount of gas even in the event of a power outage. However, the production and supply of gas could be impeded depending on the amount of demand for gas and the status of production and supply equipment.

However, even if one of the Company’s LNG terminals were to cease operating, the other LNG terminals could act as a backup, making it possible to generally manufacture and supply the volume of gas required.

(e) Problems in securing the safety of city gas and quality of gas appliances

As it is responsible for the safety of city gas supply, it is implementing safety measures including strengthening of our efforts to perform regular checks for customers, introducing wider range of check items, and promotion of exchange to safer appliances. It has also been involved in the development of gas appliances with advanced functions for safety because it sells gas appliances and other products under its own brand through consolidated subsidiaries and cooperating firms. In the event of accidents involving gas city supply or caused by gas appliances, however, it could possibly incur both direct and indirect loss associated with response to such incidents.

(f) Damage due to rumors caused by city gas accidents at other firms

City gas accidents at other firms could possibly have an immense impact on the entire city gas industry and breed circumstances in which it would incur tangible and intangible loss.

B Market fluctuation risk
(a) Risk of changes in market prices and interest rates
The Group could possibly incur losses due to fluctuations in the market price of its real estate, stocks and pension assets. With regard to interest-bearing debt, its interest payment could possibly increase in the event interest rates rise. However, the impact from fluctuations in interest rates is expected to be limited as most of its interest-bearing debts are long-term fixed rate debts.

C Risks accompanying business execution
Risks related to existing businesses
a) Changes in gas resource costs
Changes in terms of contracts and negotiations with suppliers of LNG, of which city gas is produced, may affect its profitability. Also, as price of LNG is linked with that of crude oil and crude oil is denominated in U.S. dollar under the sales contract, changes in the price of crude oil as well as exchange rate between Japanese yen and U.S. dollar can have an impact on its profitability.
In the event of such developments as demand exceeding the volume of procurement from LNG projects resting on long-term contracts, incidence of trouble in shipment terminals or transport, and delays in the start of supply from new LNG projects, forcing the Company to purchase spot LNG, the gas resource costs may possibly affect its profitability, depending on the spot market.
On the other hand, under the provisions for adjustment for gas resource costs on gas tariffs, changes in gas resource prices are reflected in gas tariffs within five months at maximum. However, if the amount of such changes exceeds 160% of the standard resource price, the amount by which it exceeds will not be collected. In case such changes are reflected in gas tariffs beyond the current fiscal term, it may affect the bottom line of the next fiscal term because of the uncollected and over-collected amounts of the resource costs.

b) Changes in laws, regulations, institutions, and national/local energy policy
The Group executes its business in accordance with the Gas Utility Industry Law, Companies Act, Financial Instruments and Exchange Law, other laws and regulations, and the energy policy of national and local governments. Changes in such policy consequently could affect its execution of business.

c) Changes in gas sales due to climate change
As consolidated net sales of city gas accounts for the majority of the Group’s sales, the occurrence of abnormal weather such as unusually hot summers or warm winters could possibly affect the bottom line due to the resulting reduction of gas sales in the residential use, where gas is used mainly for heating water and air conditioning, and gas sales in the business use, where gas is used mainly for air conditioning.

d) Decrease in demand accompanying intensified competition
There is a risk of decline in demand and effect on the balance of payments in the event of intensified competition with other electric power companies or a loss of competitiveness on the part of LNG itself relative to other forms of energy due to factors such as a fluctuation in crude oil prices.

e) Reduction in the existing demand
Part of the existing demand in the industrial and commercial uses could possibly be reduced by factors such as the decrease in facility operating rates due to the recession, the progress of energy-conserving activities, and changes in the industrial structure. In addition, developments such as decreased numbers in one household and changes in lifestyle and wider use of energy-saving appliances could possibly reduce part of the existing demand in the residential use.

f) Interruption of telephone service at call centers
The Group receives most requests from customers by telephone. An interruption of telephone service at call centers therefore could possibly not only delay accommodation of customer needs over large areas but also cause tangible and intangible loss in forms such as detraction from the image of the Group’s name.

g) Delay in the development of new technologies
Although the Group has been engaged in the development of new products and technologies with environmentally-enhancing designs and high level of safety, it may not be able to develop and deliver these products and technologies on a timely manner. In such cases, it may lose competitiveness against other forms of energy and affect its execution of businesses.

(b) Risks related to overseas businesses

The Company will be committed to accelerate its global development to expand the overseas businesses as set forth in the "Challenge 2020 Vision." In particular, fluctuations in oil and gas prices as well as foreign exchange rates have significant impact on profitability of overseas upstream projects, such as acquisition of LNG interests and gas fields. In addition, while the Company is enhancing the functions of overseas business bases, legal regulations commercial practices inherent to each country could potentially serve as a barrier to appropriate business management, or cause an increase in cost burden or a delay in development of a new business.

(c) Delayed cultivation of new markets

The Group is cultivating new markets by promoting the expansion of ENE-FARM residential fuel cells and services using renewable energy, including solar light and heat. However, changes in energy policy by national and local governments as well as other changes in the operating environment could delay these efforts, which could force the Group to change its business strategy and impede the recovery of its investments.

(d) Inability to recover investments

The Group continues to make large-scale investments to enhance the LNG value chain as outlined in the Challenge 2020 Vision. We evaluate profitability and risks of capital expenditure, capital contributions, loans and debt guarantees at an investment evaluation committee, and we make investment decisions based on a conclusion from the committee while consulting with the management council and the board of directors' meeting, if necessary, from a standpoint of comprehensive management judgment. These large-scale investments include the laying of pipelines and reinforcement of the foundation for stable supply by constructing LNG terminals and other facilities, as well as investments related to the electric power business, the energy services business, overseas businesses including gas field development, and the LNG transport business, investment for IT and other backbone facilities for existing businesses, and investment to make active use of real estate holdings. Nevertheless, subsequent changes in economic conditions could prevent the sufficient recovery or intended effect of these investments, thereby affecting the balance of investment income and expenditures.

D Risks related to information management and system operation

(a) Leakage of personal information

For its execution of business as a public utility, the Group collects and manages personal information on its customers. It has implemented measures to prevent leakage of personal information through construction of a group-wide information security system, execution of education on information security and voluntary monitoring while internal audit ensures its construction and operation to enforce necessary changes. In case the external leakage of personal information occurs, it could possibly cause tangible and intangible loss in forms such as a loss of credibility among customers, in addition to the direct cost required for response.

(b) Shutdown or malfunction of IT systems

Because the Group relies on IT systems for customer service work and calculation of gas tariffs, it has implemented measures to keep the impact on the operation from unexpected events minimal through building a robust data center superior in fault-resilience and disaster-tolerance and preparation and execution of various security measures and regular drills required for stable operation of the systems. The shutdown or malfunction of these systems could possibly cause delay accommodation of customer needs but also cause tangible and intangible loss in forms such as detraction from the image of the Group's name.

Please note, however, that it is unlikely that malfunction of IT system will have any serious impact on the production and supply of city gas because its IT system for the production and supply adjustment of city gas has its own security measures in place including a backup system and wireless network operated by the Group.

E Risks related to corporate social responsibility

(a) Compliance violations

Since compliance forms a basis of operation, the Group has established a committee on management ethics chaired by the president. This committee sets out the basic policies under which the Group executes actions to improve compliance and the internal audit confirms the Group's compliance with laws and regulations and corporate ethics.

The occurrence of acts that are improper in the context of laws and regulations, or the articles of association; improper acts in information disclosure; or acts in violation of corporate ethics could possibly cause tangible and intangible damage in forms such as the imposition of social sanctions in addition to the direct cost required for response.

(b) Conformance with new environmental regulations etc.

The emergence of additional obligations for compliance with new environmental legislation or environmental improvement could possibly affect the Group's conduct of business and its balance of payments.

(c) Insufficient CS or customer services

The Group thinks CS (Customer Satisfaction) is one of the key issues for its management. The Group is pursuing the CS improvement program under the basic policies set out by the CS improvement committee chaired by the president. However, the occurrence of defective treatment of customers could possibly result in tangible and intangible loss in forms such as a decline in corporate competitiveness and detraction from the image of the Group's name.

II. Group Companies:

<Scope of Consolidated Subsidiaries and Affiliates and Application of Equity Method>

1) The scope of consolidation

- Newly included subsidiaries in scope of consolidation: two companies

Tokyo Gas Asia Pte. Ltd
TGEM America Ltd.
[Every company is newly consolidated]

- Excluded: two companies

Tokyo Gas Lifeval Sagamihara Co., Ltd.
Tokyo Gas Lifeval Minami-Tama Co., Ltd.
[Every company has become an affiliate due to a decrease in voting interest held by the Company]

Information about other consolidated subsidiaries and affiliates are not disclosed because there are no significant changes from articles of “business diagram” and “situation of subsidiaries and affiliates” in the latest securities report. [filed on 27 June, 2014]

III. Management Policy

(1) Basic policy on corporate management

The Tokyo Gas Group formulated "The Tokyo Gas Group's Vision for Energy and the Future-Challenge 2020 Vision" in November 2011, with the aim of clarifying a picture and roadmap for the group to attain growth and development in the future.
During the three years up to now, the Tokyo Gas Group has activated the approaches to advance LNG value chain aiming at accomplishing the vision, with successful achievement on a steady basis.
On the other hand, while the Japan's energy market is gradually clarifying its future direction as shown in the outline of the Electricity and Gas Market Reform, the future outlook is likely to remain unclear and volatile for the time being, especially in lights of energy mix and power supplies in the Tokyo metropolitan area.
Under these circumstances, in order to clarifying the roadmap to achieve the Challenge 2020 Vision, the Tokyo Gas Group formulated the main polices FY2015 through FY2017 mainly through the three main policies "evolve the total energy business," "accelerate global business development," and "construct a new group formation."
The Tokyo Gas Group will commit itself to accelerate and accomplish the tasks with its ties and comprehensive strength.

(2) Issues to be addressed by the Company

The Tokyo Gas Group is addressing the following issues with a view toward achieving the Challenge 2020 Vision.

To evolve the total energy business
In the field of raw material procurement, the Tokyo Gas Group will promote to reduce raw material costs through several approaches, including further advancing diversification of procurement sources, price indices and destinations, flexibly forming alliances not only with domestic companies but also with foreign players, and securing procurement of LNG indexed to U.S. natural gas market prices.
In the field of production and supply field, the Tokyo Gas Group will meet the increasing demand for natural gas and improve infrastructure toward spreading and expanding natural gas through the construction of the Hitachi LNG Terminal LNG Storage Tank No. 2 and the Hitachi-Kashima Line. In addition, the Tokyo Gas Group will commit itself to build safe and stable supply structure by accelerating measures for aged gas pipes and taking other measures as well as through introduction of new remote systems ranging from confirming the soundness of gas pipes when an earthquake strikes to achieving resumption of services
In the field of energy solution field, the Tokyo Gas Group will endeavor to deliver electricity to residential and commercial customers in line with the liberalization of retail electric power. In addition, the Tokyo Gas Group will also aim at building a more competitive power source portfolio. Through partnerships with companies in diverse industries such as housing and construction, the Tokyo Gas Group will create value added with energy systems. Furthermore, the Tokyo Gas Group will not only provide proposals on optimal energy solutions combining gas and electricity with added values, but also advance introduction of smart energy, such as ENE-FARM, Co-Generation and other diversified electricity sources.

To accelerate global business development
The Tokyo Gas Group will aim at further expansion of global operations, through diversification of upstream business, including developing upstream business in North America and elsewhere without procurement and participating in small and medium-scale LNG projects. By leveraging its total energy business technology and know-how to intensively develop businesses in specific areas of Southeast Asia and North America, the Tokyo Gas Group will contribute to the provision of energy solutions to customers developing business overseas and to building local energy infrastructure, and develop the value chain in foreign countries through alliances with local energy companies and other entities.

To construct a new group formation
The Tokyo Gas Group will advance centralization of the necessary management resources of personnel, technology and know-how on businesses to be value added that are dispersed throughout the Group with the aim of fostering and enhancing these businesses. In addition, the Tokyo Gas Group will advance examinations toward expanding scale and range such as acquiring insufficient items for the electric power and other businesses from outside via alliances.
Meanwhile, the Tokyo Gas Group will adjust the business direction of functions that are difficult to develop within the Group toward strengthening the Group via centralization of management resources and functions which can be expected to grow through external alliances.
In addition, the Tokyo Gas Group will examine the expansion of overseas business bases by establishing new overseas bases and expand and reinforce existing overseas bases in order to accelerate the global development. .
Furthermore, the Tokyo Gas Group will examine the direction of management systems that can effectively manifest the Group's comprehensive strengths under the new Group formation and of personnel systems under which each employee can enthusiastically do his or her work.
Through the initiatives above, The Tokyo Gas Group will endeavor to contribute to realizing "wealthy and pleasant

lives,” “competitive domestic industries” and “environmentally-friendly society.” The Group will also commit itself to attain sustained growth by recognizing its corporate social responsibility and securing transparent and fair management through coexistence with each community.

(3) Key management indicators (Consolidated)

	FY2020 (target)	FY2014 (results)
Operating cash flow* (billion yen)	250 per year <Nine-year total from FY2012 to FY2020 : 2,240>	237.6
Return on Equity (ROE) (%)	Around 8.0	9.2
Return on Asset (ROA) (%)	Around 4.0	4.3
D/E ratio	Around 0.8(each year)	0.68

* Operating cash flow = net income + depreciation

IV. Basic Concept Regarding Selection of Accounting Standards

The Tokyo Gas Group is considering application of IFRS in the future, taking into account the business circumstance and influence by the application of IFRS.

V. Consolidated Financial Statements

(1) Consolidated balance sheets

(Unit: million yen)

	FY2013 (as of Mar. 31, 2014)	FY2014 (as of Mar. 31, 2015)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	181,651	174,760
Distribution facilities	477,589	479,060
Service and maintenance facilities	61,432	60,525
Other facilities	320,112	326,424
Inactive facilities	316	387
Construction in progress	154,384	223,821
Total property, plant and equipment	1,195,487	1,264,979
Intangible assets		
Goodwill	668	503
Other intangible assets	131,658	134,937
Total intangible assets	132,327	135,441
Investments and other assets		
Investment securities	181,196	199,166
Long-term loans receivable	15,219	16,149
Net defined benefit asset	14,693	5,541
Deferred tax assets	26,171	24,731
Other investments and other assets	27,896	30,335
Allowance for doubtful accounts	(471)	(444)
Total investments and other assets	264,707	275,480
Total non-current assets	1,592,521	1,675,901
Current assets		
Cash and deposits	72,979	86,493
Notes and accounts receivable - trade	253,715	250,326
Lease receivables and investment assets	26,358	26,379
Securities	78,000	43,010
Merchandise and finished goods	3,896	3,189
Work in process	10,213	14,046
Raw materials and supplies	62,726	71,630
Deferred tax assets	11,902	12,637
Other current assets	65,224	74,632
Allowance for doubtful accounts	(722)	(584)
Total current assets	584,294	581,761
Total assets	2,176,816	2,257,662

(Unit: million yen)

	FY2013 (as of Mar. 31, 2014)	FY2014 (as of Mar. 31, 2015)
Liabilities		
Non-current liabilities		
Bonds payable	336,495	312,697
Long-term loans payable	309,544	339,214
Deferred tax liabilities	12,987	11,436
Net defined benefit liability	84,965	75,071
Provision for gas holder repairs	3,373	3,421
Provision for safety measures	1,713	868
Provision for appliance warranties	—	3,675
Provision for loss on guarantees	—	1,562
Asset retirement obligations	7,646	11,448
Other noncurrent liabilities	17,640	24,798
Total non-current liabilities	774,366	784,193
Current liabilities		
Current portion of non-current liabilities	51,079	58,020
Notes and accounts payable - trade	113,064	108,948
Short-term loans payable	18,262	18,547
Income taxes payable	41,580	43,640
Deferred tax liabilities	2	2
Provision for safety measures	—	3,839
Other current liabilities	148,967	153,208
Total current liabilities	372,957	386,206
Total liabilities	1,147,324	1,170,400
Net assets		
Shareholders' equity		
Capital stock	141,844	141,844
Capital surplus	2,065	2,065
Retained earnings	827,129	855,776
Treasury shares	(3,643)	(3,715)
Total shareholders' equity	967,395	995,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,860	34,455
Deferred gains or losses on hedges	(671)	(1,820)
Foreign currency translation adjustment	17,889	43,071
Remeasurements of defined benefit plans	1,313	(2,163)
Total accumulated other comprehensive income	44,391	73,543
Minority interests	17,705	17,747
Total net assets	1,029,492	1,087,262
Total liabilities and net assets	2,176,816	2,257,662

(2) Consolidated statements of income and comprehensive income

(Consolidated statement of income)

(Unit: million yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Net sales	2,112,117	2,292,548
Cost of sales	1,489,688	1,668,041
Gross profit	622,429	624,506
Selling, general and administrative expenses		
Supply and sales expenses	387,183	383,749
General and administrative expenses	69,201	69,003
Total selling, general and administrative expenses	456,384	452,752
Operating income	166,044	171,753
Non-operating income		
Interest income	1,268	770
Dividend income	2,364	3,891
Revenue from dedicated equipment	562	2,944
Share of profit of entities accounted for using equity method	4,838	3,313
Miscellaneous income	7,549	6,622
Total non-operating income	16,582	17,542
Non-operating expenses		
Interest expenses	12,313	12,659
Foreign exchange losses	5,639	2,561
Miscellaneous expenses	5,060	5,905
Total non-operating expenses	23,013	21,126
Ordinary income	159,613	168,169
Extraordinary income		
Gain on sales of non-current assets	1,074	6,134
Gain on sales of investment securities	—	5,062
Total extraordinary income	1,074	11,197
Extraordinary losses		
Impairment loss	2,337	30,987
Loss on reduction of non-current assets	—	505
Loss on valuation of investment securities	—	622
Total extraordinary losses	2,337	32,115
Income before income taxes and minority interests	158,350	147,251
Income taxes - current	42,725	51,451
Income taxes - deferred	5,805	(847)
Total income taxes	48,530	50,603
Income before minority interests	109,819	96,647
Minority interests in income	1,368	819
Net income	108,451	95,828

(Consolidated statement of comprehensive income)

(Unit: million yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Income before minority interests	109,819	96,647
Other comprehensive income		
Valuation difference on available-for-sale securities	4,716	8,603
Deferred gains or losses on hedges	239	(447)
Foreign currency translation adjustment	24,127	20,537
Share of other comprehensive income of entities accounted for using equity method	8,235	3,887
Remeasurements of defined benefit plans, net of tax	—	(3,402)
Total other comprehensive income	37,318	29,179
Comprehensive income	147,138	125,826
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	145,652	124,981
Comprehensive income attributable to minority interests	1,486	845

(3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014 (from Apr. 1, 2013 - Mar. 31, 2014)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	2,065	780,196	(2,348)	921,757
Changes of items during period					
Dividends of surplus			(26,701)		(26,701)
Net income			108,451		108,451
Purchase of treasury shares				(36,116)	(36,116)
Disposal of treasury shares				6	5
Retirement of treasury shares			(34,815)	34,815	
Decrease in the number of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	46,933	(1,295)	45,638
Balance at end of current period	141,844	2,065	827,129	(3,643)	967,395

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	21,218	(1,670)	(13,671)	—	5,877	18,877	946,511
Changes of items during period							
Dividends of surplus							(26,701)
Net income							108,451
Purchase of treasury shares							(36,116)
Disposal of treasury shares							5
Retirement of treasury shares							—
Decrease in the number of consolidated subsidiaries							—
Net changes of items other than shareholders' equity	4,642	998	31,560	1,313	38,514	(1,172)	37,341
Total changes of items during period	4,642	998	31,560	1,313	38,514	(1,172)	82,980
Balance at end of current period	25,860	(671)	17,889	1,313	44,391	17,705	1,029,492

Fiscal year ended March 31, 2015 (from Apr. 1, 2014 - Mar. 31, 2015)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	141,844	2,065	827,129	(3,643)	967,395
Cumulative effects of changes in accounting policies			(2,628)		(2,628)
Restated balance	141,844	2,065	824,500	(3,643)	964,766
Changes of items during period					
Dividends of surplus			(24,757)		(24,757)
Net income			95,828		95,828
Purchase of treasury shares				(40,132)	(40,132)
Disposal of treasury shares				3	4
Retirement of treasury shares			(40,057)	40,057	
Decrease in the number of consolidated subsidiaries			262		262
Net changes of items other than shareholders' equity					
Total changes of items during period	―	―	31,275	(71)	31,204
Balance at end of current period	141,844	2,065	855,776	(3,715)	995,971

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	25,860	(671)	17,889	1,313	44,391	17,705	1,029,492
Cumulative effects of changes in accounting policies							(2,628)
Restated balance	25,860	(671)	17,889	1,313	44,391	17,705	1,026,863
Changes of items during period							
Dividends of surplus							(24,757)
Net income							95,828
Purchase of treasury shares							(40,132)
Disposal of treasury shares							4
Retirement of treasury shares							―
Decrease in the number of consolidated subsidiaries							262
Net changes of items other than shareholders' equity	8,595	(1,149)	25,182	(3,476)	29,152	41	29,194
Total changes of items during period	8,595	(1,149)	25,182	(3,476)	29,152	41	60,398
Balance at end of current period	34,455	(1,820)	43,071	(2,163)	73,543	17,747	1,087,262

(4) Consolidated statements of cash flows

(Unit: million yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	158,350	147,251
Depreciation	136,950	138,635
Impairment loss	2,337	30,987
Amortization of long-term prepaid expenses	3,429	3,217
Loss on retirement of property, plant and equipment	1,624	2,001
Loss (gain) on sales of non-current assets	(997)	(5,921)
Loss (gain) on sales of investment securities	(2)	(5,062)
Increase (decrease) in provision for gas appliance warranties	—	3,675
Increase (decrease) in net defined benefit liability	(2,240)	(4,810)
Increase (decrease) in net defined benefit asset	(397)	(4,474)
Increase (decrease) in provision for loss on guarantees	—	1,562
Increase (decrease) in Reserve for safety measures	(671)	2,995
Interest and dividend income	(3,632)	(4,661)
Interest expenses	12,313	12,659
Share of (profit) loss of entities accounted for using equity method	(4,838)	(3,313)
Decrease (increase) in notes and accounts receivable - trade	(30,752)	2,355
Decrease (increase) in inventories	5,542	(12,008)
Increase (decrease) in notes and accounts payable - trade	25,971	(7,305)
Decrease (increase) in consumption taxes refund receivable	841	(4,371)
Increase (decrease) in accrued consumption taxes	1,429	1,137
Decrease (increase) in accounts receivable - other	(4,064)	(5,603)
Other, net	(5,873)	(16,066)
Subtotal	295,321	272,878
Interest and dividend income received	4,721	13,512
Interest expenses paid	(12,006)	(12,649)
Income taxes paid	(47,043)	(50,515)
Net cash provided by (used in) operating activities	240,993	223,225
Cash flows from investing activities		
Payments into time deposits	(860)	(1,745)
Proceeds from withdrawal of time deposits	385	1,846
Proceeds from sales and redemption of investment securities	608	8,705
Purchase of property, plant and equipment	(172,600)	(180,097)
Purchase of intangible assets	(72,011)	(25,313)
Purchase of long-term prepaid expenses	(1,829)	(3,276)
Proceeds from sales of non-current assets	1,761	13,209
Payments of long-term loans receivable	(1,293)	(2,954)
Collection of long-term loans receivable	10,576	6,485
Other, net	(372)	(1,698)
Net cash provided by (used in) investing activities	(235,636)	(184,838)
Cash flows from financing activities		
Proceeds from long-term loans payable	69,547	29,359
Repayments of long-term loans payable	(20,552)	(30,891)
Proceeds from issuance of bonds	35,000	20,000
Redemption of bonds	(30,000)	(20,000)
Purchase of treasury shares	(36,116)	(40,132)
Cash dividends paid	(26,698)	(24,774)
Other, net	(374)	(1,301)
Net cash provided by (used in) financing activities	(9,195)	(67,741)

(Unit: million yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Effect of exchange rate change on cash and cash equivalents	10,473	6,769
Net increase (decrease) in cash and cash equivalents	6,635	(22,585)
Cash and cash equivalents at beginning of period	144,283	150,918
Cash and cash equivalents at end of period	150,918	128,333

(5) Notes on consolidated financial statements

1) (Note on going concerns' premise)

Not applicable

2) (Basis of preparation of consolidated financial statements)

Disclosure is omitted because there are no significant changes excluding the changes stated in 3) below since the publication of the most recent securities report (filed June 27, 2014).

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

Change in accounting policy

Effective from the consolidated fiscal year under review, the Company adopted the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, May 17, 2012, hereinafter, "Accounting Standard") and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012, hereinafter, "Guidance on Retirement Benefits"), with regard to the clauses set forth in Article 35 of the Accounting Standard and Article 67 of the Guidance on Retirement Benefits. Under the new standard, the calculation of liabilities for retirement benefits and service costs has been revised and the method of attributing expected benefits to periods has been changed from straight-line basis to benefit formula basis. The determination of the discount rate has been also changed from method of using the discount rate corresponding to the average remaining service life of employees to method of using average discount period.

With regard to the application of the Accounting Standard, etc., in accordance with the provisions on transitional implementation indicated in Paragraph 37 of the Accounting Standard for Retirement Benefits, the impact resulting from the change in the calculation method of liabilities for retirement benefits and service costs is included in retained earnings at the beginning of the consolidated fiscal year under review. However, the impact is immaterial and has immaterial impact on operating income, ordinary income and income before income taxes for the consolidated fiscal year under review.

However, the change in account policy has immaterial impact on operating income, ordinary income and income before income taxes for the consolidated fiscal year under review.

4) (Segment information, etc.)

1. Overview of reporting segments

The Group's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Group is pursuing integrated energy business with natural gas at its core into wider geographical areas. The Group's main products and services are "city gas" and "other energy," representing energy created using natural gas as the raw material, and "gas appliances and installation work."

In addition, businesses involving the efficient utilization of the Group's real estate holdings represent another earnings base, and the Group therefore uses the four reporting segments of "city gas," "gas appliances and installation work," "other energy," and "real estate."

The main products and services of each reporting segment are as follows:

City gas:	City gas
Gas appliances and installation work:	Gas appliances and installation work
Other energy:	Energy services, liquefied petroleum gas, electric power, industrial gases, and LNG sales
Real estate:	Leasing, management, etc. of land and buildings

2. Calculation of net sales, profit and loss, and assets, etc.

The same accounting method with which is applied to the consolidated financial statements is applied to segment accounting.

Income of reporting segment is calculated based on operating income.

Intersegment sales and transfers are attributable to transactions within group companies, and calculated based on market value

3. Information related to net sales, profit and loss, and assets, etc. by reporting segment

Fiscal year ended March 31, 2014 (from Apr. 1, 2013 - Mar. 31, 2014)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	1,447,582	208,296	351,101	10,879	2,017,861	94,256	2,112,117	—	2,112,117
Intersegment sales & transfers	57,616	13,413	6,467	17,436	94,932	105,138	200,071	(200,071)	—
Total	1,505,198	221,710	357,569	28,316	2,112,794	199,394	2,312,189	(200,071)	2,112,117
Segment income	152,680	7,634	32,528	5,700	198,543	11,695	210,239	(44,195)	166,044
Segment Assets	1,126,835	70,828	200,973	141,667	1,540,303	298,742	1,839,046	337,770	2,176,816
Others									
Depreciation expenses	107,280	1,024	11,785	7,788	127,878	11,748	139,627	(2,676)	136,950
Increase in property, plant, equipment, and intangible assets	141,093	777	24,947	2,765	169,584	79,699	249,283	(3,108)	246,174

Notes:

1. The "Others" segment indicates businesses not included in the reporting segments, including construction business, information processing service, shipping business, credit/lease financial services, and overseas business.
2. The "Adjustments" indicates as follows;
   (1) The ¥(44,195) million segment income adjustment includes ¥951 million in eliminations for intersegment transactions and ¥(45,146) million of companywide expenses not allocated to the respective reporting segments. Companywide expenses are primarily, general and administrative expenses that are not assignable to a reporting segment.
   (2) The ¥337,770 million segment assets adjustment includes ¥395,202 million of companywide assets not allocated to the respective reporting segments, and ¥(57,431) million of net eliminations for intersegment

obligations. Companywide assets are primarily, financial assets that are not assignable to a reporting segment.

3. Segment income is adjusted to reflect operating income as recorded on the Consolidated Statements of Income.

Fiscal year ended March 31, 2015 (from Apr. 1, 2014 - Mar. 31, 2015)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	1,582,930	191,576	401,113	10,164	2,185,784	106,763	2,292,548	—	2,292,548
Intersegment sales & transfers	57,976	13,385	7,144	15,774	94,282	119,477	213,759	(213,759)	—
Total	1,640,907	204,961	408,257	25,939	2,280,066	226,241	2,506,307	(213,759)	2,292,548
Segment income	157,152	3,029	30,511	4,383	195,076	19,527	214,603	(42,849)	171,753
Segment Assets	1,180,776	72,166	221,231	138,030	1,612,205	319,073	1,931,279	326,383	2,257,662
Others									
Depreciation expenses	107,544	1,021	11,515	7,360	127,442	13,939	141,381	(2,746)	138,635
Increase in property, plant, equipment, and intangible assets	161,213	696	26,434	4,139	192,484	33,141	225,625	(4,305)	221,320

Notes:

1. The "Others" segment indicates businesses not included in the reporting segments, including construction business, information processing service, shipping business, and credit/lease financial services.
2. The "Adjustments" indicates as follows;
   (1) The ¥(42,849) million segment income adjustment includes ¥226 million in eliminations for intersegment transactions and ¥(43,076) million of companywide expenses not allocated to the respective reporting segments. Companywide expenses are primarily, general and administrative expenses that are not assignable to a reporting segment.
   (2) The ¥326,383 million segment assets adjustment includes ¥394,713 million of companywide assets not allocated to the respective reporting segments, and ¥(68,329) million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets that are not assignable to a reporting segment.
3. Segment income is adjusted to reflect operating income as recorded on the Consolidated Statements of Income.

5) (Per share information)

(Unit: yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Shareholders' equity per share	402.91	438.28
Net income per share	43.10	39.15

Notes:

1. Diluted net income per share is not disclosed as no latent shares exist.
2. Basis for calculation of net income per share is as follows.

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Net income (million yen)	108,451	95,828
Not attributable to common shareholders (million yen)	—	—
Net income attributable to common shareholders (million yen)	108,451	95,828
Average number of common shares outstanding (thousand shares)	2,516,349	2,447,968

3. Basis for calculation of BPS is as follows.

	FY2013 (as of Mar. 31, 2014)	FY2014 (as of Mar. 31, 2015)
Shareholders' equity (million yen)	1,029,492	1,087,262
Deduction from shareholders' equity (million yen)	17,705	17,747
-Shares of minority shareholders (million yen)	17,705	17,747
Net shareholders' equity attributable to common shares (million yen)	1,011,787	1,069,515
Number of shares to calculate BPS (thousand shares)	2,511,217	2,440,238

6) (Material subsequent events)

Fiscal year ended March 31, 2015 (from Apr. 1, 2014 - Mar. 31, 2015)

The Company resolved at the meeting of Board of Directors held on April 28, 2015 that it would acquire its own shares of stock based on 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.

The repurchases of shares are to be carried out as described below:

Type of shares:	Ordinary shares of the Company
No. of shares to be repurchased:	Up to 50 million shares (2.0% of the common shares outstanding)
Total value of stock repurchased:	Up to ¥34,000 million
Period of acquisitions:	April 30, 2015 – March 31, 2016

VI. Non-Consolidated Financial Statements

(1)Balance sheets

(Unit: million yen)

	FY2013 (as of Mar. 31, 2014)	FY2014 (as of Mar. 31, 2015)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	183,615	177,784
Distribution facilities	458,525	460,376
Service and maintenance facilities	56,143	55,485
Facilities for incidental businesses	2,741	2,623
Inactive facilities	316	387
Construction in progress	93,079	147,349
Total property, plant and equipment	794,422	844,007
Intangible assets		
Patent right	7	10
Leasehold right	1,645	1,662
Software	19,450	21,643
Other intangible assets	9,147	9,538
Total intangible assets	30,251	32,855
Investments and other assets		
Investment securities	75,157	86,234
Investments in subsidiaries and associates	293,358	304,597
Long-term loans receivable	72	66
In-house long-term loans receivable	—	12
Long-term loans receivable from subsidiaries and associates	94,986	99,693
Investments in capital	13	13
Long-term prepaid expenses	12,878	11,106
Prepaid pension cost	11,670	6,051
Deferred tax assets	14,940	11,930
Other investments and other assets	3,501	7,026
Allowance for doubtful accounts	(1,282)	(768)
Total investments and other assets	505,297	525,963
Total non-current assets	1,329,971	1,402,826
Current assets		
Cash and deposits	22,108	28,329
Notes receivable - trade	1,179	1,196
Accounts receivable - trade	164,037	166,086
Accounts receivable from subsidiaries and associates - trade	44,822	42,501
Accounts receivable - other	14,491	21,992
Securities	78,000	43,000
Finished goods	167	123
Raw materials	43,294	49,849
Supplies	10,052	10,871
Advance payments	—	12
Prepaid expenses	978	1,107
Short-term receivables from subsidiaries and associates	8,874	8,810
Deferred tax assets	8,375	9,344
Other current assets	38,013	41,711
Allowance for doubtful accounts	(746)	(637)
Total current assets	433,650	424,298
Total assets	1,763,621	1,827,125

(Unit: million yen)

	FY2013 (as of Mar. 31, 2014)	FY2014 (as of Mar. 31, 2015)
Liabilities		
Non-current liabilities		
Bonds payable	322,695	312,697
Long-term loans payable	235,012	252,141
Long-term debt to subsidiaries and associates	365	340
Provision for retirement benefits	73,012	62,006
Provision for gas holder repairs	3,015	2,997
Provision for safety measures	1,713	868
Provision for product warranties	—	3,675
Provision for loss on guarantees	—	1,562
Other noncurrent liabilities	2,018	1,927
Total non-current liabilities	637,833	638,217
Current liabilities		
Current portion of non-current liabilities	41,352	35,263
Accounts payable - trade	73,219	69,162
Accounts payable - other	41,336	50,597
Accrued expenses	33,683	33,410
Income taxes payable	33,273	35,481
Advances received	4,651	6,850
Deposits received	2,641	2,047
Short-term loans payable to subsidiaries and associates	71,996	87,966
Accounts payable to subsidiaries and associates	14,748	21,864
Accrued expenses to subsidiaries and affiliates	23,833	24,585
Short-term debt to subsidiaries and associates	2,053	1,417
Provision for safety measures	—	3,812
Other current liabilities	9,719	5,484
Total current liabilities	352,508	377,943
Total liabilities	990,341	1,016,160
Net assets		
Shareholders' equity		
Capital stock	141,844	141,844
Capital surplus		
Legal capital surplus	2,065	2,065
Total capital surpluses	2,065	2,065
Retained earnings		
Legal retained earnings	35,454	35,454
Other retained earnings		
Reserve for advanced depreciation of non-current assets	856	1,607
Reserve for overseas investment loss	13,213	13,129
Reserve for adjustment of cost fluctuations	141,000	141,000
General reserve	299,000	339,000
Retained earnings brought forward	124,075	119,973
Total retained earnings	613,599	650,165
Treasury shares	(3,643)	(3,715)
Total shareholders' equity	753,865	790,360
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	25,101	33,765
Deferred gains or losses on hedges	(5,686)	(13,159)
Total valuation and translation adjustments	19,414	20,605
Total net assets	773,280	810,965
Total liabilities and net assets	1,763,621	1,827,125

(2)Statements of income

(Unit: million yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Product sales		
Gas sales	1,467,714	1,604,342
Total product sales	1,467,714	1,604,342
Cost of sales		
Beginning inventories	145	167
Cost of products manufactured	955,697	1,086,224
Purchase of finished goods	13,738	14,919
Costs of gas for own use	3,286	3,321
Ending inventories	167	123
Total cost of sales	966,127	1,097,866
Gross profit	501,586	506,476
Supply and sales expenses	336,551	334,167
General and administrative expenses	71,053	70,669
Total selling, general and administrative expenses	407,604	404,837
Income on core business	93,982	101,639
Miscellaneous operating revenue		
Revenue from installation work	42,707	42,429
Revenue from gas appliance sales	127,671	114,651
Third party access revenue	245	279
Other miscellaneous operating revenue	9,197	7,585
Total miscellaneous operating revenue	179,821	164,945
Miscellaneous operating expenses		
Expenses of installation work	41,588	41,476
Expenses of gas appliance sales	125,361	116,819
Total operating miscellaneous expenses	166,950	158,296
Revenue for incidental businesses		
Revenue from LNG sales	119,641	150,931
Revenue from power sales	110,226	133,986
Revenue from other incidental businesses	31,102	29,389
Total revenue for incidental businesses	260,970	314,307
Expenses for incidental businesses		
Expenses for LNG sales	114,726	143,935
Expense for power sales	93,632	123,185
Expenses for other incidental businesses	30,856	29,282
Total expenses for incidental businesses	239,215	296,403
Operating income	128,607	126,192

(Unit: million yen)

	FY2013 (Apr. 2013 – Mar. 2014)	FY2014 (Apr. 2014 – Mar. 2015)
Non-operating income		
Interest income	901	807
Interest on securities	20	11
Dividend income	1,535	1,663
Dividends from subsidiaries and affiliates	5,165	15,397
Rent income	3,707	3,536
Revenue from dedicated equipment	562	3,487
Miscellaneous income	6,291	5,920
Total non-operating income	18,184	30,825
Non-operating expenses		
Interest expenses	4,184	4,373
Interest on bonds	6,201	6,276
Amortization of bond issuance cost	187	96
Balance on commissioned construction	2,551	2,095
Miscellaneous expenses	3,407	4,126
Total non-operating expenses	16,532	16,969
Ordinary income	130,260	140,048
Extraordinary income		
Gain on sales of non-current assets	464	1,947
Gain on sales of investment securities	—	5,060
Total extraordinary income	464	7,007
Extraordinary losses		
Impairment loss	2,142	—
Loss on reduction of non-current assets	—	503
Loss on valuation of investment securities	—	809
Total extraordinary losses	2,142	1,313
Income before income taxes	128,582	145,742
Income taxes - current	32,655	39,033
Income taxes - deferred	5,880	2,846
Total income taxes	38,535	41,879
Net income	90,047	103,863

(3)Statements of changes in net assets

Fiscal year ended March 31, 2014 (from Apr. 1, 2013 - Mar. 31, 2014)

(Unit: million yen)

	Shareholders' equity									
		Capital surplus		Retained earnings						
					Other retained earnings					
	Capital stock	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of current period	141,844	2,065	2,065	35,454	856	12,563	141,000	299,000	96,196	585,070
Changes of items during period										
Provision of reserve for overseas investment loss						1,026			(1,026)	
Reversal of reserve for overseas investment loss						(376)			376	
Dividends of surplus									(26,701)	(26,701)
Net income									90,047	90,047
Purchase of treasury shares										
Disposal of treasury shares										
Retirement of treasury shares									(34,815)	(34,815)
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	—	—	—	650	—	—	27,879	28,529
Balance at end of current period	141,844	2,065	2,065	35,454	856	13,213	141,000	299,000	124,075	613,599

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(2,348)	726,631	20,652	(2,954)	17,698	744,329
Changes of items during period						
Provision of reserve for overseas investment loss						—
Reversal of reserve for overseas investment loss						—
Dividends of surplus		(26,701)				(26,701)
Net income		90,047				90,047
Purchase of treasury shares	(36,116)	(36,116)				(36,116)
Disposal of treasury shares	6	5				5
Retirement of treasury shares	34,815					—
Net changes of items other than shareholders' equity			4,448	(2,732)	1,716	1,716
Total changes of items during period	(1,295)	27,234	4,448	(2,732)	1,716	28,950
Balance at end of current period	(3,643)	753,865	25,101	(5,686)	19,414	773,280

Fiscal year ended March 31, 2015 (from Apr. 1, 2014 - Mar. 31, 2015)

(Unit: million yen)

	Shareholders' equity									
	Capital stock	Capital surplus		Retained earnings						
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings					Total retained earnings
					Reserve for advanced depreciation of non-current assets	Reserve for overseas investment loss	Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	
Balance at beginning of current period	141,844	2,065	2,065	35,454	856	13,213	141,000	299,000	124,075	613,599
Cumulative effects of changes in accounting policies									(2,482)	(2,482)
Restated balance	141,844	2,065	2,065	35,454	856	13,213	141,000	299,000	121,593	611,117
Changes of items during period										
Provision of reserve for advanced depreciation of non-current assets					751				(751)	
Provision of reserve for overseas investment loss						356			(356)	
Reversal of reserve for overseas investment loss						(439)			439	
Provision of general reserve								40,000	(40,000)	
Dividends of surplus									(24,757)	(24,757)
Net income									103,863	103,863
Purchase of treasury shares										
Disposal of treasury shares										
Retirement of treasury shares									(40,057)	(40,057)
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	—	—	750	(83)	—	40,000	(1,619)	39,048
Balance at end of current period	141,844	2,065	2,065	35,454	1,607	13,129	141,000	339,000	119,973	650,165

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(3,643)	753,865	25,101	(5,686)	19,414	773,280
Cumulative effects of changes in accounting policies		(2,482)				(2,482)
Restated balance	(3,643)	751,383	25,101	(5,686)	19,414	770,797
Changes of items during period						
Provision of reserve for advanced depreciation of non-current assets						–
Provision of reserve for overseas investment loss						–
Reversal of reserve for overseas investment loss						–
Provision of general reserve						–
Dividends of surplus		(24,757)				(24,757)
Net income		103,863				103,863
Purchase of treasury shares	(40,132)	(40,132)				(40,132)
Disposal of treasury shares	3	4				4
Retirement of treasury shares	40,057					–
Net changes of items other than shareholders' equity			8,664	(7,473)	1,190	1,190
Total changes of items during period	(71)	38,977	8,664	(7,473)	1,190	40,167
Balance at end of current period	(3,715)	790,360	33,765	(13,159)	20,605	810,965

(4)Notes on non-consolidated financial statements

(Note on going concerns' premise)

Not applicable

VII .Others

(1) Management reshuffle

Management reshuffle has been disclosed on February 20, 2015.

(2) Non-consolidated operating results

<Gas Sales Volume for FY2013>

			FY2014 (actual)	FY2013 (actual)	Change	% change
No. of customers		Thousand	10,958	10,809	149	1.4
Gas sales volume	Residential	m^3	30.58	30.74	-0.16	-0.5
		Mil. m^3	3,377	3,345	32	1.0
	Business	Mil. m^3	2,591	2,681	-90	-3.3
	Industrial	Mil. m^3	7,053	6,239	814	13.1
	Subtotal	Mil. m^3	9,644	8,919	725	8.1
	Supplies to other utilities	Mil. m^3	2,311	2,255	56	2.5
	Total	Mil. m^3	15,332	14,519	813	5.6
Average temperature		°C	16.0	16.1	-0.1	—

<FY2014 Balance of Payments>

(Unit: hundred million yen)

Income			Change from previous year	Rate (%)	Expenses			Change from previous year	Rate (%)
Product sales	Gas sales	16,043	1,366	9.3	Operating expenses	Cost of sales	10,978	1,317	13.6
						Sales and administrative expenses	4,048	-28	-0.7
						Subtotal	15,027	1,290	9.4
Other sales	Installation work	424	-3	-0.7	Other expenses	Installation work	414	-1	-0.3
	Gas appliances, etc.	1,225	-146	-10.6		Gas appliances	1,168	-85	-6.8
	Incidental businesses	3,143	534	20.4		Incidental businesses	2,964	572	23.9
	Subtotal	4,792	385	8.7		Subtotal	4,546	485	11.9
Total net sales		20,835	1,750	9.2	Total expenses		19,574	1,776	10.0
					Operating income		1,261	-25	-1.9
Non-operating income		308	127	69.5	Non-operating expenses		169	4	2.6
					Ordinary income		1,400	98	7.5
Extraordinary income		70	66	—	Extraordinary loss		13	-8	-38.7
					Net income		1,038	138	15.3

Notes:

1 Cost of sales includes gas resource cost of ¥1,069.3 billion (increased by ¥130.5 billion, or 13.9%, year on year).

2 Non-operating expenses include interest expenses of ¥10.6 billion (increased by ¥0.3 billion, or 2.7%, year on year).

<Capital Expenses>

(Unit: hundred million yen)

	FY2013 (Actual)		FY2014 (Actual)		FY2015 (Projection)	
		(%)		(%)		(%)
Production facilities	289	20.9	359	22.6	401	21.1
Distribution facilities	907	65.3	1,014	63.9	1,036	54.3
Business facilities	188	13.6	210	13.2	458	24.0
Associated business facilities	2	0.2	3	0.3	12	0.6
Total	1,388	100.0	1,587	100.0	1,908	100.0

(Unit: hundred million yen)

Terminal-related facilities (production facilities)	FY2013 (Actual)		FY2014 (Actual)		FY2015 (Projection)	
Sodegaura Terminal		28		53		63
Negishi Terminal		52		46		63
Ohgishima Terminal		46		17		18
Hitachi LNG terminal		160		236		244
Total		286		352		388
Mains and branches (distribution facilities)	FY2013 (Actual)		FY2014 (Actual)		FY2015(Projection)	
Demand-development mains and branches	(659km)	278	(601km)	284	(606km)	274
Safety measure mains and branches	(310km)	211	(342km)	232	(324km)	211
Planned mains and branches	(64km)	233	(83km)	306	(45km)	340
Urban development mains and branches	(37km)	7	(31km)	11	(43km)	11
Total	(1,070km)	730	(1,058km)	835	(1,019km)	837