

Consolidated Financial Results Bulletin for the 3rd Quarter Ended December 31, 2015**(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531
 (URL <http://www.tokyo-gas.co.jp/IR/english/index.html>)
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Stock listings:
 Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: February 15, 2016
 Scheduled date of the start of dividend payments: —
 Preparation of 3Q earnings presentation material (yes/no): **Yes**
 Holding of 3Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Performance for 3rd Quarter (from April 1, 2015 to - December 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 attributable to the parent company	
Nine months ended Dec. 31, 2015	1,339,907	-15.2%	128,412	126.3%	125,378	143.6%	78,900	108.8%
Nine months ended Dec. 31, 2014	1,580,129	10.1%	56,747	-35.4%	51,472	-38.1%	37,788	-31.5%

Note: Total comprehensive income

Nine months ended December 31, 2015: 75,756 million yen (89.8%) Nine months ended December 31, 2014: 39,915 million yen (-50.9%)

	Net income per share	Diluted net income per share
Nine months ended Dec. 31, 2015	32.87 yen	—
Nine months ended Dec. 31, 2014	15.42 yen	—

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio
As of Dec. 31, 2015	2,203,590	1,104,776	49.3%
As of Mar. 31, 2015	2,257,662	1,087,262	47.4%

Reference: Shareholders' equity

As of December 31, 2015: 1,086,297 million yen As of March 31, 2015: 1,069,515 million yen

2. Dividend

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
FY2014 ended Mar. 31, 2015	—	5.00	—	5.00	10.00
FY2015 ending Mar. 31, 2016	—	5.00	—		
FY2015 ending Mar. 31, 2016 (Forecast)				6.00	11.00

Note: Revision to the dividend forecast that has been disclosed lastly: **Yes**

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 corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to the parent company		Net income per share
	Value	% Change	Value	% Change	Value	% Change	Value	% Change	Value
Full-year	1,895,000	-17.3%	188,000	9.5%	181,000	7.6%	122,000	27.3%	50.88 yen

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio
Full-year	2,296,000	1,151,000	49.3%

Reference: Shareholders' equity: 1,132,000 million yen

Note: Revision to the consolidated results forecast that has been disclosed lastly: *Yes*

*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 5 of the Attachment, "2. Summary Information (Notes): (1) 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: *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 5 of the Attachment, "2. Summary Information (Notes): (2) Changes in accounting policies or estimates and retrospective restatements" for details.

(4) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Dec. 31, 2015	2,396,778,295	Mar. 31, 2015	2,446,778,295
2) Number of shares of treasury stock at end of period:	Dec. 31, 2015	6,679,607	Mar. 31, 2015	6,540,207
3) Average number of shares during period:	Apr. – Dec. 2015	2,400,641,850	Apr. – Dec. 2014	2,450,539,628

* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to this Consolidated Financial Results Bulletin, and the quarterly review 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 3 of the Attachment, "1. Qualitative Information on 3rd Quarter Results: (3) Qualitative information on consolidated results forecast" for details.

2. Supplementary explanation materials for financial results will be posted on the Company's website.

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
		(% of change)		(% of change)		(% of change)		(% of change)	
Full-year	1,693,000	-18.7%	154,000	22.0%	161,000	15.0%	102,000	-1.8%	42.54 yen

Note: Revision to the non-consolidated results forecast that has been disclosed lastly: *Yes*

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1. Qualitative Information on 3rd Quarter Results

(1) Qualitative information on consolidated business performance

Gas sales volume for the third quarter of FY2015 (April 1 – December 31, 2015) decreased 0.2% year-on-year, to 10,833 million m³. This slight decrease was mainly caused by a reduction in residential and commercial demand in line with lower demand for hot water supply and air conditioning affected by higher temperatures in winter than in the year-earlier, which could not be fully offset by an improvement in industrial demand especially from new consumers. Sales unit prices under the gas rate adjustment system declined due to the drop in crude oil prices, resulting in an 18.0% decrease in city gas sales to ¥918.0 billion.

In addition to this decrease in city gas sales, sales of other energy (electric power generation etc.) declined, leading to a 15.2% decrease in consolidated net sales, to ¥1,339.9 billion.

In line with efforts to further increase management efficiency and reduce expenses to the maximum extent possible, lower gas resource costs mainly caused by drop in crude oil prices, combined with a decrease in expenses at the other energy segment, resulted in a 20.5% decrease in operating expenses, to ¥1,211.4 billion.

As a result, operating income increased 126.3 % year-on-year, to ¥128.4 billion, and ordinary income was 143.6% higher, to ¥125.3 billion. Net income attributable to the parent company increased 108.8%, to ¥78.9 billion after the recording of extraordinary loss (impairment loss on overseas upstream projects of ¥19.1 billion) and income taxes.

Because the city gas business accounts for the majority of consolidated net sales, seasonal fluctuations at the business from factors including average temperatures may have a significant impact on net sales.

<Consolidated Gas Sales Volume for Nine Months Ended December 31, 2015>

		Apr. – Dec. 2015	Apr. – Dec. 2014	Change	% change	
No. of customers	Thousands	11,352	11,209	143	1.3	
Gas sales volume	Residential	m ³	23.46	24.30	-0.84	-3.5
		Mil. m ³	2,024	2,065	-41	-2.0
	Commercial	Mil. m ³	1,885	1,912	-27	-1.4
	Industrial	Mil. m ³	5,390	5,355	35	0.6
	Subtotal	Mil. m ³	7,275	7,268	7	0.1
	Supplies to other utilities	Mil. m ³	1,534	1,517	17	1.2
	Total	Mil. m ³	10,833	10,850	-17	-0.2
Average temperature	°C	19.6	19.3	0.3	—	

Notes:

1. The upper row of figures for residential demand indicates gas sales per meter read (m³/household, month).
2. “Commercial” indicates sales to commercial, public and medical institutions.
3. Gas sales volumes are on the basis of 45MJ/m³.
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	Apr. – Dec. 2015	Apr. – Dec. 2014	Change	Crude oil price (\$/bbl)	Apr. – Dec. 2015	Apr. – Dec. 2014	Change
	121.74	106.73	15.01		54.59	102.51	-47.92

(2) Qualitative information on consolidated financial position

Total assets as of December 31, 2015, totaled ¥2,203.5 billion, marking a ¥54.1 billion decrease from March 31, 2015. Despite an increase in property, plant and equipment from capital investment, decreases in investment securities (negotiable certificates of deposit) resulted in an overall decline.

Net assets totaled ¥1,104.7 billion, reflecting an increase from the recording of net income attributable to the parent company for the nine months (¥78.9 billion), which more than offset decreases from purchases of treasury stock in the market (¥33.8 billion) and the payment of dividends from surplus (¥24.1 billion).

Due to an increase in shareholders' equity (calculated as the total of shareholders' equity and valuation and translation adjustments) contrary to a decrease in total assets, the shareholders' equity ratio rose 1.9 percentage points, to 49.3%.

(3) Qualitative information on consolidated results forecast

Based on recent market prices, we reviewed the economic assumptions framing our consolidated results forecast for FY2015, included with the Consolidated Financial Results Bulletin for the Second Quarter Ended September 30, 2015. After due consideration, while an average foreign exchange rate of ¥120/\$ remain unchanged, we revised an average crude oil price of \$55/bbl to \$40/bbl from January. According to these assumptions, foreign exchange rate for the full year FY2015 is estimated to be ¥121.31/\$ and crude oil price for FY2015 is estimated to be \$50.94/bbl.

Reflecting these changes, we have revised our forecasts for consolidated business results: contrary to our downward revision of net sales by ¥1.0 billion to ¥1,895.0 billion, we raised our income forecasts: by ¥20.0 billion for operating income, to ¥188.0 billion, and by ¥19.0 billion for ordinary income, to ¥181.0 billion. However, as for the outlook of net income attributable to the parent company, we keep the previous forecast unchanged from ¥122.0 billion, due mainly to posting extraordinary losses, including impairment loss on overseas upstream projects.

We have similarly revised our non-consolidated results forecast included with the Consolidated Financial Results Bulletin for the Second Quarter Ended September 30, 2015, which was released on October 30, 2015. We have reduced our net sales forecast by ¥7.0 billion, to ¥1,693.0 billion. This downward revision is based on expected lowering of unit sales prices under the gas rate adjustment system. On the other hand, we expect a growth in gas gross margin attributable to a decrease in gas resource costs. As a result, we have accordingly raised our income forecasts: by ¥15.0 billion for operating income, to ¥154.0 billion, and by ¥19.0 billion for ordinary income, to ¥161.0 billion. On the contrary, we made a downward revision to the forecast for net income by ¥8.0 billion to ¥102.0 billion, due mainly to posting extraordinary losses, including a valuation loss on shares of affiliated companies.

1) Consolidated Business Results

a. Gas sales volume forecast for FY2015

			FY2015 (Forecast)	FY2014 (Results)	Change	% change
Gas sales volume	Residential	Mil. m ³	3,453	3,482	-29	-0.8
	Commercial	Mil. m ³	2,703	2,750	-47	-1.7
	Industrial	Mil. m ³	7,293	7,235	58	0.8
	Subtotal	Mil. m ³	9,996	9,984	12	0.1
	Supplies to other utilities	Mil. m ³	2,153	2,074	79	3.8
	Total	Mil. m ³	15,602	15,541	61	0.4
Average temperature		°C	16.3	16.0	0.3	—

b. Forecast for FY2015

(Unit: hundred million yen)

	Net sales			Operating income	Ordinary income	Net income attributable to the parent company
		Gas sales	Other sales			
FY2015 (forecast)	18,950	13,073	5,877	1,880	1,810	1,220
FY2014 (results)	22,925	16,409	6,516	1,717	1,681	958
Change	-3,975	-3,336	-639	163	129	262
% change	-17.3%	-20.3%	-9.8%	9.5%	7.6%	27.3%

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	3,350	3,377	-27	-0.8
	Commercial	Mil. m ³	2,546	2,591	-45	-1.7
	Industrial	Mil. m ³	7,116	7,053	63	0.9
	Subtotal	Mil. m ³	9,662	9,644	18	0.2
	Supplies to other utilities	Mil. m ³	2,388	2,311	77	3.3
	Total	Mil. m ³	15,400	15,332	68	0.4

b. Forecast for FY2015

(Unit: hundred million yen)

	Net sales		Operating income	Ordinary income	Net income
	Gas sales	Other sales			
FY2015 (forecast)	16,930	12,710	1,540	1,610	1,020
FY2014 (results)	20,835	16,043	1,261	1,400	1,038
Change	-3,905	-3,333	279	210	-18
% change	-18.7%	-20.8%	22.0%	15.0%	-1.8%

(Foreign Exchange Rate and Crude Oil Price)

¥/\$ rate	FY2015 (Forecast)	FY2014 (Results)	Change	Crude oil price (\$/bbl)	FY2015 (Forecast)	FY2014 (Results)	Change
		121.31	109.76		11.55		50.94

2. Summary Information (Notes)

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

Calculation of taxes

Taxes are calculated by multiplying income before income taxes for the third-quarter period under review by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the income before income taxes for the current consolidated fiscal year ending March 31, 2016 including the third quarter under review.

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

Change in accounting principle

Effective from the end of the first quarter of the current fiscal year, the Company adopted the Accounting Standard for Business Combinations (Accounting Standards Board of Japan (“ASBJ”) Statement No. 21, September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ statement No.22, September 13, 2013) and the Accounting Standard for Business Divestitures (ASBJ statement No.7, September 13, 2013). Accordingly, the difference arising from a change in the Company’s ownership interest in a subsidiary over which the Company continues to have control is recognized in capital surplus, and acquisition costs are expensed in the period incurred. In addition, as for business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company revised the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the quarterly consolidated financial statements that includes the acquisition date. Furthermore, the Company revised the presentation method of quarterly net income and also amended the reference to “minority interests” to “non-controlling interests.” To reflect these changes in presentation, the Company reclassified the quarterly consolidated financial statements in the Third quarter of FY2014 and the consolidated financial statements in previous fiscal year.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The effect of these changes on profit and loss is considered to be immaterial.

3. Consolidated Financial Statements
(1) Consolidated balance sheets

(Unit: million yen)

	FY2014 (as of Mar. 31, 2015)	3rd Quarter of FY2015 (as of Dec. 31, 2015)
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	174,760	181,349
Distribution facilities	479,060	530,683
Service and maintenance facilities	60,525	59,125
Other facilities	326,424	323,866
Inactive facilities	387	374
Construction in progress	223,821	194,741
Total property, plant and equipment	1,264,979	1,290,140
Intangible assets		
Goodwill	503	421
Other intangible assets	134,937	129,996
Total intangible assets	135,441	130,418
Investments and other assets		
Investment securities	199,166	199,120
Long-term loans receivable	16,149	21,758
Net defined benefit asset	5,541	7,162
Deferred tax assets	24,731	28,768
Other investments and other assets	30,335	29,753
Allowance for doubtful accounts	△444	△435
Total investments and other assets	275,480	286,128
Total non-current assets	1,675,901	1,706,687
Current assets		
Cash and deposits	86,493	97,625
Notes and accounts receivable - trade	250,326	218,074
Lease receivables and investment assets	26,379	25,103
Securities	43,010	—
Merchandise and finished goods	3,189	3,453
Work in process	14,046	22,968
Raw materials and supplies	71,630	61,190
Deferred tax assets	12,637	11,397
Other current assets	74,632	57,525
Allowance for doubtful accounts	△584	△435
Total current assets	581,761	496,903
Total assets	2,257,662	2,203,590

(Unit: million yen)

	FY2014 (as of Mar. 31, 2015)	3rd Quarter of FY2015 (as of Dec. 31, 2015)
Liabilities		
Non-current liabilities		
Bonds payable	312,697	284,997
Long-term loans payable	339,214	365,075
Deferred tax liabilities	11,436	11,569
Net defined benefit liability	75,071	71,988
Provision for gas holder repairs	3,421	3,426
Reserve for safety measures	868	469
Provision for gas appliance warranties	3,675	3,108
Provision for loss on guarantees	1,562	1,469
Asset retirement obligations	11,448	10,146
Other noncurrent liabilities	24,798	23,123
Total non-current liabilities	784,193	775,376
Current liabilities		
Current portion of non-current liabilities	58,020	47,444
Notes and accounts payable - trade	108,948	87,165
Short-term loans payable	18,547	20,197
Income taxes payable	43,640	9,869
Deferred tax liabilities	2	70
Provision for safety measures	3,839	619
Other current liabilities	153,208	158,070
Total current liabilities	386,206	323,437
Total liabilities	1,170,400	1,098,814
Net assets		
Shareholders' equity		
Capital stock	141,844	141,844
Capital surplus	2,065	2,065
Retained earnings	855,776	877,318
Treasury shares	△3,715	△4,431
Total shareholders' equity	995,971	1,016,796
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	34,455	34,486
Deferred gains or losses on hedges	△1,820	△3,231
Foreign currency translation adjustment	43,071	39,231
Remeasurements of defined benefit plans	△2,163	△986
Total accumulated other comprehensive income	73,543	69,500
Non-controlling interests	17,747	18,479
Total net assets	1,087,262	1,104,776
Total liabilities and net assets	2,257,662	2,203,590

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)
(Nine months ended December 31)

(Unit: million yen)

	Nine Months of FY2014 (Apr. - Dec., 2014)	Nine Months of FY2015 (Apr. - Dec., 2015)
Net sales	1,580,129	1,339,907
Cost of sales	1,194,232	890,183
Gross profit	385,897	449,724
Selling, general and administrative expenses		
Supply and sales expenses	279,794	273,422
General and administrative expenses	49,355	47,889
Total selling, general and administrative expenses	329,149	321,311
Operating income	56,747	128,412
Non-operating income		
Interest income	561	456
Dividend income	3,340	1,618
Share of profit of entities accounted for using equity method	2,374	1,604
Miscellaneous income	4,362	6,256
Total non-operating income	10,639	9,936
Non-operating expenses		
Interest expenses	9,305	8,986
Miscellaneous expenses	6,608	3,984
Total non-operating expenses	15,914	12,970
Ordinary income	51,472	125,378
Extraordinary income		
Gain on sales of non-current assets	5,474	—
Gain on sales of investment securities	4,868	—
Total extraordinary income	10,343	—
Extraordinary losses		
Impairment loss	598	19,193
Loss on valuation of investment securities	519	—
Total extraordinary losses	1,118	19,193
Income before income taxes and minority interests	60,697	106,184
Income taxes	22,281	26,447
Profit	38,416	79,736
Profit attributable to non-controlling interests	627	836
Profit attributable to owners of parent	37,788	78,900

(Consolidated statement of comprehensive income)
(Nine months ended December 31)

(Unit: million yen)

	Nine Months of FY2014 (Apr. - Dec., 2014)	Nine Months of FY2015 (Apr. - Dec., 2015)
Profit	38,416	79,736
Other comprehensive income		
Valuation difference on available-for-sale securities	4,155	91
Deferred gains or losses on hedges	△259	△1,589
Foreign currency translation adjustment	△1,536	△2,176
Remeasurements of defined benefit plans, net of tax	△1,681	1,133
Share of other comprehensive income of entities accounted for using equity method	820	△1,439
Total other comprehensive income	1,498	△3,980
Comprehensive income	39,915	75,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,303	74,857
Comprehensive income attributable to non-controlling interests	612	898

(3) Notes on consolidated financial statements

(Note on going concerns' premise)

Not applicable

(Significant changes in shareholders' equity)

1) 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.

The acquisition of treasury stock, as per the resolution passed by the Board of Directors on April 28, 2015, was completed with the purchases made by July 14, 2015.

- Purchase period May 8 – July 14, 2015 (contract basis)
- Number of shares purchased 50,000 thousand shares
- Total amount of purchase ¥33,833 million
- Purchase method Market buying by specified fund trust on the Tokyo Stock Exchange

2) Cancellation of treasury stock

The Company cancelled treasury stock as follows, based on a resolution of the Board of Directors passed on July 30, 2015, as per Article 178 of the Companies Act:

- Type of shares cancelled Tokyo Gas Common Stock
- Number of shares cancelled 50,000 thousand shares (ratio to the number of outstanding shares before the cancellation of treasury stock: 2.04%)
- Effective date of cancellation August 17, 2015

(Segment information)

(Information related to net sales and profit and loss amounts by reporting segment)

Nine months ended December 31, 2014 (from Apr. 1 – Dec. 31, 2014)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	1,077,101	130,253	290,030	7,719	1,505,105	75,024	1,580,129	—	1,580,129
Intersegment sales & transfers	42,492	10,160	4,907	11,664	69,224	79,037	148,262	-148,262	—
Total	1,119,594	140,413	294,937	19,384	1,574,329	154,061	1,728,391	-148,262	1,580,129
Segment income	50,542	799	18,761	3,988	74,092	13,204	87,297	-30,549	56,747

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 ¥(30,549) million segment income adjustment includes ¥876 million in eliminations for intersegment transactions and ¥(31,426) 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.
3. Segment income is adjusted to reflect operating income as recorded on the Consolidated Statements of Income.

Nine months ended December 31, 2015 (from Apr. 1 – Dec.31, 2015)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	884,337	140,289	245,230	7,186	1,277,044	62,863	1,339,907	—	1,339,907
Intersegment sales & transfers	33,709	9,577	3,961	11,752	59,001	77,559	136,560	-136,560	—
Total	918,047	149,867	249,191	18,939	1,336,045	140,422	1,476,468	-136,560	1,339,907
Segment income	119,317	5,705	24,089	4,131	153,244	8,383	161,627	-33,215	128,412

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 ¥(33,215) million segment income adjustment includes ¥(513) million in eliminations for intersegment transactions and ¥(32,701) 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.
3. Segment income is adjusted to reflect operating income as recorded on the Consolidated Statements of Income.

4. Supplementary Information

(1) Non-consolidated 3rd quarter business performance

<Gas Sales Volume for Nine Months Ended December 31, 2015>

		Apr. – Dec. 2015	Apr. – Dec. 2014	Change	% change	
No. of customers	Thousands	11,045	10,906	139	1.3	
Gas sales volume	Residential	m ³	23.36	24.20	-0.84	-3.5
		Mil. m ³	1,962	2,001	-39	-2.0
	Business	Mil. m ³	1,777	1,804	-27	-1.5
	Industrial	Mil. m ³	5,260	5,224	36	0.7
	Subtotal	Mil. m ³	7,038	7,028	10	0.1
	Supplies to other utilities	Mil. m ³	1,697	1,682	15	0.9
	Total	Mil. m ³	10,697	10,711	-14	-0.1
Average temperature	°C	19.6	19.3	0.3	—	

<Balance of Payments for Nine Months Ended December 31, 2015>

(Unit: hundred million yen)

Income			Change from First 9M of FY2014	Rate (%)	Expenses			Change from First 9M of FY2014	Rate (%)
Product sales	Gas sales	8,939	-2,008	-18.3	Operating expenses	Cost of sales	5,286	-2,608	-33.0
						Sales and administrative expenses	2,869	-70	-2.4
						Subtotal	8,156	-2,677	-24.7
Other sales	Installation work	272	-5	-1.7	Other expenses	Installation work	274	-4	-1.4
	Gas appliances, etc.	916	83	10.0		Gas appliances	822	31	4.0
	Incidental businesses	1,728	-543	-23.9		Incidental businesses	1,589	-569	-26.4
	Subtotal	2,917	-465	-13.7		Subtotal	2,686	-541	-16.8
Total net sales		11,856	-2,473	-17.3	Total expenses		10,842	-3,219	-22.9
					Operating income		1,013	745	277.4
Non-operating income		148	-49	-25.0	Non-operating expenses		103	-34	-24.8
					Ordinary income		1,057	730	222.5
Extraordinary income		—	-61	-100.0	Extraordinary loss		248	243	—
					Net income		607	332	120.0

Notes:

1. Cost of sales includes gas resource cost of ¥507.5 billion (decreased by ¥261.0 billion, or -34.0%, year on year).
2. Non-operating expenses include interest expenses of ¥7.9 billion (decreased by ¥0.1 billion, or -1.1%, year on year).