

Consolidated Financial Results Bulletin for the 3rd Quarter Ended December 31, 2019**(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531
 (URL <https://www.tokyo-gas.co.jp/IR/english/index.html>)
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 Consolidated Settlements Sect.

Stock listings:
 Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: February 7, 2020
 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, 2019 to December 31, 2019)

(Unit: million yen)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Amount	% change	Amount	% change	Amount	% change	Amount	% change
Nine months ended Dec. 31, 2019	1,362,084	2.7%	54,779	97.4%	56,914	117.1%	33,657	-2.9%
Nine months ended Dec. 31, 2018	1,326,626	8.6%	27,746	-59.2%	26,217	-59.9%	34,646	-28.4%

Note: Total comprehensive income

Nine months ended December 31, 2019: 31,409 million yen (12.8%) Nine months ended December 31, 2018: 27,837 million yen (-40.7%)

	Profit per share	Diluted profit per share
Nine months ended Dec. 31, 2019	76.00 yen	—
Nine months ended Dec. 31, 2018	76.83 yen	—

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio
As of Dec. 31, 2019	2,490,436	1,150,364	45.7%
As of Mar. 31, 2019	2,428,149	1,171,345	47.7%

Reference: Shareholders' equity

As of December 31, 2019: 1,137,697 million yen As of March 31, 2019: 1,159,055 million yen

2. Dividend

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
FY2018 ended Mar. 31, 2019	—	27.50	—	32.50	60.00
FY2019 ending Mar. 31, 2020	—	30.00	—		
FY2019 ending Mar. 31, 2020 (Forecast)				30.00	60.00

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

3. Consolidated Results Forecast for FY2019 ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(Unit: million yen)

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

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Profit per share
Full-year	1,974,000	0.6%	113,000	20.6%	114,000	27.5%	77,000	-8.9%	174.06 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 8 of the Attachment, “2. Consolidated Financial Statements and Main Notes: (3) Notes on consolidated financial statements (Application of accounting treatment peculiar to quarterly consolidated financial statement preparation)” for details.

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

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

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

3) Change in accounting estimates: *No*

4) Retrospective restatements: *No*

(4) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Dec. 31, 2019	442,436,059	Mar. 31, 2019	451,355,759
2) Number of shares of treasury stock at end of period:	Dec. 31, 2019	1,421,660	Mar. 31, 2019	1,410,673
3) Average number of shares during period:	Apr. – Dec. 2019	442,835,529	Apr. – Dec. 2018	450,976,104

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

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

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

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

Non-Consolidated Results Forecast for FY2019 ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(Unit: million yen)

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

	Net sales		Operating profit		Ordinary profit		Net income		Profit per share
	Full-year	1,809,000	2.3%	70,000	43.1%	79,000	25.6%	61,000	13.6%

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

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1. Overview of Business Performance, etc.

(1) Overview of business performance of the 3rd quarter

<Summary by segment>

(Unit: million yen)

		Gas	Electric power	Overseas	Energy-related	Real estate	Others
Sales	FY2019	955,321	249,768	33,951	244,912	33,747	85,299
	(% of total)	(59.6%)	(15.6%)	(2.1%)	(15.3%)	(2.1%)	(5.3%)
	FY2018	947,697	191,782	40,260	249,089	33,245	72,630
	(% of total)	(61.8%)	(12.5%)	(2.6%)	(16.2%)	(2.2%)	(4.7%)
	Amount of change	7,624	57,986	-6,309	-4,177	502	12,669
	(Rate of change)	0.8%	30.2%	-15.7%	-1.7%	1.5%	17.4%
Operating expenses	FY2019	899,170	244,569	26,863	233,153	25,827	81,688
	(% of total)	(59.5%)	(16.2%)	(1.8%)	(15.4%)	(1.7%)	(5.4%)
	FY2018	921,477	188,157	28,410	238,661	26,416	69,612
	(% of total)	(62.6%)	(12.8%)	(1.9%)	(16.2%)	(1.8%)	(4.7%)
	Amount of change	-22,307	56,412	-1,547	-5,508	-589	12,076
	(Rate of change)	-2.4%	30.0%	-5.4%	-2.3%	-2.2%	17.3%
Segment profit	FY2019	56,151	5,199	11,135	11,759	8,468	3,617
	(% of total)	(58.2%)	(5.4%)	(11.6%)	(12.2%)	(8.8%)	(3.8%)
	FY2018	26,219	3,624	13,496	10,427	7,241	3,019
	(% of total)	(40.9%)	(5.7%)	(21.1%)	(16.3%)	(11.3%)	(4.7%)
	Amount of change	29,932	1,575	-2,361	1,332	1,227	598
	(Rate of change)	114.2%	43.4%	-17.5%	12.8%	16.9%	19.8%

Note: Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments. Figures for segment profit are adjusted against the amount based on operating profit of consolidated financial statements plus or minus investment income or loss on equity method.

< Consolidated City Gas Sales Volume, etc.>

		Apr. – Dec. 2019	Apr. – Dec. 2018	Change	% change	
No. of customers for city gas retail sales	Thousands	9,259	9,982	-723	-7.2	
No. of customers (meters)	Thousands	11,905	11,770	135	1.1	
City gas sales volume	Residential	Mil. m ³	1,936	1,934	2	0.2
	Commercial	Mil. m ³	1,793	1,848	-55	-3.0
	Industrial	Mil. m ³	4,831	5,432	-601	-11.1
	Subtotal	Mil. m ³	6,624	7,280	-656	-9.0
	Supplies to other utilities	Mil. m ³	1,362	1,423	-61	-4.3
	Total	Mil. m ³	9,923	10,637	-714	-6.7
Average temperature	°C	19.5	20.3	-0.8	—	

Notes:

- No. of customers for city gas retail sales indicates the number of billed customers for city gas retail sales.
- No. of customers (meters) indicates the number of meters that includes inactive meters and meters for gas supply from other retail companies.
- “Commercial” indicates sales to commercial, public and medical institutions.
- City gas sales volumes are on the basis of 45MJ/m³.
- Average temperature is the average temperature during the period of use by each customer (from date of initial month’s meter reading to final month’s meter reading).

The aforementioned notes also apply to the relevant tables.

< Consolidated Electric Power Sales Volume, etc.>

			Apr. – Dec. 2019	Apr. – Dec. 2018	Change	% change
No. of customers for electric power retail sales	Thousands		2,225	1,593	632	39.7
Electric power sales volume	Retail	million kWh	5,766	4,295	1,471	34.3
	Wholesale etc.	million kWh	8,392	6,703	1,689	25.2
	Total	million kWh	14,158	10,998	3,160	28.7

Note: No. of customers indicates the number of customers to whom Tokyo Gas supplies electric power as an electric power retailer.

<Foreign Exchange Rate and Crude Oil Price>

¥/\$ rate	Apr. – Dec. 2019	Apr. – Dec. 2018	Change	Crude oil price (\$/bbl)	Apr. – Dec. 2019	Apr. – Dec. 2018	Change
	108.65	111.14	-2.49		67.83	74.99	-7.16

(2) Future outlook

a. Consolidated city gas sales volume forecast for FY2019

			FY2019 (Forecast)	FY2018 (Results)	Change	% change
City gas sales volume	Residential	Mil. m ³	3,206	3,240	-34	-1.1
	Others	Mil. m ³	10,863	11,958	-1,095	-9.2
	Total	Mil. m ³	14,069	15,198	-1,129	-7.4
Average temperature		°C	16.2	17.0	-0.8	—

b. Consolidated electric power sales volume forecast for FY2019

			FY2019 (Forecast)	FY2018 (Results)	Change	% change
Total electric power sales volume	million kWh		20,387	15,482	4,905	31.7

c. Consolidated earnings forecast for FY2019

(Unit: hundred million yen)

	Net sales			Operating profit	Ordinary profit	Profit attributable to owners of parent
	Gas sales	Other sales				
FY2019 (forecast)	19,740	13,806	5,934	1,130	1,140	770
FY2018 (results)	19,623	14,137	5,486	937	893	845
Change	117	-331	448	193	247	-75
% change	0.6%	-2.3%	8.2%	20.6%	27.5%	-8.9%

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

< Foreign exchange rate and crude oil price forecast for FY2019>

¥/\$ rate	FY2019 (Forecast)	FY2018 (Results)	Change	Crude oil price (\$/bbl)	FY2019 (Forecast)	FY2018 (Results)	Change
	109.00	110.92	-1.92		68.42	72.12	-3.70

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31,2019	As of December 31,2019
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	234,433	226,005
Distribution facilities	548,529	531,134
Service and maintenance facilities	49,586	47,899
Other facilities	447,608	460,456
Inactive facilities	316	316
Construction in progress	145,160	159,664
Total property, plant and equipment	1,425,634	1,425,477
Intangible assets		
Goodwill	1,306	1,221
Other intangible assets	119,052	133,490
Total intangible assets	120,359	134,712
Investments and other assets		
Investment securities	225,212	241,654
Long-term loans receivable	40,158	43,960
Retirement benefit asset	24	28
Deferred tax assets	42,425	44,890
Other investments and other assets	47,950	46,710
Allowance for doubtful accounts	-362	-815
Total investments and other assets	355,409	376,429
Total non-current assets	1,901,403	1,936,618
Current assets		
Cash and deposits	93,092	118,585
Notes and accounts receivable - trade	265,225	225,214
Lease receivables and investments in leases	19,647	20,142
Merchandise and finished goods	2,194	2,287
Work in process	12,730	27,164
Raw materials and supplies	63,735	62,270
Other current assets	71,306	98,632
Allowance for doubtful accounts	-1,186	-481
Total current assets	526,745	553,818
Total assets	2,428,149	2,490,436

	As of March 31,2019	As of December 31,2019
Liabilities		
Non-current liabilities		
Bonds payable	334,998	404,998
Long-term borrowings	394,542	406,908
Deferred tax liabilities	17,517	17,470
Retirement benefit liability	75,262	73,030
Provision for gas holder repairs	2,990	3,018
Provision for safety measures	1,776	1,061
Provision for appliance warranties	14,057	13,547
Provision for point card certificates	1,450	948
Asset retirement obligations	11,940	11,804
Other noncurrent liabilities	64,640	64,672
Total non-current liabilities	919,176	997,461
Current liabilities		
Current portion of non-current liabilities	51,566	42,235
Notes and accounts payable - trade	69,605	61,555
Short-term borrowings	5,133	5,483
Income taxes payable	31,283	14,589
Other current liabilities	180,037	218,747
Total current liabilities	337,626	342,611
Total liabilities	1,256,803	1,340,072
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	1,634	1,599
Retained earnings	976,550	958,045
Treasury shares	-4,111	-3,868
Total shareholders' equity	1,115,918	1,097,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,756	24,159
Deferred gains or losses on hedges	1,604	1,273
Foreign currency translation adjustment	24,770	16,513
Remeasurements of defined benefit plans	-5,994	-1,869
Total accumulated other comprehensive income	43,137	40,076
Non-controlling interests	12,289	12,667
Total net assets	1,171,345	1,150,364
Total liabilities and net assets	2,428,149	2,490,436

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income (For the nine months ended December 31, 2019))

(Million yen)

	For the nine months ended December 31,2018	For the nine months ended December 31,2019
Net sales	1,326,626	1,362,084
Cost of sales	963,793	959,433
Gross profit	362,833	402,651
Selling, general and administrative expenses		
Supply and sales expenses	285,766	296,283
General and administrative expenses	49,320	51,588
Total selling, general and administrative expenses	335,086	347,871
Operating profit	27,746	54,779
Non-operating income		
Interest income	1,139	1,669
Dividend income	2,578	5,241
Share of profit of entities accounted for using equity method	2,060	4,603
Miscellaneous income	4,717	5,068
Total non-operating income	10,496	16,583
Non-operating expenses		
Interest expenses	8,103	8,446
Miscellaneous expenses	3,921	6,001
Total non-operating expenses	12,025	14,448
Ordinary profit	26,217	56,914
Extraordinary income		
Gain on sales of non-current assets	29,193	-
Gain on sales of investment securities	6,262	-
Total extraordinary income	35,456	-
Extraordinary losses		
Impairment loss	-	8,086
Loss on valuation of investment securities	6,567	-
Total extraordinary losses	6,567	8,086
Profit before income taxes	55,106	48,828
Income taxes	20,139	14,397
Profit	34,967	34,430
Profit attributable to non-controlling interests	320	773
Profit attributable to owners of parent	34,646	33,657

(Consolidated Statements of Comprehensive Income (For the nine months ended December 31, 2019))

(Million yen)

	For the nine months ended December 31,2018	For the nine months ended December 31,2019
Profit	34,967	34,430
Other comprehensive income		
Valuation difference on available-for-sale securities	-9,081	1,459
Deferred gains or losses on hedges	646	-1,006
Foreign currency translation adjustment	-1,597	-6,611
Remeasurements of defined benefit plans, net of tax	2,471	4,138
Share of other comprehensive income of entities accounted for using equity method	432	-999
Total other comprehensive income	-7,129	-3,020
Comprehensive income	27,837	31,409
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,524	30,596
Comprehensive income attributable to non-controlling interests	312	813

