

Consolidated Financial Results Bulletin for the Fiscal Year Ended March 31, 2020**(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

General shareholders' meeting schedule: June 26, 2020
 Scheduled date of the filing of securities report: June 26, 2020
 Scheduled date of the start of dividend payments: June 29, 2020
 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 FY2019 ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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	
FY2019 ended Mar. 31, 2020	1,925,235	-1.9%	101,508	8.3%	102,735	14.9%	43,382	-48.7%
FY2018 ended Mar. 31, 2019	1,962,308	10.4%	93,704	-19.4%	89,386	-19.9%	84,555	12.8%

Note: Total comprehensive income

FY2019 ended March 31, 2020: 40,250 million yen (-40.9%)

FY2018 ended March 31, 2019: 68,118 million yen (1.4%)

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
FY2019 ended Mar. 31, 2020	98.07 yen	—	3.8%	4.1%	5.3%
FY2018 ended Mar. 31, 2019	187.60 yen	—	7.4%	3.8%	4.8%

Reference: Profit or loss on investment accounted for by equity method

FY2019 ended March 31, 2020: 5,211 million yen

FY2018 ended March 31, 2019: 2,794 million yen

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio	Net assets per share
As of Mar. 31, 2020	2,537,724	1,159,228	45.2%	2,602.74 yen
As of Mar. 31, 2019	2,428,149	1,171,345	47.7%	2,575.99 yen

Reference: Shareholders' equity

As of March 31, 2020: 1,147,836 million yen

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

(3) Consolidated Cash Flows

(Unit: million yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY2019 ended Mar. 31, 2020	306,296	(270,798)	23,171	151,218
FY2018 ended Mar. 31, 2019	141,306	(203,462)	27,628	93,032

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			
FY2018 ended Mar. 31, 2019	—	27.50	—	32.50	60.00	26,996	32.0%	2.4%
FY2019 ended Mar. 31, 2020	—	30.00	—	30.00	60.00	26,460	61.2%	2.3%
FY2020 ending Mar. 31, 2021 (Forecast)	—	30.00	—	30.00	60.00		—	

3. Consolidated Results Forecast for FY2020 ending March 31, 2021 (April 1, 2020 - March 31, 2021)

The consolidated results forecast for the FY2020 ending March 31, 2021 has not been determined as it is difficult to reasonably quantify the impact of the new coronavirus pandemic at this moment. We will disclose our forecast as soon as it can be reasonably calculated.

*Notes

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

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 82 (Increased by 8 companies and decreased by 4 companies)

Number of subsidiaries and affiliates accounted for by equity method: 15 (Increased by 1 company)

(2) 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*

(3) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Mar. 31, 2020	442,436,059	Mar. 31, 2019	451,355,759
2) Number of shares of treasury stock at end of period:	Mar. 31, 2020	1,424,746	Mar. 31, 2019	1,410,673
3) Average number of shares during period:	Apr. 2019–Mar. 2020	442,379,702	Apr. 2018–Mar. 2019	450,718,735

(Reference)

Non-Consolidated Business Results for FY2019 ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(1) Non-Consolidated Business Performance

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

	Net sales		Operating profit		Ordinary profit		Net income	
FY2019 ended Mar. 31, 2020	1,787,975	1.1%	62,044	26.8%	68,342	8.6%	56,703	5.6%
FY2018 ended Mar. 31, 2019	1,768,567	10.6%	48,920	-40.7%	62,910	-34.4%	53,717	-29.2%

	Profit per share	Diluted profit per share
FY2019 ended Mar. 31, 2020	128.18 yen	—
FY2018 ended Mar. 31, 2019	119.18 yen	—

(2) Non-Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio	Net assets per share
As of Mar. 31, 2020	2,094,493	818,433	39.1%	1,855.81 yen
As of Mar. 31, 2019	2,078,862	891,212	42.9%	1,980.71 yen

Reference: Shareholders' equity

As of March 31, 2020: 818,433 million yen

As of March 31, 2019: 891,212 million yen

* 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 consolidated results forecast for the FY2020 ending March 31, 2021 has not been determined as it is difficult to reasonably quantify the impact of the new coronavirus pandemic at this moment. We will disclose our forecast as soon as it can be reasonably calculated.
2. The information related to this Financial Results will be posted on the Web site of the Company.

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I. Overview of Business Performance, etc.

(1) Overview of business performance and financial position of FY2019

(Business performance of FY2019)

In the fiscal year under review, the economy in Japan lacked strength in consumer spending due to a series of natural disasters and the consumption tax hike, despite being on a mild recovery trend on the back of improvement in the employment and income environments although exports and production remained slightly weak. The addition of the spread of new coronavirus infections has made the economic situation extremely uncertain, with the development of the Japanese and global economies impossible to foresee.

Amid this economic climate, the competition between energy business operators in the energy industry and competition beyond industry borders have intensified due to the full deregulation of retail electric power sales in April 2016 and the full deregulation of gas sales that followed in April 2017. In addition, decarbonization has become a global trend, which has dramatically changed the environment surrounding the energy business. Against this backdrop, we actively undertook various measures to enhance the added value we deliver to customers in Japan and abroad through the development of a comprehensive energy business and globalization.

In light of these economic conditions and changes in the business climate, electric power sales increased due to a rise in the number of retail customers, but city gas sales declined owing to a drop in the number of customers. Reflecting this and other factors, consolidated sales in the year under review totaled ¥1,925.2 billion, a decline of 1.9% year on year.

Meanwhile, operating expenses came to ¥1,823.7 billion, a drop of 2.4%. This reflected a drop in city gas raw material prices due to the decline of crude oil prices and the Company's utmost efforts to curb costs by further improving management efficiency, despite an increase in sales costs in electric power sales.

Extrapolating from this performance, operating profit was ¥101.5 billion, an increase of 8.3% year on year, and ordinary profit totaled ¥102.7 billion, a rise of 14.9%. Profit attributable to owners of the parent came to ¥43.3 billion, a drop of 48.7%, after posting a ¥11.6 billion contract settlement gain on raw materials as an extraordinary profit, a ¥28.1 billion impairment loss and a ¥18.6 billion loss on valuation of investment securities for overseas upstream projects, etc. as extraordinary losses, and income taxes.

<Segment summary>

1) Gas

The sales volume of the city gas business, which is the main business of the gas segment was 13,855 million m³ in the period under review, a decrease of 8.8% year on year. Breaking this down, residential demand was 3,124 million m³, a drop of 3.6%, despite low weather temperatures in comparison with a year earlier.

Commercial demand was 2,497 million m³, a decline of 4.3% year on year, owing in part to a decrease in the number of customers.

Industrial demand was 6,397 million m³, a drop of 13.7%, due in part to a decrease in sales volume to users dedicated to power generation.

Supply to other utilities was 1,837 million m³, a fall of 5.1%, owing in part to a drop in customer demand.

In addition, gas sales came to ¥1,355.4 billion, a decrease of ¥58.3 billion or -4.1% year on year, owing mainly to a year-on-year decrease in city gas sales volume as well as a drop in gas unit price reflecting gas rate adjustments.

As a result of a drop in gas sales volume and a decrease in city gas raw material prices due to a declining trend in crude oil prices compared to the previous fiscal year, the overall operating expenses decreased ¥68.5 billion or -5.2%.

Consequently, segment profit totaled ¥102.4 billion, an increase of ¥10.2 billion or 11.1% year on year.

<Consolidated City Gas Sales Volume for FY2019 Ended March 31, 2020>

		FY2019	FY2018	Change	% change	
No. of customers for city gas retail sales	Thousands	9,129	9,821	-691	-7.0	
No. of customers (meters)	Thousands	11,954	11,818	136	1.1	
City gas sales volume	Residential	Mil. m ³	3,124	3,240	-116	-3.6
	Commercial	Mil. m ³	2,497	2,609	-112	-4.3
	Industrial	Mil. m ³	6,397	7,413	-1,016	-13.7
	Subtotal	Mil. m ³	8,894	10,022	-1,128	-11.3
	Supplies to other utilities	Mil. m ³	1,837	1,936	-99	-5.1
	Total	Mil. m ³	13,855	15,198	-1,343	-8.8
Average temperature	°C	16.7	17.0	-0.3	—	

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.

<Foreign Exchange Rate and Crude Oil Price>

¥/\$ rate	FY2019	FY2018	Change	Crude oil price (\$/bbl)	FY2019	FY2018	Change
	108.71	110.92	-2.21		67.79	72.15	-4.36

2) Electric power

Sales totaled ¥358.6 billion, an increase of ¥78.3 billion or 27.9% year on year. Operating expenses rose ¥78.3 billion or 29.0%.

In light of this, segment profit totaled ¥10.1 billion, roughly the same as the previous fiscal year.

<Consolidated Electric Power Sales Volume for FY2019 Ended March 31, 2020>

		FY2019	FY2018	Change	% change	
No. of customers for city gas retail sales	Thousands	2,350	1,742	608	34.9	
Electric power sales volume	Retail	million kWh	8,522	6,555	1,967	30.0
	Wholesale etc.	million kWh	12,082	8,926	3,156	35.4
	Total	million kWh	20,604	15,482	5,122	33.1

Note: No. of customers for electric power retail sales indicates the number of billed customers for electric power retail sales

3) Overseas

Sales came to ¥43.9 billion, a decline of ¥7.0 billion or 13.6% year on year. Operating expenses fell ¥2.4 billion or 6.4%. Accordingly, segment profit totaled ¥13.2 billion, a drop of ¥2.1 billion or 13.4% year on year, owing to an increase in equity-method investment gains.

In addition, a ¥22.4 billion impairment loss and a ¥15.9 billion loss on valuation of investment securities have been recorded as extraordinary losses on overseas upstream projects.

4) Energy-related

Sales amounted to ¥351.9 billion, a drop of ¥11.6 billion or 3.2% year on year. Operating expenses shrunk ¥17.5 billion or 5.0%.

Reflecting this, segment profit was ¥16.9 billion, an increase of ¥5.8 billion or 51.9% year on year.

5) Real estate

Sales reached ¥44.5 billion, a decrease of ¥0.1 billion or 0.2% year on year. Operating expenses fell ¥0.7 billion or 1.9%. Reflecting this, segment profit was ¥9.6 billion, a growth of ¥0.5 billion or 6.2% year on year.

6) Others

Sales totaled ¥123.2 billion, an increase of ¥15.4 billion or 14.2% year on year. Operating expenses rose ¥15.9 billion or 15.6%.

Reflecting this, segment profit was ¥5.7 billion, a drop of ¥0.5 billion or 8.4% year on year, owing to a drop in equity-method investment gains.

<Summary by segment> (Unit: hundred million yen)

		Gas	Electric power	Overseas	Energy-related	Real estate	Others
Sales	FY2019	13,554	3,586	439	3,519	445	1,232
	(% of total)	(59.5%)	(15.7%)	(1.9%)	(15.5%)	(2.0%)	(5.4%)
	FY2018	14,137	2,803	509	3,635	446	1,078
	(% of total)	(62.4%)	(12.4%)	(2.3%)	(16.1%)	(2.0%)	(4.8%)
	Amount of change	-583	783	-70	-116	-1	154
(Rate of change)	-4.1%	27.9%	-13.6%	-3.2%	-0.2%	14.2%	
Operating expenses	FY2019	12,529	3,484	353	3,349	353	1,174
	(% of total)	(58.9%)	(16.4%)	(1.7%)	(15.8%)	(1.7%)	(5.5%)
	FY2018	13,214	2,701	377	3,524	360	1,015
	(% of total)	(62.4%)	(12.7%)	(1.8%)	(16.6%)	(1.7%)	(4.8%)
	Amount of change	-685	783	-24	-175	-7	159
(Rate of change)	-5.2%	29.0%	-6.4%	-5.0%	-1.9%	15.6%	
Segment profit	FY2019	1,024	101	132	169	96	57
	(% of total)	(64.8%)	(6.4%)	(8.4%)	(10.7%)	(6.1%)	(3.6%)
	FY2018	922	101	153	111	91	62
	(% of total)	(63.9%)	(7.0%)	(10.6%)	(7.8%)	(6.3%)	(4.4%)
	Amount of change	102	-0	-21	58	5	-5
(Rate of change)	11.1%	-0.2%	-13.4%	51.9%	6.2%	-8.4%	

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 adjust against the amount based on operating profit in the consolidated financial statements plus or minus equity-method investment gains or losses.

(Financial position in FY2019)

1) Situation of assets, debt and net assets

Assets as of March 31, 2020 totaled ¥2,537.7 billion, an increase of ¥109.6 billion versus March 31, 2019, primarily attributable to an increase in the outstanding balances for other facilities (¥27.4 billion) and other intangible non-current assets (¥18.8 billion).

Liabilities stood at ¥1,378.4 billion, an increase of ¥121.6 billion. This was primarily attributable to an increase in the outstanding balance for interest-bearing debt (¥101.8 billion) due to an increase in corporate bonds.

Net assets totaled ¥1,159.2 billion, a drop of ¥12.1 billion. Although net assets were positively impacted by factors including the posting of profit attributable to the owners of the parent (¥43.3 billion), there was an overall decrease attributable to distribution of capital surplus (-¥27.8 billion) and the purchase of treasury stock in the open market (-¥23.9 billion).

In contrast with the growth of total assets, equity (total shareholders' equity + accumulated other comprehensive income) was smaller. As a result, the equity ratio was 45.2% on March 31, 2020, down 2.5 points from March 31, 2019.

<Capital expenditure>

(Unit: hundred million yen)

	FY2019	FY2018	Change	% change	
Tokyo Gas	Production facilities	101	186	-85	-45.3%
	Supply facilities	1,057	966	91	9.4%
	Operational facilities, etc.	482	634	-152	-24.0%
	Total	1,642	1,787	-145	-8.2%
Consolidated subsidiaries	677	491	186	37.8%	
Adjustments	-48	-41	-7	—	
Total	2,270	2,237	33	1.5%	

2) Situation of cash flow

(Unit: hundred million yen)

	FY2019	FY2018	Change
Cash flow from operating activities	3,062	1,413	1,649
Cash flow from investing activities	-2,707	-2,034	-673
Cash flow from financing activities	231	276	-45
Effect of exchange rate change on cash and cash equivalents	-4	-7	3
Net increase (decrease) in cash and cash equivalents	581	-352	933
Cash and cash equivalents at beginning of year	930	1,282	-352
Cash and cash equivalents at end of year	1,512	930	582

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities totaled ¥306.2 billion, an increase versus a year earlier. This was primarily attributable to the posting of income before income taxes (¥67.5 billion) and depreciation and amortization (¥165.4 billion), despite income taxes paid (-¥31.6 billion) and interest paid (-¥11.0 billion).

b) Cash flow from investing activities

Cash and cash equivalents used in investing activities totaled ¥270.7 billion, a decrease versus a year earlier. Although there was a collection of long-term loans receivable (¥4.8 billion), there was a cash outflow due to the purchase of property, plant and equipment (-¥177.6 billion) associated with capital expenditures, and for the purchase of intangible assets (-¥41.9 billion).

c) Cash flow from financing activities

Cash and cash equivalents obtained in financing activities totaled ¥23.1 billion, an increase versus a year earlier. Although there were expenditures due to repayment of long-term loans payable (-¥43.3 billion), bond redemption (-¥30.0 billion), and dividends payable (-¥27.8 billion), cash and cash equivalents rose owing to proceeds from the issuance of bonds (¥90.0 billion) and long-term loans payable (¥71.5 billion).

(2) Future outlook

The consolidated results forecast for the FY2020 ending March 31, 2021 has not been determined as it is difficult to reasonably quantify the impact of the new coronavirus pandemic at this moment. We will disclose our forecast as soon as it can be reasonably calculated.

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: 8 companies

Kyoto Ayabe Solar Power LLC, TG Renewables 1 LLC, Tokyo Gas Liv Solutions Co., Ltd., Sumilena Co., Ltd., Hinatao Energy Co., Gunma Annaka Solar LLC, Annaka Solar Godo Kaisha, Ishikawa Hakui Solar Power GK (all have been newly added to the scope of consolidation)

- Excluded: 4 companies

Tokyo Gas Site Development Co., Ltd. (absorption-type merger), Tokyo Gas Real Estate Holdings Co., Ltd. (absorption-type merger), Tokyo Gas Lifeval Nishiota Co., Ltd. (absorption-type merger), TG Europower B.V. (liquidation)

2) Application of equity method

- Included in the equity method: 1 company

Heolios EnTG S.A.P.I. de C.V. (new application)

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 June 27, 2019]

III. 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.

IV. Consolidated Financial Statements
(1) Consolidated balance sheets

(Million yen)

	As of March 31,2019	As of March 31,2020
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	234,433	224,515
Distribution facilities	548,529	548,095
Service and maintenance facilities	49,586	48,492
Other facilities	447,608	475,093
Inactive facilities	316	316
Construction in progress	145,160	162,862
Total property, plant and equipment	1,425,634	1,459,377
Intangible assets		
Goodwill	1,306	16,269
Other intangible assets	119,052	137,814
Total intangible assets	120,359	154,084
Investments and other assets		
Investment securities	225,212	216,052
Long-term loans receivable	40,158	50,615
Retirement benefit asset	24	29
Deferred tax assets	42,425	49,132
Other investments and other assets	47,950	46,407
Allowance for doubtful accounts	-362	-405
Total investments and other assets	355,409	361,831
Total non-current assets	1,901,403	1,975,292
Current assets		
Cash and deposits	93,092	151,288
Notes and accounts receivable - trade	265,225	221,123
Lease receivables and investments in leases	19,647	20,363
Merchandise and finished goods	2,194	1,905
Work in process	12,730	11,868
Raw materials and supplies	63,735	64,703
Other current assets	71,306	91,748
Allowance for doubtful accounts	-1,186	-570
Total current assets	526,745	562,431
Total assets	2,428,149	2,537,724

(Million yen)

	As of March 31,2019	As of March 31,2020
Liabilities		
Non-current liabilities		
Bonds payable	334,998	404,998
Long-term borrowings	394,542	429,541
Deferred tax liabilities	17,517	18,531
Retirement benefit liability	75,262	71,976
Provision for gas holder repairs	2,990	3,122
Provision for safety measures	1,776	593
Provision for appliance warranties	14,057	12,985
Provision for point card certificates	1,450	1,000
Asset retirement obligations	11,940	14,424
Other noncurrent liabilities	64,640	51,555
Total non-current liabilities	919,176	1,008,730
Current liabilities		
Current portion of non-current liabilities	51,566	54,428
Notes and accounts payable - trade	69,605	78,593
Short-term borrowings	5,133	6,507
Income taxes payable	31,283	29,708
Other current liabilities	180,037	200,527
Total current liabilities	337,626	369,765
Total liabilities	1,256,803	1,378,495
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	1,634	2,067
Retained earnings	976,550	967,808
Treasury shares	-4,111	-3,875
Total shareholders' equity	1,115,918	1,107,844
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22,756	15,843
Deferred gains or losses on hedges	1,604	1,444
Foreign currency translation adjustment	24,770	22,412
Remeasurements of defined benefit plans	-5,994	292
Total accumulated other comprehensive income	43,137	39,992
Non-controlling interests	12,289	11,391
Total net assets	1,171,345	1,159,228
Total liabilities and net assets	2,428,149	2,537,724

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

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	1,962,308	1,925,235
Cost of sales	1,407,345	1,343,965
Gross profit	554,963	581,269
Selling, general and administrative expenses		
Supply and sales expenses	392,466	408,857
General and administrative expenses	68,791	70,903
Total selling, general and administrative expenses	461,258	479,761
Operating profit	93,704	101,508
Non-operating income		
Interest income	1,612	2,330
Dividend income	2,812	5,433
Share of profit of entities accounted for using equity method	2,794	5,211
Miscellaneous income	6,551	7,453
Total non-operating income	13,771	20,429
Non-operating expenses		
Interest expenses	11,091	11,412
Balance on commissioned construction	1,750	2,151
Miscellaneous expenses	5,247	5,637
Total non-operating expenses	18,089	19,202
Ordinary profit	89,386	102,735
Extraordinary income		
Gain on sales of non-current assets	29,306	-
Gain on sales of investment securities	6,420	-
Gain on settlement of contract	-	11,627
Total extraordinary income	35,727	11,627
Extraordinary losses		
Impairment loss	-	28,152
Loss on valuation of investment securities	7,865	18,643
Total extraordinary losses	7,865	46,796
Profit before income taxes	117,248	67,566
Income taxes - current	26,113	31,196
Income taxes - deferred	6,823	-7,197
Total income taxes	32,936	23,999
Profit	84,311	43,567
Profit (loss) attributable to non-controlling interests	-244	184
Profit attributable to owners of parent	84,555	43,382

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	84,311	43,567
Other comprehensive income		
Valuation difference on available-for-sale securities	-7,528	-6,878
Deferred gains or losses on hedges	221	-850
Foreign currency translation adjustment	-6,735	-1,916
Remeasurements of defined benefit plans, net of tax	-2,073	6,150
Share of other comprehensive income of entities accounted for using equity method	-78	178
Total other comprehensive income	-16,193	-3,316
Comprehensive income	68,118	40,250
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	68,401	40,238
Comprehensive income attributable to non-controlling interests	-283	12

(3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2019 (from Apr. 1, 2018 - Mar. 31, 2019)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	141,844	1,898	936,635	-3,642	1,076,736
Cumulative effects of changes in accounting policies					-
Restated balance	141,844	1,898	936,635	-3,642	1,076,736
Changes during period					
Dividends of surplus			-24,932		-24,932
Profit attributable to owners of parent			84,555		84,555
Purchase of treasury shares				-20,051	-20,051
Disposal of treasury shares				2	2
Cancellation of treasury shares			-19,580	19,580	
Increase in the number of consolidated subsidiaries					-
Decrease in the number of consolidated subsidiaries			-128		-128
Change in ownership interest of parent due to transactions with non-controlling interests		-263			-263
Net changes in items other than shareholders' equity					
Total changes during period	-	-263	39,914	-469	39,182
Balance at end of period	141,844	1,634	976,550	-4,111	1,115,918

	Accumulated other comprehensive income					Non-controlling 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 period	30,282	-251	33,206	-3,945	59,291	12,405	1,148,433
Cumulative effects of changes in accounting policies							-
Restated balance	30,282	-251	33,206	-3,945	59,291	12,405	1,148,433
Changes during period							
Dividends of surplus							-24,932
Profit attributable to owners of parent							84,555
Purchase of treasury shares							-20,051
Disposal of treasury shares							2
Cancellation of treasury shares							-
Increase in the number of consolidated subsidiaries							-
Decrease in the number of consolidated subsidiaries							-128
Change in ownership interest of parent due to transactions with non-controlling interests							-263
Net changes in items other than shareholders' equity	-7,525	1,856	-8,435	-2,049	-16,154	-115	-16,269
Total changes during period	-7,525	1,856	-8,435	-2,049	-16,154	-115	22,912
Balance at end of period	22,756	1,604	24,770	-5,994	43,137	12,289	1,171,345

Fiscal year ended March 31, 2020 (from Apr. 1, 2019 - Mar. 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	141,844	1,634	976,550	-4,111	1,115,918
Cumulative effects of changes in accounting policies			6		6
Restated balance	141,844	1,634	976,556	-4,111	1,115,925
Changes during period					
Dividends of surplus			-27,853		-27,853
Profit attributable to owners of parent			43,382		43,382
Purchase of treasury shares				-24,038	-24,038
Disposal of treasury shares				1	1
Cancellation of treasury shares			-24,272	24,272	
Increase in the number of consolidated subsidiaries			-5		-5
Decrease in the number of consolidated subsidiaries					-
Change in ownership interest of parent due to transactions with non-controlling interests		432			432
Net changes in items other than shareholders' equity					
Total changes during period	-	432	-8,748	235	-8,080
Balance at end of period	141,844	2,067	967,808	-3,875	1,107,844

	Accumulated other comprehensive income					Non-controlling 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 period	22,756	1,604	24,770	-5,994	43,137	12,289	1,171,345
Cumulative effects of changes in accounting policies							6
Restated balance	22,756	1,604	24,770	-5,994	43,137	12,289	1,171,352
Changes during period							
Dividends of surplus							-27,853
Profit attributable to owners of parent							43,382
Purchase of treasury shares							-24,038
Disposal of treasury shares							1
Cancellation of treasury shares							-
Increase in the number of consolidated subsidiaries							-5
Decrease in the number of consolidated subsidiaries							-
Change in ownership interest of parent due to transactions with non-controlling interests							432
Net changes in items other than shareholders' equity	-6,913	-160	-2,358	6,287	-3,144	-898	-4,042
Total changes during period	-6,913	-160	-2,358	6,287	-3,144	-898	-12,123
Balance at end of period	15,843	1,444	22,412	292	39,992	11,391	1,159,228

(4) Consolidated statements of cash flows

(Million yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	117,248	67,566
Depreciation	157,574	165,410
Impairment loss	888	28,152
Gain on settlement of contract	-	-11,627
Amortization of long-term prepaid expenses	4,306	4,263
Loss on retirement of property, plant and equipment	2,248	2,164
Loss (gain) on valuation of investment securities	7,865	18,643
Increase (decrease) in retirement benefit liability	1,039	5,206
Increase (decrease) in provision for safety measures	-1,338	-1,182
Increase (decrease) in provision for appliance warranties	4,073	-1,072
Interest and dividend income	-4,425	-7,763
Interest expenses	11,091	11,412
Share of loss (profit) of entities accounted for using equity method	-2,794	-5,211
Decrease (increase) in trade receivables	-46,191	52,646
Decrease (increase) in inventories	-18,336	172
Increase (decrease) in trade payables	-5,321	8,952
Increase (decrease) in accrued consumption taxes	-3,002	7,979
Decrease (increase) in accounts receivable - other	-2,541	-1,619
Other, net	-53,083	-9,541
Subtotal	169,300	334,549
Interest and dividends received	9,387	14,510
Interest paid	-10,809	-11,087
Income taxes paid	-26,571	-31,676
Net cash provided by (used in) operating activities	141,306	306,296
Cash flows from investing activities		
Purchase of investment securities	-17,603	-23,989
Proceeds from sales and redemption of investment securities	12,082	1,916
Purchase of property, plant and equipment	-168,144	-177,664
Purchase of intangible assets	-39,491	-41,908
Purchase of long-term prepaid expenses	-8,561	-2,183
Long-term loan advances	-12,238	-16,989
Collection of long-term loans receivable	4,074	4,853
Payments of guarantee deposits	-788	-2,709
Proceeds from refund of guarantee deposits	88	1,855
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-1,054	-15,134
Other, net	28,174	1,156
Net cash provided by (used in) investing activities	-203,462	-270,798

(Million yen)

	Fiscal year ended March 31,2019	Fiscal year ended March 31,2020
Cash flows from financing activities		
Net increase (decrease) in commercial papers	10,000	-10,000
Repayments of lease obligations	-1,613	-2,646
Proceeds from long-term borrowings	59,354	71,542
Repayments of long-term borrowings	-23,726	-43,390
Proceeds from issuance of bonds	70,000	90,000
Redemption of bonds	-40,000	-30,000
Purchase of treasury shares	-20,051	-24,038
Dividends paid	-24,936	-27,839
Other, net	-1,397	-454
Net cash provided by (used in) financing activities	27,628	23,171
Effect of exchange rate change on cash and cash equivalents	-710	-489
Net increase (decrease) in cash and cash equivalents	-35,238	58,179
Cash and cash equivalents at beginning of period	128,271	93,032
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	6
Cash and cash equivalents at end of period	93,032	151,218

(5) Notes on consolidated financial statements

1) (Note on going concerns' premise)

Not applicable

2) (Additional information)

The Company purchased a large-scale mission critical system that was newly established during the fiscal year under review for ¥30,767 million as an intangible fixed asset. As a result of estimating the usable period, the Company has determined the useful life to be ten years.

3) (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 Tokyo Gas Group is deploying business activities in the following areas—in addition to the core of the Group's operating structure, which consists of city gas, liquid gas, and gas (including LNG sales), which are all energy produced using natural gas as a resource, the Group also delves in the electric power business, which is a new pillar of the Group's revenues, the overseas business to remake ourselves as a global company group, and the engineering solutions business, which utilizes energy.

Furthermore, businesses involving the efficient utilization of the Group's real estate holdings represent another earnings base, and the Group therefore employs the five reporting segments of "gas," "electric power," "overseas," "energy related," including the engineering solutions, which utilize energy and "real estate."

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

Gas: City gas, liquid gas business (LNG, industrial gas), LNG sales, etc.

Electric power: Electric power

Overseas: Overseas resource development and investment, energy supply, etc.

Energy related: Engineering solutions business (engineering, energy service, etc.), gas appliances, gas installation work, construction, etc.

Real estate: Leasing, management, etc. of land and buildings

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

The accounting method of reported business segments has not been changed from what is described in the important matters that form the basis of preparation of consolidated financial statements in the latest securities report (submitted June 27, 2019).

Income of reporting segment is based on operating profit plus or minus investment gain or loss on equity method.

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, 2019 (from Apr. 1, 2018 to Mar. 31, 2019)

(Unit: million yen)

	Reporting segment						Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	Gas	Electric power	Overseas	Energy- related	Real estate	Total				
Net sales										
External sales	1,302,131	280,178	38,845	308,679	21,880	1,951,716	10,591	1,962,308	—	1,962,308
Intersegment sales & transfers	111,578	130	12,068	54,918	22,720	201,415	97,270	298,685	(298,685)	—
Total	1,413,709	280,308	50,913	363,598	44,601	2,153,131	107,862	2,260,994	(298,685)	1,962,308
Segment profit										
Operating profit (loss)	92,227	10,164	13,135	11,188	8,535	135,251	6,272	141,524	(47,819)	93,704
Investment gain on equity method	—	—	2,174	—	599	2,774	19	2,794	—	2,794
Total	92,227	10,164	15,309	11,188	9,135	138,026	6,292	144,318	(47,819)	96,498
Segment Assets	1,301,618	110,967	285,749	251,591	229,642	2,179,569	47,043	2,226,613	201,535	2,428,149
Others										
Depreciation expenses	123,138	7,844	9,594	10,174	7,272	158,024	3,259	161,283	(3,708)	157,574
Increase in property, plant, equipment, and intangible assets	154,313	7,326	6,483	22,069	26,518	216,710	2,903	219,613	(4,394)	215,219

Notes:

- The “Others” segment indicates businesses not included in the reporting segments, including information processing service, shipping business, etc.
- The “Adjustments” indicates as follows;
 - The ¥(47,819) million segment profit adjustment includes ¥(547) million in eliminations for intersegment transactions and ¥(47,272) 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.
 - The ¥201,535 million segment assets adjustment includes ¥266,977 million of companywide assets not allocated to the respective reporting segments, and ¥(65,442) million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets that are not assignable to a reporting segment.
- Segment profit is adjusted to reflect operating profit recorded in the consolidated statement of income which is adjusted by investment gain or loss on equity method.

Fiscal year ended March 31, 2020 (from Apr. 1, 2019 to Mar. 31, 2020)

(Unit: million yen)

	Reporting segment						Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	Gas	Electric power	Overseas	Energy- related	Real estate	Total				
Net sales										
External sales	1,195,898	358,005	36,838	302,761	21,575	1,915,079	10,156	1,925,235	—	1,925,235
Intersegment sales & transfers	159,526	625	7,144	49,148	22,954	239,399	113,050	352,450	(352,450)	—
Total	1,355,425	358,630	43,983	351,910	44,529	2,154,479	123,207	2,277,686	(352,450)	1,925,235
Segment profit										
Operating profit (loss)	102,433	10,141	8,606	16,995	9,151	147,328	5,750	153,079	(51,571)	101,508
Investment gain on equity method	—	—	4,649	—	547	5,196	15	5,211	—	5,211
Total	102,433	10,141	13,255	16,995	9,698	152,525	5,766	158,291	(51,571)	106,720
Segment Assets	1,309,752	167,301	258,780	254,294	258,050	2,248,178	46,163	2,294,342	243,381	2,537,724
Others										
Depreciation expenses	126,383	8,743	11,128	11,103	7,132	164,491	4,924	169,415	(4,005)	165,410
Increase in property, plant, equipment, and intangible assets	162,385	6,185	9,032	18,017	31,464	227,085	2,747	229,833	(4,958)	224,874

Notes:

1. The “Others” segment indicates businesses not included in the reporting segments, including information processing service, shipping business, etc.
2. The “Adjustments” indicates as follows;
 - (1) The ¥(51,571) million segment profit adjustment includes ¥(237) million in eliminations for intersegment transactions and ¥(51,333) 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 ¥243,381 million segment assets adjustment includes ¥327,645 million of companywide assets not allocated to the respective reporting segments, and ¥(84,263) million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets that are not assignable to a reporting segment.
3. Segment profit is adjusted to reflect operating profit recorded in the consolidated statement of income which is adjusted by investment gain or loss on equity method.

4) (Per share information)

(Unit: yen)

	FY2018 (Apr. 2018– Mar. 2019)	FY2019 (Apr. 2019 – Mar. 2020)
Shareholders' equity per share	2,575.99	2,602.74
Profit per share	187.60	98.07

Notes:

1. Diluted profit per share is not disclosed as no latent shares exist.

2. Basis for calculation of profit per share is as follows.

	FY2018 (Apr. 2018 – Mar. 2019)	FY2019 (Apr. 2019 – Mar. 2020)
Profit attributable to owners of parent (million yen)	84,555	43,382
Not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent with regard to the common shares (million yen)	84,555	43,382
Average number of common shares outstanding (thousand shares)	450,719	442,380

3. Basis for calculation of BPS is as follows.

	FY2018 (as of Mar. 31, 2019)	FY2019 (as of Mar. 31, 2020)
Shareholders' equity (million yen)	1,171,345	1,159,228
Deduction from shareholders' equity (million yen)	12,289	11,391
-Shares of minority shareholders (million yen)	12,289	11,391
Net shareholders' equity attributable to common shares (million yen)	1,159,055	1,147,836
Number of shares to calculate BPS (thousand shares)	449,945	441,011

5) (Significant subsequent events)

Although the decline in crude oil and natural gas prices on the back of a drop in demand for crude oil after the consolidated closing date may have an impact on the Group's business performance and financial position, it is difficult to reasonably quantify the impact at this moment.

V. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance sheets

(Million yen)

	As of March 31,2019	As of March 31,2020
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	238,636	228,801
Distribution facilities	541,740	541,353
Service and maintenance facilities	64,729	45,482
Facilities for incidental businesses	5,587	5,461
Inactive facilities	316	316
Construction in progress	109,756	82,475
Total property, plant and equipment	960,766	903,890
Intangible assets		
Patent right	10	10
Leasehold interests in land	1,763	1,805
Goodwill	100	86
Other intangible assets	95,815	121,706
Total intangible assets	97,690	123,608
Investments and other assets		
Investment securities	65,711	54,421
Investments in subsidiaries and associates	364,614	375,889
Long-term loans receivable	41	35
Long-term loans receivable from subsidiaries and associates	133,053	156,738
Investments in capital	13	13
Long-term prepaid expenses	23,848	14,956
Deferred tax assets	26,914	29,943
Other investments and other assets	8,534	7,789
Allowance for doubtful accounts	-336	-442
Total investments and other assets	622,395	639,344
Total non-current assets	1,680,852	1,666,843
Current assets		
Cash and deposits	37,225	84,563
Notes receivable - trade	1,139	1,785
Accounts receivable - trade	187,677	148,758
Accounts receivable from subsidiaries and associates - trade	39,152	44,284
Accounts receivable - other	7,848	7,077
Finished goods	113	94
Raw materials	44,350	36,937
Supplies	10,339	11,456
Advance payments	1,156	1,162
Prepaid expenses	1,126	1,606
Short-term receivables from subsidiaries and associates	25,919	34,327
Other current assets	43,183	56,234
Allowance for doubtful accounts	-1,223	-638
Total current assets	398,009	427,650
Total assets	2,078,862	2,094,493

As of March 31,2019

As of March 31,2020

	As of March 31,2019	As of March 31,2020
Liabilities		
Non-current liabilities		
Bonds payable	334,998	404,998
Long-term borrowings	331,762	341,932
Long-term debt to subsidiaries and associates	361	0
Provision for retirement benefits	59,078	64,656
Provision for gas holder repairs	2,631	2,695
Provision for safety measures	1,776	593
Provision for appliance warranties	14,057	12,985
Allowance for points redemption	1,450	1,000
Asset retirement obligations	316	318
Other noncurrent liabilities	36,484	17,933
Total non-current liabilities	782,917	847,114
Current liabilities		
Current portion of non-current liabilities	40,536	45,968
Accounts payable - trade	39,923	45,492
Accounts payable - other	43,239	55,912
Accrued expenses	50,517	49,115
Income taxes payable	22,552	22,574
Advances received	7,912	7,743
Deposits received	1,534	1,482
Short-term borrowings from subsidiaries and associates	135,962	119,501
Short-term debt to subsidiaries and associates	48,233	63,082
Asset retirement obligations	-	411
Other current liabilities	14,319	17,662
Total current liabilities	404,732	428,946
Total liabilities	1,187,649	1,276,060
Net assets		
Shareholders' equity		
Share capital	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 tax purpose reduction entry of non-current assets	6,161	6,013
Reserve for overseas investment loss	6,766	4,393
Reserve for adjustment of cost fluctuations	141,000	141,000
General reserve	339,000	339,000
Retained earnings brought forward	210,782	146,578
Total retained earnings	739,165	672,439
Treasury shares	-4,111	-3,875
Total shareholders' equity	878,964	812,473
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,271	15,287
Deferred gains or losses on hedges	-10,023	-9,327
Total valuation and translation adjustments	12,248	5,959
Total net assets	891,212	818,433
Total liabilities and net assets	2,078,862	2,094,493

(2) Non-Consolidated Statements of income

(Million yen)

	Fiscal year ended March 31,2019	Fiscal year ended March 31,2020
Sales from gas business		
Gas sales	1,193,670	1,071,736
Gas transportation service revenue	10,374	27,567
Revenue from interoperator settlement	7,212	7,202
Total sales from gas business	1,211,256	1,106,506
Cost of sales		
Beginning inventories	110	113
Cost of products manufactured	763,479	643,530
Purchase of finished goods	9,432	10,385
Costs of gas for own use	1,928	1,786
Ending inventories	113	94
Total cost of sales	770,980	652,148
Gross profit	440,276	454,357
Supply and sales expenses	343,410	355,373
General and administrative expenses	70,090	72,965
Total selling, general and administrative expenses	413,500	428,339
Profit on core business	26,776	26,018
Miscellaneous operating revenue		
Revenue from installation work	41,805	42,437
Other miscellaneous operating revenue	117,709	118,923
Total miscellaneous operating revenue	159,515	161,361
Miscellaneous operating expenses		
Installation work expenses	40,259	41,565
Other miscellaneous operating expenses	104,058	94,355
Total miscellaneous operating expenses	144,318	135,921
Revenue from incidental businesses	397,794	520,107
Expenses for incidental businesses	390,847	509,521
Operating profit	48,920	62,044

(Million yen)

	Fiscal year ended March 31,2019	Fiscal year ended March 31,2020
Non-operating income		
Interest income	417	418
Dividend income	1,885	1,730
Dividends from subsidiaries and affiliates	14,201	12,181
Rental income	5,703	3,553
Miscellaneous income	7,536	6,399
Total non-operating income	29,745	24,283
Non-operating expenses		
Interest expenses	4,111	4,065
Interest on bonds	5,033	5,286
Amortization of bond issuance costs	384	472
Balance on commissioned construction	1,791	2,181
Miscellaneous expenses	4,435	5,980
Total non-operating expenses	15,755	17,986
Ordinary profit	62,910	68,342
Extraordinary income		
Gain on sales of investment securities	4,419	-
Gain on settlement of contract	-	9,689
Total extraordinary income	4,419	9,689
Extraordinary losses		
Loss on valuation of investment securities	-	2,040
Total extraordinary losses	-	2,040
Profit before income taxes	67,329	75,991
Income taxes - current	13,850	20,488
Income taxes - deferred	-237	-1,200
Total income taxes	13,612	19,287
Profit	53,717	56,703