

Consolidated Financial Results Bulletin for the 1st Quarter Ended June 30, 2020**(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531
 (URL <https://www.tokyo-gas.co.jp/IR/english/index.html>)
 Representative: Mr. Takashi UCHIDA, President
 Contact: Mr. Rikiya KOMORI, Chief Manager,
 Consolidated Settlements Sect.

Stock listings:
 Tokyo Stock Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: August 14, 2020
 Scheduled date of the start of dividend payments: —
 Preparation of 1Q earnings presentation material (yes/no): **Yes**
 Holding of 1Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Performance for 1st Quarter (from April 1, 2020 to June 30, 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	
Three months ended Jun. 30, 2020	415,654	-11.0%	27,447	-37.7%	28,040	-42.1%	16,354	-53.2%
Three months ended Jun. 30, 2019	467,218	16.4%	44,021	89.1%	48,390	101.4%	34,927	-7.4%

Note: Total comprehensive income

Three months ended June 30, 2020: 15,813 million yen (-53.2%) Three months ended June 30, 2019: 33,809 million yen (55.9%)

	Profit per share	Diluted profit per share
Three months ended Jun. 30, 2020	37.08 yen	—
Three months ended Jun. 30, 2019	78.23 yen	—

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Total net assets	Equity ratio
As of Jun. 30, 2020	2,530,625	1,161,544	45.4%
As of Mar. 31, 2020	2,537,724	1,159,228	45.2%

Reference: Shareholders' equity

As of June 30, 2020: 1,150,133 million yen

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

2. Dividend

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual
FY2019 ended Mar. 31, 2020	—	30.00	—	30.00	60.00
FY2020 ending Mar. 31, 2021	—				
FY2020 ending Mar. 31, 2021 (Forecast)		30.00	—	30.00	60.00

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

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

(Unit: million yen)

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

	Operating profit	
Full-year	73,000	-28.1%

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

Notes on the Consolidated Results Forecast

Since it is difficult to reasonably quantify the impact of the global outbreak of the new coronavirus (COVID-19) on the Company's business, we are refraining from publishing our consolidated results forecasts for net sales, ordinary profit and profit attributable to owners of parent for the fiscal year ending March 2021 at this moment. We will disclose them as soon as reasonable estimations have become possible.

*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: 83 (increased: 1, decreased: 1)
 Number of equity method affiliates: 15

- (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):	Jun. 30, 2020	442,436,059	Mar. 31, 2020	442,436,059
2) Number of shares of treasury stock at end of period:	Jun. 30, 2020	1,426,191	Mar. 31, 2020	1,424,746
3) Average number of shares during period:	Apr. – Jun. 2020	441,010,385	Apr. – Jun. 2019	446,471,083

* 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

- Although it is difficult to reasonably quantify the impact of the global outbreak of the new coronavirus (COVID-19) on the Company's business, we have decided to publish our forecast for operating profit, in which the different impacts of COVID-19 on each segment can be appropriately reflected to a certain degree, by estimating the segment impact amounts and adding or subtracting the performance trends from April to June and the elements of change from the previous year. We are refraining from publishing consolidated results forecasts for net sales, ordinary profit and profit attributable to owners of parent as well as non-consolidated results forecasts at this moment. We will disclose them as soon as reasonable estimations have become possible.
- The forecast stated above includes numerous elements of significant uncertainty, such as the duration of the impact on near-term operating results, the possibility of a second wave of infections and the government's reissuance of a state of emergency declaration. Therefore, the forecast is subject to drastic changes depending on future developments, which we will reflect on the forecast as needed. For details of the above forecast, please refer to "1. Overview of Business Performance, etc. (2) Future outlook" on page 3 of the Attachment.
- The information related to this Financial Results will be posted on the Web site of the Company.

Contents of Attachment

1. Overview of Business Performance, etc.....	2
(1) Overview of business performance of the 1st quarter.....	2
(2) Future outlook	3
2. Consolidated Financial Statements and Main Notes	4
(1) Consolidated balance sheets	4
(2) Consolidated statements of income and comprehensive income	6
Consolidated statement of income	6
(Three months ended June 30, 2020)	
Consolidated statement of comprehensive income	7
(Three months ended June 30, 2020)	
(3) Notes on consolidated financial statements	8
(Note on going concerns' premise)	8
(Additional information).....	8
(Significant changes in shareholders' equity).....	8
(Application of accounting treatment peculiar to quarterly consolidated financial statement preparation).....	8

1. Overview of Business Performance, etc.

(1) Overview of business performance of the 1st quarter

<Summary by segment>

(Unit: million yen)

		Gas	Electric power	Overseas	Energy-related	Real estate	Others
Sales	FY2020	284,980	89,121	11,990	72,680	11,114	26,682
	(% of total)	(57.5%)	(17.9%)	(2.4%)	(14.6%)	(2.2%)	(5.4%)
	FY2019	343,015	72,156	10,912	70,586	11,153	26,237
	(% of total)	(64.3%)	(13.5%)	(2.0%)	(13.2%)	(2.1%)	(4.9%)
	Amount of change	-58,035	16,965	1,078	2,094	-39	445
	(Rate of change)	-16.9%	23.5%	9.9%	3.0%	-0.4%	1.7%
Operating expenses	FY2020	257,209	86,160	9,323	71,264	8,089	25,337
	(% of total)	(56.3%)	(18.8%)	(2.0%)	(15.6%)	(1.8%)	(5.5%)
	FY2019	296,740	70,176	8,835	69,798	8,191	25,025
	(% of total)	(62.0%)	(14.7%)	(1.8%)	(14.6%)	(1.7%)	(5.2%)
	Amount of change	-39,531	15,984	488	1,466	-102	312
	(Rate of change)	-13.3%	22.8%	5.5%	2.1%	-1.2%	1.2%
Segment profit	FY2020	27,770	2,961	2,794	1,416	3,270	1,333
	(% of total)	(70.1%)	(7.5%)	(7.1%)	(3.6%)	(8.3%)	(3.4%)
	FY2019	46,275	1,980	3,645	787	3,124	1,203
	(% of total)	(81.1%)	(3.5%)	(6.4%)	(1.4%)	(5.5%)	(2.1%)
	Amount of change	-18,505	981	-851	629	146	130
	(Rate of change)	-40.0%	49.6%	-23.3%	79.8%	4.7%	10.8%

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. – Jun. 2020	Apr. – Jun. 2019	Change	% change	
No. of customers for city gas retail sales	Thousands	9,044	9,607	-563	-5.9	
No. of customers (meters)	Thousands	11,975	11,838	137	1.2	
City gas sales volume	Residential	Mil. m ³	819	808	11	1.4
	Commercial	Mil. m ³	425	555	-130	-23.4
	Industrial	Mil. m ³	1,031	1,587	-556	-35.0
	Subtotal	Mil. m ³	1,456	2,142	-686	-32.0
	Supplies to other utilities	Mil. m ³	380	422	-42	-9.9
	Total	Mil. m ³	2,656	3,372	-716	-21.2
Average temperature	°C	16.6	16.7	-0.1	—	

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. – Jun. 2020	Apr. – Jun. 2019	Change	% change
No. of customers for electric power retail sales		Thousands	2,457	1,924	533	27.7
Electric power sales volume	Retail	million kWh	2,148	1,644	504	30.6
	Wholesale etc.	million kWh	3,083	2,221	862	38.8
	Total	million kWh	5,231	3,865	1,366	35.3

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

<Foreign Exchange Rate and Crude Oil Price>

¥/\$ rate	Apr. – Jun. 2020	Apr. – Jun. 2019	Change	Crude oil price (\$/bbl)	Apr. – Jun. 2020	Apr. – Jun. 2019	Change
	107.64	109.90	-2.26		32.22	71.47	-39.25

(2) Future outlook

<Profit forecast by segment>

(Unit: hundred million yen)

		Gas	Electric power	Overseas	Energy-related	Real estate	Others	Adjustments	Consolidated amount
Segment profit	FY2020 (forecast)	885	136	24	132	56	13	-496	750
	FY2019 (results)	1,024	101	132	169	96	57	-515	1,067
	Change	-139	35	-108	-37	-40	-44	19	-317
	% change	-13.6	34.1	-81.9	-22.3	-42.3	-77.5	—	-29.7

Note: 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.

< Foreign exchange rate and crude oil price forecast for FY2020>

¥/\$ rate	FY2020 (Forecast)	FY2019 (Results)	Change	Crude oil price (\$/bbl)	FY2020 (Forecast)	FY2019 (Results)	Change
	109.41	108.71	0.70		41.38	67.79	-26.41

2. Consolidated Financial Statements and Main Notes

(1) Consolidated balance sheets

(Million yen)

	As of March 31,2020	As of June 30,2020
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	224,515	221,287
Distribution facilities	548,095	537,985
Service and maintenance facilities	48,492	17,879
Other facilities	475,093	500,160
Inactive facilities	316	316
Construction in progress	162,862	164,972
Total property, plant and equipment	1,459,377	1,442,601
Intangible assets		
Goodwill	16,269	20,761
Other intangible assets	137,814	141,685
Total intangible assets	154,084	162,447
Investments and other assets		
Investment securities	216,052	223,383
Long-term loans receivable	50,615	55,922
Retirement benefit asset	29	29
Deferred tax assets	49,132	49,695
Other investments and other assets	46,407	45,554
Allowance for doubtful accounts	-405	-402
Total investments and other assets	361,831	374,182
Total non-current assets	1,975,292	1,979,231
Current assets		
Cash and deposits	151,288	142,864
Notes and accounts receivable - trade	221,123	174,193
Lease receivables and investments in leases	20,363	19,955
Merchandise and finished goods	1,905	2,034
Work in process	11,868	15,555
Raw materials and supplies	64,703	68,135
Other current assets	91,748	129,144
Allowance for doubtful accounts	-570	-490
Total current assets	562,431	551,393
Total assets	2,537,724	2,530,625

	As of March 31,2020	As of June 30,2020
Liabilities		
Non-current liabilities		
Bonds payable	404,998	444,998
Long-term borrowings	429,541	456,889
Deferred tax liabilities	18,531	18,450
Retirement benefit liability	71,976	71,024
Provision for gas holder repairs	3,122	3,107
Provision for safety measures	593	561
Provision for appliance warranties	12,985	12,556
Provision for point card certificates	1,000	1,195
Asset retirement obligations	14,424	15,563
Other noncurrent liabilities	51,555	52,937
Total non-current liabilities	1,008,730	1,077,283
Current liabilities		
Current portion of non-current liabilities	54,428	54,434
Notes and accounts payable - trade	78,593	58,367
Short-term borrowings	6,507	7,043
Income taxes payable	29,708	10,850
Provision for contract loss	-	1,627
Other current liabilities	200,527	159,472
Total current liabilities	369,765	291,797
Total liabilities	1,378,495	1,369,080
Net assets		
Shareholders' equity		
Share capital	141,844	141,844
Capital surplus	2,067	2,067
Retained earnings	967,808	970,932
Treasury shares	-3,875	-3,879
Total shareholders' equity	1,107,844	1,110,964
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,843	18,284
Deferred gains or losses on hedges	1,444	565
Foreign currency translation adjustment	22,412	20,257
Remeasurements of defined benefit plans	292	60
Total accumulated other comprehensive income	39,992	39,169
Non-controlling interests	11,391	11,410
Total net assets	1,159,228	1,161,544
Total liabilities and net assets	2,537,724	2,530,625

(2) Consolidated statements of income and comprehensive income

(Consolidated statement of income : Three months ended June 30, 2020)

(Million yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Net sales	467,218	415,654
Cost of sales	308,046	277,479
Gross profit	159,171	138,175
Selling, general and administrative expenses		
Supply and sales expenses	98,115	94,784
General and administrative expenses	17,034	15,943
Total selling, general and administrative expenses	115,150	110,728
Operating profit	44,021	27,447
Non-operating income		
Interest income	553	600
Dividend income	4,551	1,331
Share of profit of entities accounted for using equity method	1,723	360
Miscellaneous income	1,763	2,450
Total non-operating income	8,591	4,743
Non-operating expenses		
Interest expenses	2,808	2,753
Miscellaneous expenses	1,414	1,397
Total non-operating expenses	4,222	4,150
Ordinary profit	48,390	28,040
Extraordinary losses		
Impairment loss	-	4,788
Total extraordinary losses	-	4,788
Profit before income taxes	48,390	23,252
Income taxes	13,259	6,583
Profit	35,131	16,668
Profit attributable to non-controlling interests	203	313
Profit attributable to owners of parent	34,927	16,354

(Consolidated statement of comprehensive income : Three months ended June 30, 2020)

(Million yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Profit	35,131	16,668
Other comprehensive income		
Valuation difference on available-for-sale securities	-3,045	2,446
Deferred gains or losses on hedges	-438	-1,624
Foreign currency translation adjustment	1,124	-1,392
Remeasurements of defined benefit plans, net of tax	1,369	-260
Share of other comprehensive income of entities accounted for using equity method	-330	-22
Total other comprehensive income	-1,321	-854
Comprehensive income	33,809	15,813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,612	15,531
Comprehensive income attributable to non-controlling interests	197	282

(3) Notes on consolidated financial statements

(Note on going concerns' premise)

Not applicable

(Additional information)

Accounting estimates of the impact of COVID-19

During the three months ended June 30, 2020, the outbreak of COVID-19 affected the Group's performance in the form of reduced commercial demand for city gas, among others. Since it is impossible to foresee when the disease will abate at this moment, it is difficult to determine its impact on the Group.

In accounting, estimations are required to be based on certain hypotheses. The Group has made various accounting estimates based on external information available at the time of preparation of consolidated financial statements and under the hypothesis that net business performance will gradually recover by the end of FY2020.

(Significant changes in shareholders' equity)

Not applicable

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

Calculation of taxes

Taxes are calculated by multiplying profit before income taxes for the first-quarter period under review by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the profit before income taxes for the current consolidated fiscal year ending March 31, 2021 including the first quarter under review.