

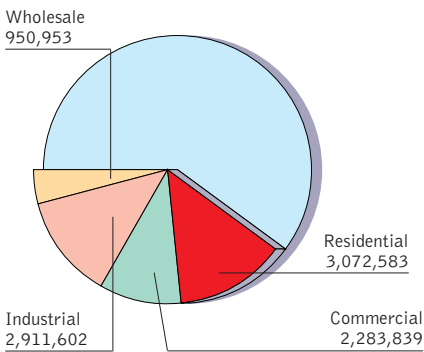
Our Position in the Market

Tokyo Gas is Japan's largest gas company both in terms of the number of customers—roughly 9 million in total—and gas sales volume—more than 9.2 billion m³ of gas was sold in the fiscal year ended March 2002. Our service area covers approximately 3,100 square kilometers in Tokyo and neighboring prefectures. We serve the heart of the Kanto region, the largest and most densely populated region in Japan with a total of some 40 million

people. Tokyo's position as the locus of Japanese commerce—many companies are headquartered here—makes our service area even more vibrant. What's more, the Kanto region is Japan's most industrialized area, accounting for 40% of Japan's GDP. Gas demand is expected to increase steadily in this enormous and economically diverse service area.

Gas Sales Volume in Japan and Tokyo Gas by Sector

(Year ended March 31, 2002)
Unit: thousands of m³ (46.05 MJ/m³)

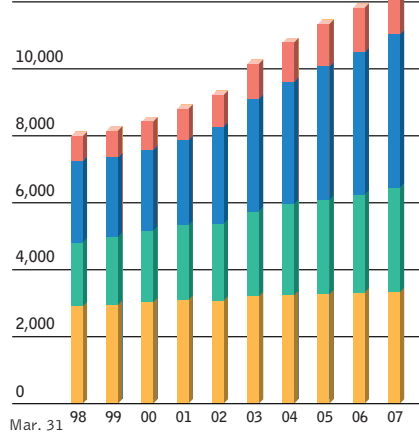


Japan 23,095,822
Tokyo Gas 9,218,978

* The above three graphs represent non-consolidated data.

Growth in Tokyo Gas Gas Sales Volume by Sector

Unit: million m³ (46.05 MJ/m³)
12,000

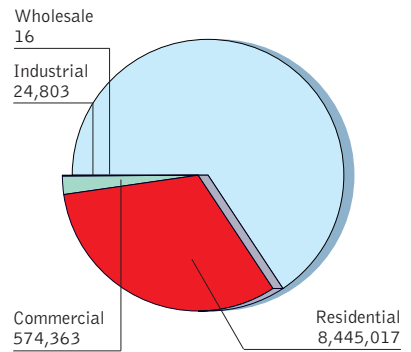


Residential Commercial Industrial Wholesale

Note: 2003~2007 are projected figures.

Number of Gas Customers in Japan and Tokyo Gas Customers

(As of March 31, 2002)



Japan 26,368,883
Tokyo Gas 9,044,199

Tokyo Gas' Role in the Market

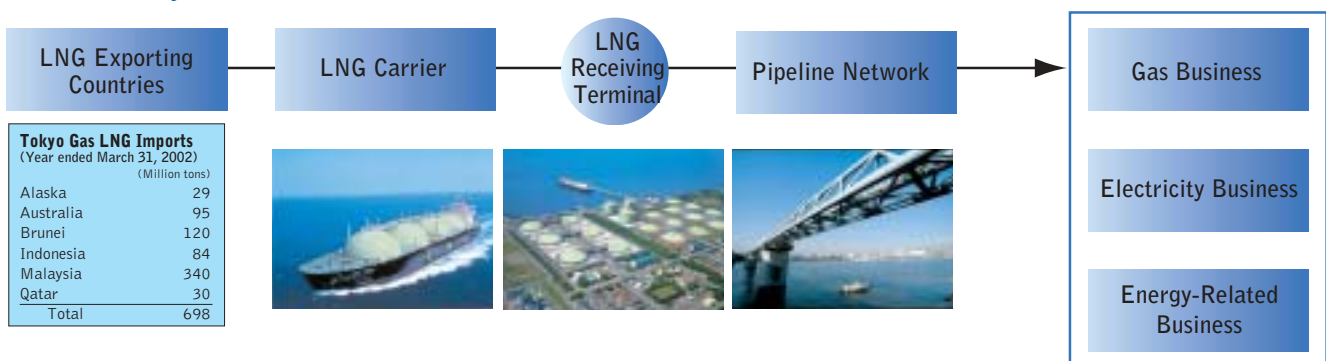
Ensuring a stable, secure, continuous and diversified energy supply centered on natural gas is our main corporate mission. Tokyo Gas will continue to supply competitively priced natural gas in response to diversifying market needs.

Today, with the importance of clean-burning natural gas increasing amid heightening interest in environmental issues, Tokyo Gas' role is growing all the time. Prospects are bright. Average growth in gas demand of 5.9% per annum is forecast in our service area through the fiscal year ending March

2007. This exceeds growth forecasts for other energy sources and the Japanese economy as a whole.

At Tokyo Gas, natural gas is positioned as the cornerstone of the company's energy and energy-related operations. Building on this strong foundation, Tokyo Gas is aiming to evolve as a total energy provider, supplying heat and electricity as well as gas, and value-added energy-related services.

The Flow of Tokyo Gas' Business



The Nature of the Gas Business in Japan

Japan has around 230 city gas companies, with the three largest accounting for roughly 80% of total gas sales volume. In addition to the small- and medium-sized gas companies, there are roughly 1,800 specific area gas suppliers and approximately 30,000 LPG companies, most of whom are also comparatively small. The industry is thus divided into two clear camps—the three large operators and all the others.

Approximately 90% of the city gas consumed in Japan is made from natural gas, most of which is imported in the form of LNG. Presently, only a few companies receive LNG and produce gas. Gas companies own pipelines as well as supply and sell gas within their own respective service areas. It is also noteworthy to mention that a nationwide pipeline network does not presently exist in Japan.

