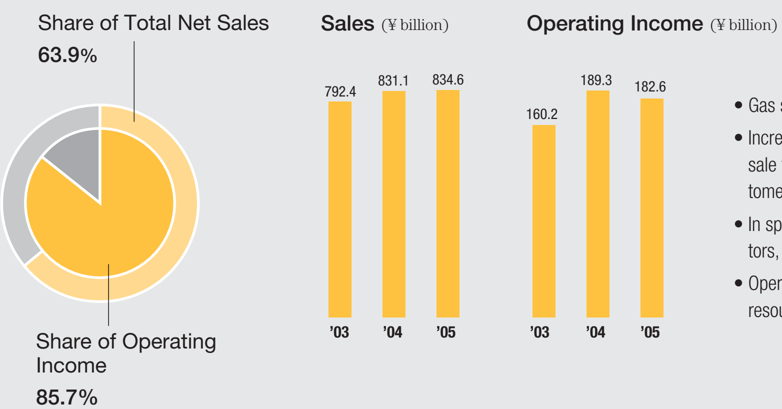
Segment Information

Gas Sales

Tokyo Gas produces city gas at three facilities, using LNG as the main resource, supplying it to 9.6 million customers primarily in the Kanto region through a 50,000-km pipeline network.

We have Japan's largest gas supply capability, and we are proactively extending pipelines to expand the customer base, focusing on the northern Kanto region, which offers strong potential for demand growth. In October 2004, a new pipeline to Tochigi Prefecture (Kumagaya-Sano Line) was completed, and the Tochigi Line is scheduled to begin operation in November 2005.

[Sales excluding intra-group transactions constitute 99.0% of this segment's sales.]

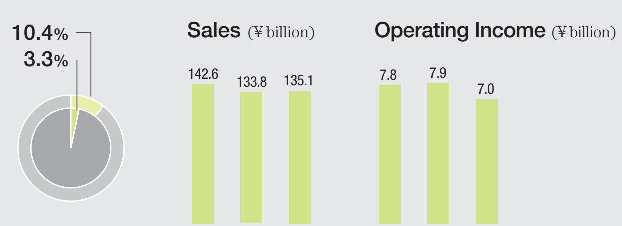


- Gas sales volume grew 6.5%, to 11,952 million m³.
- Increased gas sales in the commercial and industrial sectors and wholesale to other gas companies offset lower demand from residential customers caused by an extremely hot summer.
- In spite of a drop in unit price caused by a rate reduction and other factors, segment sales rose 0.4%, to ¥834.6 billion.
- Operating income declined 3.5%, to ¥182.6 billion, owing to increased resource costs caused by a sharp price rise in crude oil.

Gas Appliance Sales

This segment is involved in the sales of gas appliances bought from manufacturers, including gas cooktops, water heaters and TES systems (using hot water heated by gas to provide space heating and other home comforts), through 320 outlets of Enesta and Enefit, service networks of Tokyo Gas.

[Sales excluding intra-group transactions constitute 98.0% of this segment's sales.]

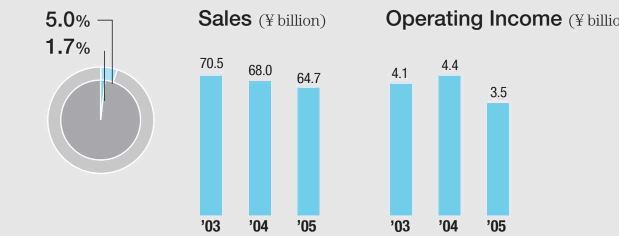


- Sales increased 0.9%, to ¥135.1 billion due to increased unit prices resulting from the introduction of high-value-added appliances and accounting for the expanded scope of consolidation.
- Investment in demand development to counter the "all electric" promotion pushed up costs, resulting in a 10.8% decrease in operating income to ¥7.0 billion.

Related Construction

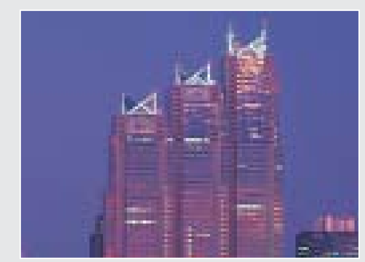
Tokyo Gas installs service pipes and gas cocks on the properties of new customers, as well as adding gas cocks and other equipment at buildings of existing customer sites.

[Sales excluding intra-group transactions constitute 93.9% of this segment's sales.]



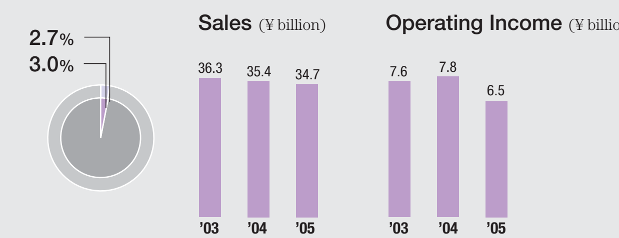
- As the number of installations decreased, sales dropped 4.8%, to ¥64.7 billion, accompanied by an operating income decline of 19.8%, to ¥3.5 billion.

Real Estate Rental



A subsidiary, Tokyo Gas Urban Development Co., Ltd., is primarily responsible for activities in this segment. The company leases and manages office buildings, including the Shinjuku Park Tower.

[Sales excluding intra-group transactions constitute 40.4% of this segment's sales.]

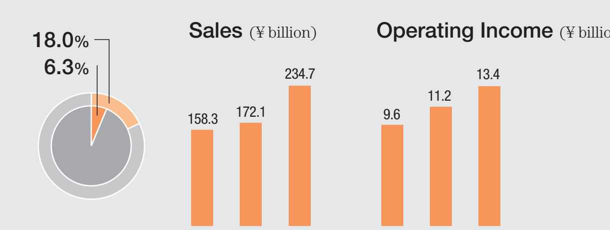


- Rent reductions caused sales to decline 2.1%, to ¥34.7 billion. Operating income decreased 17.5%, to ¥6.5 billion

Other Business

Business activities in this segment include district heating/cooling, energy services, LPG sales, industrial gas sales, credit leases, system integration and general engineering.

[Sales excluding intra-group transactions constitute 66.9% of this segment's sales.]



- Sales showed a large increase of 36.3%, to ¥234.7 billion, largely attributable to the expansion of consolidation.
- Operating income rose 19.0%, to ¥13.4 billion.

Notes: 1) Segment sales include intra-group transactions.
2) All graph data for years ended March 31.