

(TRANSLATION ONLY)

Code 9531

May 31, 2005

To Those Shareholders with Voting Rights

Norio Ichino
President, Representative Director
Tokyo Gas Co., Ltd.
5-20, Kaigan 1-chome, Minato-ku,
Tokyo 105-8527, Japan

NOTICE OF THE 205th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We hereby inform you of the 205th Ordinary General Meeting of Shareholders of Tokyo Gas Co., Ltd. (hereinafter, "We" or "the Company"), to be held as described below:

- 1. Date: 10 a.m., Wednesday, June 29, 2005**
- 2. Location: Tokyo Gas Building, Conference Room (2F)
5-20, Kaigan 1-chome, Minato-ku, Tokyo**

For those attending, please present the enclosed Exercise of Voting Rights Form at the reception desk upon arrival at the meeting.

If you are unable to attend the meeting, please read the attached documents and return the Exercise of Voting Rights Form with your selections marked and registered seal affixed.

Alternatively, you may vote via internet (<http://www.web54.net>) by using the voting code and password printed on the Exercise of Voting Rights Form and filling in the electronic voting form in accordance with the online instruction.

If you choose to exercise your voting right via internet, please take note of the enclosed form concerning exercise of voting right via internet.

3. Agenda of the Meeting:

Matters to report:

1. Non-Consolidated Balance Sheet as of March 31, 2005 Non-Consolidated Statement of Income and Unappropriated Retained Earnings and the Business Report for the 205th Fiscal Term (from April 1, 2004 to March 31, 2005)
2. Consolidated Balance Sheet as of March 31, 2005 Consolidated Statement of Income and Report of the Independent Auditors and the Board of Corporate Auditors

Matters to resolve:

- Proposal No. 1: Approval of the Proposed Appropriation of Unappropriated Retained Earnings for the 205th Fiscal Term
- Proposal No. 2: Partial Amendment to the Articles of Incorporation
- Proposal No. 3: Acquisition of Treasury Stock
- Proposal No. 4: Election of Twelve (12) Directors
- Proposal No. 5: Election of Two (2) Corporate Auditors
- Proposal No. 6: Payments of Bonuses to Directors and Corporate Auditors
- Proposal No. 7: Revision of Directors' Remuneration

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Business Report

(From April 1, 2004 to March 31, 2005)

I. REVIEW OF OPERATIONS

1. Business Conditions and Results of Group Operations

(1) Operating Activities

Corporate earnings sustained strong growth during fiscal 2004 (the year ended March 31, 2005). The Japanese economy maintained its recovery course, led by an upturn in consumer spending amid signs of better employment conditions. Meanwhile, further deregulation and an expansion of the scope of liberalization measures resulted in a renewal of fierce competition within the energy sector.

Under such economic and business conditions, the Tokyo Gas Group continued to do its utmost to expand the use of city gas. Boosted by an increase in the scope of consolidation due to a rise in the number of consolidated subsidiaries, consolidated sales amounted to ¥1,190,783 million, a gain of 3.4% compared with the previous year.

Although gas resource and materials costs rose due to higher gas sales volume and operating expenses also rose in line with the greater numbers of consolidated subsidiaries, the Company strove to minimize growth in costs by pursuing further gains in efficiency.

Operating income fell 4.6% year-on-year to ¥145,349 million, while ordinary income increased by 1.3% to ¥132,856 million. Special items included an extraordinary gain on the sale of investment securities of ¥5,262 million, an extraordinary loss of ¥3,486 million due to the payment of special consolidated subsidiary retirement allowances, and a loss due to fixed asset impairment of ¥1,198 million. Net income for the year increased 87.7% compared with the previous year to ¥84,047 million. In fiscal 2003, the Company had posted an extraordinary loss of ¥58,956 million due to a lump-sum write-off of actuarial differences in retirement benefits.

A review of results by operating segment follows.

Gas Sales

Total customer numbers rose by 216 thousand during fiscal 2004, to 9,783 thousand as of March 31, 2005. Gas sales volume increased 6.5% year-on-year to 11,951,551 thousand m³. Gas sales volume for residential use edged down by 1.5% to 3,241,958 thousand m³, despite increased numbers of residential customers and more usage of gas appliances as a result of ongoing marketing efforts. The dip in sales volume was mainly a result of reduced demand related to water-heating systems due to higher-than-average temperatures in the summer months. Gas sales volume for business use (commercial, public-sector and medical facilities) grew by 7.7% over the previous fiscal year to 2,901,644 thousand m³ due to successful efforts

to boost demand for gas-powered air-conditioning systems as core products that can help boost environmental performance. Gas sales volume for industrial use rose 10.4% to 4,636,679 thousand m³ as the Company focused sales efforts on promoting the eco-friendly profile of natural gas and leveraged the Group's engineering capabilities. Electric power generation drove most of the growth in industrial demand. Wholesale gas sales volume to other gas utilities climbed 13.8% to 1,171,270 thousand m³, due to higher demand from those utilities' customers. Higher gas sales volumes and unit-charge corrections based on the regulatory cost-adjustment formula for gas resources helped to offset the effect of lower gas tariffs. Total net sales in the Gas Sales segment rose 0.4% year-on-year to ¥834,658 million.

Gas Appliances

As a result of ongoing efforts to develop and market gas cooking, water-heating and air-conditioning appliances that boast a high level of safety and also excel in terms of their comfort, convenience, environmental and economic benefits, total net sales volume in the Gas Appliances segment increased 0.9% year-on-year to ¥135,108 million.

Related Construction

Related construction work undertaken during fiscal 2004 included 293 thousand new installations. Revenues from engineering works declined compared with fiscal 2003, mainly due to downward price revisions that were implemented on January 1, 2003 and November 1, 2003 covering unit-cost estimates for doubly intersecting internal pipeline network projects. Segment net sales fell 4.8% year-on-year to ¥64,794 million.

Real Estate

This segment is primarily involved in property rentals including Shinjuku Park Tower. Segment net sales declined 2.1% year-on-year to ¥34,701 million, mainly as a result of lower rental rates.

Other

Net sales from other businesses including district heating and cooling and general engineering increased 36.3% year-on-year to ¥234,720 million. This was principally due to the increase in the scope of consolidation relative to the previous fiscal year.

(2) Group Capital Expenditures

Total capital expenditures for the year amounted to ¥107,529 million. The total length of the pipeline network was extended by 666 km during fiscal 2004, to 52,657 km as of March 31, 2005. Elements of the distribution infrastructure still under construction include the Central Trunk Line and the Tochigi Line.

(3) Group Financing Activities

Fresh straight bond issuance by the Company amounted to ¥40,000 million during fiscal 2004, while redemptions totaled ¥95,920 million. Borrowings declined by ¥2,718 million during the year. As a result, consolidated interest-bearing liabilities declined by ¥58,638 million compared with the previous year-end, to ¥624,105 million.

(4) Prospective Group Challenges

Deregulation is ushering in a new era of major competition in Japanese energy markets. The new entrants include gas and electric utilities, as well as companies from other sectors. At the same time, deregulation is promoting the emergence of new, more highly integrated markets within the energy-related field that promise to bring together electricity, gas and other utilities, as well as creating various new energy and household services. The Company believes these developments will greatly expand the range of business opportunities available. October 2002 saw the formulation of “Frontier 2007,” a medium-term management plan for the Tokyo Gas Group covering the five-year period of fiscal 2003–7. The plan aims to respond to major ongoing changes in the business environment by promoting company growth and development centered on Tokyo Gas’ core field of expertise in energy supply and related services. Based on this plan, the company has undertaken a variety of initiatives whose thrust is either reform or innovation.

Business issues and initiatives in energy-related fields

Residential energy

Competing against developments such as all-electric houses, the Company continues to develop attractive, functionally enhanced products and services to encourage residential customers to choose gas. Recently developed products for the consumer market that excel in terms of their safety, energy efficiency and comfort include functionally enhanced stoves with built-in gas, bathroom heater-dryers equipped with a sauna mist function and gas-powered water heaters that use thermal recycling to achieve super-efficient performance. The Company is also simplifying gas tariffs while expanding menu options and offering discount rates to enhance the competitiveness of gas against other energy sources. The Company also leads the world in the development and launch of fuel-cell-driven co-generation systems for residential use. As the use of fuel cells in the home becomes more widespread, such next-generation products promise to establish the Company’s reputation as a global leader in environmental consumer technologies.

Industrial and commercial energy

Competition continues to intensify in markets for large users. The Company is focusing on promoting gas as a form of energy that precisely meets the increasing requirements of such customers for saving energy in an eco-friendly manner. Based on natural gas utilization technology acquired over many years and an extensive supply network, the Tokyo Gas Group markets efficient, eco-friendly energy-supply solutions, such as natural gas-powered co-generation systems. The consolidated subsidiary ENERGY ADVANCE Co., Ltd. spearheads the Group’s business development efforts in this field.

Regional expansion

Completion of the Kumagaya–Sano Trunk Line has enabled the Company to provide a stable supply of gas to the Utsunomiya area (in Tochigi Prefecture, to the north of Tokyo). Tokyo Gas has also begun supplying gas on a wholesale basis to Sano Gas, a local utility. Separately, the Company is developing its gas-supply business in Nagano Prefecture (to the northwest of Tokyo) through a newly established subsidiary, Nagano Toshi Gas Co., Ltd.

Upstream development and LNG transportation

Shipments of LPG have now begun from the Bayu-Undan gas field between Australia and East Timor, and shipments of LNG are scheduled to commence in 2006. The Company's second LNG tanker, the Energy Advance, entered into service in March 2005. By vertically integrating utility supply operations with the upstream and transportation sectors, the Company aims to generate increased profits along the entire LNG value chain, from gas development and production to liquefaction and transportation.

Overseas business development

The Tokyo Gas Group is involved in power generation in Mexico (the Bajio Power Project) and in a natural gas pipeline development in Brazil (the Malhas Project). Leveraging its technical expertise, the Group remains committed to the development of overseas business opportunities on a selective basis.

Strengthening of company structures

The Tokyo Gas Group continues to pursue initiatives designed to strengthen company structures in the areas of compliance, the environment, investor relations and social contribution. Fiscal 2004 saw particular progress on the environmental front as all of the Company's divisions (totaling 63 departments and 148 sites) completed certification procedures for ISO14001, the international standard for environmental management. With corporate social responsibility (CSR) becoming an increasingly important issue, the Company established the CSR Promotion Committee and the CSR Department to oversee internal initiatives in this field.

Further strengthening of corporate governance

The Company has already adopted various measures to strengthen corporate governance, such as a substantial reduction in the number of directors, the introduction of a corporate executive officer system, the appointment of outside directors and the adoption of a single-year term for executive officers. During fiscal 2004, the Company formulated policies on remuneration for directors and other executive officers. These are outlined in the table below. In terms of specific changes, following this year's Ordinary General Meeting of Shareholders, the Company plans to abolish the system of lump-sum retirement allowances for directors and auditors and consolidated it into the monthly remuneration system. In conjunction with this change, the Company also plans to introduce a system of performance-linked remuneration for directors to clarify the responsibilities of senior management regarding business performance. Alongside this, the Company plans to create an advisory committee to ensure objectivity and transparency in the handling of executive remuneration issues.

The Tokyo Gas Group enters fiscal 2005 intent on raising corporate value and striving to meet the expectations of shareholders and customers. Management hopes that shareholders will grant the Company their continued understanding and support.

Executive Remuneration Policies

(1) Executive roles and remuneration	The role of executive officers is to build corporate value, both over the short term and the medium-to-long term. Executive remuneration should function as an effective incentive to support this role.
(2) Executive remuneration levels	Levels of executive remuneration should be commensurate with the roles and responsibilities of executives and Company performance.
(3) Introduction of system of performance-linked remuneration	A system of performance-linked remuneration is to be introduced to provide strong motivation for the execution of strategy and to ensure that remuneration clearly reflects business performance in each period.
(4) Establishment of guidelines on stock purchases	Guidelines on stock purchases are to be established to ensure that shareholder views are reflected in management and that executives are encouraged to build shareholder value over the long term.
(5) Ensuring objectivity and transparency	An advisory committee composed of outside directors, outside auditors and Company directors is to be established to ensure that the executive remuneration system is objective and transparent.

2. Changes in Operating Results and Assets

(1) Changes in Consolidated Operating Results and Assets

Millions of yen

Fiscal year ended March 31	2002 (202nd fiscal term)	2003 (203rd fiscal term)	2004 (204th fiscal term)	2005 (205th fiscal term)
Net Sales	1,097,589	1,127,633	1,151,824	1,190,783
Ordinary Income	80,626	91,955	131,093	132,856
Net Income	51,911	59,201	44,787	84,047
Earnings per Share (Yen)	18.47	21.18	16.44	31.47
Total Assets	1,702,712	1,676,064	1,666,828	1,668,734
Shareholders' Equity	564,077	579,706	598,453	648,766

- Notes:*
- 1. A new accounting standard for the calculation of earnings per share was applied from the 203rd fiscal term.*
 - 2. A new accounting standard for the impairment of fixed assets was applied from the 204th fiscal term.*
 - 3. The accounts of the following 34 firms were included in the scope of consolidation from the 205th fiscal term to reflect their material significance to the Tokyo Gas Group: Tokyo Gas Toyosu Development Co., Ltd., Tokyo Gas Yokosuka Power Co., Ltd., Dining Art Systems Co., Ltd., Living Design Center Co., Ltd., Tokyo Gas Bay Power Co., Ltd., TG Showa Co., Ltd., Toyoko Engineering Co., Ltd., East Japan Housing Evaluation Center Co., Ltd., Tokyo Carbonic Co., Ltd., Japan Super Freeze Co., Ltd., TG Telemarketing Co., Ltd., Green Tech Tokyo Co., Ltd., Miho Gas Co., Ltd., Shoen Gas Co., Ltd., Tokyo Gas Sports Co., Ltd., TG Auto Service Co., Ltd., Tokyo Gas Remodeling Co., Ltd., Washimiya Gas Co., Ltd., Urban Communications Inc., Tochigi Gas Co., Ltd., Tokyo Gas Techno-Service Co., Ltd., Tokyo Gas Building Service Co., Ltd., Toeki Service Center Co., Ltd., Showa Bussan Co., Ltd., TOSETZ Co., Ltd., TOYOKO LIVING Co., Ltd., Kanpai Customer Service Co., Ltd., Toyoko Customer Service Co., Ltd., Showa Unyu Co., Ltd., Tokyo Plant Service Co., Ltd., Tokyo Rare Gases Company Limited, Tokyo Auto Gas Co., Ltd., Tokyo Kiko Co., Ltd., and Kanpai Tech Co., Ltd.*

202nd Fiscal Term Ended March 31, 2002

Despite a reduction in the gas rate schedules, net sales of gas rose 1.3% due to a 3.9% increase in gas sales volume and the positive impact of unit-charge corrections based on the regulatory cost-adjustment formula for gas resources. Companywide cost-cutting efforts offset higher gas resources costs caused by yen depreciation, resulting in a gain in ordinary income of ¥13,751 million, or 20.6%, compared with the previous year.

203rd Fiscal Term Ended March 31, 2003

Net sales of gas rose 5.6% due to a 13.5% increase in gas sales volume, despite the negative impact of unit-charge corrections based on the regulatory cost-adjustment formula and higher gas resources costs. Companywide cost-cutting efforts also contributed to a gain in ordinary income of ¥11,329 million, or 14.1%, relative to the previous year.

204th Fiscal Term Ended March 31, 2004

Net sales of gas rose 4.9% due to a 7.1% increase in gas sales volumes and to the positive impact of unit-charge corrections based on the regulatory cost-adjustment formula. Companywide cost-cutting efforts offset higher gas resources costs arising from increased gas sales volume, resulting in a gain in ordinary income of ¥39,138 million, or 42.6%, compared with the previous year.

205th Fiscal Term Ended March 31, 2005

Operating results for the 205th fiscal term are described above in I.1. "Business Conditions and Results of Group Operations."

(2) Changes in Non-Consolidated Operating Results and Assets

Millions of yen

Fiscal year ended March 31	2002 (202nd fiscal term)	2003 (203rd fiscal term)	2004 (204th fiscal term)	2005 (205th fiscal term)
Net Sales	974,566	992,236	1,013,754	1,013,993
Ordinary Income	72,249	79,680	115,859	117,192
Net Income	48,451	53,633	40,273	78,666
Earnings per Share (Yen)	17.24	19.19	14.78	29.46
Total Assets	1,411,444	1,381,359	1,410,023	1,382,265
Shareholders' Equity	517,070	528,264	540,217	574,059

Notes: 1. Earnings per share for the 203rd fiscal term is calculated in accordance with the "Accounting Standard for Earnings per Share."

2. A new accounting standards relating to Impairment of Fixed Assets became effective from the 204th fiscal term.

II. CURRENT STATUS OF THE COMPANY (As of March 31, 2005)

1. Principal Group Business Activities

Business segment	Principal business activities
Gas Sales	Production, supply and sale of gas
Gas Appliances	Manufacture and sale of gas appliances and related installation work
Related Construction	Gas engineering works
Real Estate	Leasing and management of land and buildings
Other	District water/steam supply services, cokes, LPG, industrial gases, credit/lease financial services, system integration, contract engineering work

2. Shares

- (1) Number of shares authorized to be issued 6,500,000,000 shares
(2) Number of shares issued 2,810,171,295 shares
(3) One unit of shares (*tangen*) 1,000 shares
(4) Number of shareholders 181,473
(5) Major shareholders

Name	Investment in the Company		Investment by the Company in these shareholders	
	Number of shares held (Thousand)	Percentage of voting rights (%)	Number of shares held (Thousand)	Percentage of voting rights (%)
Nippon Life Insurance Company	160,238	5.70	0	0
The Dai-Ichi Mutual Life Insurance Company	155,962	5.55	0	0
The Master Trust Bank of Japan, Ltd. (Trust Account)	138,220	4.92	0	0
State Street Bank and Trust Company	100,769	3.59	0	0
Japan Trustee Services Bank, Ltd. (Trust Account)	94,872	3.38	0	0
Fukoku Mutual Life Insurance Company	78,504	2.79	0	0
Tokyo Gas Employees Shareholding Association	40,400	1.44	0	0
Mellon Bank, N.A. as agent for its client Mellon Omnibus, US Pension	35,084	1.25	0	0
Mizuho Corporate Bank, Ltd.	33,000	1.17	0	0
The Chase Manhattan Bank NA., London	32,139	1.14	0	0

Note: Besides the shareholdings detailed above, the Company owns 159,437 thousand shares of treasury stock.

- (6) Acquisition, disposition and holding of treasury stock
- 1) Acquisition of shares
 - Common stock: 50,695,550 shares
 - Total value of acquisitions: ¥20,441,999,327
 - 2) Disposition of shares
 - Common stock: 284,411 shares
 - Total value of disposition: ¥104,740,666
 - 3) Shares owned by the Company as of the balance sheet date
 - Common stock: 159,437,083 shares

3. Status of Important Business Combinations

Major Subsidiaries

Company	Capital (¥ Million)	Percentage of voting rights (%)	Business
Tokyo Gas Urban Development Co., Ltd.	11,440	100.00	Real estate leasing, management and brokerage
Tokyo Gas Toyosu Development Co., Ltd.	5,000	100.00	Development the Toyosu site
ENERGY ADVANCE Co., Ltd.	3,000	100.00	Energy service business
Gaster Co., Ltd.	2,450	66.67	Manufacture and sale of gas appliances
KANPAI Co., Ltd.	1,300	100.00 (13.04)	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tokyo LNG Tanker Co., Ltd.	1,200	100.00	Leasing of tankers, delivery of LNG/LPG
Tokyo Gas Energy Co., Ltd.	1,000	100.00 (11.50)	Sale of LPG and coke
Tokyo Gas Chemicals Co., Ltd.	1,000	100.00 (17.70)	Sale of industrial gases and tar products
Park Tower Hotel Co., Ltd.	1,000	100.00 (100.00)	Hotel operation
Chiba Gas Co., Ltd.	480	100.00	Gas distribution
TG Credit Services Co., Ltd.	450	100.00	Leasing and credit administration in connection with gas appliances and construction
Tokyo Oxygen and Nitrogen Co., Ltd.	400	54.00 (54.00)	Manufacture and sale of liquefied oxygen/nitrogen
TG Information Network Co., Ltd.	400	100.00	System integration services
Toyoko Engineering Co., Ltd.	300	100.00	Design and construction of gas pipelines, water supply and sewage pipes, air-conditioning systems
Tsukuba Gakuen Gas Co., Ltd.	280	100.00	Gas distribution

Company	Capital (¥ Million)	Percentage of voting rights (%)	Business
TG Enterprise Co., Ltd.	200	100.00	Intragroup financing services
Tokyo Gas Engineering Co., Ltd.	100	100.00	Comprehensive engineering services with a focus on energy-related works
Tokyo Gas Customer Service Co., Ltd.	50	100.00	Periodic safety check, billing and meter reading operations
TG IT Service Co., Ltd.	50	100.00	Intragroup system and network services
KANPAI LIVING SERVICE Co., Ltd.	50	100.00 (100.00)	Sale of gas appliances

Note: Figures shown in parentheses in the "Percentage of voting rights" column indicate portions of the Company's voting rights owned by subsidiaries of the Company.

Consolidated subsidiaries including the above 20 major subsidiaries and affiliated company were 53 companies. Total net sales were ¥1,190,783 million, and their total net income was ¥84,047million.

4. Major Creditors

Creditor	Balance of borrowings (¥ Million)	Stockholding by creditors	
		Number of shares held (Thousand)	Percentage of voting rights (%)
Development Bank of Japan	51,366	0	0
Mizuho Corporate Bank, Ltd.	2,700	33,000	1.17
The Mitsubishi Trust and Banking Corporation	2,500	6,677	0.24
The Bank of Tokyo Mitsubishi, Ltd.	2,100	11,488	0.41
Shinkin Central Bank	2,000	0	0
Sumitomo Mitsui Banking Corporation	1,700	5,977	0.21
Shinsei Bank, Limited	1,500	0	0
Nippon Life Insurance Company	1,300	160,238	5.70
The Daiichi Mutual Life Insurance Company	1,050	155,962	5.55

5. Employees

Consolidated Number of employees (Change from previous year)
16,670 (+1,081)

- Notes: 1. "Employees" refers to permanent full-time staff and does not include workers on loan and part-time staff.*
2. The main reason for the increase compared with the previous year-end was the addition of 34 consolidated subsidiaries.

Non-Consolidated Number of employees (Change from previous year)	Average age (Years)	Average service years
8,447 (-306)	44.5	22.7

Note: "Employees" refers to permanent full-time staff and does not include workers on loan and part-time staff.

6. Principal Establishments

Head office (Minato-ku, Tokyo)

Service branches (*Shiten*)

Name	Location
Southern Service Branch	Minato-ku, Tokyo
Central Service Branch	Meguro-ku, Tokyo
Eastern Service Branch	Koto-ku, Tokyo
Chiba Service Branch	Chiba, Chiba
Western Service Branch	Suginami-ku, Tokyo
Tama Service Branch	Tachikawa, Tokyo
Northern Service Branch	Kita-ku, Tokyo
Saitama Service Branch	Saitama, Saitama
Kanagawa Service Branch	Yokohama, Kanagawa
Kawasaki Service Branch	Kawasaki, Kanagawa
Western Kanagawa Service Branch	Fujisawa, Kanagawa

Service branches (*Shisha*)

Name	Location
Hitachi Service Branch	Hitachi, Ibaraki
Johsoh Service Branch	Ryugasaki, Ibaraki
Kofu Service Branch	Kofu, Yamanashi
Gunma Service Branch	Takasaki, Gunma
Kumagaya Service Branch	Kumagaya, Saitama
Utsunomiya Service Branch	Utsunomiya, Tochigi
Nagano Service Branch	Nagano, Nagano

Pipeline Dept.

Name	Location
West Metropolitan Pipeline Regional Office	Shinjuku-ku, Tokyo
East Metropolitan Pipeline Regional Office	Arakawa-ku, Tokyo
Kanagawa Pipeline Regional Office	Yokohama, Kanagawa

LNG Terminals

Name	Location
Negishi LNG Terminal	Yokohama, Kanagawa
Sodegaura LNG Terminal	Sodegaura, Chiba
Ohgishima LNG Terminal	Yokohama, Kanagawa

Others

Name	Location
Residential Service Division	Shinjuku-ku, Tokyo
Energy Sales and Service Division	Shinjuku-ku, Tokyo

Principal subsidiaries

Name	Location
Tokyo Gas Urban Development Co., Ltd.	Shinjuku-ku, Tokyo
Tokyo Gas Toyosu Development Co., Ltd.	Minato-ku, Tokyo
ENERGY ADVANCE Co., Ltd.	Shinjuku-ku, Tokyo
Gaster Co., Ltd.	Yamato, Kanagawa
KANPAI Co., Ltd.	Shinagawa-ku, Tokyo
Tokyo LNG Tanker Co., Ltd.	Minato-ku, Tokyo
Tokyo Gas Energy Co., Ltd.	Chuo-ku, Tokyo
Tokyo Gas Chemicals Co., Ltd.	Minato-ku, Tokyo
Park Tower Hotel Co., Ltd.	Shinjuku-ku, Tokyo
Chiba Gas Co., Ltd.	Sakura, Chiba
TG Credit Services Co., Ltd.	Shinjuku-ku, Tokyo
Tokyo Oxygen and Nitrogen Co., Ltd.	Sodegaura, Chiba
TG Information Network Co., Ltd.	Shinjuku-ku, Tokyo
Toyoko Engineering Co., Ltd.	Yokohama, Kanagawa
Tsukuba Gakuen Gas Co., Ltd.	Tsukuba, Ibaraki
TG Enterprise Co., Ltd.	Shinjuku-ku, Tokyo
Tokyo Gas Engineering Co., Ltd.	Shinjuku-ku, Tokyo
Tokyo Gas Customer Service Co., Ltd.	Minato-ku, Tokyo
TG IT Service Co., Ltd.	Chiba, Chiba
KANPAI LIVING SERVICE Co., Ltd.	Ota-ku, Tokyo

Note: Effective April 1, 2005, TG Enterprise Co., Ltd. moved its head office to Minato-ku, Tokyo.

7. Executive Management

Chairman, Representative Director		Kunio Anzai
Vice Chairman Representative Director		Hideharu Uehara
President, Representative Director		Norio Ichino*
Representative Director	Executive Vice President, Chief Executive of Corporate Communications Division and Compliance Department	Mitsunori Torihara*
Representative Director	Executive Vice President, Chief Executive of Energy Sales and Service Division and General Manager of Volume Sales Department	Shigero Kusano*
Representative Director	Executive Vice President, Chief Executive of Energy Production Division	Kouya Kobayashi*
Director	Chief Executive of Energy Resources Division and in charge of Internal Audit Department	Tadaaki Maeda*
Director	Chief Executive of Residential Sales Division	Takashi Kunitomi*
Director	Chief Executive of Strategic Planning Division	Tsuyoshi Okamoto*
Director	Chairman and Chief Executive Officer of Kikkoman Corporation	Yuzaburo Mogi
Director	Chief Executive Officer of Dial Service Co., Ltd.	Yuri Konno
Standing Corporate Auditor		Soichiro Akimoto
Standing Corporate Auditor		Hiroshi Hirai
Corporate Auditor	Vice President of Sankeien Hoshokai Foundation	Kazuo Nemoto
Corporate Auditor	Chairman of the Board, Hitachi Capital Corporation	Masayoshi Hanabusa

Notes: 1. Asterisks () denote members of the Board of Directors who concurrently hold the duty of Executive Officer.*

2. Tadaaki Maeda, Takashi Kunitomi and Tsuyoshi Okamoto were appointed directors on June 29, 2004.

3. Yukio Sato resigned as a director on December 6, 2004.

4. Masayoshi Hanabusa was appointed corporate auditor on June 29, 2004.

5. Sho Nasu retired as a corporate auditor on June 29, 2004 at the end of his term of service.

6. Directors Yuzaburo Mogi and Yuri Konno are outside directors as provided for in Section 2, Part 7.2 of Article 188 of the Commercial Code of Japan.

7. Auditors Kazuo Nemoto and Masayoshi Hanabusa are outside corporate auditors as provided for in Article 18, Section 1 of the "Law for Special Exception to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha."

8. Total remuneration paid to directors and corporate auditors:

- Directors (15): ¥324 million (including 3 retirees as of June 29, 2004 and including 1 retiree as of Dec. 6, 2004)
- Corporate auditors (5): ¥ 75 million (including 1 retiree as of June 29, 2004)

Note: The above figures do not include a total of ¥270 million paid to directors in the form of bonuses, severance payments on retirement, and remuneration (including bonuses) as employees held concurrently with directorships, as well as a total of ¥8 million paid to corporate auditors in the form of severance payments on retirement.

9. Payments to independent auditors

- (1) Total payments to independent auditors by the Company and its subsidiaries
¥149 million
- (2) Of the total amount listed in (1) above, total payments by the Company and its subsidiaries for certified auditing services provided under Article 2, Section 1 of the Certified Public Accountant Law of Japan.
¥131 million
- (3) Of the total amount listed in (2) above, total payments to independent auditors by the Company for other services rendered as independent auditors.
¥ 66 million

Note: The auditing contract between the Company and the independent auditors makes no distinction between auditing services based on the "Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha" and auditing services based on the Securities & Exchange Law. Since no real distinction can be made in practice, the amount listed in (3) above also includes payments for auditing services based on the Securities & Exchange Law.

Non-consolidated Balance Sheet

(As of March 31, 2005)

(Millions of yen)

ASSETS

Fixed assets	1,150,993
Property, plant and equipment	833,782
Production facilities	229,052
Distribution facilities	504,513
Service and maintenance facilities	57,224
Incidental business facilities	4,552
Construction in progress	38,439
Intangible assets	15,160
Leaseholds	1,162
Other intangible assets	13,997
Investments and other assets	302,051
Investment securities	66,373
Investments in affiliated companies	109,756
Long-term loans	165
Long-term loans to affiliated companies	47,842
Investments	3
Long-term prepaid expenses	33,842
Deferred tax assets	41,039
Other investments	3,540
Allowances for doubtful accounts	(513)
Current assets	231,272
Cash and bank deposits	39,828
Notes receivable—trade	1,582
Accounts receivable—trade	87,775
Accounts receivable from affiliated companies—trade	11,391
Other receivables	10,075
Marketable securities	1
Finished goods	77
Raw materials	13,200
Supplies	6,581
Prepaid expenses	165
CMS short-term loans to affiliated companies	18,567
Short-term receivables due from affiliated companies	2,853
Deferred tax assets	9,002
Commissioned construction expense	14,421
Other current assets	16,818
Allowances for doubtful accounts	(1,072)
Total Assets	1,382,265

(Millions of yen)

LIABILITIES AND SHAREHOLDERS' EQUITY**LIABILITIES**

Fixed Liabilities.....	577,104
Bonds	287,700
Convertible bonds.....	89,885
Long-term debt.....	59,107
Long-term debt due to affiliated companies	361
Employees' severance and retirement benefits	130,844
Allowances for repairs of gas holders	3,286
Other non-current liabilities	5,919
Current Liabilities	231,102
Non-current liabilities due within one year	30,249
Accounts payable-trade	27,206
Other payables	25,089
Accrued expenses	35,355
Income taxes payable	37,526
Advances from customers	6,405
Deposits payable	1,465
CMS short-term borrowings from affiliated companies	34,473
Short-term payables to affiliated companies	18,420
Other current liabilities	14,908
Total Liabilities	808,206

SHAREHOLDERS' EQUITY

Capital	141,844
Common stock	141,844
Capital surplus.....	2,067
Additional paid-in capital	2,065
Other capital surplus.....	1
Gain on disposal of treasury stock	1
Retained earnings	461,959
Legal reserve.....	35,454
Reserve for advanced depreciation due to expropriation, etc.	976
Reserve for depreciation of special gas pipeline construction	2,575
Reserve for cost variations adjustment	141,000
General reserve	169,000
Unappropriated retained earnings	112,953
Difference in valuation	27,332
Net unrealized holding gains on securities	27,332
Treasury stock	(59,145)
Treasury stock	(59,145)
Total Shareholders' Equity	574,059
Total Liabilities and Shareholders' Equity	1,382,265

Notes to the Non-Consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment
¥2,155,913 million
2. Significant accounting policies
 - (1) Depreciation of property, plant and equipment is computed by the declining-balance method. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998.
 - (2) The basis and method of valuation of marketable securities are as follows:
Held-to-maturity debt securities are stated using the amortized cost method. Stocks issued by subsidiaries and affiliated companies are stated at cost, as determined by the moving-average method. Available-for-sale securities for which market value is readily determinable are reported at market value as of the close of accounts, with unrealized gains and losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving-average method. Available-for-sale securities with no readily determinable fair market value are stated at cost, as determined by the moving-average method.
 - (3) Inventories (finished goods, raw materials and supplies) are stated at cost, as determined by the moving-average method.
 - (4) The Company provided a reserve for employees' retirement benefits at March 31, 2005 based on the estimated amounts of projected benefit obligation and the fair value of the pension plan assets at that date.
 - (5) The Company provides a reserve for periodic maintenance and repair of spherical gas holding tanks by accruing the estimated related costs over the period until the next scheduled repair.
 - (6) All accounting transactions are booked exclusive of consumption taxes.
3. In accordance with revisions to gas utility accounting regulations, effective the year ended March 31, 2005, the accounts state as separate items any income generated by or expenses incurred for related business operations where the revenue from such related businesses accounts for more than 10% of total turnover.
4. Receivables and payables due from/to subsidiaries included in those due from/to affiliated companies are as follows:

Long-term receivables due from subsidiaries	¥75,762 million
Long-term payables due to subsidiaries	361 million
Short-term receivables due from subsidiaries	29,353 million
Short-term payables due to subsidiaries	48,295 million
5. Investments in equity issued by subsidiaries included in "Investments in affiliated companies"
¥70,183 million

- | | |
|---|-----------------|
| 6. Assets pledged as collateral | |
| Property, plant and equipment | ¥ 56 million |
| Investments and other assets | 40 million |
| 7. Contingent liabilities for guarantee | ¥16,592 million |
| (of which to be borne by the Company: | 16,351 million) |
| Joint and several liabilities | 14,208 million |
| Contingent liabilities related to debt-assumption | |
| underwriting contracts on corporate bonds | 38,700 million |
8. Allowances for repairs of gas holders are provided based on Article 43 of the Japanese Commercial Code.
9. The increase in shareholder's equity as stipulated by Article 124, Section 3 of the Japanese Commercial Code is ¥27,332 million.
10. All amounts of less than one million yen have been rounded down in the accounts.

Non-consolidated Statement of Income

(From April 1, 2004 to March 31, 2005)

(Millions of yen)

COSTS AND EXPENSES	INCOME
Ordinary profit and loss	
Operating profit and loss	
Cost of sales 328,910	Product sales 825,341
Beginning inventory 76	Gas sales 825,341
Cost of goods manufactured 317,484	
Cost of goods purchased 12,955	
Costs of goods internally used 1,527	
Ending inventory 77	
[Gross profit (496,430)]	
Selling expenses 307,961	
General and administrative expenses 77,745	
[Income from operation..... (110,722)]	
Miscellaneous operating expenses 161,819	Miscellaneous operating revenue 170,898
Expense for related construction 54,345	Revenue from related construction ... 57,456
Expense for gas appliance sales 107,473	Revenue from gas appliance sales 112,881
	Other operating revenue 560
Incidental expenses 17,387	Incidental revenue 17,753
Expense for remote control service ... 1,757	Revenue from remote control service ... 2,324
Expense for power sales 3,954	Revenue from power sales 3,909
Expense for other associated business 11,675	Revenue from other associated business... 11,519
[Operating profit (120,167)]	
Non-operating profit and loss	
Non-operating expenses 19,277	Non-operating income 16,302
Interest expenses 1,907	Interest income 1,019
Bond interest expenses 8,239	Dividend income 1,807
Bond issue cost amortization 203	Rental income 4,069
Adjustments of changes for construction	Gain from settlement of
of distribution facilities 4,229	weather derivatives 2,740
Loss on redemption of bonds 2,879	Miscellaneous income 6,664
Miscellaneous expenditure 1,818	
[Ordinary income (117,192)]	
Extraordinary profit and loss	
Extraordinary expenses 430	Extraordinary income 5,256
Loss on sales of fixed assets..... 350	Gain on sales of fixed assets..... 87
Loss on compression of fixed assets... 80	Gain from sales of securities 5,169
[Income before income taxes..... (122,018)]	
Income taxes-current 37,750	
Income taxes-deferred 5,601	
Net income..... 78,666	
Total1,035,552	Total1,035,552

Net income	78,666
Retained earnings brought forward	43,566
Interim dividends	9,279
Unappropriated retained earnings	112,953
<hr/>	
<i>Notes: 1. Sales to subsidiaries</i>	<i>¥ 34,831 million</i>
<i> Purchases from subsidiaries</i>	<i>129,649 million</i>
<i> Transactions with subsidiaries other than operating transactions</i>	<i>5,705 million</i>
<i>2. Earnings per share</i>	<i>¥29.46</i>

Proposed Appropriation of Unappropriated Retained Earnings

(Yen)

Unappropriated retained earnings	112,953,331,996
Reversal of reserve for depreciation of special gas pipeline construction	621,168,426
Total	113,574,500,422
<hr/>	
To be appropriated as follows:	
Dividends (¥3.50 per share)	9,277,569,742
Bonuses to directors	65,000,000
General Reserve	50,000,000,000
Unappropriated retained earnings to be carried forward	54,231,930,680

Notes: 1. The Company distributed an interim dividend in the amount of ¥9,279,458,708 (¥3.50 per share) on November 25, 2004.
2. The Company decided upon carrying forward all amount of other capital surplus to the next fiscal year.

Independent Auditors' Report

May 10, 2005

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA & Co.

Toshiaki Yamaguchi
Designated and Engagement Partner
Certified Public Accountant

Atsuki Kanazuka
Designated and Engagement Partner
Certified Public Accountant

Kunimitsu Ito
Designated and Engagement Partner
Certified Public Accountant

We have audited the statutory report, that is the balance sheet, the statement of income, the business report (limited to accounting matters) and the proposed appropriation of unappropriated retained earnings , and its supporting schedules (limited to accounting matters) of Tokyo Gas Co., Ltd. for the 205th business year from April 1, 2004 to March 31, 2005 in accordance with Article 2-1 of the “Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha”. With respect to the aforementioned business report and supporting schedules, our audit was limited to those matters derived from the accounting books and records of the Company and its subsidiaries. The statutory report and supporting schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on the statutory report and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with generally accepted auditing standards in Japan. Those auditing standards require us to obtain reasonable assurance about whether the statutory report and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the statutory report and supporting schedules. We believe that our audit provides a reasonable basis for our opinion. Our audit procedures also include those considered necessary for the Company’s subsidiaries.

As a result of the audit, our opinion is as follows:

- (1) The balance sheet and the statement of income present fairly the financial position and the results of operations of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.
- (2) The business report (limited to accounting matters) presents fairly the status of the Company in conformity with related laws and regulations and the Articles of Incorporation of the Company.
- (3) The proposed appropriation of unappropriated retained earnings has been prepared in conformity with related laws and regulations and the Articles of Incorporation of the Company.
- (4) With respect to the supporting schedules (limited to accounting matters), there are no items to be noted that are not in conformity with the provisions of the Commercial Code.

Our firm and engagement partners have no interest in the Company, which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Report of the Board of Corporate Auditors

AUDIT REPORT

The Board of Corporate Auditors, having received a report from each Corporate Auditor on the method and results of his audit on the performance of duties of Directors during the 205th fiscal period from April 1, 2004 to March 31, 2005 and, as a result of discussion, does hereby report the results of the audit as follows:

1. Method of Audit by Corporate Auditors

In accordance with audit standards and policy of Corporate Auditors set by the Board of Corporate Auditors, each Corporate Auditor has attended the meetings of the Board of Directors and other important meetings of the Company, received reports on the execution of duties from Directors, perused important documents and conducted examination of conditions of business and assets (including internal control systems such as legal compliance system and risk management system) at the head office and other major business offices. In addition, each Corporate Auditor requested from the Company's subsidiaries reports on their operations, making visits to subsidiaries and conducting examinations of accounting documents and supplementary schedules when deemed necessary. Each Corporate Auditor has also received from accounting auditors reports concerning accounting audits and their opinions and conducted examinations of accounting documents and supplementary schedules.

With respect to the Directors engaging in competing transactions, transactions involving conflict of interest between the Company and a Director, providing by the Company of a benefit without compensation, unusual transactions between the Company and its subsidiaries or shareholders and acquisition and disposition of its own shares, each Corporate Auditor has, in addition to the audit procedures described above, requested reports on Directors and conducted detailed investigation when deemed necessary.

2. Results of audit

In the opinion of the Board of Corporate Auditors:

- (a) the method and results employed and rendered by independent auditors, KPMG AZSA & Co. are fair and reasonable;
- (b) the contents of the business report present fairly the position of the Company pursuant to laws and regulations and the Company's Articles of Incorporation;
- (c) the proposed allocation of profit contains nothing in particular to be commented on in the light of the condition of assets of the Company and other circumstances;
- (d) the supplemental schedules present fairly the matters to be described therein and contain nothing to be commented on;
- (e) with respect to the Directors' execution of their duties, including duties related to subsidiaries, no unfair conduct, nor any material breach of laws, regulations or the Company's Articles of Incorporation has been found.

With respect to the Directors engaging in competing transactions, transactions involving conflict of interest between the Company and a Director, providing by the Company of a benefit without compensation, unusual transactions between the Company and its subsidiaries or shareholders and acquisition and disposition of its own shares, no breach of duty has been found.

May 12, 2005

Board of Corporate Auditors

Soichiro Akimoto
Standing Corporate Auditor

Hiroshi Hirai
Standing Corporate Auditor

Kazuo Nemoto
Corporate Auditor

Masayoshi Hanafusa
Corporate Auditor

(Note) Kazuo Nemoto and Masayoshi Hanafusa are outside corporate auditors as provided in Article 18, Paragraph 1 of the "Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha."

(English Translation of Financial Statements Originally Issued in Japanese Language)

Consolidated Balance Sheet

(As of March 31, 2005)

(Millions of yen)

ASSETS

Fixed Assets.....	1,382,066
Property, plant and equipment	1,159,517
Production facilities	228,886
Distribution facilities	510,727
Service and maintenance facilities	59,733
Other facilities	311,857
Construction in progress.....	48,311
Intangible assets	22,779
Consolidation difference.....	2,902
Other intangible assets.....	19,877
Investments and other assets	199,769
Investment securities.....	100,601
Long-term loans.....	4,047
Deferred tax assets.....	51,329
Other investments.....	45,503
Allowances for doubtful accounts.....	(1,711)
Current Assets.....	286,667
Cash and bank deposits.....	53,246
Notes and accounts receivable-trade.....	139,722
Inventories	25,436
Deferred tax assets.....	12,075
Other current assets	57,149
Allowances for doubtful accounts.....	(962)
<hr/>	
Total Assets.....	1,668,734

(Millions of yen)

LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' EQUITY

LIABILITIES

Fixed Liabilities.....	718,878
Bonds	305,500
Convertible bonds.....	89,885
Long-term debt	151,753
Deferred tax liabilities	2,599
Employees' severance and retirement benefits	141,480
Allowances for repairs of gas holders	3,463
Other non-current liabilities	24,196
Current Liabilities.....	292,458
Non-current liabilities due within one year	51,969
Notes and accounts payable-trade	60,563
Bank loans	25,123
Income taxes payable	41,690
Deferred tax liabilities	167
Other current liabilities.....	112,944
Total Liabilities	1,011,337

MINORITY INTEREST	8,630
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SHAREHOLDERS' EQUITY

Common stock	141,844
Capital surplus.....	2,067
Retained earnings.....	532,810
Net unrealized holding gains on securities.....	31,500
Foreign currency translation adjustments.....	(311)
Treasury stock.....	(59,145)
Total Shareholders' Equity.....	648,766
Total Liabilities, Minority Interest and Shareholders' Equity	1,668,734

Consolidated Statement of Income

(From April 1, 2004 to March 31, 2005)

(Millions of yen)

Net sales.....	1,190,783
Cost of sales.....	624,722
(Gross profit).....	(566,060)
Selling expenses.....	346,617
General and administrative expenses.....	74,094
(Operating profit).....	(145,349)
Non-operating income.....	12,114
Interest income.....	144
Dividend income.....	941
Equity in net income of an affiliated company.....	258
Gain from settlement of weather derivatives.....	2,740
Rental income.....	1,507
Miscellaneous income.....	6,522
Non-operating expenses.....	24,607
Interest expenses.....	13,134
Adjustments of changes for construction of distribution facilities.....	4,042
Loss on redemption of bonds.....	2,879
Miscellaneous expenditure.....	4,551
(Ordinary income).....	(132,856)
Extraordinary income.....	5,734
Gain on sales of fixed assets.....	472
Gain from sales of securities.....	5,262
Extraordinary expenses.....	5,268
Loss on sales of fixed assets.....	500
Loss on compression of fixed assets.....	82
Loss on impairment of fixed assets.....	1,198
Special severance payment.....	3,486
Income before income taxes and minority interest in net of consolidated subsidiaries.....	133,322
Income taxes-current.....	45,073
Income taxes-deferred.....	3,534
Minority interest in net of consolidated subsidiaries.....	667
Net income.....	84,047

Notes to the Consolidated Financial Statements

(Basis of Presentation for Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries

Consolidated subsidiaries: 52

Tokyo Gas Urban Development Co., Ltd., Tokyo Gas Toyosu Development Co., Ltd., ENERGY ADVANCE Co., Ltd., Gaster Co., Ltd., KANPAI Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Park Tower Hotel Co., Ltd., Chiba Gas Co., Ltd., TG Credit Services Co., Ltd., Tokyo Oxygen and Nitrogen Co., Ltd., TG Information Network Co., Ltd., Toyoko Engineering Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., TG Enterprise Co., Ltd., Tokyo Gas Engineering Co., Ltd., Tokyo Gas Customer Service Co., Ltd, TG IT Service Co., Ltd. and Kanpai Living Service Co., Ltd.

(2) Names, etc. of principal unconsolidated subsidiaries

The Company's principal unconsolidated subsidiary is TOKYO GAS AUSTRALIA PTY LTD.

Since the total amounts of the Company in the combined assets, sales and net income for fiscal 2004 and in the retained earnings of unconsolidated subsidiaries were respectively small in value terms and qualitatively of little importance, such companies had a materially insignificant impact on the Consolidated Financial Statements and were therefore excluded from the scope of consolidation.

2. Application of equity method

(1) Number of equity-method affiliates and unconsolidated subsidiaries

Number of unconsolidated subsidiaries accounted for equity method: 0

Number of equity-method affiliates: 1

Name of equity-method affiliate: GAS MALAYSIA SDN. BHD.

(2) Names, etc. of principal affiliates and unconsolidated subsidiaries not accounted for by the equity method

The Company's principal affiliate or unconsolidated subsidiary not accounted for by the equity method is Ark Hills Heat Supply Co., Ltd.

Unconsolidated subsidiaries and affiliates not accounted for by the equity method were excluded because the total amounts of the Company in the net income for fiscal 2004 and in retained earnings were small and qualitatively of little importance, resulting in only a very slight impact on consolidated net income and retained earnings.

3. Significant accounting policies

(1) Depreciation of property, plant and equipment is computed principally by the declining-balance method. However, the straight-line method is applied for buildings (excluding building fixtures) acquired on or after April 1, 1998.

(2) The basis and method of valuation of marketable securities are as follows:

Held to maturity debt securities are stated using the amortized cost method.

(Notes to the Consolidated Statement of Income)

1. Earnings per share ¥31.47

2. The classification of income and expenses is in accordance with the Japanese Commercial Code (Ministry of Justice ordinance No. 22, 2002) and gas utility accounting regulations (Ministry of International Trade and Industry ordinance No. 15, 1954).

3. All amounts of less than one million yen have been rounded down in the accounts.

Independent Auditors' Report

May 10, 2005

The Board of Directors
Tokyo Gas Co., Ltd.

KPMG AZSA & Co.

Toshiaki Yamaguchi
Designated and Engagement Partner
Certified Public Accountant

Atsuki Kanazuka
Designated and Engagement Partner
Certified Public Accountant

Kunimitsu Ito
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, that is the consolidated balance sheet and the consolidated statement of income, of Tokyo Gas., Ltd. for the 205th business year from April 1, 2004 to March31, 2005 in accordance with Article 19-2(3) of the "Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha". The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion. Our audit procedures also include those considered necessary for the Company's consolidated subsidiaries.

As a result of the audit, in our opinion, the consolidated statutory report referred to above presents fairly the consolidated financial position of Tokyo Gas Co., Ltd. and consolidated subsidiaries, and the consolidated results of their operations in conformity with related laws and regulations and the Articles of Incorporation of the Company.

Our firm and engagement partners have no interest in the Company, which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit Report concerning Consolidated Financial Statements

The Board of Corporate Auditors, having received a report from each Corporate Auditor on the method and results of his audit on the consolidated financial statements (consolidated balance sheet and consolidated statement of income) for the 205th fiscal period from April 1, 2004 to March 31, 2005 and, as a result of discussion, does hereby report the results of audit as follows:

1. Method of Audit by Corporate Auditors

In accordance with the audit standards and policy of the Corporate Auditors set by the Board of Directors, each Corporate Auditor conducted examination of conditions of business and assets after receiving from Directors and accounting auditors reports concerning the consolidated financial statements and their opinions, and after requesting from the Company's subsidiaries and consolidated subsidiaries reports on their operations when deemed necessary.

2. Results of Audit

- (a) The method and results employed and rendered by independent auditors, KPMG AZSA & Co. are fair and reasonable.
- (b) After examination of subsidiaries and consolidated subsidiaries, nothing has been found that would necessitate comment with regard to the consolidated financial statements.

May 12, 2005

Board of Corporate Auditors

Soichiro Akimoto
Standing Corporate Auditor

Hiroshi Hirai
Standing Corporate Auditor

Kazuo Nemoto
Corporate Auditor

Masayoshi Hanafusa
Corporate Auditor

(Note) Kazuo Nemoto and Masayoshi Hanafusa are outside corporate auditors as provided in Article 18, Paragraph 1 of the "Law for Special Exceptions to the Commercial Code Concerning Audit, etc. of Kabushiki Kaisha."

REFERENCE DOCUMENT FOR THE EXERCISE OF VOTING RIGHTS

1. Total number of voting rights held by all shareholders: 2,627,885

2. Proposals and references

Proposal No. 1: Approval of the Proposed Appropriation of Unappropriated Retained Earnings for the 205th Fiscal Term

This proposal is summarized in the attached “Proposed Appropriation of Unappropriated Retained Earnings” (Page 21).

We hereby propose a year-end dividend of ¥3.50 per share, same level as the interim dividend.

We also hereby propose to provide a general reserve of ¥50 billion in view of further strengthening the financial position of the Company.

Moreover, we hereby propose that directors’ bonuses of ¥65 million be provided for, considering the Company’s general operating conditions.

Additionally, we hereby propose that a portion of the Company’s reserve against depreciation of construction of special gas pipes be deducted under the provisions of the Special Taxation Measures Law.

Proposal No. 2: Partial Amendment to Articles of Incorporation

1. Rationale for change

Revisions to the Commercial Code of Japan governing the use of electronic media for official corporate announcements (Law No. 87, 2004) came into force on February 1, 2005. These introduced a system permitting the online publication of announcements. In view of widespread Internet usage, the Company proposes to amend Article 4 of the Articles of Incorporation to make use of electronic announcements, since this promises to reduce publication costs.

2. Details of proposed amendment

The details of the proposed amendment are as follows.

(Amendment shown underlined)

Current Articles of Incorporation	Proposed Amendment to Articles of Incorporation
(Announcements) Article 4 Official announcements of the Company shall be <u>carried in the Nihon Keizai Shimbun, as published in Tokyo.</u>	(Announcements) Article 4 Official announcements of the Company shall be <u>published electronically. In cases where accident or other unavoidable circumstances preclude online publication, announcements shall be carried in the Nihon Keizai Shimbun.</u>

Proposal No. 3: Acquisition of Treasury Stock

We hereby propose that you approve the Company's intention of acquiring 50 million common shares of its own stock with a limit of total acquisition costs of ¥20 billion during the period from the conclusion of this Ordinary General Meeting of Shareholders until the conclusion of the next Ordinary General Meeting of Shareholders in conformity with the provision of Article 210 of the Commercial Code of Japan, for the purpose of securing greater flexibility in performing its management measures such as financial policies in response to changes in economic conditions.

Proposal No. 4: Election of Twelve (12) Directors

The term of office of all the current directors ends at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect Twelve (12) new directors.

The nominees for the new directors are as follows:

No.	Name (Date of birth)	Brief personal history and representative positions in other companies	Number of the Company's shares held
1	Kunio Anzai (October 25, 1933)	April 1956 Joined the Company Sept. 1979 General Manager of Gas Resources Dept. June 1982 Director, General Manager of Gas Resources Dept. June 1983 Managing Director June 1986 Representative Director and Senior Managing Director June 1988 Representative Director and Executive Vice President April 1989 Representative Director and President June 1999 Representative Director and Chairman (Current position) Other company: Representative Director and President, Ohtone Country Club	336,752
2	Hideharu Uehara (February 9, 1936)	April 1959 Joined the Company July 1986 Assistant to Director in charge of Documents Dept. July 1987 Deputy General Manager of Facility Service Dept. June 1988 General Manager of Planning Dept. July 1991 General Manager of Accounting and Finance Dept. June 1992 Executive General Manager of Corporate Planning Dept. June 1993 Managing Director of Corporate Planning Dept. June 1994 Managing Director June 1995 Representative Director and Senior Managing Director June 1996 Representative Director and Senior Managing Director, General Manager of Business Developments Dept. June 1998 Representative Director and Executive Vice President June 1999 President and Representative Director June 2002 Representative Director and Executive President June 2003 Representative Director and Vice Chairman (Current position)	202,831

3	Norio Ichino (January 1, 1941)	<p>April 1964 Joined the Company</p> <p>July 1990 Chief Manager of Service Administration Group</p> <p>July 1991 Deputy Chief Executive of North District</p> <p>June 1993 Assistant to Director in charge of Documents Dept.</p> <p>June 1996 Executive General Manager of Corporate Planning Dept.</p> <p>June 1998 Managing Director, Chief Executive of Business Developments Dept.</p> <p>June 2000 Representative Director and Senior Managing Director, Chief Executive of Business Developments Dept.</p> <p>June 2001 Representative Director and Senior Managing Director</p> <p>June 2002 Representative Director and Executive Vice President, Chief Executive of Corporate Communication Div.</p> <p>June 2003 Representative Director and Executive President (Current position)</p>	141,617
4	Mitsunori Torihara (March 12, 1943)	<p>April 1967 Joined the Company</p> <p>July 1992 Manager of Management Planning Group</p> <p>Aug. 1993 General Manager of Kanagawa Sales Planning Dept.</p> <p>June 1994 Deputy Chief Executive of Kanagawa Sales Dept.</p> <p>June 1996 General Manager of Gas Resources Dept.</p> <p>June 1998 Director, General Manager of Gas Resources Dept.</p> <p>June 2000 Managing Director</p> <p>June 2002 Director and Chief Executive of Strategic Planning Div.</p> <p>June 2003 Representative Director and Executive Vice President, Chief Executive of Strategic Planning Div.</p> <p>April 2004 Representative Director and Executive Vice President, Chief Executive of Corporate Communication Div. (Current position)</p>	81,000
5	Shigero Kusano (February 11, 1946)	<p>April 1967 Joined the Company</p> <p>July 1992 Manager of Heating and Cooling No. 1 Group, Metropolitan Dept.</p> <p>Oct. 1992 Manager of Sales Promotion Group, Metropolitan Dept.</p> <p>Jan. 1993 Manager of Sales Promotion Group, Manager of Customer Sales Group, Metropolitan Dept.</p>	86,000

		<p>July 1993 Manager of Sales Promotion Group, Metropolitan Dept.</p> <p>June 1995 Manager of Sales Promotion Group, Energy Sales Dept.</p> <p>June 1996 General manager of Sales Planning Dept.</p> <p>June 1997 General Manager of General Sales Dept.</p> <p>June 1998 Director, General Manager of General Planning Dept.</p> <p>June 2000 Managing Director</p> <p>June 2002 Director and Chief Executive of Energy Sales and Service Div.; General Manager of Volume Sales Dept., Energy Sales and Services Div.</p> <p>June 2003 Representative Director and Executive Vice President, Chief Executive of Energy Sales and Services Div.; General Manager of Volume Sales Dept., Energy Sales and Services Div. (Current position)</p>	
6	Kouya Kobayashi (March 23, 1942)	<p>April 1965 Joined the Company</p> <p>July 1991 Assistant to Chief General Manager of Sales and Service Div.</p> <p>March 1994 General manager of Information System Dept.</p> <p>June 1995 General Manager of Living Planning Dept.</p> <p>June 1998 Director, General Manager of Living Planning Dept.</p> <p>June 2000 Managing Director</p> <p>June 2001 Managing Director, General Manager of R&D Div.</p> <p>June 2002 Director and Chief Executive of Pipeline and Safety Management Div.</p> <p>April 2004 Representative Director and Executive Vice President, Chief Executive of Energy Production Div. (Current position)</p>	80,171
7	Tadaaki Maeda (February 11, 1946)	<p>April 1970 Joined the Company</p> <p>July 1992 Assistant to General Manager of General Planning Dept.</p> <p>July 1993 Assistant to General Manager of Technology Planning Dept., Group Manager of Research & Planning Group</p> <p>Jan. 1994 Assistant to General Manager of Technology Planning Dept., Group Manager of Technology and Planning Group 1</p> <p>July 1994 General Manager of Planning , Western Regional Business Div.</p> <p>June 1996 Deputy General Manager of Western Regional Business Div.</p>	73,675

		<p>June 1997 General Manager of Commodity Development Div.</p> <p>June 2000 Director, General Manager of Energy Sales and Service Div.</p> <p>June 2002 Chief Executive of R&D Div.</p> <p>April 2004 Chief Executive of Energy Resources Business Div.</p> <p>June 2004 Representative Director and Chief Executive of Energy Resources Business Div. (Current position)</p>	
8	Takashi Kunitomi (January 21, 1946)	<p>April 1969 Joined the Company</p> <p>July 1991 Sales Manager of Kanagawa Service Branch</p> <p>July 1997 General Manager of Research No.1 Group of Sales Research Dept.</p> <p>July 1994 Strategic Planning Div.</p> <p>June 2000 Director, General Manager General Planning Dept.</p> <p>June 2002 Chief Executive of Residential Sales and Service Div.</p> <p>April 2004 Chief Executive of Residential Sales Div.</p> <p>June 2004 Representative Director and Chief Executive of Residential Sales Div. (Current position)</p>	83,000
9	Tsuyoshi Okamoto (September 23, 1947)	<p>April 1970 Joined the Company</p> <p>July 1991 Group Manager of LNG No. 1Group, Material Div.</p> <p>July 1992 Group Manager of Material Research & Development Group, Material Div.</p> <p>July 1994 Assistant to General Manager of Material Div., Group Manager of Material Research & Development Group</p> <p>June 1996 Planning Manager of Northern Regional Business Div.</p> <p>June 1997 Deputy General Manager of Northern Regional Business Div.</p> <p>June 1998 General Manager of General Administration Dept.</p> <p>June 1999 Assistant to Director, General Administration Dept.</p> <p>June 2002 Executive of Strategic Planning Div., General Manger of Corporate Planning Div.</p> <p>April 2004 Chief Executive of Strategic Planning Div.</p> <p>June 2004 Representative Director and Chief Executive of Strategic Planning Div. (Current position)</p>	40,000

10	Yuzaburo Mogi (February 13, 1935)	<p>April 1958 Joined the Kikkoman Co., Ltd. March 1979 Director March 1982 Managing director March 1989 Representative Director and Senior Managing Director March 1994 Representative Director and Executive Vice President Feb. 1995 Representative Director and President June 2002 Director of the Company June 2004 Representative Director and Chairman of the Board of Directors, Kikkoman Co., Ltd. (Current position)</p> <p>Other companies: Representative Director and Chairman of the Board of Directors, Tone Coca-Cola Bottling Co. Representative Director and President of Shouyu Kaikan K.K Director, Chairman and CEO, Kikkoman Foods, Inc. Director, Chairman of the Board, Kikkoman (S) Pte. Ltd. CEO, PRESIDENT KIKKOMAN INC. Director, Chairman of the Board, Kikkoman International Inc.</p>	10,000
11	Yuri Konno (June 2, 1936)	<p>May 1969 Representative Director and President, Dial Service Co., Ltd. June 2003 Director of the Company (Current position)</p> <p>Other company: Representative Director and President, Living Science Institute</p>	1,000
12	Kazumoto Yamamoto (July 22, 1933)	<p>April 1957 Joined Asahi Chemical Industry Co., Ltd. June 1983 Director June 1987 Managing Director June 1993 Senior Managing Director and Representative Director June 1995 Representative Executive Vice President and Representative Director June 1997 President and Representative Director Jan. 2001 President and Representative Director of Asahi Kasei Corporation April 2003 Vice Chairman of the Board June 2003 Full-time Counselor (Current position)</p>	20,000

*Notes: 1. Yuri Konno is the Representative Director and President of Dial Service Co., Ltd., which is a company that Tokyo Gas frequently contracts out switchboard, call center and other operations to.
2. There is no special interest between the nominees above and the Company.
3. The nominees above, Yuzaburo Mogi, Yuri Konno and Kazumoto Yamamoto are outside directors stipulated in Article 188-2-7-2, of the Japanese Commercial Code.*

Proposal No. 5: Election of Two (2) Corporate Auditors

The term of office of the current two (2) corporate auditors, Soichiro Akimoto and Kazuo Nemoto, expires at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, we hereby propose that you elect two (2) new corporate auditors.

The nominees for the new Corporate Auditors are as follows:

The Board of Corporate Auditors has already given its prior accord to the submission of this proposal.

Name (Date of birth)	Brief personal history and representative positions in other companies	Number of the Company's shares held
1 Tsunenori Tokumoto (August 7, 1946)	April 1971 Joined the Company July 1991 Manager of Energy Technical Research institute June 1995 Group Manager of Engineering Section, Air-conditioning and Commercial Customer Development and Service Dept., Energy Sales and Service Div. June 1997 General Manager of Energy Technology Institute June 1999 General Manager of Energy and Environment Technology Institute, Research and Development Div. June 2000 Director, General Manager of Appliance Technology Development Dept. June 2001 Director of Technology Development Dept., R&D Div. June 2002 Executive Officer, General Manager of Technology Development Dept., R&D Div. July 2003 Executive Officer, General Manager of Research Dept., R&D Div. April 2004 Senior Executive Specialist, R&D Div. (Current position)	56,000
2 Toshimitsu Shimizu (October 24, 1941)	April 1964 Joined Yokohama City July 1995 Director of Construction Bureau April 1996 Director of City Planning Bureau May 1998 Director of Planning Bureau May 1998 Div. for World Cup Soccer Promotion (Additional post) April 1999 Deputy Mayer March 2005 Retired from Deputy Mayer	0

Notes: 1. There is no special interest between the nominee above and the Company.

2. Toshimitsu Shimizu is the outside corporate auditor, as stipulated in Article 18-1 of "the Law for Special Exception to the Commercial Code Concerning Audit, etc. of Kabushiki-Kaisha."

Proposal No. 6: Payments of Bonuses to Directors and Corporate Auditors

In recognition of service, the Company plans to award retirement allowances in accordance with internal regulations to Yukio Sato, who resigned as director on December 6, 2004, and to Soichiro Akimoto and Kazuo Nemoto, both of whom will resign as auditors at the end of their respective terms of service following this year's General Meeting. The details of these awards in terms of value, timing and payment method will be decided by the Board of Directors in the case of directors leaving the Company, and by the Board of Auditors in the case of auditors leaving the Company.

In addition, the Company decided to abolish retirement allowances for executive officers. In line with this change, the Company plans to award retirement allowances to 11 directors, provided they are re-appointed by approval of Resolution No. 4, and to the two serving auditors in accordance with internal regulations and based on the number of years of service, up to the end of this year's General Meeting. The timing of the payment will be the date on which the director or auditor subsequently leaves the Company; the value and payment method will be decided by the Board of Directors in the case of directors leaving the Company, and by the Board of Auditors in the case of auditors leaving the Company.

The brief histories of the retiring directors and an corporate auditor in the Company are as follows:

Name	Brief personal history	
Yukio Sato	June 2003	Director of the company
	Dec. 2004	Resigned as a Director
Soichiro Akimoto	June 2002	Standing Corporate Auditor
Kazuo Nemoto	June 2002	Corporate Auditor

Abbreviated resumes of the directors who would be re-appointed on approval of Resolution No. 4 and the two serving auditors are presented below.

Name	Brief personal history	
Kunio Anzai	June 1982 June 1983 June 1986 June 1988 April 1989 June 1999	Director, General Manager of Gas Resources Dept. Managing Director Representative Director and Senior Managing Director Representative Director and Executive Vice President Representative Director and President Representative Director and Chairman (Current position)
Hideharu Uehara	June 1992 June 1993 June 1994 June 1995 June 1996 June 1998 June 1999 June 2002 June 2003	Executive General Manager of Corporate Planning Dept. Managing Director of Corporate Planning Dept. Managing Director Representative Director and Senior Managing Director Representative Director and Senior Managing Director, General Manager of Business Developments Dept. Representative Director and Executive Vice President President and Representative Director Representative Director and Executive President Representative Director and Vice Chairman (Current position)
Norio Ichino	June 1996 June 1998 June 2000 June 2001 June 2002 June 2003	Executive General Manager of Corporate Planning Dept. Managing Director, Chief Executive of Business Developments Dept. Representative Director and Senior Managing Director, Chief Executive of Business Developments Dept. Representative Director and Senior Managing Director Representative Director and Executive Vice President, Chief Executive of Corporate Communication Div. Representative Director and Executive President (Current position)
Mitsunori Torihara	June 1998 June 2000 June 2002 June 2003	Director, General Manager of Gas Resources Dept. Managing Director Director and Chief Executive of Strategic Planning Div. Representative Director and Executive Vice President, Chief Executive of Strategic Planning Div. April 2004 Representative Director and Executive Vice President, Chief Executive of Corporate Communication Div. (Current position)

Shigero Kusano	June 1998 June 2000 June 2002 June 2003	Director, General Manager of General Planning Dept. Managing Director Director and Chief Executive of Energy Sales and Service Div.; General Manager of Volume Sales Dept., Energy Sales and Services Div. Representative Director and Executive Vice President, Chief Executive of Energy Sales and Services Div.; General Manager of Volume Sales Dept., Energy Sales and Services Div. (Current position)
Kouya Kobayashi	June 1998 June 2000 June 2001 June 2002 April 2004	Director, General Manager of Living Planning Dept. Managing Director Managing Director, General Manager of R&D Div. Director and Chief Executive of Pipeline and Safety Management Div. Representative Director and Executive Vice President, Chief Executive of Energy Production Div. (Current position)
Tadaaki Maeda	June 2004	Representative Director and Chief Executive of Energy Resources Business Div. (Current position)
Takashi Kunitomi	June 2004	Representative Director and Chief Executive of Residential Sales Div. (Current position)
Tsuyoshi Okamoto	June 2004	Representative Director and Chief Executive of Strategic Planning Div. (Current position)
Yuzaburo Mogi	June 2002	Director of the Company (Current position)
Yuri Konno	June 2003	Director of the Company (Current position)
Hiroshi Hirai	June 2003	Standing Auditor of the Company (current position)
Masayoshi Hanabusa	June 2002	Auditor of the Company (current position)

Proposal No. 7: Revision of Directors' Remuneration

The maximum amount of total remunerations for the Company's Directors was determined at an amount within ¥4.0 million per month at the 202nd general meeting of shareholders held on June 27, 2002. In line with a review of the remuneration system, however, it is proposed that the maximum amount be changed to within ¥5.0 million per month. Upon approval of Bill No. 4, the number of Directors shall be 12.