



Presentation of 1Q financial results

FY2007 (Year ending March 31, 2008)

July 27, 2007
Tokyo Gas Co., Ltd.

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FY2007 1Q Financial Results: Key Points

◆ Increase in Sales, Decrease in Income

(compared with FY2006 1Q)

[Positive factors]

- Increase in gas sales volume in industrial , commercial and whole sale sector
- Increase in gas unit price due to gas rate adjustment system

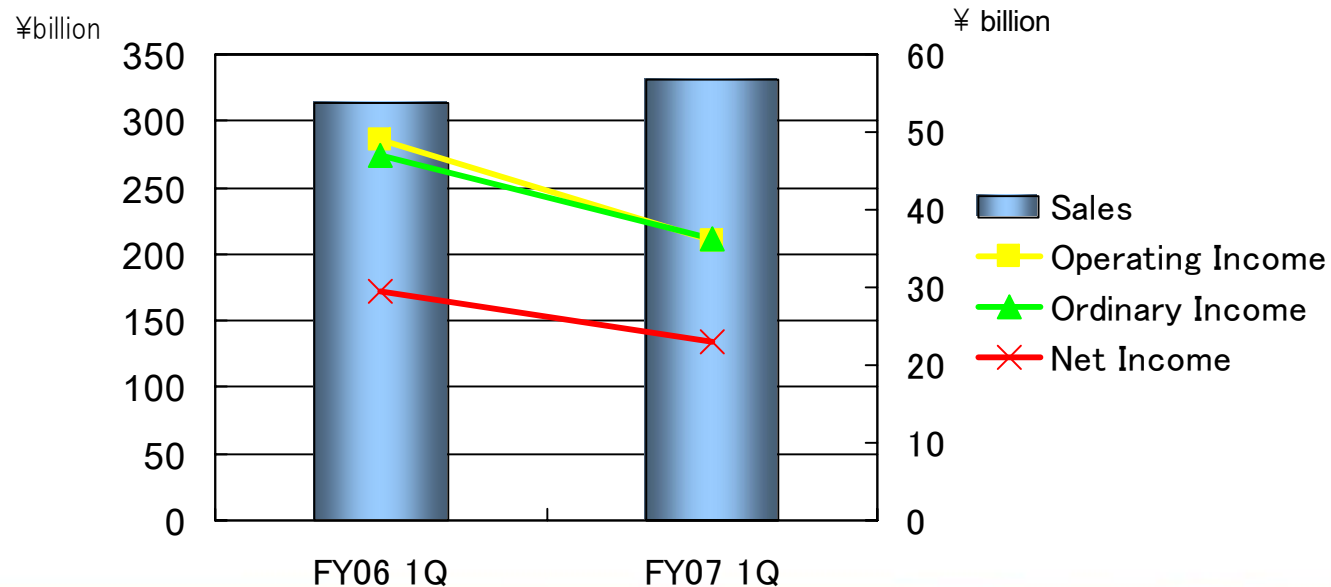
[Negative factors]

- Increase in gas resource cost
- Increase in labor cost by one-off expense in actuarial differences
- Increase in depreciation by tax revisions

Summary of consolidated financial results

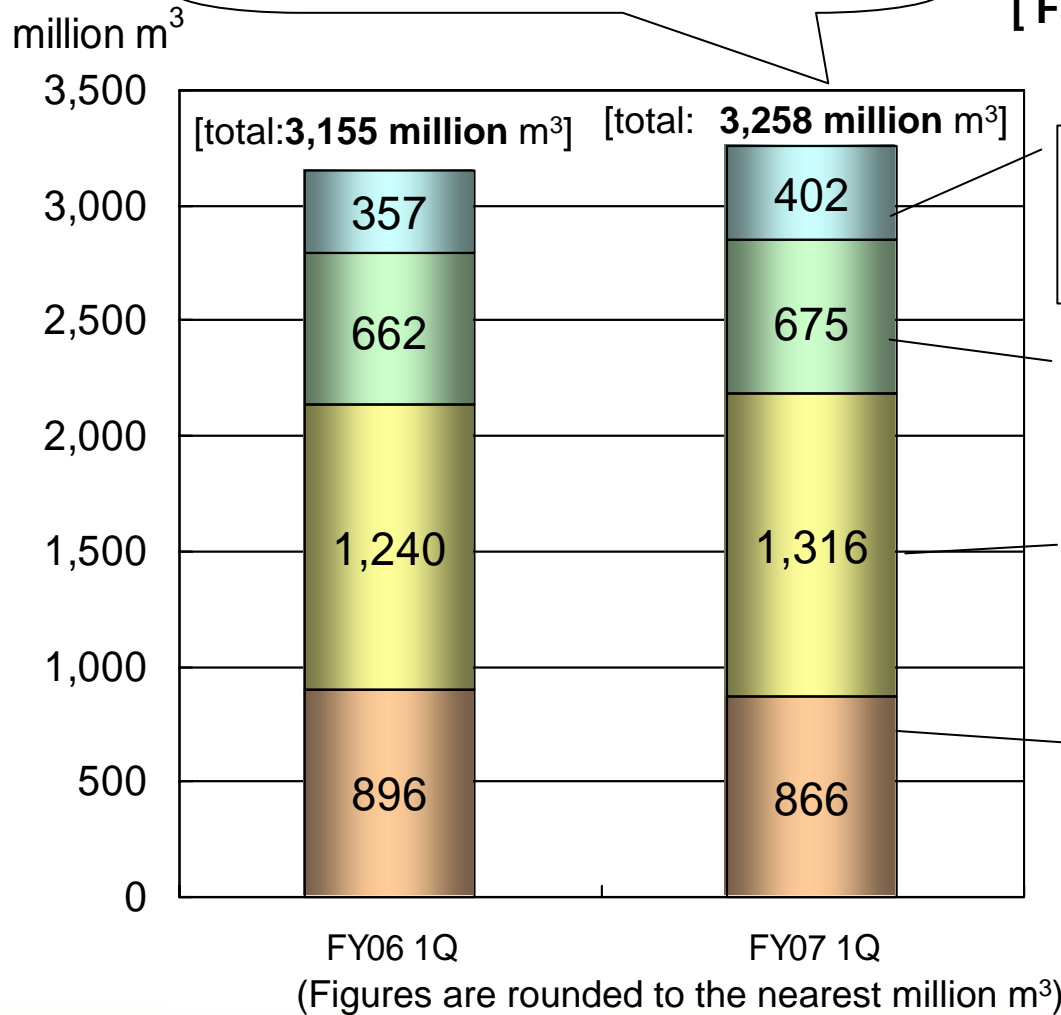
(Rounded down to nearest ¥0.1 billion)

| | FY06 1Q | FY07 1Q | Change |
|-------------------------|--------------|--------------|----------------------|
| Sales | 312.9 | 331.2 | +18.3 (+5.9%) |
| Operating Income | 48.9 | 36.1 | -12.8(-26.2%) |
| Ordinary Income | 47.1 | 36.2 | -10.9(-23.0%) |
| Net Income | 29.5 | 23.0 | -6.5(-21.9%) |
| Crude oil price(\$/bbl) | 64.94 | 64.53 | -0.41 |
| Exchange rate(¥/US\$) | 114.50 | 120.82 | +6.32 |
| Temperature(°C) | 18.4 | 18.9 | +0.5 |



1Q gas sales volume

**+ 3.3% from same period of FY2006
(+103million m³)**



[Factors of change from FY2006 1Q to FY2007 1Q]

Wholesale supplies +12.6% (+45mil. m³)

- Increase in sales to other gas utilities by acquiring new & existing demands for those utilities

Commercial and other business use

+2.0% (+13mil. m³)

- Increased demand by new & existing customers

Industrial use + 6.1% (+75mil. m³)

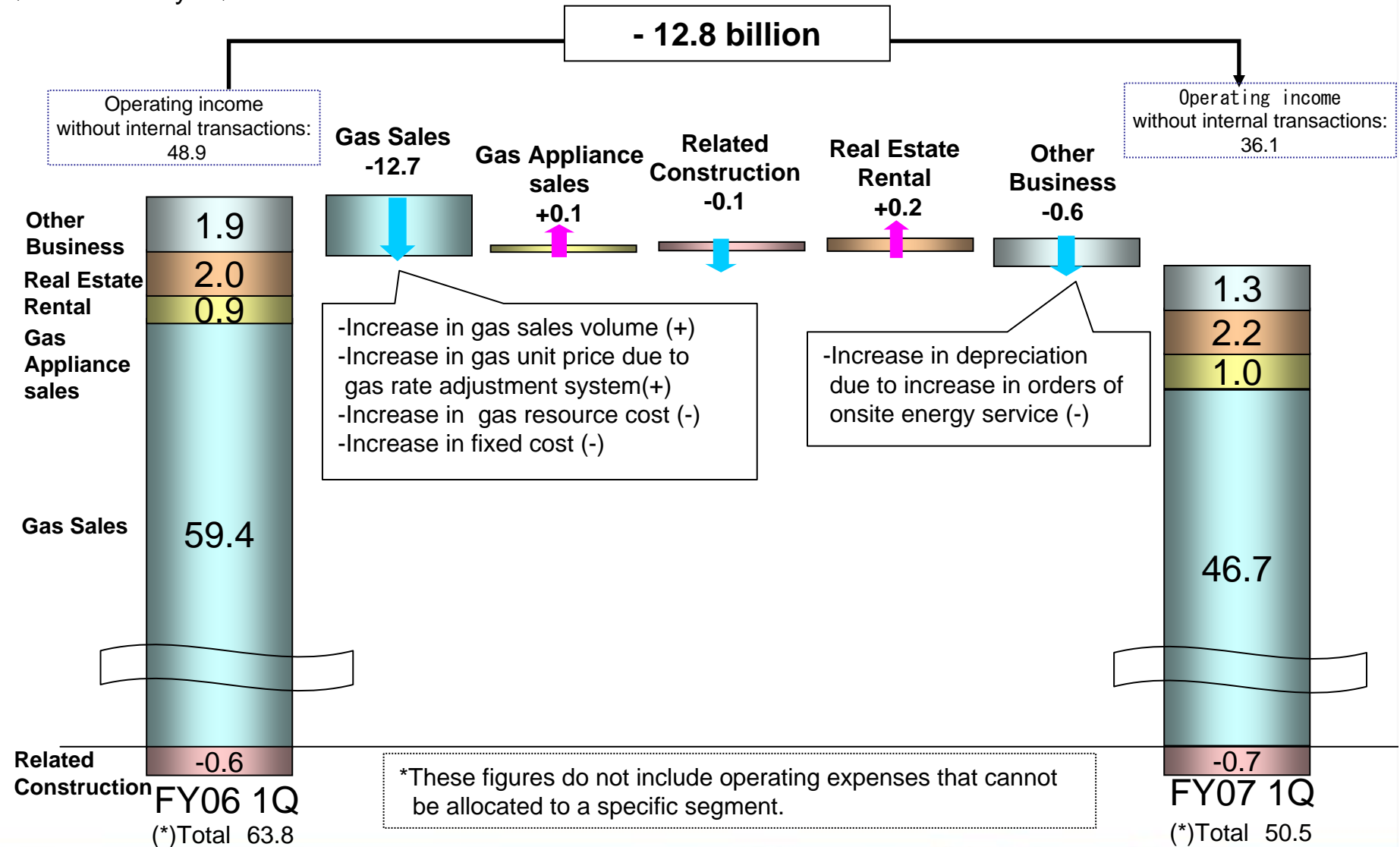
- Increased demand by new & existing customers

Residential use -3.4% (-30mil. m³)

- Increase in the number of customers
- Decrease in demand for hot water due to higher temperature than same period in previous year

Reasons for Changes in Operating Income

(Unit: billion yen)



FY 2007 Performance Projection

(Rounded down to nearest ¥0.1 billion)

| | FY 06 Result | Original Projection (as of April 26) | Revised Projection (as of July 27) | Change from FY 2006 | Change from Original Projection |
|---------------------------------|-----------------|--|--|------------------------|---------------------------------------|
| Sales | 1,376.9 | 1,419.0 | 1,454.0 | +77.1(+5.6%) | +35.0(+2.5%) |
| Operating Income | 162.3 | 113.0 | 105.0 | -57.3(-35.3%) | -8.0(-7.1%) |
| Ordinary Income | 156.0 | 105.0 | 97.0 | -59.0(-37.8%) | -8.0(-7.6%) |
| Net Income | 100.6 | 73.0 | 68.0 | -32.6(-32.5%) | -5.0(-6.8%) |
| Crude Oil Price (\$/bbl) | 63.45 | 55.00 | 66.15 | +2.70 | +11.15 |
| Exchange Rate (¥/US\$) | 116.97 | 120.00 | 120.20 | +3.03 | +0.2 |

(Note)

Change in our forecast : Jul. – Sep. : Crude Oil Price \$70/bbl, Exchange Rate ¥120/US\$, Oct. – Mar. : Crude Oil Price \$65/bbl, Exchange Rate ¥120/US\$

➤ Gas Sales Volume Projections (Consolidated)

(Rounded off to nearest million m³)

| | FY 06 Results | Original Projection (as of April 26) | Revised Projection (as of July 27) | Change from FY 2006 | Change from Original Projection |
|-----------------------------------|------------------|--|--|------------------------|------------------------------------|
| Residential Use | 3,452 | 3,527 | 3,538 | +86(2.5%) | +11(+0.3%) |
| Industrial Use | 5,336 | 5,550 | 5,666 | +330(+6.2%) | +116(+2.1%) |
| Commercial & Other use | 2,972 | 3,075 | 3,098 | +125(4.2%) | +23(+0.7%) |
| Wholesale supply | 1,554 | 1,733 | 1,729 | +175(11.3%) | -4(-0.2%) |
| Total | 13,315 | 13,885 | 14,031 | +716(5.4%) | +146(1.1%) |