

April 25, 2008  
Tokyo Gas Co., Ltd.

**FY 2007 Earnings Announcement: Q&A (Summary)**

Q1: What are your plans for the acquisition of treasury stock and the return of profits to shareholders in Fiscal 2008?

A1: The Tokyo Gas Group's current Medium-Term Management Plan calls for current period dividends plus subsequent period treasury stock acquisitions to total 60% of consolidated net income. In Fiscal 2007, out of our desire to increase shareholder returns even slightly amid the sharp decline in income from worsening profitability by the time lag under the gas rate adjustment system following sharp increases in gas resource costs, and seeking to boost the effect from treasury stock acquisition amid the present share price slump, the Board of Directors has approved the acquisition of up to 25 million shares or 10.0 billion yen of treasury stock. Consequently the total payout ratio for Fiscal 2007 will reach 74%.

Q2: Why will Tokyo Gas prepare a new Medium-Term Management Plan during this fiscal year?

A2: We have not yet begun preparing the new Medium-Term Management Plan. Amid the great changes in our business environment since the present plan was drafted beginning with the sharp rises in crude oil prices and the intensified competition in the energy market, we aim to deepen and develop our integrated energy business toward realizing sustainable growth and to reinforce our foundations for the execution of business strategies.

Q3: How are the conditions at the new regional energy companies Tokyo Gas LIFEVAL, which were established and began operations from this fiscal year?

A3: The Tokyo Gas LIFEVAL regional companies were established to unify the services previously provided by Enesta (sales and repairs, etc. of gas appliances for residential customers), Tokyo Gas Customer Service (safety inspections and meter reading, etc.), and Tokyo Gas Co. Ltd. (maintaining and expanding gas sales) and to build a strong locally based sales structure. Twelve blocks and 10 companies were established this April and smoothly initiated operations. The plans are to establish about 16 more blocks this October and to finally establish the

LIFEVAL regional companies with a total of 60 blocks by the end of Fiscal 2009.

Q4: How much are future crude oil prices and LNG price for Fiscal 2008 outlook?

A4: The Fiscal 2008 projections assume JCC crude oil prices fixed at \$95 per barrel and a foreign exchange rate of 105 yen per dollar throughout the fiscal year. The projections also incorporate the effects under the provisions for adjustment for gas resource costs whereby the increase in average Japanese LNG prices during the second half of Fiscal 2007 will mostly be reflected in gas tariffs during the first half of FY 2008. Future changes in crude oil and LNG prices could result in the insufficient or excessive recovery of its fluctuations, and our financial results could also change depending on the progress of LNG price negotiations, including those of other companies.