

FY2009 1Q Financial Results ended June 30th, 2009

**Tokyo Gas Co., Ltd.
July 30, 2009**



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Today we are going to announce our consolidated business performance results for the first quarter of Fiscal 2009 ending March 2010, and also present our projections for the full fiscal year reflecting recent crude oil price and foreign exchange rate trends.

Consolidated results





Financial Highlights

- **Decreased Revenue, Increased Income**
- **Non-consolidated : Increased gas gross margin & fixed cost**
- **Consolidated subsidiaries :**
Operating and Ordinary Income unchanged,
Decreased extraordinary profit
 FY2008 extraordinary profit : 9.4 billion yen (Change in lease accounting, etc.)

	FY2008	FY2007	Change
Gas Sales Volume (45MJ/m³)	3.08bil.m3	3.45bil.m3	-0.37bil.m3
Sales	342.4bil.yen	377.1bil.yen	-34.7bil.yen
Operating Income	50.2bil.yen	17.4bil.yen	+32.8bil.yen
Ordinary Income	52.3bil.yen	16.0bil.yen	+36.3bil.yen
Net Income	33.2bil.yen	16.4bil.yen	+16.8bil.yen

	JCC	Ex. rate	Temperature
FY09 1Q	\$52.52/bbl	¥97.36/\$	19.4°C
FY08 1Q	\$109.92/bbl	¥104.56/\$	18.2°C

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Let us begin with the highlights of the first quarter performance, which are presented on page 2.

The first quarter revenues declined and profits increased compared with the same quarter of the previous fiscal year. Sales were down 9.2% to 342.4 billion yen and operating income dropped 187.1% to 50.2 billion yen, while ordinary income rose 226.0% to 52.3 billion yen. The main reason for the revenue decline was the decrease in sales resulting from the decrease in gas sales volume. Nevertheless, the gross profit on gas sales rose from a substantial reduction in gas resource costs. On a non-consolidated basis, Tokyo Gas Co., Ltd. posted a large profit increase despite higher general expenses as well as higher personnel costs from changes in actuarial differences on retirement benefits.

Consolidated net income rose 102.3% year-on-year to 33.2 billion yen, but declined from the previous quarter, which included extraordinary profits of 9.4 billion yen from changes in the accounting standards for leases at consolidated subsidiaries.

Segment Information

Sales & Operating income & loss



(billion yen)	Sales		Operating Income		Main Reasons
	09 1Q	08 1Q	09 1Q	08 1Q	
Gas	264.2(-26.2)	290.4	62.1(+33.0)	29.1	Sales :Dec. in Gas Sales Volume & unit price. Profit : Inc. by gas resource cost dec.
Gas Appliances	24.9(-1.7)	26.6	0.2 (-0.5)	0.7	Sales :TG-2.6
Installation Work	8.1(-1.6)	9.7	-0.8(-0.3)	-0.5	Sales : Dec. the number of new housing starts (-16%)
Real Estate	8.5(-0.3)	8.8	2.2(-0.3)	2.5	
Others	68.3(-8.5)	76.8	2.3(+0.9)	1.4	Energy service (LNG business) +0.8 Shipping field profit decreased (Depreciation cost increased of own fleet number increase, etc.) -0.3
Internal setoffs etc.	-31.8(+3.4)	-35.2	-15.9(-0.1)	-15.8	
Consolidated	342.4(-34.7)	377.1	50.2(+32.8)	17.4	

*Numbers shown in parentheses are change from FY08

*Sales include internal transactions. Operating income does not include operating expenses that cannot be allocated.

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This page presents the first quarter results by segment. As we just explained, the gas segment posted decreased revenues but increased profits.

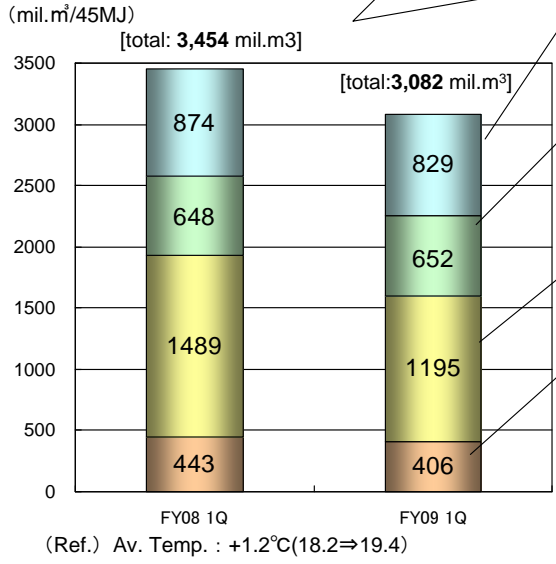
In segments other than gas, the gas appliances sales and installation work segments both recorded decreased revenues and decreased profits from the slump in new housing construction. The other segments posted decreased revenues with increased profits. In detail, the energy services and LNG businesses realized higher profits, while the shipping sector was pulled down by an increase in depreciation expenses.

Gas Segment : Actual Sales Volume



Change from FY08 1Q -372mil.m3(-10.8%)
 [Supply for Large-volume customers -303mil.m3 (-17.5%)]

< FY08 1Q → FY09 1Q >



Residential -5.2% (-45mil.m3)
 •Dec. in hot water demand affected by higher temp.
 •Number of customers increase.

Commercial & others +0.6% (+4mil.m3)
 •Dec. in hot water demand affected by higher temp.(-2.6%)
 •Supply for large-volume customers increase (+8.4%)

Industrial -19.7% (-294mil.m3)
 •Dec. in existing customers

Wholesale -8.3% (-37mil.m3)
 •Dec. in wholesale customers' existing demand.

(rounded at million m3)

Number of customers		(thousand)
FY09 1Q	FY08 1Q	Change
10,539	10,397	142

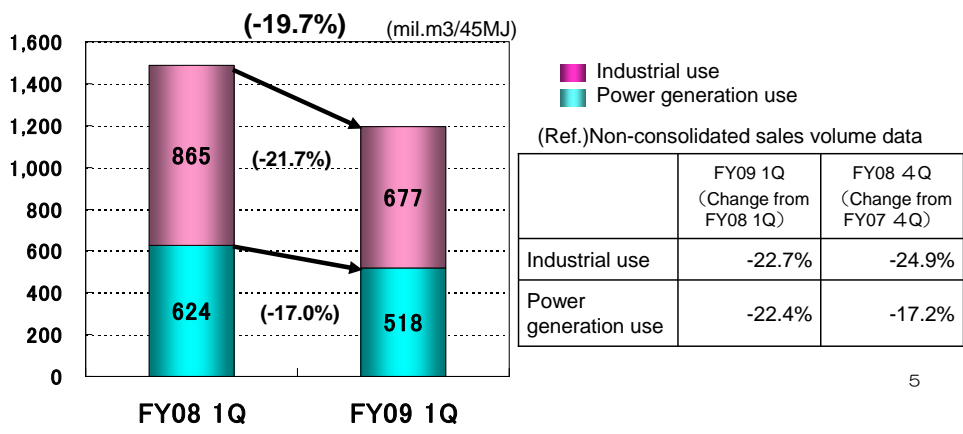
As shown on page 4, the gas sales volume declined 10.8% year-on-year to 3,082 million cubic meters. The decline in the gas sales volume was mostly the result of lower industrial demand caused by reduced operations at the facilities of existing customers and reduced residential and commercial demand for water heating under warm temperatures.

Industrial gas sales volume

1,195mil.m³ (-294mil.m³ -19.7%)



- Industrial use (excluding power generation use) -188mil.m³ (-21.7%)
Improvement from the sharp drop in FY08 4Q
- Power generation use -106mil.m³ (-17.0%)
Operation rate dec. by existing IPP customer's maintenance, etc.

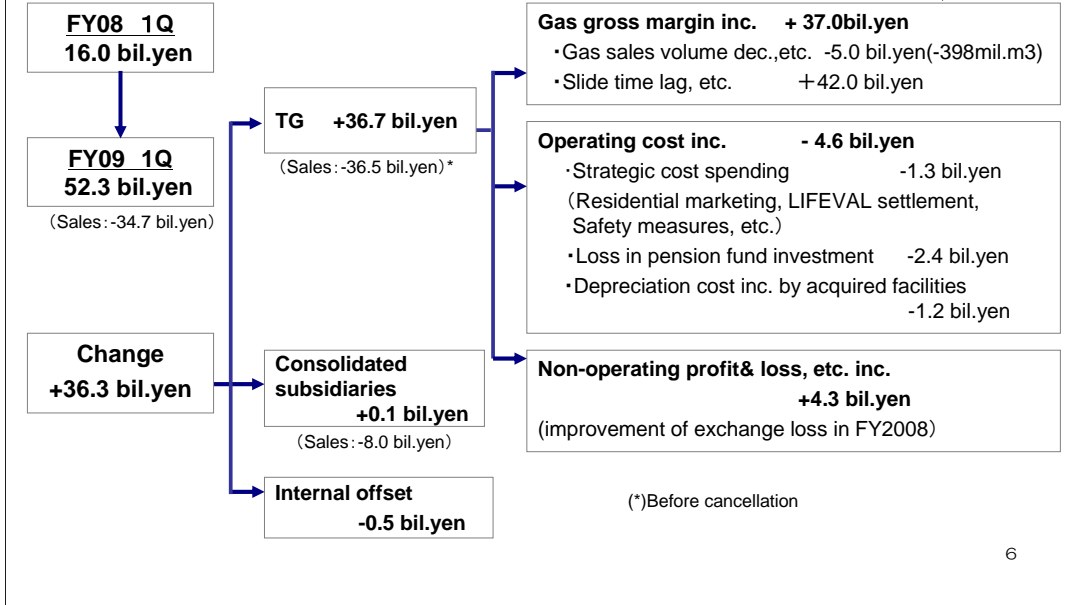


Page 5 presents the details of the industrial gas sales volume.

The industrial gas sales volume has declined for nine consecutive months since October 2008. In the first quarter, the volume fell by 19.7%, or 294 million cubic meters, to 1,195 million cubic meters. In line with our initial projections, industrial gas sales conditions remain severe.

While the decline in the volume of gas sales for general industrial use did improve from the fourth quarter of Fiscal 2008, it is still far from a full-scale recovery, which remains nowhere in sight. Meanwhile, sales for power generation were down 17.0% to 106 million cubic meters from decreased electric power demand and plant closures for periodic maintenance.

FY2009 1Q Ordinary Income Changes from FY2008 1Q(Consolidated)



Page 6 presents factor analysis for ordinary income, comparing the first quarter of Fiscal 2009 with the first quarter of the previous fiscal year.

The gas gross margin rose 37.0 billion yen from a major improvement in the time lag under the sliding rate adjustment system, despite the decrease in the sales volume. As a result, the ordinary income of Tokyo Gas Co., Ltd. on a non-consolidated basis improved by 36.7 billion yen. This had a large effect on consolidated ordinary income, which rose 36.3 billion yen to 52.3 billion yen.

FY2009 Projection



We will now proceed to explain our consolidated projections for the full year Fiscal 2009, ending March 31, 2010.

FY2009 Projection



- Revision of forecast of crude oil price & exchange rate.
- Non-consolidated :
 - Gas gross margin mostly as planned because of increase in both gas sales & gas resource cost.
- Income forecast remains unchanged.

	Projection as of July 30th	Projection as of April 28th	Change	FY2008
Gas Sales Volume(45MJ/m³)	13.39bil.m³	134.7bil.m³	-0.08bil.m ³	13.94bil.m ³
Sales	1,414.0bil.yen	13,810bil.yen	+33.0bil.yen	1,660.1bil.yen
Operating Income	72.0bil.yen	730bil.yen	-1.0bil.yen	65.2bil.yen
Ordinary Income	64.0bil.yen	640bil.yen	-	58.3bil.yen
Net Income	42.0bil.yen	420bil.yen	-	41.7bil.yen
Operating CF (=net income + depreciation)	191.0bil.yen	1,910bil.yen	-	182.7bil.yen
ROA	2.4%	2.4%	-0.1%	2.4%
ROE	5.4%	5.4%	-	5.4%
TEP (WACC)	-0.1bil.yen(3.4%)	-1bil.yen(3.4%)	-	-4.8bil.yen(3.4%)

<Impact of JCC & ex. rate fluctuation to gross margin (full-year)>

(bil.yen)	Gross margin
(+)1\$/bbl	-0.8
(+) ¥1/\$	-0.4

	Projection as of July 30th	Projection as of April 28th	FY2008
JCC	\$65.63/bbl	\$50.0/bbl	\$90.52/bbl
Ex. rate	¥95.59/\$	¥100.0/\$	¥100.71/\$

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*From July: JCC \$70/bbl, Ex. rate ¥95/\$

First of all, we have changed the economic framework assumptions which were originally set at \$50/bbl of crude oil with a foreign exchange rate of 100 yen per dollar. In light of the recent actual market conditions, we now project a crude oil price of \$70/bbl with a foreign exchange rate of 95 yen per dollar.

As for the effects, this revised framework will result in an increase in the gas sales revenues by adjusting the gas tariff based on the gas rate adjustment system, but gas resource costs are expected to rise by approximately the same amount. Consequently for the full fiscal year the projected gross profit on gas sales remains unchanged from the prior forecast.

Overall on a consolidated basis compared with the previous fiscal year, we expect sales to rise 33.0 billion yen, or 2.4%, to 1,414 billion yen, and operating income to decrease 1.0 billion yen, or 1.4%, to 72 billion yen, with ordinary income and net income to remain unchanged from the previous projections at 64.0 billion yen and 42.0 billion yen, respectively.

Segment Projection

Sales & Operating income & loss



(billion yen)	Sales projection		Operating profit projection		Main reasons
	As of July 30 th	As of April 28 th	As of July 30 th	As of April 28 th	
Gas	1,041.1(+27.0)	1,014.1	130.0(-1.0)	131.0	Sales :Unit price increase exceeds decrease affected by gas sales volume decrease. Operating profit :Decrease because of gas resource cost increase
Gas Appliances	131.6 (-)	131.6	1.2(-)	1.2	
Installation Work	50.8(-)	50.8	-0.3(-)	-0.3	
Real Estate	34.2(-)	34.2	7.0(-)	7.0	
Others	299.8(+6.0)	293,8	11.0(-)	11.0	
Internal setoffs etc.	-143.5	-1,435	-76.9	-76.9	
Consolidated	1,414.0(+33.0)	13,810	72.0(-1.0)	73.0	

*Numbers shown in parentheses are change from April 28th projection.

*Sales include internal transactions. Operating income does not include operating expenses that cannot be allocated.

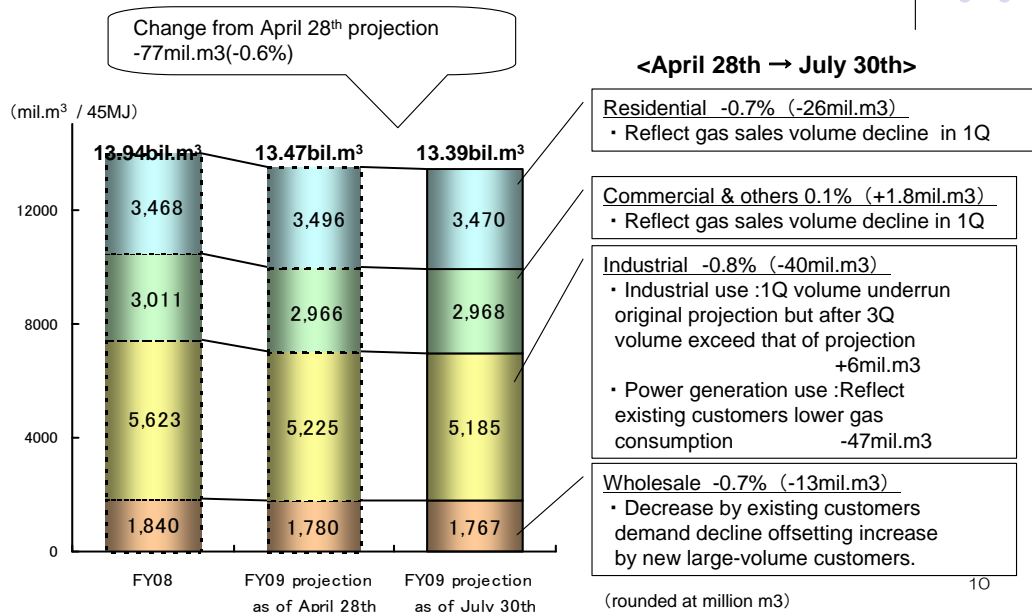
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Page 9 breaks down the Fiscal 2009 full year projections by segment.

Once again, the projection for the gas segment remains essentially unchanged from the previous estimate. The performance outlook for consolidated subsidiaries also remains similar to the previous projections overall.

Gas sales volume projection

(Change from previous projection as of April 28th)



Finally, turning to the gas sales volume projection for the full fiscal year, in light of the first quarter results we have reduced the initial projection by 0.6%, or 77 million cubic meters, to 13,390 million cubic meters.

By sector, while the commercial sales projection has been increased slightly from the initial estimate, the projections for residential, industrial and wholesale gas sales volumes have been revised slightly downwards.

In the industrial gas sales volume projection, while we now expect the volume for general industrial use to recover and surpass prior projections from the third quarter, we also expect a severe impact from the decrease in the volume of gas sales to electric power companies. Overall, we now project that the Fiscal 2009 industrial gas sales volume will decline by 0.8%, or 40 million cubic meters, from the previous projection to 5,185 million cubic meters.

This concludes today's presentation on Tokyo Gas Co., Ltd.'s consolidated business performance results for the first quarter of Fiscal 2009 ending March 2010 and projections for the full fiscal year. Please refer to the attached reference materials for further details.

Reference data

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Results



Consolidated FY09 1Q Financial Results (Change from FY08 1Q)



(billion yen)

	FY09 1Q	FY08 1Q	Change		Reference
Sales	342.4	377.1	-34.7	-9.2%	Gas sales -26.2
Operating income	50.2	17.4	32.8	187.1%	Gas operating income +33.0
Ordinary income	52.3	16.0	36.3	226.0%	Exchange rate profit&loss +2.2, Commodity derivatives +0.7, weather derivatives +0.7
Net income	33.2	16.4	16.8	102.3%	Extraordinary profit dec. -9.4 from FY08 (FY08:change in lease accounting +7.8, Gain from employee pension fund +1.5), inc. corporate tax by income inc, etc.-10.0
Total asset	1,714.5	1,764.1	-49.6	-2.8%	Notes and accounts receivable-trade -48.7, Raw materials and supplies -11.2, Investment securities +17.9
Total shareholders' equity	808.1	772.3	35.8	4.6%	Retained earnings inc.(Net income+33.2, dividend from earnings -10.8)+22.0, Valuation and translation adjustments abstract inc.(Valuation difference on available-for-sale securities+7.5)+13.7
Equity ratio	47.1%	43.8%	3.3	-	Total asset dec., shareholders' equity inc.
Total assets turnover	0.20	0.22	-0.02	-	Quarterly average balance of total asset inc., sales dec.
Interest-bearing debt	568.9	593.2	-24.3	-4.1%	Tokyo gas -23.2, Tokyo Gas Urban Development -9.0, Tokyo Gas Pluto+5.2, TG Credit Service +3.2 (each number are consolidated basis)
Net income	33.2	16.4	16.8	102.3%	
Depreciation (*2-3)	34.7	32.7	2.0	6.4%	Tokyo Gas +1.1, Tokyo LNG Tanker +0.7
Operating CF(*1)	68.0	49.1	18.9	38.4%	
Capex(*2)	29.6	30.1	-0.5	-1.8%	Tokyo LNG Tanker -3.1, Tokyo Gas Pluto+1.1, Tokyo Gas +0.5
EPS (yen/share)	12.25	6.21	6.04	97.3%	
BPS (yen/share)	297.91	284.72	13.19	4.6%	

*Scope of consolidation in FY09 (April-June,2009) :65 (Tokyo Gas + 60 subsidiaries 60+4 affiliates by equity method) , 62 in FY08 (Tokyo Gas + 57 subsidiaries + 4affiliates by equity method)

*Balance sheet numbers in FY08 1Q are the end of the period.

(*1) Operating Cash Flow = Net Income + Depreciation (including amortization of long-term prepaid expenses)

(*2) Capex and Depreciation are after internal transactions

(*3) Depreciation includes long-term prepaid expenses

Consolidated FY09 1Q Financial Results

Contents of other business (Change from FY08 1Q)



Contents of other business

bil.yen

Segment	Sales				Operating Income			
	FY09 1Q	FY08 1Q	Change		FY09 1Q	FY08 1Q	Change	
Energy service	20.2	22.7	-2.5	-10.9%	0.9	0.1	0.8	693.9%
LPG, etc.	6.6	9.9	-3.3	-33.4%	0.3	-	0.3	-
Industrial gas, etc.	5.0	9.7	-4.7	-47.9%	0.2	0.4	-0.2	-33.3%
Electric Power	6.7	6.4	0.3	4.3%	0.1	-	0.1	-
System integration	3.2	3.2	-	-0.4%	-0.3	-0.2	-0.1	-
Shipping	3.4	3.3	0.1	3.0%	0.1	0.4	-0.3	-60.7%
Credit & Lease	3.3	3.3	-	-0.7%	0.4	0.3	0.1	19.3%
Construction & Engineering, etc.	19.6	17.9	1.7	9.5%	0.3	0.4	-0.1	-2.9%
Total	68.3	76.8	-8.5	-11.0%	2.3	1.4	0.9	59.0%

Note:

Energy service	(Sales)Tokyo Gas:Decrease in LNG sales
LPG, etc.	(Sales)Down due to LPG sales decrease
Industrial gas, etc.	(Sales)Down due to the smaller marketing area: Dissolution of joint venture between Showa Denko and Tokyo Gas Chemical
Shipping	(Operating income)Down due to the increase of depreciation cost with a new tanker in service in May, 2009.

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Non-Consolidated FY2009 1Q Financial Results (Change from FY08 1Q)



billion yen

	FY09 1Q	FY08 1Q	Change	
Total Sales	298.7	335.2	-36.5	-10.9%
Operating Income	46.2	13.0	33.2	254.2%
Ordinary Income	48.3	11.6	36.7	316.6%
Net Income	31.5	7.8	23.7	302.7%

Gas Sales	256.4	283.4	-27.0	-9.5%	Volume, Composition -22.7bn, Unit Price -4.3bn
Raw materials and supplies	103.4	167.4	-64.0	-38.2%	Volume, Composition -17.7bn, Unit Price -46.3bn
(Gross Margin)	152.9	115.9	37.0	31.9%	Volume, Composition -5.0bn, Unit Price +42.0bn
Personnel Expenses	32.0	29.6	2.4	8.1%	Employee Retirement Cost + 2.8bn
General Expenses	52.3	51.4	0.9	1.6%	
Depreciation	25.4	24.2	1.2	4.8%	New Depreciation for Central Line + 1.2bn
LNG Regasification	-0.8	-0.9	0.1	-16.5%	
Total	212.4	271.8	-59.4	-21.9%	
Other Operating Income					
Installation Works	-0.6	-0.4	-0.2	-36.2%	Decrease in no. of constructions -0.2bn (The no. is -7.0 thousands, -16%)
Gas Appliances	1.7	1.9	-0.2	-9.1%	G H P -0.2bn
Total	1.1	1.4	-0.3	-22.7%	
Supplementary Business Income	1.1	0.0	1.1	-	LNG Sales +0.8bn
Operating Income	46.2	13.0	33.2	254.2%	
Non Operating Income	2.1	-1.4	3.5	-	Foreign Exchange Gain +2.5bn
Ordinary Income	48.3	11.6	36.7	316.6%	
Extraordinary Income	0.0	0.0	0.0	-	
Extraordinary Loss	0.0	0.0	0.0	-	
Taxes	16.8	3.7	13.1	345.5%	
Net Income	31.5	7.8	23.7	302.7%	

billion yen

	FY09 1Q	FY08 1Q	Change	
Revenue from sliding system	1.7	7.8	-6.1	
Increase in Gas cost	-21.6	25.6	-47.2	
Change	23.3	-17.8	41.1	Change from base price

Non-consolidated FY09 1Q Results (Change from FY08 1Q Results)



Gas Business Performances		thousand		
	FY09 1Q	FY08 1Q	Change	
No of customers	10,274	10,141	132	1.3%
No of new customers	38	43	-5	-11.4%

Breakdown of gas sales volume		mil.m3(45MJ)			Notes	
	FY09 1Q	FY08 1Q	Change			
Residential vol. per meter (m ³)	92.0	98.1	-6.1	-6.2%	Temp. effect -4.7m ³ (-4.8%) , Other -1.4m ³ (-1.4%)	
Residential	804	848	-44	-5.2%	Temp. effect -40mil.m ³ (-4.7%) , Customer number + 9mil.m ³ (+1.0%) , Other -13mil.m ³ (-1.5%)	
Industrial & Commercial	Commercial	431	443	-12	-2.7%	
	Public&Medical	191	175	16	9.2%	
	Commercial Total	622	618	4	0.6%	Temp. effect + 9mil.m ³ (+1.4%) , Other-5mil.m ³ (-0.8%)
	Power Gen.	458	590	-132	-22.4%	
	Other	643	832	-189	-22.7%	
Industrial Total	1,101	1,422	-321	-22.6%		
Total	1,723	2,040	-317	-15.5%		
Wholesale	457	493	-36	-7.4%	Temp effect -7mil.m ³ (-1.5%) , Decrease in existing customers volume supplied by Wholesale customers-29mil.m ³ (-5.9%)	
Total	2,983	3,381	-398	-11.8%	Temp. effect -38mil.m ³ (-1.1%) , Power Gen-132mil.m ³ (-3.9%) , Industrial(Excluding Power Gen.)-189mil.m ³ (-5.6%) , Wholesale(Excluding temp. effect)-29mil.m ³ (-0.9%) , Other-10mil.m ³ (-0.3%)	
(Large-volume gas demand)	1,376	1,680	-304	-18.1%		

Breakdown of general expenses		bil.yen			Notes
Item	FY09 1Q	FY08 1Q	Change		
Repair costs	7.3	7.3	0.0	-0.7%	
Expendable costs	3.2	3.1	0.1	3.0%	
Rent	4.9	5.0	-0.1	-2.6%	
Consignment costs	14.7	13.9	0.8	5.7%	LIFEVAL+0.2bil.yen. Safety measures+0.2bil.yen. Gas rate recovery+0.1bil.yen
Taxes	10.3	10.6	-0.3	-2.6%	Income taxes -0.3bil.yen
Marketing costs	3.9	3.7	0.2	5.5%	LIFEVAL+0.4bil.yen. Advertisement-0.1bil.yen
Others	8.0	7.8	0.2	1.5%	
Total	52.3	51.4	0.9	1.6%	

Projections





Non-consolidated Economic Projection & Sensitivity

Assumed value of JCC & exchange rate impact of JCC & exchange rate fluctuation to fiscal gross margin

Assumed value of JCC & ex.rate

	July 30th			
	1st Half	2nd Half	Fiscal	
JCC	61.26	70.00	65.63	\$ /bbl
Ex.rate	96.18	95.00	95.59	¥/ \$
	April 28th			
	1st Half	2nd Half	Fiscal	
JCC	50.00	50.00	50.00	\$ /bbl
Ex.rate	100.00	100.00	100.00	¥/ \$
	Change			
	1st Half	2nd Half	Fiscal	
JCC	11.26	20.00	15.63	\$ /bbl
Ex.rate	-3.82	-5.00	-4.41	¥/ \$

Impact of JCC & ex.rate fluctuation to fiscal gross margin
hundred million yen

1 \$ /bbl	Fiscal
Sales	-20
Gas resource cost	-28
Gross margin	8

1 \$ /bbl	Fiscal
Sales	-22
Gas resource cost	-26
Gross margin	4

Consolidated FY09 Projections (Change from previous projections as of April 28, 2009)



FY09 projection	billion yen				Notes	FY09 1Q-2Q projection		
	Current 7/30	Previous 4/28	Change	Change		Current 7/30	Previous 4/28	Change
Sales	1,414.0	1,381.0	33.0	2.4%	Gas sales + 27.0	629.0	635.0	-6.0 -0.9%
Operating Income	72.0	73.0	-1.0	-1.4%	Gas -1.0	42.0	30.0	12.0 40.0%
Ordinary Income	64.0	64.0	-	-	Operating profit -1.0, extraordinary profit&loss +1.0 (Inc. ex.rate profit,etc.)	39.0	26.0	13.0 50.0%
Net Income	42.0	42.0	-	-		24.0	16.0	8.0 50.0%

Total assets turnover	1,825.0	1,791.0	34.0	1.9%	Inc. gas receivable			
Shareholders' equity	787.0	787.0	-	-				
Shareholders' equity ratio	43%	44%	-0.8	-	Inc. total assets			
Total assets turnover	0.79	0.78	0.01	-				
ROA(*2)	2.3%	2.4%	-0.1	-	Inc. total assets			
ROE(*2)	5.4%	5.4%	-	-				
Interest-bearing debt	629.0	601.0	28.0	4.7%	Tokyo gas +28.0			
D/E Ratio	0.80	0.76	0.04	-	Inc. interest bearing debt			
Net income	42.0	42.0	-	-		24.0	-	-
Depreciation (*3-4)	149.0	149.0	-	-		72.0	-	-
Operatin CF(*1)	191.0	191.0	-	-		96.0	-	-
Capex(*3)	151.0	151.0	-	-		64.0	-	-
TEP	-0.1	-0.1	-	-				
(WACC)	3.4%	3.4%	-	-				
EPS	15.48	15.48	-	-				
BPS	290.12	290.12	-	-				

*Scope of consolidation FY2009 (April-June,2009);65 (Tokyo Gas + 60 subsidiaries + 4 equity method)

About TEP [Tokyo Gas Economic Profit]

- TEP = After-tax, pre-interest-payment profit - capital cost (capital invested x WACC)
- Cost of Interest-Bearing Deb: 1.24%
- Cost of Shareholders' Equity: Risk-free Rate (yield of 10-year JGB[average of past 10 years];1.47%) Risk Premium:4.0%, β .0.
- Shareholders' Equity used in calculating WACC = Average Market Value in FY 08

(*1) Operating Cash Flow = Net Income + Depreciation (including amortization of long-term prepaid expenses)

(*2) Total Assets used for ROA & ROE is the average at the end of FY07 and FY08

(*3) Capex and Depreciation are after internal transactions

(*4) Depreciation includes long-term prepaid expenses

Non-consolidated FY09 projections (Change from previous projections as of April 28, 2009)



	billion yen		
	Current7/30	Previous4/28	Change
Total Sales	1,212.0	1,179.0	33.0 2.8%
Operating Income	52.0	53.0	-1.0 -1.9%
Ordinary Income	50.0	50.0	0.0 -
Net Income	33.0	33.0	0.0 -

Gas Sales		1,008.0	981.0	27.0	2.8%	Volume, Composition -7.5, Unit Price +34.5
Operating Cost	Raw materials and supplies	488.4	461.8	26.6	5.8%	Volume, Composition -2.9, Unit Price +29.5
	(Gross Margin)	519.6	519.2	0.4	0.1%	Volume, Composition -4.6, Unit Price +5.0
	Personnel Expenses	128.2	126.8	1.4	1.1%	Employee Retirement Cost+0.3
	General Expenses	239.7	239.7	0.0	-	
	Depreciation	107.3	107.3	0.0	-	
	LNG Regasification Revenue	-3.2	-3.2	0.0	-	
	Total	960.4	932.4	28.0	3.0%	
Other Operating Income	Installation Works	0.1	0.1	0.0	-	
	Gas Appliances	2.9	2.9	0.0	-	
Total	3.0	3.0	0.0	-		
Supplementary Business Income		1.4	1.4	0.0	-	
Operating Income		52.0	53.0	-1.0	-1.9%	
Non Operating Income		-2.0	-3.0	1.0	-	Foreign Exchange Gain +0.6
Ordinary Income		50.0	50.0	0.0	-	
Extraordinary Income		0.0	0.0	0.0	-	
Extraordinary Loss		0.0	0.0	0.0	-	
Taxes		17.0	17.0	0.0	-	
Net Income		33.0	33.0	0.0	-	

Impact of siding system time lag		billion yen		
	Current7/30	Previous4/28	Change	
Revenue from siding system	-56.4	-93.6	37.2	
Increase in Gas cost	-68.6	-98.8	30.2	
Change	12.2	5.2	7.0	Change from base Price

Non-consolidated FY09 Projections

(Change from previous projections as of April 28, 2009.)



Gas Business Performances		thousand	
	Current 7/30	Previous 4/28	Change
No of customers	10,360	10,360	0
No of new customers	214	214	0

Breakdown of gas sales volume		mil.m3(45MJ)		
	Current 7/30	Previous 4/28	Change	Notes
Residential vol. per meter (m ³)	383.6	386.2	-2.6	-0.7% Temp. effect -0.9m ³ (-0.2%) , Other -1.7m ³ (-0.5%)
Residential	3,362	3,388	-26	-0.8% Temp. effect -8 mil.m ³ (-0.2%), Custome number-3 mil.m ³ (-0.1%) , Other -15 mil.m ³ (-0.5%)
Industrial & Commercial				
Commercial	1,921	1,920	1	0.0%
Public&Medical	898	898	0	0.0%
Commercial Total	2,819	2,818	1	0.0%
Power Gen.	1,817	1,864	-47	-2.5% Decrease in operation of power plants
Other	2,869	2,863	6	0.2%
Industrial Total	4,686	4,727	-41	-0.9%
Total	7,506	7,545	-39	-0.5%
Wholesale	1,996	2,008	-12	-0.6% Temp. effect -1 mil.m ³ (-0.1%) , Decrease in existing customers volume supplied by Wholesale customers -11mil.m ³ (-0.5%)
Total	12,864	12,941	-77	-0.6% Temp. effect -15mil.m ³ (-0.1%) , Power Gen. -47mil.m ³ (-0.4%) , Industrial (Excluding Power Gen.) +6mil.m ³ (+0.1%) , Wholesale (Excluding temp. effect)-11mil.m ³ (-0.1%) , Other-10mil.m ³ (-0.1%)
(Large-volume gas demand)	5,946	5,988	-39	-0.6%

Breakdown of general expenses		bil.yen		
Item	Current 7/30	Previous 4/28	Change	Notes
Repair costs	36.1	36.5	-0.4	-1.1%
Expendable costs	14.2	14.7	-0.5	-3.4%
Rent	19.8	19.8	0.0	0.0%
Consignment costs	63.4	63.4	0.0	0.0%
Taxes	40.0	40.0	0.0	0.0%
Marketing costs	27.6	25.6	2.0	7.8% Enelam marketing +2.7bil.yen, Advertisement -0.4bil.yen
Others	38.6	39.7	-1.1	-2.8% Electricity-0.5bil.yen, Loss on retirement of noncurrent assets -0.4bil.yen
Total	239.7	239.7	0.0	-

Non-consolidated FY09 2Q Projections

(Change from previous projections as of April 28, 2009)



	Current7/30	Previous4/28	Change	
Total Sales	540.0	546.0	-6.0	-1.1%
Operating Income	34.0	22.0	12.0	54.5%
Ordinary Income	35.0	22.0	13.0	59.1%
Net Income	23.0	15.0	8.0	53.3%

		Current7/30	Previous4/28	Change		
Operating Cost		451.0	457.0	-6.0	-1.3%	Volume, Composition -9.7, Unit Price +37.0
	Raw materials and supplies	196.0	212.0	-16.0	-7.5%	Volume, Composition -5.1, Unit price -10.9
	(Gross Margin)					
	Personnel Expenses	255.0	245.0	10.0	4.1%	Volume, Composition -4.6, Unit price +14.6
	General Expenses	63.9	63.3	0.6	0.9%	Employee retirement cost + 0.3
	Depreciation	110.4	112.3	-1.9	-1.7%	
	LNG Regasification Revenue	52.0	52.0	0.0	-	
	Total	-1.6	-1.6	0.0	-	
Other Oper Installation Works		420.7	438.0	-17.3	-3.9%	
	Gas Appliances	-0.8	-0.8	0.0	-	
	Total	2.7	2.4	0.3	12.5%	Gas appliances sales profit&loss cut overhead cost, etc. +0.1,
Supplementary Business Income		1.9	1.6	0.3	18.8%	
Operating Income		1.8	1.4	0.4	28.6%	LNG sales +0.3
Non Operating Income		34.0	22.0	12.0	54.5%	
Ordinary Income		1.0	0.0	1.0	-	Exchange rate profit +0.6
Extraordinary Income		35.0	22.0	13.0	59.1%	
Extraordinary Loss		0.0	0.0	0.0	-	
Taxes		0.0	0.0	0.0	-	
Net Income		12.0	7.0	5.0	71.4%	
		23.0	15.0	8.0	53.3%	

Impact of siding system time lag

	Current7/30	Previous4/28	Change	
Revenue from siding system	-21.3	-24.5	3.2	
Increase in Gas cost	-54.2	-44.6	-9.6	
Change	32.9	20.1	12.8	Change from base Price

Non-consolidated FY09 2Q Projections (Change from previous projections as of April 28, 2009.)


 Gas Business Performances thousand

	Current 7/30	Previous 4/28	Change	
No of customers	10,287	10,287	0	-
No of new customers	88	88	0	-

 Breakdown of gas sales volume mil. m3(45MJ)

		Current 7/30	Previous 4/28	Change		Notes
Residential vol. per meter (m ³)		143.0	145.6	-2.6	-1.8%	Temp. effect -0.9m ³ (-0.6%) , Others -1.7m ³ (-1.2%)
Residential		1,251	1,277	-26	-2.0%	Temp. effect -8 mil.m ³ (-0.6%), Customer number -3 mil.m ³ (-0.2%) , Others -15 mil.m ³ (-1.2%)
Commercial & Industrial	Commercial	980	979	1	0.1%	
	Public&Medical	467	466	1	0.2%	
	Commercial Total	1,447	1,445	2	0.1%	Temp. effect -6mil.m ³ (-0.4%) , Other +8 mil.m ³ (+0.5%)
	Power Gen.	881	918	-37	-4.0%	
Other		1,410	1,446	-36	-2.5%	
Industrial Total		2,291	2,364	-73	-3.1%	Decrease in existing customers volume
Total		3,738	3,809	-71	-1.9%	
Wholesale		916	945	-29	-3.1%	Temp. effect -1mil.m ³ (-0.1%) , Decrease in existing customers volume supplied by Wholesale customers-28 mil.m ³ (-3.0%)
Total		5,905	6,032	-127	-2.1%	Temp. effect -15mil.m ³ (-0.2%) , Power Gen. -37mil.m ³ (-0.6%) , Industrial(Excluding Power Gen.)-36 mil.m ³ (-0.6%) , Wholesale(Excluding temp. effect) -28mil.m ³ (-0.5%) , Other -11mil.m ³ (-0.2%)
(Large-volume gas demand)		2,962	3,035	-73	-2.4%	

 Breakdown of general expenses bil.yen

Item	Current 7/30	Previous 4/28	Change		Notes
Repair costs	17.0	17.3	-0.3	-1.7%	
Expendable costs	6.7	6.9	-0.2	-2.9%	
Rent	10.0	10.0	0.0	0.0%	
Consignment costs	30.1	30.3	-0.2	-0.7%	
Taxes	19.6	19.6	0.0	0.0%	
Marketing costs	9.7	10.3	-0.6	-5.8%	Decrease in fee for gas volume development -0.4bil.yen
Others	17.3	17.9	-0.6	-3.4%	
Total	110.4	112.3	-1.9	-1.7%	

Non-consolidated Operating Cash Flows & Capex



Operating Cash Flow
Results (FY09 1Q & FY08 1Q) billion yen

	FY091Q	FY08 1Q	Change	
Net income	31.5	7.8	23.7	302.7%
Depreciation	26.5	25.4	1.1	4.3%
Operating Cash Flow (Net income + Depreciation)	58.0	33.2	24.8	74.7%

Capex
Results (FY09 1Q & FY08 1Q) billion yen

	FY091Q	FY08 1Q	Change	
Production	3.0	1.4	1.6	114.5%
Supply	15.4	16.8	-1.4	-8.3%
Others	1.1	0.7	0.4	41.0%
Total	19.5	19.0	0.5	3.0%

Production: Ohgishima LNG Tank + 1.2bil.yen, BOG at Negishi+0.4bil.yen
 Supply: Supply stability-1.6bil.yen, Pipeline renewal + 0.2bil.yen
 Others: System development, etc. + 0.4bil.yen

FY09 2Q Projections (Change from previous projections) billion yen

	Current 7/30	Previous 4/28	Change	
Net income	23.0	15.0	8.0	53.3%
Depreciation	54.3	54.3	0.0	-
Operating Cash Flow (Net income + Depreciation)	77.3	69.3	8.0	11.5%

FY09 2Q Projections (Change from previous projections) bil.yen

	Current 7/30	Previous 4/28	Change	
Production	5.5	6.0	-0.5	-8.2%
Supply	35.2	35.1	0.1	0.3%
Others	5.7	6.2	-0.5	-8.0%
Total	46.5	47.4	-0.9	-1.9%

Production: Production Facilities Maintenance & Renewal -0.5bil.yen
 Supply: Gas volume development + 0.2bil.yen, Pipeline renewal -0.1bil.yen
 Others: System development +0.5bil.yen

FY09 Projections (Change from previous projections) bil.yen

	Current 7/30	Previous 4/28	Change	
Net income	33.0	33.0	0.0	-
Depreciation	112.1	112.1	0.0	-
Operating Cash Flow (Net income + Depreciation)	145.1	145.1	0.0	-

FY09 Projections (Change from previous projections) bil.yen

	Current 7/30	Previous 4/28	Change	
Production	17.2	17.2	0.0	-
Supply	81.3	81.3	0.0	-
Others	22.7	22.7	0.0	-
Total	121.2	121.2	0.0	-