

January 31, 2012

Tokyo Gas Co., Ltd.

Earnings Announcement for Third Quarter of FY2011

Main Q&A

Q1: With regard to the upward revision to the commercial gas sales volume forecast, sales volume had been declining since the earthquake as customers conserved energy. Have you seen a change in customer behavior?

A1: The trend since the first quarter has been below our initial plan. We therefore lowered our forecast for commercial gas sales volume by roughly 8% at the time of the first-quarter earnings announcement. Since then, the third quarter saw a year-on-year increase in December, and the margin of decline in “other factors” excluding temperatures and the number of days was smaller. To reflect this, we have reduced the previous 8% margin of decline anticipated in the fourth quarter by roughly two percentage points, to a decline of approximately 6%.

Q2: Please tell us about marketing for conversion to all-electric systems and the situation with regard to Tokyo Gas customers lost through conversions to all-electric systems.

A2: The number of customers in existing houses switching to all-electric systems is staying at about 40% of the previous year’s level. Nevertheless, we do not expect this level to continue, or to decline further, in the future. We intend to convey to customers the advantages of gas, as a means of keeping the level of all-electric conversion low.

Q3: Please update us on the Chiba – Kashima Line. Is the construction proceeding on schedule? What is the current situation with regard to acquiring customers in the areas along this line?

A3: Construction of the Chiba – Kashima Line is on track. We have been working under a schedule to begin supplying gas in April, and that schedule has not changed. Construction of the Kashima Waterfront Line, which will be an extension of the Chiba – Kashima Line, is also on track.

With regard to customer acquisitions, I cannot give a clear answer because we are currently negotiating when, and the extent to which, customers along the Chiba – Kashima Line will contribute to sales volume growth. The Kashima Waterfront Line is to supply Tokyo Electric Power Company, and we plan to start supplying the company from this summer.