

**FY2011 Financial Results  
ended March 31, 2012**



**April 27, 2012**

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# Consolidated Financial Results ended March 31, 2012 and FY2012 Forecast

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## Financial Highlights (vs. FY10) sales growth, profit decline

(+/- indicates profit impact, billion yen)

- Net sales** : + Gas sales grew (+169.2; higher resources costs led to increase in unit price, gas sales volume, etc.)  
 + LNG sales grew (+40.3)  
 + Electricity sales grew (+31.6)
- Operating expenses** : - City Gas resources costs increased (-189.3)  
 - Personal expenses increased on amortization of actuarial differences in pension accounting grew (non-consolidated) (-22.7)
- Non-operating Income and expenses** : - Foreign exchange gains and losses at overseas subsidiaries, etc. (-1.0)  
 - Decrease of gains from weather derivatives(-0.9)  
 + Increase in profit from equity-method investments (+1.3)
- Extraordinary loss** : - Absence of extraordinary income from sale of land in Toyosu in FY2010 (-39.7)  
 - From tax code revision (-4.4)

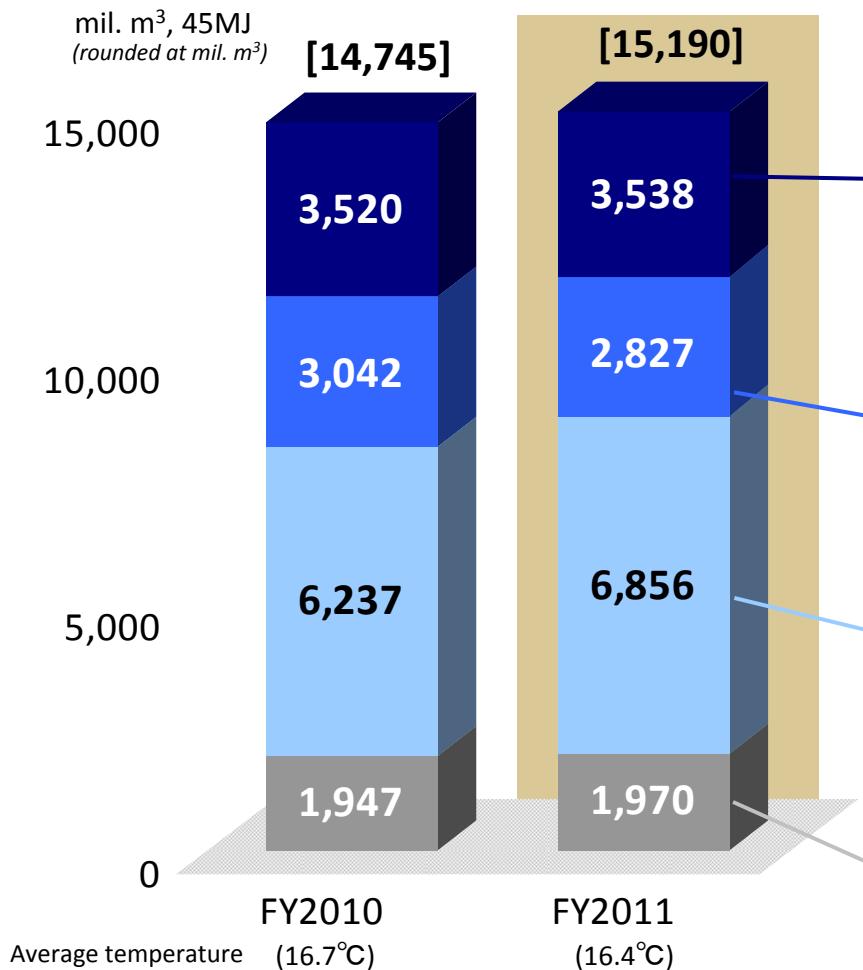
\*pretax basis

(Unit: billion yen)

|   | FY2011         | FY2010  | Change | %     |
|---|----------------|---------|--------|-------|
| <b>Gas sales volume (mil. m<sup>3</sup>, 45MJ)</b>                    | <b>15,190</b>  | 14,745  | 445    | +3.0  |
| <b>Net sales</b>  | <b>1,754.2</b> | 1,535.2 | 219.0  | +14.3 |
| <b>Operating expenses</b>   | <b>1,677.1</b> | 1,412.7 | 264.4  | +18.7 |
| <b>Operating income</b>   | <b>77.0</b>    | 122.4   | -45.4  | -37.1 |
| <b>Ordinary income</b>  | <b>75.6</b>    | 121.5   | -45.9  | -37.8 |
| <b>Net income</b>   | <b>46.0</b>    | 95.4    | -49.4  | -51.8 |
| <i>Sliding time lag effect (non-consolidated basis)</i>               | <b>-47.3</b>   | -29.2   | -18.1  | -     |
| <i>Amortization of actuarial differences (non-consolidated basis)</i> | <b>-2.7</b>    | +19.9   | -22.7  | -     |

| Economic conditions | JCC (\$/bbl)  | Ex. Rate (¥/\$) | Avg. temperature(°C) | Pension       | Investment yield (costs deducted) | Discount rate | Year-end assets (billion yen) |
|---------------------|---------------|-----------------|----------------------|---------------|-----------------------------------|---------------|-------------------------------|
| <b>FY2011</b>       | <b>114.16</b> | <b>79.08</b>    | <b>16.4</b>          | <b>FY2010</b> | <b>2.70 %</b>                     | <b>2.0 %</b>  | <b>235</b>                    |
| <b>FY2010</b>       | <b>84.15</b>  | <b>85.74</b>    | <b>16.7</b>          | <b>FY2009</b> | <b>7.16 %</b>                     | <b>2.1 %</b>  | <b>222</b>                    |

# Consolidated Gas Sales Volume (Apr.1, 2011 – Mar.31, 2012)



## FY2010 → FY2011

**+445 mil m³ (+3.0%)**

\*large-volume gas demand + 517 mil m³ (+3.5%)

\*temperature effect + 11 mil. m³ (+0.1%)

### Residential +18 mil. m³ (+0.5%)

- Effect of cool temperatures in winter + 11 mil. m³
- Increased in number of customers + 29 mil. m³
- No. of days + 7 mil. m³
- Others (-0.8% (non-consolidated basis) decrease in usage per household after standardization) -29 mil. m³

### Commercial -215 mil. m³ (-7.1%)

- Effect of cool temperatures in summer -8 mil. m³
- Increased in number of customers +22 mil. m³
- No. of days +6 mil. m³
- Others (Effect of earthquake, etc.) -235 mil. m³

### Industrial +619 mil. m³ (+9.9%)

- Industrial: +75mil. m³  
Increased utilization of existing demand
- Power generation: + 544 mil. m³  
Increased utilization following earthquake

### Wholesale +23 mil. m³ (+1.2%)

- Increased in general wholesale demand (Incl. temperature effect +8) +17 mil. m³
- Increase in large-volume gas demand +6 mil. m³

|   | FY2010        | FY2011        | Change     |
|---|---------------|---------------|------------|
| A: Gas sales volume (previous)          | 14,745        | 15,190        | 445        |
| B: LNG liquid sales volume (equivalent) | 508           | 545           | 37         |
| <b>Total (A+B) * vision basis</b>       | <b>15,253</b> | <b>15,735</b> | <b>482</b> |

### Number of customers

(unit: 10 thousand)

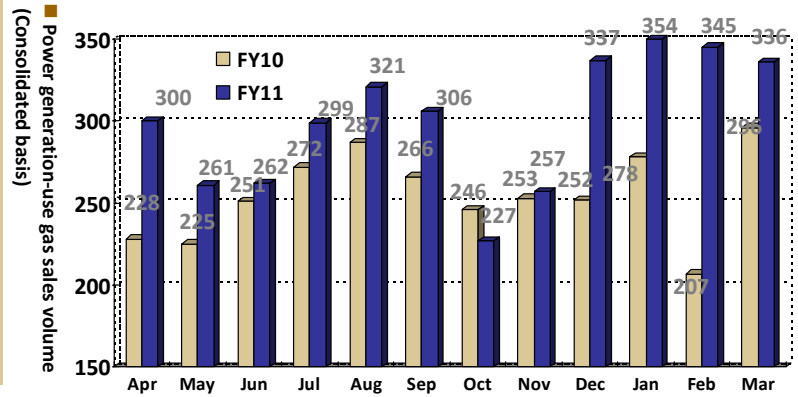
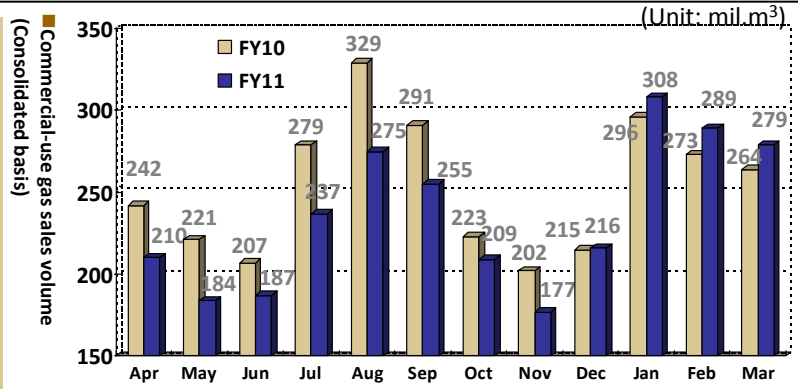
| FY2011-end | FY2010-end | Change |
|------------|------------|--------|
| 1,085.5    | 1,073.9    | +11.6  |

# Changes in Composition of Gas Sales Volume (Apr.1, 2011 – Mar.31, 2012)



- Following the Great East Japan Earthquake, power generation demand increased on tighter electrical power supply vs. demand, but demand decreased on increased energy conservation
- Commercial demand declined on cool summer, but residential and commercial demand rose on cold winter, for flat full-year temperature effect

## Great East Japan Earthquake effect



- Large year-on-year decline in 1H commercial gas sales volume from energy conservation immediately after earthquake, especially at schools, government buildings, and offices  
 Companies, offices: -20.6% (1H, YoY, Non-consolidated)  
 Schools: -24.8%  
 Govt. buildings: -23.4%  
 Commercial-use total: -14.1%

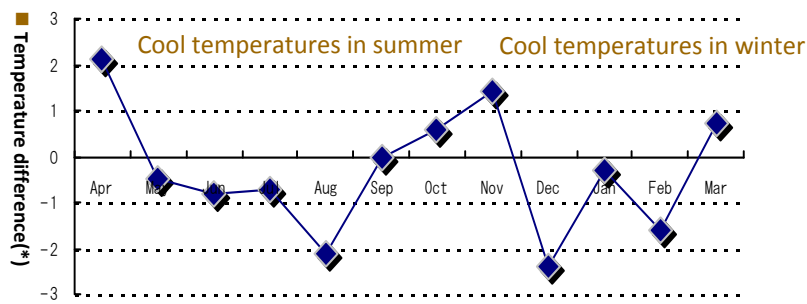
- Earthquake heightened interest in cogeneration. Promoted installations as response to power outages, especially of cogeneration equipped with blackout start systems and small cogeneration systems with short installation periods (33 installations of blackout start type cogeneration finalized in response to power outages, vs. six in FY2010)

- Tighter electrical power supply vs. demand led to large growth in power generation-use gas sales volume, with YoY increases in almost all months  
 Power generation: +544 million m<sup>3</sup> (FY2011 vs. FY2010)

- Cogeneration interest also strong in industrial gas segment, with large increase in installations finalized in FY2011 (23) vs. FY2010 (5)

- For cogeneration overall, FY2011 development results roughly triple FY2010 results (FY2010: 18,000kW ⇒ FY2011: 52,000kW)

## Temperature effect



- Although commercial demand declined on curtailed air conditioning demand because of cool summer temperatures, cold winter temperatures increased residential and commercial demand, resulting in a slight increase from the full-year temperature effect.  
 Temperature effect: +11 million m<sup>3</sup> (FY2011 vs. FY2010)

\*Temperature difference:  
 Monthly FY2011 temperature – Monthly FY2010 temperature

■ Returns to shareholders meet 60% total payout ratio policy

FY2010: ¥58.1 billion → FY2011: ¥28.3 billion

■ Maintaining 60% total payout ratio

## Calculation

Total payout ratio

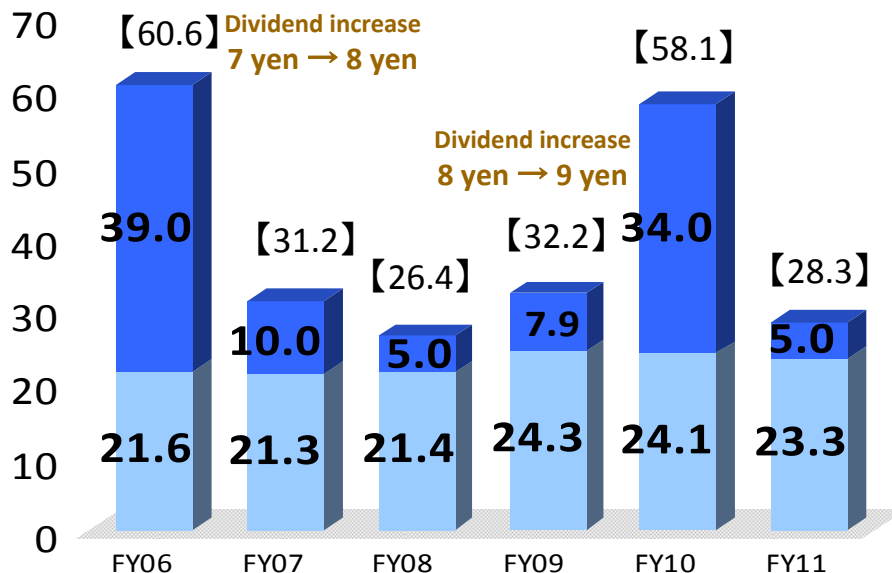
61.4%

$$\begin{array}{r}
 \text{FY2011 Dividend } \text{¥23.3 billion} + \text{FY2012 Purchase of treasury stock } \text{¥5.0 billion} \\
 \hline
 \text{FY2011 Consolidated net income } \text{¥46.0 billion}
 \end{array}$$

\*Number of shares outstanding: 2,590,715,295 (as of March 31, 2012)

## Change in total payout amount

(billion yen) ■ Dividend ■ Purchase of treasury stock



Total payout ratio (60.1%) (73.5%) (63.3%) (60.1%) (60.9%) (61.4%)

## Highlights Sales growth, profit increase

(+/- indicates profit impact, billion yen)

|                                   |     |  |
|-----------------------------------|-----|--|
| Net Sales                         | : + | City gas sales increased (+104.5) on higher sales unit prices under the gas rate adjustment system |
|                                   | : + | “Other energy” sales rose on increased LNG sales (+12.0)   |
| Operating Expenses                | : - | City gas expenses rose on higher gas costs (-89.0)   |
|                                   | : - | “Other energy” expenses rose on increased LNG sales (-10.2)  |
| Non-operating income and expenses | : - | Profit and loss from equity method (-1.5)  |
| Extraordinary loss                | : + | Reduction in asset impairment losses (+1.1)  |

(unit: mil. m<sup>3</sup>·45MJ、billion yen)

|   | FY2012  | FY2011  | Change | %     |
|---|---------|---------|--------|-------|
| Gas sales volume  | 14,886  | 15,190  | -304   | -2.0  |
| Including gas used at electric power business                         | 15,383  | 15,288  | +95    | +0.6  |
| Net sales   | 1,914.0 | 1,754.2 | +159.8 | +9.1  |
| Operating expenses  | 1,815.0 | 1,677.1 | +137.9 | +8.2  |
| Operating income  | 99.0    | 77.0    | +22.0  | +28.4 |
| Ordinary income   | 96.0    | 75.6    | +20.4  | +26.9 |
| Net income  | 63.0    | 46.0    | +17.0  | +36.8 |
| <i>Sliding time lag effect (non-consolidated basis)</i>               | -16.0   | -47.3   | +31.3  | -     |
| <i>Amortization of actuarial differences (non-consolidated basis)</i> | -4.0    | -2.7    | -1.3   | -     |

(Unit: billion yen)

| Gross margin sensitivity to change in oil price and EX rate<br>(yearly and quarterly) | 1Q   | 2Q  | 3Q   | 4Q   | Full year | Economic conditions (Full Year) | JCC (\$/bbl) | Ex. rate (¥/\$) | Avg. temp (°C) | Pension | Investment yield (costs deducted) | Discount rate | Year-end assets (billion yen) |
|---|------|-----|------|------|-----------|---------------------------------|--------------|-----------------|----------------|---------|-----------------------------------|---------------|-------------------------------|
|   |      |     |      |      |           |                                 |              |                 |                |         |                                   |               |                               |
| \$1/bbl Impact on rising JCC  | 0.1  | 0.0 | -0.9 | -0.3 | -1.1      | FY12                            | 120.00       | 85.0            | 16.7           | FY11    | 5.13%                             | 1.7%          | 254                           |
| ¥1/\$ Impact on yen depreciation  | -0.1 | 0.2 | -0.2 | -1.5 | -1.6      | FY11                            | 114.16       | 79.1            | 16.4           | FY10    | 2.70%                             | 2.0%          | 235                           |

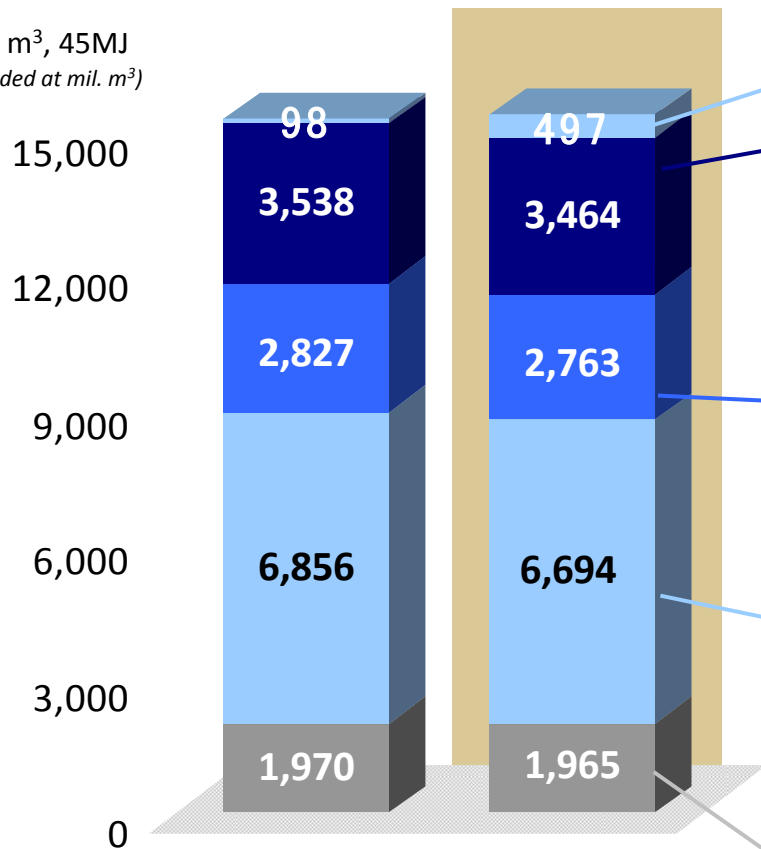
# Consolidated Gas Sales Volume Forecast Full Year <vs. FY2011>

Including gas used at electric power business

[15,288] ⇒ [15,383] (+0.6%)

gas sales volume [15,190] ⇒ [14,886] (-2.0%)

mil. m<sup>3</sup>, 45MJ  
(rounded at mil. m<sup>3</sup>)



## <FY2011 results → FY2012 forecast>

-304 mil. m<sup>3</sup> (-2.0%)

\*large volume gas demand -173 mil. m<sup>3</sup> (-1.1%)

\*temperature effect -179 mil.m<sup>3</sup> (-1.2%)

\*Effect of changes in electric power business scheme

### Residential -74 mil. m<sup>3</sup> (-2.1%)

- Temperature -90 mil. m<sup>3</sup>
- No. of days -25 mil. m<sup>3</sup>
- No. of customers +37 mil. m<sup>3</sup>
- Others +4 mil. m<sup>3</sup>

### Commercial -64mil. m<sup>3</sup> (-2.3%)

- Temperature -76 mil. m<sup>3</sup>
- No. of days -7 mil. m<sup>3</sup>
- Others +19 mil. m<sup>3</sup>

### Industrial -162 mil. m<sup>3</sup> (-2.4%)

- Industrial (excl. Power generation) +165 mil. m<sup>3</sup>
- Power generation
- Increase in power generation demand +68 mil. m<sup>3</sup>
- Effect of changes in electric power scheme -395 mil. m<sup>3</sup>

### Wholesale -5 mil. m<sup>3</sup> (-0.3%)

- Increase in general wholesale sales (incl. temp. -13) +2 mil.m<sup>3</sup>
- Decrease in large-volume wholesale sales -7 mil. m<sup>3</sup>

|  | FY2011        | FY2012        | Change     |
|--|---------------|---------------|------------|
| A: Gas sales volume (previous)                   | 15,190        | 14,886        | -304       |
| B: Including gas used at electric power business | 15,288        | 15,383        | 95         |
| C: LNG liquid sales volume (equivalent)          | 545           | 714           | 169        |
| <b>Total (B+C) *vision basis</b>                 | <b>15,833</b> | <b>16,097</b> | <b>264</b> |



## Capital expenditure

(Unit: billion yen)

| Capex   | Main items   |
|---|--|
| Tokyo Gas: 139.0<br>(+25.1, +22.0%)                         | Production facilities : 28.6 (+9.9)<br>Hitachi LNG terminal construction, etc.   |
|   | Distribution facilities : 86.4 (+12.0)<br>Ibaraki-Tochigi Line installation, New demand-side pipes and pipelines, etc.           |
|   | Service and maintenance facilities, etc. : 24.0 (+3.3)<br>Systems-related investment, Tamachi development-related, etc.          |
| Total of Consolidated Subsidiaries: 52.0<br>(+19.5, +60.0%) | Overseas business (Total of Australian subsidiaries 22.9)<br>Renovation of district heating and cooling system, etc. 14.0 (ENAC) |

Total 191.0 (+44.6, +30.5% after internal eliminations)

\*Numbers in parentheses refer to comparisons with FY2011.

## Investments and loans

27.9 (overseas businesses, etc. 33.1, recoveries of loans -5.2) (vs. FY11 +21.1)

## Returns to shareholders

28.3 ( Maintaining 60% total payout ratio ) (vs. FY11 -29.8)  
(Total of FY11 year-end dividends, FY12 interim dividends, and FY12 treasury stock purchases)

## Required Funds and Source of Funds

(Unit: billion yen)

| Required Funds                    |                | Source of Funds                       |                 |                  |
|-----------------------------------|----------------|---------------------------------------|-----------------|------------------|
| Capex                             | 191.0          | Internal<br>funding                   | Depreciation    | 140.0            |
| Other investment<br>& financing * | 27.9           |                                       | Ordinary income | 96.0             |
| Dividends & tax                   | 48.7           |                                       | Others          | -24.6            |
| Share buybacks                    | 5.0            |                                       | Total           | 211.4            |
| Repayment<br>(Non-consolidated)   | 47.0<br>(33.0) | Outside funding<br>(Non-consolidated) |                 | 108.2<br>(110.0) |
| <b>Total</b>                      | <b>319.6</b>   | <b>Total</b>                          |                 | <b>319.6</b>     |

## Interest-bearing Debt

End of FY11: 625.8 billion yen    End of FY12: 687.0 billion yen

\*Other investment & financing is the net amount of investment outlays and loan repayments.  
The above does not include CP to be issued and redeemed within FY2012 as seasonal working capital.

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## Progress Under 2020 Vision

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## 1. Overseas business

- (1) **Comprehensive Memorandum of Understanding for cooperation concluded with Petrovietnam Gas (cooperation in establishing LNG value chain in Vietnam)**
  - TGE received order for FEED (Front-End Engineering and Design) of LNG receiving terminal in Vietnam  
【 Terminal capacity: One 100,000 kl LNG tank; scheduled completion in 2015 】
- (2) **ENAC to conduct feasibility study for installation of electric power and heating supply system in redevelopment zone in Thailand**

## 2. Gas resource procurement

| LNG project   | Contracted volume, scheduled port entry |
|---|---|
| Pluto   | 1.50-1.75 million tons p.a., 2012       |
| Gorgon  | 1.10 million tons p.a., 2014            |
| Queensland Curtis   | 1.20 million tons p.a., 2015            |
| LNG sale and purchase contract concluded for participation in Ichthys LNG Project                   | 1.05 million tons p.a., 2017            |
| Heads of agreement concluded for extension of LNG sale and purchase contract for Brunei LNG project | 1.00 million tons p.a., April, 2013 ~   |

**\*In addition, we are beginning negotiations for LNG procurement from the Cove Point LNG Project in the United States, with the aim of importing LNG sourced from natural gas produced in the United States, including shale gas, to Japan.**

### 1. Production

#### (1) Preparations proceeding for construction of Hitachi LNG terminal and Ibaraki-Tochigi Line

- **Hitachi LNG terminal** 【 Construction to start in summer 2012, scheduled completion in FY2015; one LNG tank (230,000 kl); status –procedures underway for construction start 】
- **Ibaraki-Tochigi Line** 【 Line construction started from Tochigi Prefecture side in January 2012; 600mm / 81km 】
- **Total investment:** approx. ¥120 billion

### 2. Distribution

#### (1) Progress in pipeline installation

| Pipeline                | Status, Specs   |
|-------------------------|---|
| Chiba-Kashima Line      | Completed in March 2012; 600mm • 79km   |
| Kashima Waterfront Line | Construction proceeding on track, scheduled completion in June 2012; 600mm • 5km          |
| Saito Line              | Construction started in November 2011, scheduled completion in October 2015; 600mm • 40km |
| Koga-Moka Line          | Preparations for construction have begun, scheduled completion in FY2017; 600mm           |

#### (2) Disaster countermeasures and safety securement

- 1. Strengthen earthquake and tsunami countermeasures, promote countermeasures for urban flooding**  
【 Manufacturing facilities: plant seawall liquefaction countermeasures, strengthening of loading arm earthquake resistance being studied, etc 】  
【 Supply facilities: Formation of tsunami blocks in Sagami Bay area, installation of safe power sources (5 locations) and safe telecom facilities (230 locations) being studied, etc. 】
- 2. Accelerate safety measures beginning with older cast-iron pipes**  
【 Replacement of gray cast-iron pipes: Planning to invest approx. ¥20 billion annually over five years (¥100 billion) from FY2012, etc . 】

## 1. Electric power

### (1) Considering Ohgishima Power Station Unit 3

Have already completed environmental assessment procedures and begun to consider Ohgishima Power Station Unit 3, which would be able to make fastest contribution to stable and efficient supply of electricity. Anticipated schedule is to decide on construction around fall 2012, with operations to commence in FY2015.

## 2. Spread and expand use of distributed energy systems and gas air conditioning

- Spread and expand use of distributed energy systems and gas air conditioning, which contribute to peak saving, energy conservation, and CO2 emissions reduction.

|                      | Contents   |
|----------------------|--|
| ENE-FARM             | 5,700 units in FY2011 ⇒ plan for 7,100 units in FY2012   |
| Cogeneration         | FY2012: plan for 10% increase from end-FY2011 total  |
| Gas air conditioning | In addition to addressing need for electricity conservation, introduce GHP (Excel Plus) equipped with blackout start system in FY2012 as power outage countermeasure |

## 3. Conclusion of LNG sale and purchase contract with Saibu Gas

- Estimating approximately 300,000 tons p.a. for 16 years from FY2014
- To be delivered to Hibiki LNG terminal currently being built by Saibu Gas (two 180,000 kl LNG tanks; Kitakyushu City)

#### 4. Developing demand in line with the commencement of Chiba-Kashima Line

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- Estimated FY2012 sales volume: approx. 300 million m<sup>3</sup> p. a.
- Estimating future sales volume of up to approximately 2 billion m<sup>3</sup> p.a.

#### 5. Promoting Smart Energy

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- (1) Beginning demonstration testing of multiple-dwelling version of Smart House at company housing in Isogo
- (2) Starting some construction of Smart Energy network in north block of Tamachi Station, East Exit  
(Japan's first Smart Energy network in urban redevelopment area)

#### 6. LIFEVAL

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- Strengthening individual support to (43) LIFEVAL companies
  - ⇒ Accelerate building of locally focused marketing structure to strengthen ties with customers through all business opportunities

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# Business Overview (Detailed Analysis)

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# FY2011 Net sales and Operating income/loss by Business Segment

16



<year on year>

(Unit: billion yen)

|                                      | Net Sales      |              |             |                | Operating Income |              |              |              |
|--------------------------------------|----------------|--------------|-------------|----------------|------------------|--------------|--------------|--------------|
|                                      | FY2011         |              |             | FY2010         | FY2011           |              |              | FY2010       |
|                                      | Results        | Change       | %           | Results        | Results          | Change       | %            | Results      |
| City gas                             | 1,306.2        | 169.2        | 14.9        | 1,137.0        | 97.4             | -38.7        | -28.5        | 136.1        |
| Gas appliances and installation work | 187.6          | 10.2         | 5.7         | 177.4          | 3.1              | 1.3          | 67.2         | 1.8          |
| Other energy                         | 302.5          | 81.3         | 36.7        | 221.2          | 10.9             | -0.2         | -2.2         | 11.1         |
| (electric power)                     | 101.8          | 31.6         | 45.0        | 70.2           | 7.9              | 1.9          | 30.7         | 6.0          |
| Real estate rental                   | 29.6           | -3.1         | -9.5        | 32.7           | 3.3              | -2.4         | -42.2        | 5.7          |
| Others                               | 181.8          | 19.5         | 12.1        | 162.3          | 7.0              | -2.9         | -28.7        | 9.9          |
| Adjustments                          | -253.7         | -58.1        | -           | -195.6         | -44.7            | -2.4         | -            | -42.3        |
| <b>Consolidated</b>                  | <b>1,754.2</b> | <b>219.0</b> | <b>14.3</b> | <b>1,535.2</b> | <b>77.0</b>      | <b>-45.4</b> | <b>-37.1</b> | <b>122.4</b> |

Notes:

- Net sales by business segment include internal transactions.
- Other Energy includes Energy-service, Electric Power, LPG, Industrial gas, etc.
- Other includes Construction & Engineering, System Engineering, Shipping, Credit & Lease, etc.
- Adjustments under operating income are primarily companywide expenses that cannot be allocated to individual segments.

## (Non-consolidated basis)

### Impact of rising JCC by \$1/bbl

(Unit: billion yen)

|        |       | Impact on earnings |      |      |      |           |
|--------|-------|--------------------|------|------|------|-----------|
|        |       | 1Q                 | 2Q   | 3Q   | 4Q   | Full Year |
| Period | 1Q    | -0.3               | -0.4 | 0.5  | 0.3  | 0.1       |
|        | 2Q    |                    | -0.2 | -0.5 | 0.7  | 0.0       |
|        | 3Q    |                    |      | -0.3 | -0.6 | -0.9      |
|        | 4Q    |                    |      |      | -0.3 | -0.3      |
|        | Total | -0.3               | -0.6 | -0.3 | 0.1  | -1.1      |

### Impact of yen depreciation by ¥1/\$

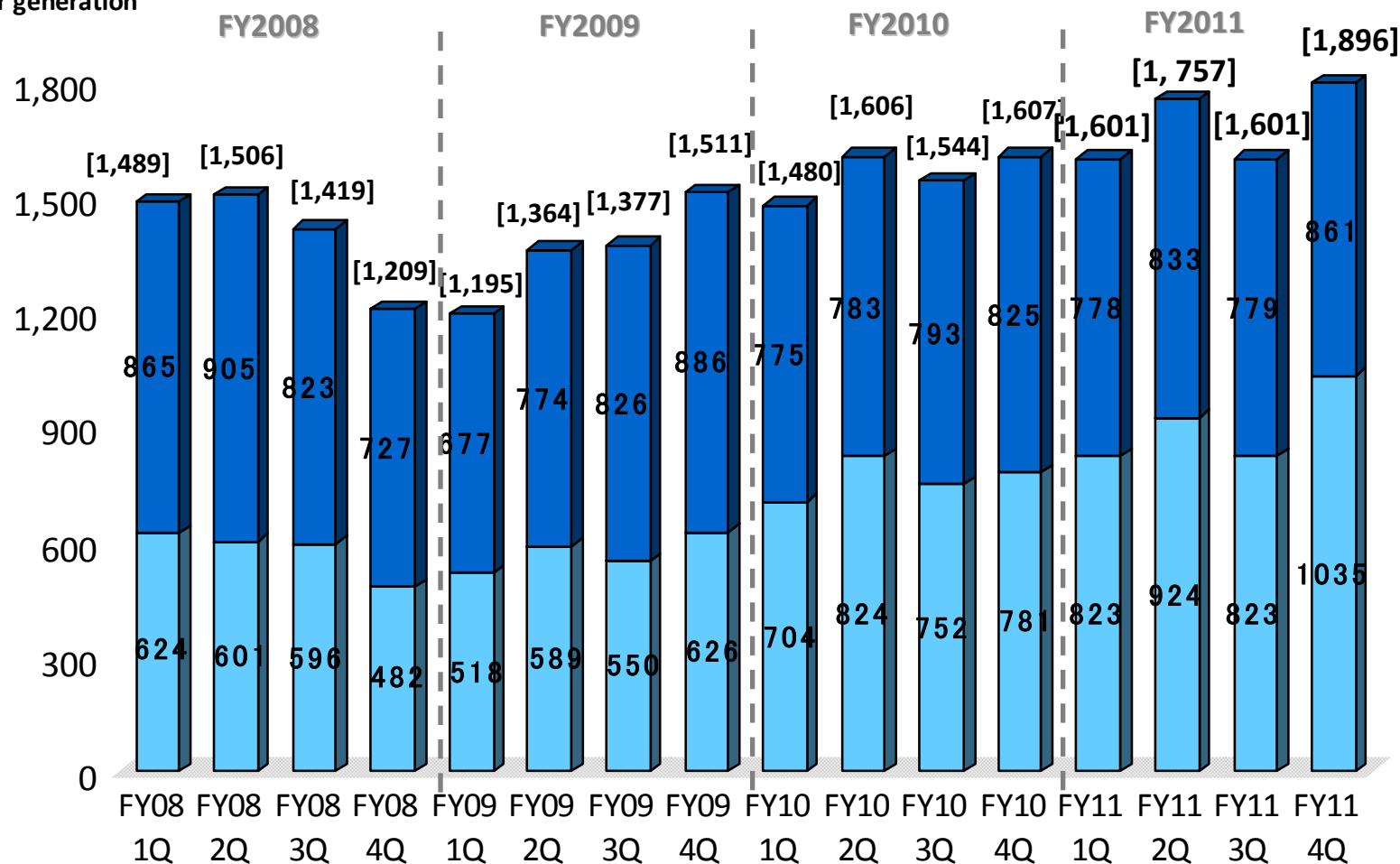
(Unit: billion yen)

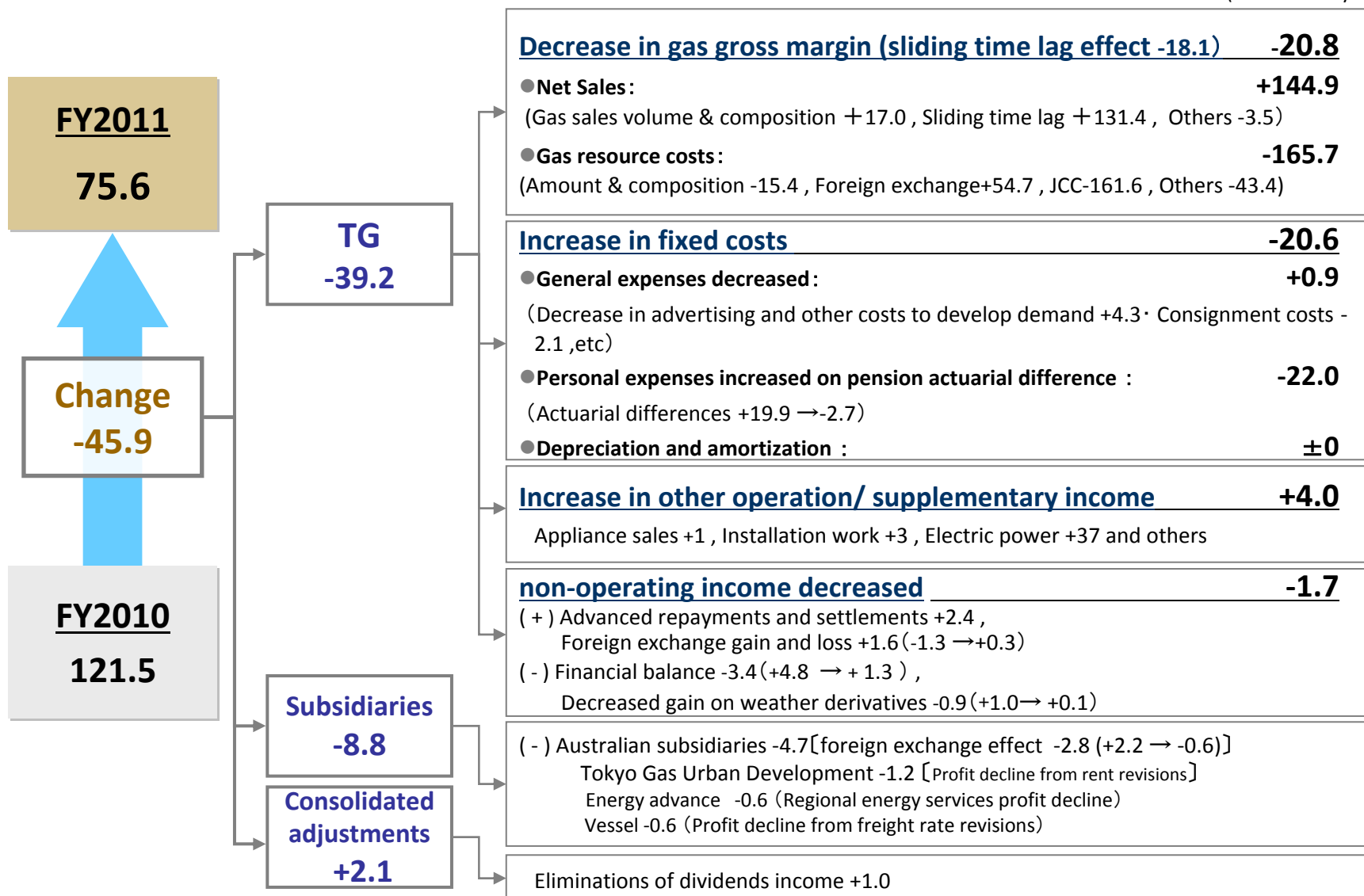
|        |       | Impact on earnings |      |      |      |           |
|--------|-------|--------------------|------|------|------|-----------|
|        |       | 1Q                 | 2Q   | 3Q   | 4Q   | Full Year |
| Period | 1Q    | -1.1               | 0.8  | 0.2  | 0.0  | -0.1      |
|        | 2Q    |                    | -1.1 | 0.9  | 0.4  | 0.2       |
|        | 3Q    |                    |      | -1.2 | 1.0  | -0.2      |
|        | 4Q    |                    |      |      | -1.5 | -1.5      |
|        | Total | -1.1               | -0.3 | -0.1 | -0.1 | -1.6      |

## Consolidated

mil. m<sup>3</sup>, 45MJ/m<sup>3</sup>

- Industrial
- Power generation



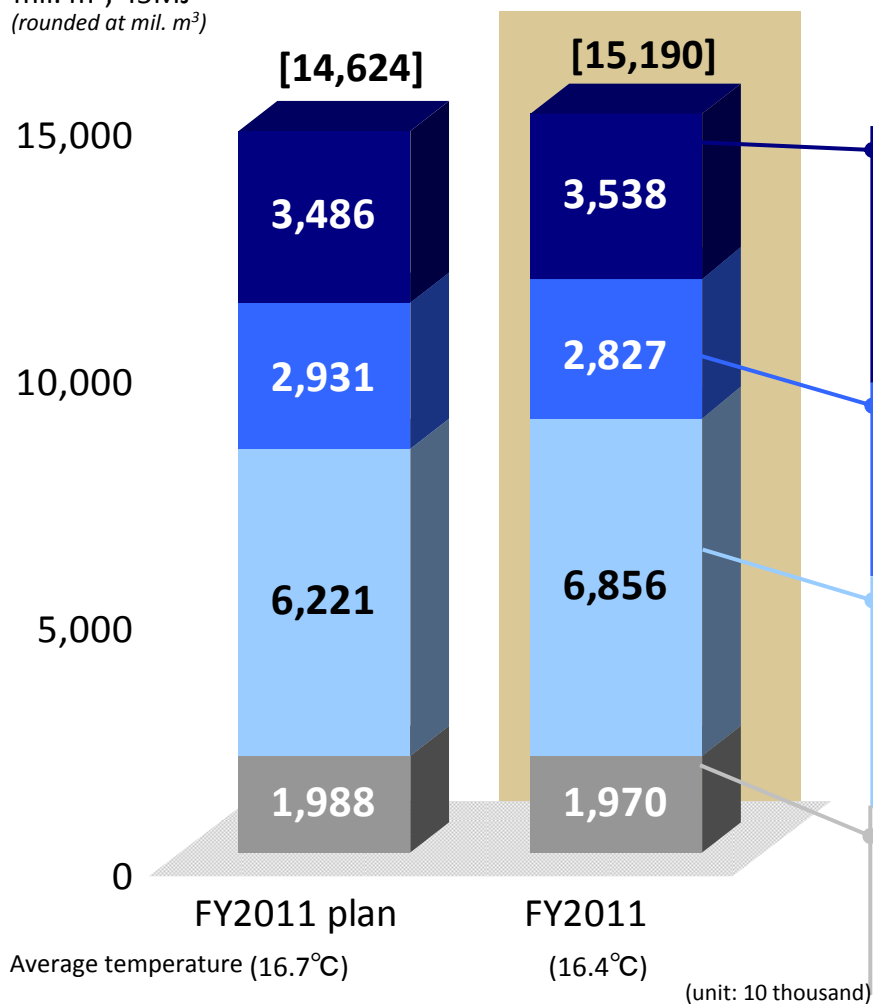


Note: ( + ) &amp; ( - ) refer to contributions to income.

| Economic conditions | FY2011 | JCC 114.16 \$/bbl | Ex. rate ¥79.08 /\$ |
|---------------------|--------|-------------------|---------------------|
|                     | FY2010 | 84.15 \$/bbl      | ¥85.74 /\$          |

## FY2011: initial plan → FY2011

mil. m<sup>3</sup>, 45MJ  
(rounded at mil. m<sup>3</sup>)



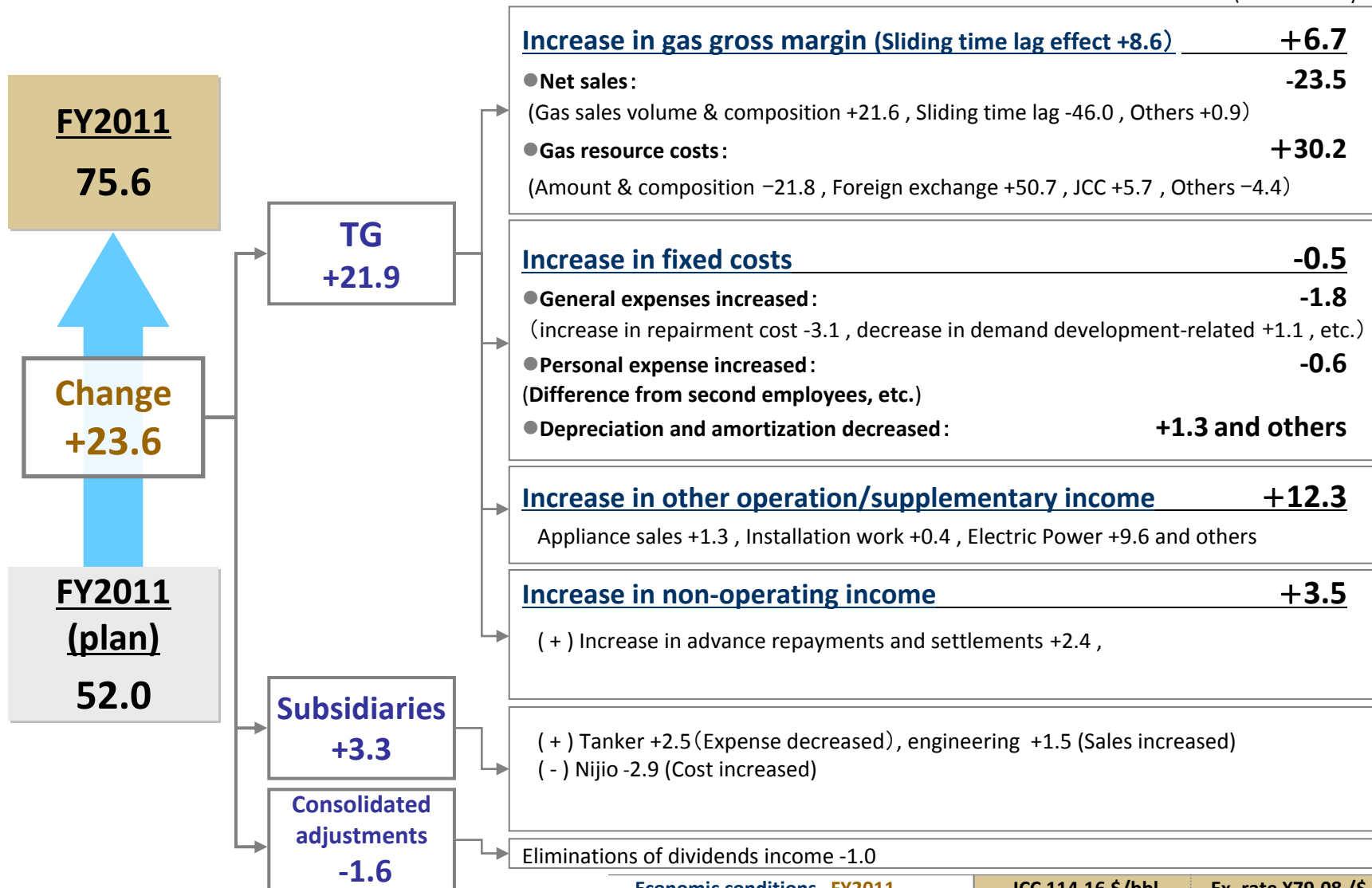
**566 mil. m<sup>3</sup> (+3.9%)**  
 [incl. large-volume gas demand + 581 mil. m<sup>3</sup> (+4.0%)]  
 [incl. temperature effect + 172 mil. m<sup>3</sup> (+1.2%)]

|   |                                  |
|---|----------------------------------|
| <b>Residential</b>  | +52 mil. m <sup>3</sup> (+1.5%)  |
| • Cool temperatures in winter   | + 89 mil. m <sup>3</sup>         |
| • Temporary decreased in no. of customers households  | -10 mil. m <sup>3</sup>          |
| • No. of days   | -5 mil. m <sup>3</sup>           |
| • Others (-0.6% (non-consolidated basis) decrease in usage per household after standardization) | -22 mil. m <sup>3</sup>          |
| <b>Commercial</b>   | -104 mil. m <sup>3</sup> (-3.5%) |
| • Cool temperatures in winter   | +72 mil. m <sup>3</sup>          |
| • No. of days   | +15 mil. m <sup>3</sup>          |
| • Others  | -191 mil. m <sup>3</sup>         |
| <b>Industrial</b>   | +635mil. m <sup>3</sup> (+10.2%) |
| • Industrial:   | -8 mil. m <sup>3</sup>           |
| decreased utilization of existing demand, etc.  |                                  |
| • Power generation:   | + 643 mil. m <sup>3</sup>        |
| Increased utilization following earthquake  |                                  |
| <b>Wholesale</b>  | -18mil. m <sup>3</sup> (-0.9%)   |
| • Increased in general wholesale demand (incl. temperature effect +11)                          | -33 mil. m <sup>3</sup>          |
| • Increase in large-volume gas demand   | +15 mil. m <sup>3</sup>          |

### Number of customers

| FY2012-end | FY2011-end plan | Change |
|------------|-----------------|--------|
| 1,055.7    | 1,055.2         | +0.5   |

(Unit: billion yen)



Note: ( + ) & ( - ) refer to contributions to income.

| Economic conditions | FY2011      | JCC 114.16 \$/bbl | Ex. rate ¥79.08 /\$ |
|---------------------|-------------|-------------------|---------------------|
|                     | FY2011 plan | 116.25 \$/bbl     | ¥85.00 /\$          |

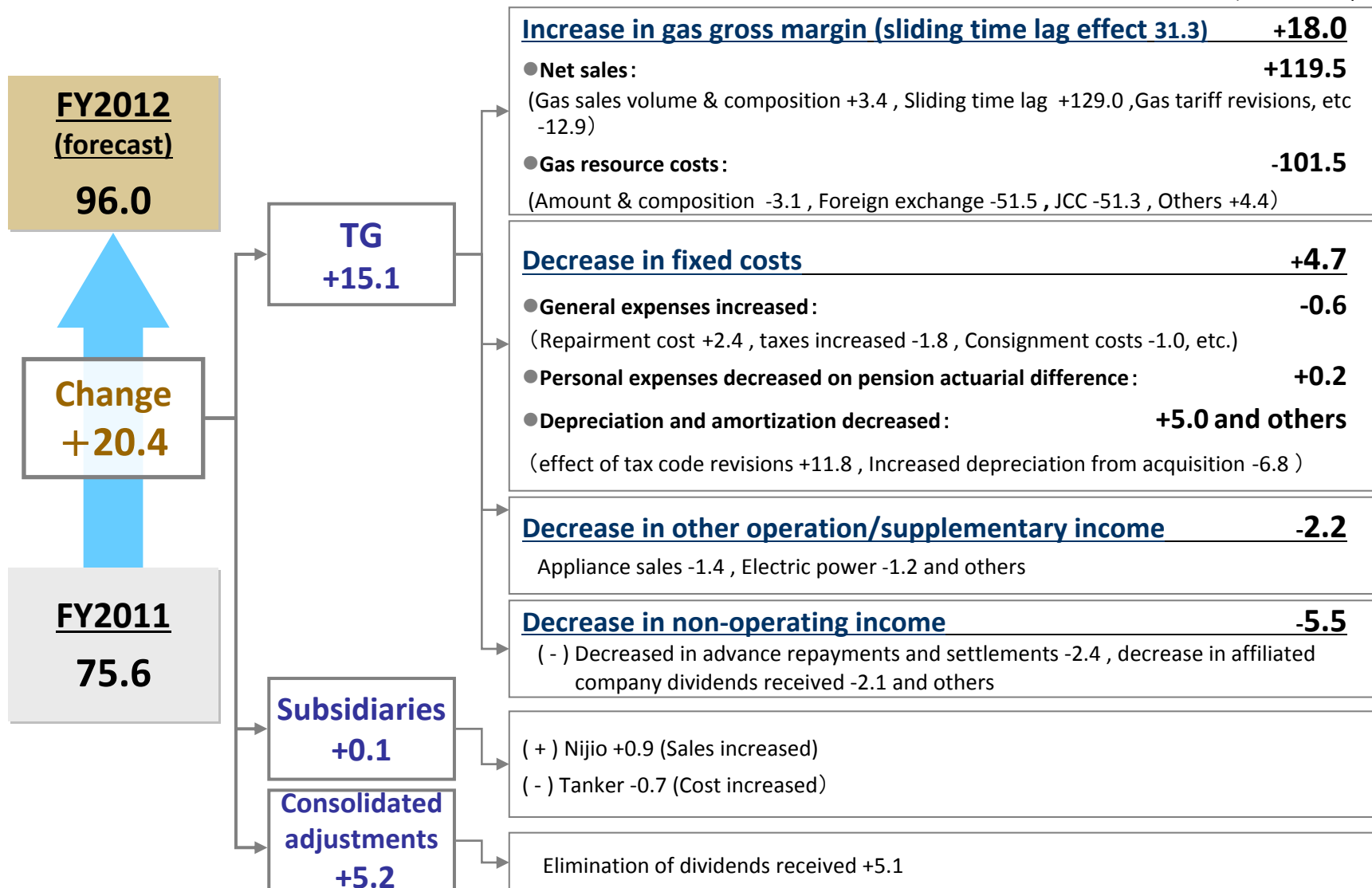
<vs. FY2011>

(Unit: billion yen)

|                                      | Net sales      |              |            |                | Operating income/loss |             |             |             |
|--------------------------------------|----------------|--------------|------------|----------------|-----------------------|-------------|-------------|-------------|
|                                      | FY2012         |              |            | FY2011         | FY2012                |             |             | FY2011      |
|                                      | Forecast       | Change       | %          | Result         | Forecast              | Change      | %           | Result      |
| City gas                             | 1410.7         | 104.5        | 8.0        | 1,306.2        | 112.9                 | 15.5        | 15.9        | 97.4        |
| Gas appliances and installation work | 188.6          | 1.0          | 0.5        | 187.6          | 1.1                   | -2.0        | -64.8       | 3.1         |
| Other energy                         | 314.5          | 12.0         | 3.9        | 302.5          | 12.7                  | 1.8         | 16.3        | 10.9        |
| (Electric power)                     | 108.1          | 6.3          | 6.2        | 101.8          | 8.8                   | 0.9         | 11.9        | 7.9         |
| Real estate                          | 30.4           | 0.8          | 3.5        | 29.6           | 4.4                   | 1.1         | 33.3        | 3.3         |
| Others                               | 190.8          | 9.0          | 4.9        | 181.8          | 7.3                   | 0.3         | 3.3         | 7.0         |
| Adjustments                          | -221.0         | 32.7         | -          | -253.7         | -39.4                 | 5.3         | -           | -44.7       |
| <b>Consolidated</b>                  | <b>1,914.0</b> | <b>159.8</b> | <b>9.1</b> | <b>1,754.2</b> | <b>99.0</b>           | <b>22.0</b> | <b>28.4</b> | <b>77.0</b> |

- Notes:
- Net sales by business segment include internal transactions.
  - Other energy includes Energy-service, Electric Power, LPG, Industrial gas, etc.
  - "Others" includes Construction, Information processing, Shipping, Credit & leasing, etc.
  - Adjustments under operating income are primarily companywide expenses that cannot be allocated to individual segments.

(Unit: billion yen)



Note: ( + ) & ( - ) refer to contributions to income.

| Economic conditions | FY2012 forecast | JCC 120.00 \$/bbl | Ex. rate ¥85.00 /\$ |
|---------------------|-----------------|-------------------|---------------------|
|                     | FY2011          | 114.16 \$/bbl     | ¥79.08 /\$          |



**Financial Highlights (Sales and profit grew from FY11 1<sup>st</sup> half)**

(+/- indicates profit impact, billion yen)

- Net Sales** : + City gas sales increased by higher unit price, based on gas rate adjustment system (Non-consolidated +78.6)
- Operating expenses** : - City gas cost increased by higher gas resource cost (non-consolidated -53.8)

(Unit: billion yen)

|   | FY12 1 <sup>st</sup> half | FY11 1 <sup>st</sup> half | Change | %     |
|---|---------------------------|---------------------------|--------|-------|
| Gas Sales Volume (mil. m <sup>3</sup> , 45MJ)                         | 6,919                     | 6,940                     | -21    | -0.3  |
| Net Sales   | 859.0                     | 748.3                     | +110.7 | +14.8 |
| Operating expenses  | 829.0                     | 746.6                     | +82.4  | +11.0 |
| Operating income  | 30.0                      | 1.7                       | +28.3  | -     |
| Ordinary income   | 29.0                      | 1.9                       | +27.1  | -     |
| Net income  | 19.0                      | -4.9                      | +23.9  | -     |
| <i>Sliding time lag effect (non-consolidated basis)</i>               | -14.0                     | -40.4                     | -26.4  | -     |
| <i>Amortization of actuarial differences (non-consolidated basis)</i> | -2.0                      | -1.3                      | -0.7   | -     |

| Economic Frame            | JCC (\$/bbl) | EX. Rate (¥/\$) | Avg. Temperature(°C) | Pension Asset             | Investment yield (cost deducted) |
|---------------------------|--------------|-----------------|----------------------|---------------------------|----------------------------------|
| FY12 1 <sup>st</sup> half | 120.00       | 85              | 22.5                 | FY12 1 <sup>st</sup> half | 2.0 %                            |
| FY11 1 <sup>st</sup> half | 113.93       | 79.75           | 22.6                 | FY11 1 <sup>st</sup> half | 3.3 %                            |

(Unit: billion yen)

|                                    | FY2010  | FY2011  | FY2012<br>Full year forecast |
|------------------------------------|---------|---------|------------------------------|
| Total assets (a)                   | 1,829.6 | 1,863.8 | 1,948.0                      |
| Shareholders' equity (b)           | 858.9   | 839.1   | 874.0                        |
| Shareholders' equity ratio (b)/(a) | 46.9%   | 45.0 %  | 44.9%                        |
| Interest-bearing debt (c)          | 584.1   | 625.8   | 687.0                        |
| D/E Ratio (c)/(b)                  | 0.68    | 0.75    | 0.79                         |
| Net income (d)                     | 95.4    | 46.0    | 63.0                         |
| Depreciation and amortization (e)  | 149.3   | 148.5   | 140.0                        |
| Operating cash flow (d) + (e)      | 244.8   | 194.5   | 203.0                        |
| Capex                              | 150.2   | 146.4   | 191.0                        |
| ROA: (d) / (a)                     | 5.2%    | 2.5%    | 3.3%                         |
| ROE: (d) / (b)                     | 11.4%   | 5.4%    | 7.4%                         |
| TEP                                | 64.0    | 9.1     | 21.8                         |
| WACC                               | 3.2%    | 3.1%    | 3.1%                         |
| Total Payout Ratio                 | 60.9%   | 61.4%   | -(※)                         |

Notes: Shareholders' equity = Net assets – Minority interests

ROA = Net income / Total assets ( average of the amounts as of the end of the previous term and end of the current term)

ROE = Net income / Shareholders' equity (average of the amounts as of the end of the previous term and end of the current term)

Balance sheet figures are as of the corresponding term-end

Operating cash flow = Net income + Depreciation and amortization (including amortization of long-term prepaid expenses)

Total payout ratio = (FYn dividends + (FYn+1) treasury stock purchased) / FYn consolidated net income

\*Total number of shares issued: 2,590,715,295 (As of March 31, 2012)

※To be maintained at approximately 60% each year to FY2020



**< Cautionary Statement regarding Forward-looking Statements >**

**Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies and beliefs, and other statements herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. As such, they are based on management's assumptions and opinions stemming from currently available information and therefore involve risks and uncertainties.**

**The Company's actual performance may greatly differ from these projections, due to these risks and uncertainties which include without limitation general economic conditions in Japan, crude oil prices, the weather, changes in the foreign exchange rate of the yen, rapid technological innovations and the Company's responses to the progress of deregulation.**

**TSE:9531**