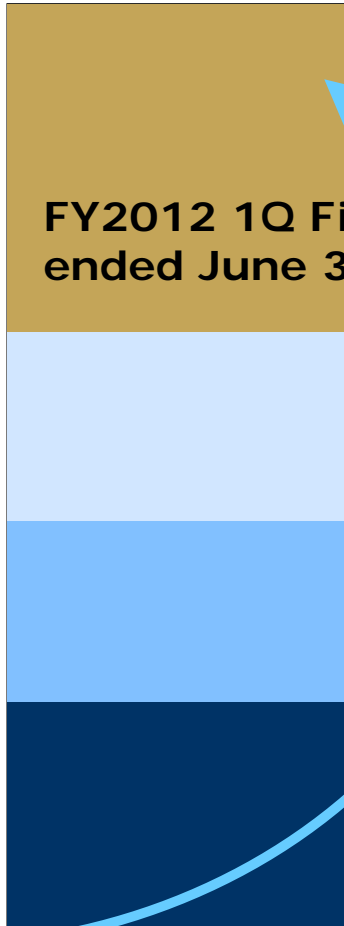


**FY2012 1Q Financial Results
ended June 30, 2012**



July 31, 2012



Highlights: Sales and Profit Growth

(+/- indicates profit impact, billion yen)

■ **City gas business**

- Sales drop after the Quake eased in FY2012, leading to increased residential (+8 million m³) and commercial (+27 million m³) demand. Accordingly, further increase in power generation demand has been seen. (+28 million m³ excluding the effect of schematic change in power business)
- However, cogeneration demand declined after high utilization in FY2011, and economic factors decreased the industrial demand in general excluding the demand for cogeneration (-20 million m³).
- Despite the volume increasing effect of Chiba-Kashima Line commencement (+26 million m³), total gas sales volume declined slightly (-36 million m³) from effect of changes in electric power business scheme.
- Sliding time lag effect was under-recovery (-¥5.3 billion) but largely lowered relative to YoY (-¥23.6 billion). With contribution from lower depreciation and amortization (-¥1.6 billion) and other fixed cost reductions, large ¥23.2 billion increase in city gas business operating income.

■ **Electric power business: Net sales +¥6.9 billion, operating income +¥1.7 billion from increased sales volume and higher unit prices. As a result, consolidated operating income rose ¥29.2 billion, to ¥45.8 billion.**

■ **Increased revenue from dedicated equipment and improved foreign exchange gain and loss led to ¥3.9 billion increase in non-operating income.**

■ **Extraordinary income +¥3.5 billion on sale of overseas subsidiary stock; Extraordinary loss -¥3.8 billion from loss on valuation of investment securities.**

As a result, FY2012 1Q consolidated net income rose ¥22.8 billion, to ¥31.7 billion.

	FY2012 1Q	FY 2011 1Q	Change	(Unit: billion yen)	%
Gas sales volume (mil. m ³ , 45MJ/ m ³)	3,496	3,532	-3.6		-1.0
Net sales	442.6	376.7	65.9		17.5
Operating expenses	396.8	360.1	36.7		10.2
Operating income	45.8	16.6	29.2		175.4
Ordinary income	49.5	16.3	33.2		203.1
Net income	31.7	8.9	22.8		254.2
Temperature effect (non-consolidated basis)	1.9	3.9	-2.0		-
Sliding time lag effect (non-consolidated basis)	-5.3	-23.6	-18.3		-
Amortization of actuarial differences (non-consolidated basis)	-1.0	-0.6	-0.4		-

Economic Frame	JCC (\$/bbl)	Ex. Rate (¥/\$)	Avg. Temperature (°C)
FY2012 1Q	122.57	80.18	18.5
FY 2011 1Q	115.00	81.71	18.6
Change	7.57	-1.53	-0.1

Today I would like to give an overview of our results for the first quarter of fiscal 2012.

Although gas sales volume declined 36 million m³, or 1.0%, year-on-year, we recorded large sales and profit growth. Net sales rose ¥65.9 billion, or 17.5%, operating income grew ¥29.2 billion, or 175.4%, ordinary income rose ¥33.2 billion, or 203.1%, and net income grew ¥22.8 billion, or 254.2%.

At the city gas business, there were three main points related to sales volume.

First, regarding the effect of last year's earthquake. Residential and commercial demand showed a recovery from the year-earlier decline associated with energy savings and conservation of electricity, which became a primary factor for increases of 8 million m³ for residential demand and 27 million m³ for commercial demand. In addition, industrial demand for power generation rose a further 28 million m³ in addition to the increase in the same quarter of the previous year.

At the same time, other industrial demand excluding power generation declined 20 million m³. This was largely because of reduced demand for cogeneration stemming from signs that TEPCO's supply has stabilized, following high utilization for cogeneration immediately after the earthquake last year.

The second point is the 26 million m³ increase in volume in the Kashima area, from the commencement of the Chiba-Kashima Line.

The third point is that from fiscal 2012, we shifted a portion of gas sales volume for large electric power stations of electric power business use to in-house use. This led to a significant decline of 56 million m³ in gas sales volume for power generation. Although not included in gas sales volume, our gas volume used in-house for power generation was 123 million m³.

As a result of the above, total gas sales volume declined 36 million m³.

At the city gas business, the sliding time lag effect improved ¥18.3 billion, to a ¥5.3 billion under-recovery this year from a ¥23.6 billion under-recovery last year. Although ordinary amortization increased, there was a ¥2.7 billion decrease from the end of the five-year period for depreciating the 5% book value remaining from the final depreciable limit, which led a ¥1.6 billion decrease in total depreciation expenses. As a result, operating income rose ¥23.2 billion, or 93.5%.

Operating income at the electric power business grew ¥1.7 billion, on an increase in electricity sales volume combined with higher unit prices.

This resulted in a ¥29.2 billion, or 175.4%, increase in total consolidated operating income, to ¥45.8 billion.

Ordinary income rose ¥33.2 billion, or 203.1%, to ¥49.5 billion, with a ¥2.5 billion increase in revenue from dedicated facilities and a ¥3.9 billion increase in net non-operating income.

Extraordinary income was ¥3.5 billion, which included a gain from the sale of shares of overseas affiliates, and extraordinary losses were ¥3.8 billion, from loss on valuation of domestic investment securities, for a ¥0.3 billion net extraordinary loss.

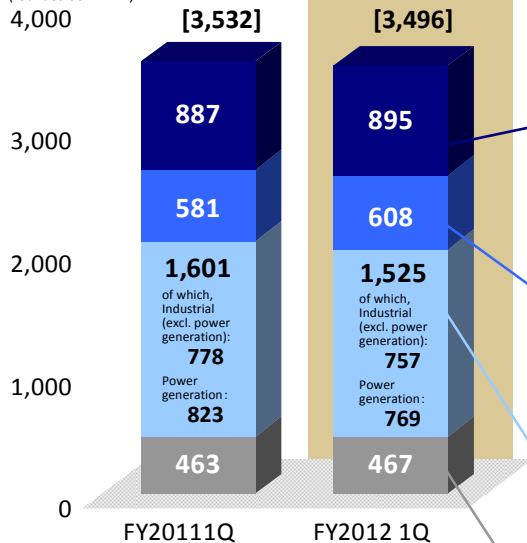
As a result, consolidated net income for the quarter rose ¥22.8 billion, or 254.2%, to ¥31.7 billion.

Consolidated Gas Sales Volume <Apr.1 – Jun.30, 2012>

2



mil. m³, 45MJ/m³
(rounded at mil. m³)



FY2011 1Q → FY2012 1Q

-36 mil m³ (-1.0%)
*large-volume gas demand -68 mil. m³ (-3.7%)
*temperature effect -21 mil. m³ (-0.6%)

Residential +8 mil. m³ (+0.9%)

- Temperature attributes -15 mil. m³
- Increase in number of customers +5 mil. m³
- No. of days -8 mil. m³
- Others (increase in usage per household after standardization (non-consolidated basis) +3.2%) +26 mil. m³

Commercial +27 mil. m³ (+4.7%)

- Temperature attributes -9 mil. m³
- Increase in number of customers +4 mil. m³
- No. of days -2 mil. m³
- Others (rebound from impacts by the earthquake, etc.) +34 mil. m³

Industrial -76 mil. m³ (-4.7%)

- Industrial (excl. Power generation): -20 mil. m³
Lower utilization rates at existing facilities
- Power generation: -56 mil. m³
Nijio -84 mil. m³, Excluding Nijio +28 mil. m³

Wholesale +4 mil. m³ (+1.0%)

- Increase in general wholesale demand (Incl. temperature effect +3) +5 mil. m³
- Increase in large-volume gas demand -1 mil. m³

	FY2011 1Q	FY2012 1Q
Gas sales volume used at electric power business (mil. m ³)	13	123
LNG liquid sales volume (thousand t)	94	114
Average temperature	18.6 °C	18.5 °C

Number of customers (Unit: 10 thousand)		
FY2012 1Q-end	FY2011 1Q-end	Change
1,087.4	1,075.7	+11.7(+1.1%)

2

In addition to the three points I mentioned previously, there are two things I would like to add with regard to gas sales volume.

First, the rebound from the previous year's energy saving and conservation of electricity triggered by the earthquake was 26 million m³ at "Others" of the residential sector and 34 million m³ at "Others" of the commercial sector, and this is included in the sector results respectively.

With regard to the temperature effect, the average temperature during the first quarter was 0.1 degree lower year-on-year, but the effect reduced gas sales volume at the residential and commercial sectors because of lower demand for hot water during a warm April and May, and weaker demand for air conditioning because of cool temperatures in June.

Highlights

- 1 Others: Large profit growth due to the increased revenue from overseas investment, etc. (+2.6 billion yen)

(Unit: billion yen)

	Net Sales				Operating Income/loss			
	FY2012 1Q			FY2011 1Q	FY2012 1Q			FY2011 1Q
	Results	Change	%	Results	Results	Change	%	Results
City gas	328.5	41.1	14.3	287.4	48.1	23.2	93.5	24.9
Gas appliances and installation work	42.4	8.6	25.5	33.8	0.4	0.4	-	0.0
Other energy	75.1	17.4	30.2	57.7	2.8	2.7	-	0.1
(electric power)	27.0	6.9	34.5	20.1	1.7	1.7	-	0.0
Real estate rental	7.5	0.3	2.8	7.2	1.6	0.3	30.3	1.3
Others	45.0	9.7	27.6	35.3	2.9	2.6	656.6	0.3
Adjustment	-56.1	-11.3	-	-44.8	-10.4	-0.3	-	-10.1
Consolidated	442.6	65.9	17.5	376.7	45.8	29.2	175.4	16.6

Notes:

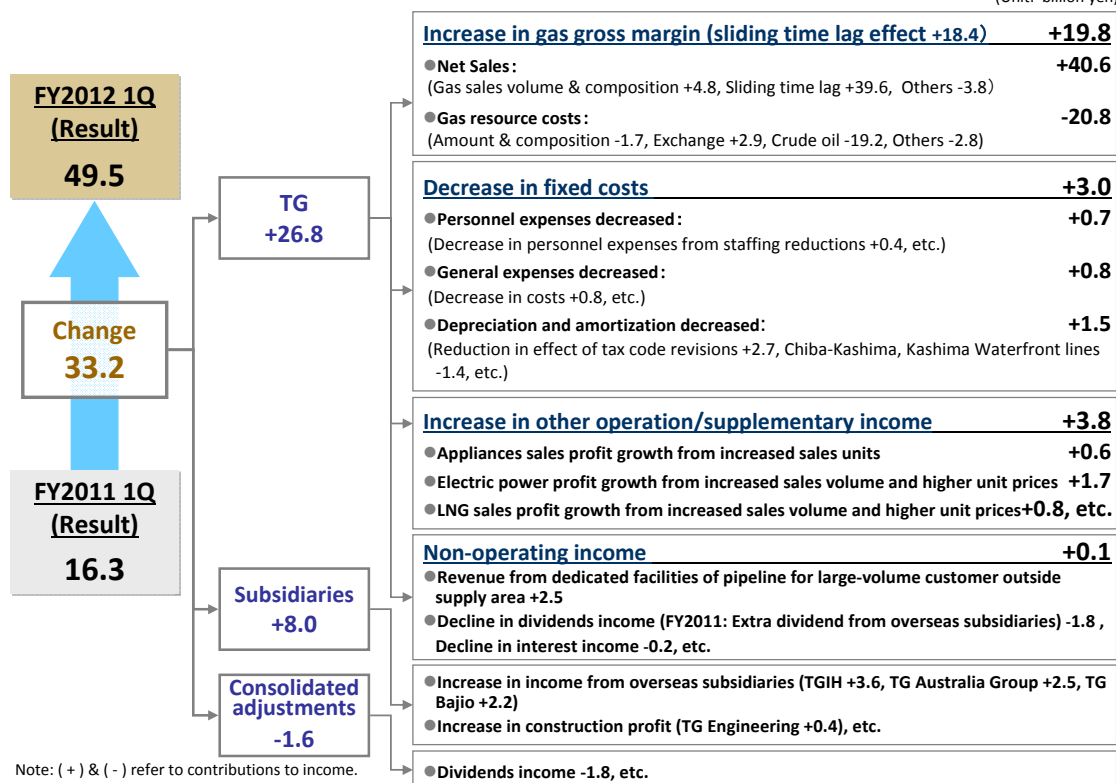
- Net sales by business segment include internal transactions.
- "Other energy" includes energy-service, LNG sales, electric power, LPG, etc. and industrial gas, etc.
- "Others" includes construction, information processing, shipping, investment abroad, credit and leasing, etc.

Profit rose at all business segments – the gas business, power generation business, other energy businesses excluding electric power, and other businesses.

Profit at other energy businesses excluding electric power rose ¥1.0 billion. Similar to the sliding time lag effect at the city gas business, the easing of higher resource prices had a significant effect in LNG sales and energy services.

Profit at other businesses grew ¥2.6 billion on revenue from investment abroad.

FY2012 1Q Ordinary Income Analysis <vs. FY2011 1Q>



Highlights: Restatement of sales and profit grow

(+/- indicates profit impact, billion yen)

■ Changes in economic frame

- Reflecting current market conditions, economic frame for exchange rate and crude oil prices are changed.
- Crude oil prices from 120 \$/bbl to 100 \$/bbl from 2Q and exchange rate from 85 JPY/USD to 80 JPY/ USD from 2Q.

■ City gas business

- Forecasting large full-year increase in sales volume (+132 mil. m³, +0.9%)
- Sales volume for residential, commercial and wholesale increased in 1Q YoY, but initial targets from 2Q onward remain unchanged.
- Industrial demand excluding power generation is revised downward (-82 mil. m³, -2.4%), reflecting the revision of economic outlook lower than initial assumptions.
- Sales volume target for power generation is revised upward. (+184 mil. m³, +5.6%)
- Forecasting large decrease in gas resource costs reflecting recent crude oil price decline (-¥101.5 billion; non-consolidated), bringing large profit growth at city gas business (+¥33.3 billion)

■ Restating profit growth at electric power business on continued rise in unit sales prices and volume by 2Q. (+5.8 billion yen)
■ Raising net income of ¥25 billion to reflect 1Q result of gain on sales of overseas subsidiary stock and loss on valuation of investment securities, etc.

(Unit: billion yen)

	Current Release	Initial Plan (Apr. 27)	Change	%	FY2011	Change	%
Gas sales volume (mil. m ³ , 45MJ/m ³)	15,018	14,886	13.2	0.9	15,190	-17.2	-1.1
Net sales	1,844.0	1,914.0	-70.0	-3.7	1,754.2	-89.8	5.1
Operating expenses	1,704.0	1,815.0	-111.0	-6.1	1,677.1	26.9	1.6
Operating income	140.0	99.0	41.0	41.4	77.0	63.0	81.6
Ordinary income	138.0	96.0	42.0	43.8	75.6	62.4	82.5
Net income	88.0	63.0	25.0	39.7	46.0	42.0	91.1
Temperature effect (non-consolidated basis)	1.9	0.0	1.9	-	10.0	-8.1	-
Sliding time lag effect (non-consolidated basis)	11.1	-16.0	27.1	-	-47.3	58.4	-
Amortization of actuarial differences (non-consolidated basis)	-4.0	-4.0	-	-	-2.7	-1.3	-

Gross Margin Sensitivity to Changes in Oil Price and Exchange Rate					Economic Frame (Full Year)	Crude Oil Price (\$/bbl)	Foreign Exchange Rate (¥/\$)	Average Temp. (°C)	Pension Asset	Investment Yield (cost deducted)	Discount Rate	Year-end Assets (billion yen)
(Unit: billion yen)												
(full year/non-consolidated basis)	2Q	3Q	4Q	Full year								
Impact of rising JCC by \$1/bbl	+0.1	-0.8	-0.3	-1.0	FY12	105.64	80.05	16.5	FY11	5.13%	1.7%	254.0
Impact of yen depreciation by ¥1/\$	+0.5	+0.1	-1.3	-0.7	FY11	114.17	79.08	16.4	FY10	2.70%	2.0%	235.0
					Change	-8.53	+0.97	+0.1				

Based on our first-quarter results and a review of our assumptions for crude oil prices and exchange rates, we have raised our earnings forecasts for the fiscal 2012 first half and full year.

We have changed our crude oil price assumption from the second quarter based on recent price trends, to a full-year assumption of \$100/bbl, and have similarly changed our exchange rate assumption to ¥80/US\$.

First, I would like to explain the differences between our initial and revised full-year forecasts.

At the city gas business, we have raised our sales volume forecast by 132 million m³, or 0.9%, to 15,018 million m³. Changes to our initial forecasts for the residential, commercial, and wholesale sectors reflect only the differences in first-quarter results relative to the initial plan, but we have changed our overall forecast for industrial use. For industrial use excluding power generation, our initial forecast had included an increase in volume from a gradual economic recovery, but we now see volume remaining flat, and have lowered our forecast by 82 million m³.

We have raised our forecast for power generation demand, however, by 184 million m³, or 5.6%, on higher utilization rate than initially anticipated.

In terms of income, with the changes to our economic frame assumptions, we see a ¥27.1 billion improvement in the sliding time lag effect, to a ¥11.1 billion over-recovery from a ¥16.0 billion under-recovery, and combined with the increase in sales volume, we have raised our forecast for operating income at the city gas business by ¥33.3 billion, or 28.5%. At the electric power business, we expect the increased sales volume and higher unit prices seen in the first quarter to continue for the first half, and have raised our profit forecast by ¥6.7 billion, or 84.8%.

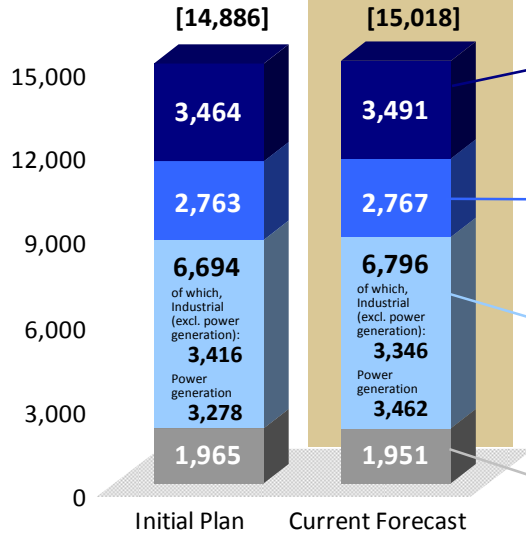
As a result, we have raised our operating income forecast by ¥41.0 billion, or 41.4%, and ordinary income forecast by ¥42.0 billion, or 43.8%, respectively.

For net income, we have raised our forecast ¥25.0 billion, or 39.7%, to reflect the first quarter's result of gain from the sale of shares of overseas affiliates and loss on valuation of investment securities.

FY2012 Full Year Forecast: Consolidated Gas Sales Volume



mil. m³, 45MJ/m³
(rounded at mil. m³)



FY2012 Initial Plan → Current Forecast

+132 mil. m³ (+0.9%)

- Residential** +27 mil. m³ (+0.8%)
 - Factoring growth in 1Q result
 - 2Q – 4Q unchanged from initial plan
- Commercial** +17 mil. m³ (+0.6%)
 - Factoring growth in 1Q result
 - 2Q – 4Q unchanged from initial plan
- Industrial** +102 mil. m³ (+1.5%)
 - Industrial (excl. power generation): -82 mil. m³
Evaluates economic outlook revision, etc.
 - Power generation: +184 mil. m³
Raises utilization rate estimate
- Wholesale** -14 mil. m³ (-0.7%)
 - Factoring decrease in 1Q result
 - 2Q – 4Q unchanged from initial plan

	FY2011	FY2012
Gas sales volume to electric power business (mil. m ³)	498	534
LNG liquid sales volume (thousand t)	571	610
Average temperature	16.7 °C	16.5 °C

Number of customers (Unit: 10 thousand)		
FY2012 1Q-end	FY2011 1Q-end	Change
1,096.8	1,085.5	+11.3(+1.0%)

This shows the breakdown by use for our full-year forecast for consolidated gas sales volume.

I have already explained the basic reasons for the revisions to our initial plan.

Highlights

- 1 City gas: Reflecting economic frame revisions, sales decline and profits grow (+33.3 billion yen)
- 2 Electric Power: Reflecting raised utilization rate of power stations, sales and profits grow

(Unit: billion yen)

	Net Sales				Operating Income			
	FY2012 Current Forecast			Initial Plan	FY2012 Current Forecast			Initial Plan
	Amount	Change	%	Amount	Amount	Change	%	Amount
City gas	1,341.0	-69.7	-4.9	1,410.7	150.2	33.3	28.5	※116.9
Gas appliances and installation work	193.0	4.4	2.3	188.6	1.0	-0.1	-9.1	1.1
Other energy	309.9	-4.6	-1.5	314.5	20.9	8.2	64.6	12.7
(electric power)	111.0	2.9	2.7	108.1	14.6	5.8	65.9	8.8
Real estate rental	30.5	0.1	0.3	30.4	4.7	0.3	6.8	4.4
Others	188.6	-2.2	-1.2	190.8	7.3	0.0	0.0	7.3
Adjustment	-219.0	2.0	-	-221.0	-44.1	-0.7	-	※-43.4
Consolidated	1,844.0	70.0	-3.7	1,914.0	140.0	41.0	41.4	99.0

Notes: • Net sales by business segment include internal transactions.

• "Other energy" includes energy-service, LNG sales, electric power, LPG, etc. and industrial gas, etc.

• "Others" includes construction, information processing, shipping, investment abroad, credit and leasing, etc.

※ : Revised from the previously announced number ; City gas operating income (112.9 billion yen), Adjustment (-43.4 billion yen)

This shows the revisions to our full-year forecast broken down by segment.

The gas business and other energy business are showing large profit growth.

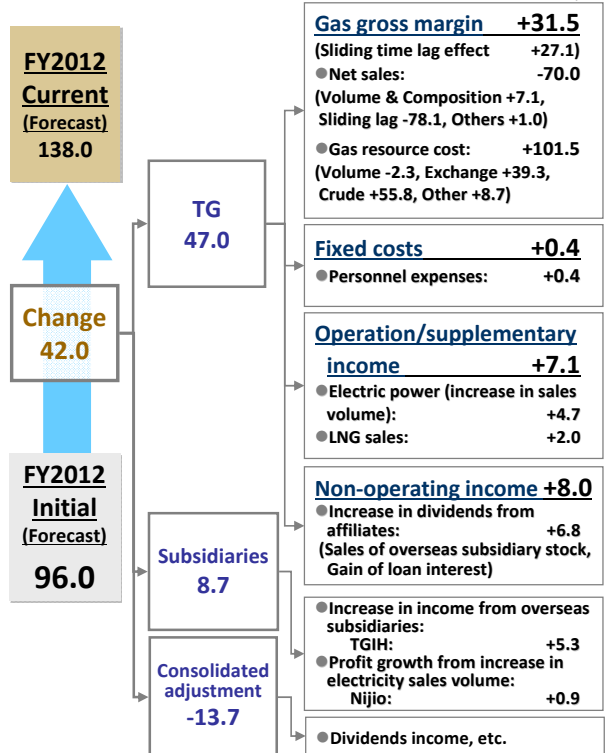
There are two reasons for this growth; the first is the changes to our frame assumptions for crude oil prices and exchange rates, and the sliding time lag effect.

The second is the increase in gas and electricity sales volumes. In addition to increased sales volume at the gas and the electric power businesses in the first quarter, we see high demand for power generation continuing for the first half, leading to increased volume and profit at both the gas and the electric power businesses.

FY2012 Full Year Ordinary Income Analysis

<vs. initial forecasts (as of Apr. 27)>

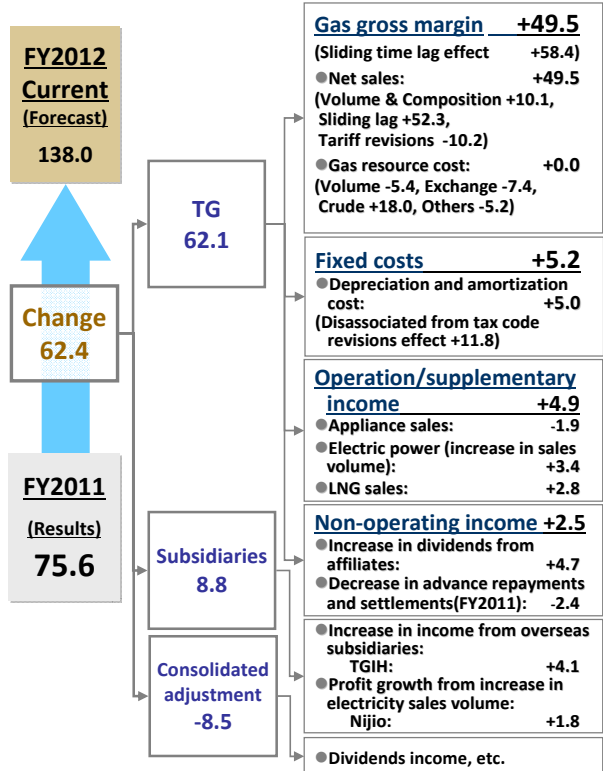
(Unit: billion yen)



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

<vs. FY2011 results>

(Unit: billion yen)



Highlights – Sales and Profit Growth Restatement <vs. Initial Plan (Apr. 27 Release)>

(+/- indicates profit impact, billion yen)

- **Changes in economic frame**
 - Reflecting current market conditions, economic frame for exchange rate and crude oil prices are changed.
 - Crude oil prices from 120 \$/bbl to 100 \$/bbl from 2Q onward and exchange rate from 85 JPY/USD to 80 JPY/USD from 2Q onward
- **City gas business**
 - Initial 2Q plan for residential, commercial, and wholesale gas sales volume unchanged.
 - For industrial-use gas sales volume, lowering industrial (excl. power generation)-use forecast to reflect revisions in favorable economic outlook (-5.3 mil. m³)
 - For power generation-use, initial plan is revised upward (+9.2 mil. m³)
- **Factoring in increased utilization and sales unit price continuing by 2Q at electric power business**

(Unit: billion yen)

	Current Release	Initial Plan (as of Apr. 27)	Change	%	FY2011 2Q	Change	%
Gas sales volume (mil. m ³ , 45MJ/m ³)	6,981	6,919	62	0.9	6,940	41	0.6
Net sales	863.0	859.0	4.0	0.5	748.3	114.7	15.3
Operating expenses	810.0	829.0	-19.0	-2.3	746.6	63.4	8.5
Operating income	53.0	30.0	23.0	76.7	1.7	51.3	-
Ordinary income	54.0	29.0	25.0	86.2	1.9	52.1	-
Net income	32.0	19.0	13.0	68.4	-4.9	36.9	-
Temperature effect (non-consolidated basis)	-1.9	0.0	1.9	-	3.3	-1.4	-
Sliding time lag effect (non-consolidated basis)	-3.3	-14.0	10.7	-	-40.4	37.1	-
Amortization of actuarial differences (non-consolidated basis)	-2.0	-2.0	-	-	-1.3	-0.7	-

Economic Frame (1 st Half)	JCC (\$/bbl)			EX. Rate (¥/\$)			Avg. Temperature (°C)
	1Q	2Q	Average	1Q	2Q	Average	
Current Forecast	122.57	100	111.29	80.18	80	80.09	22.3
Apr. 27 Release		120	120		85	85	22.5

This shows the revisions to our first-half forecast.

The background behind the revision is the same as I noted for the full-year revision.

The main items are the changes to our economic frame assumptions for crude oil prices and exchange rates, higher first-quarter profit, a downward revision to industrial gas demand excluding power generation, increased demand for gas for power generation, and profit growth at the electric power business.

This concludes my presentation, thank you for your attention.

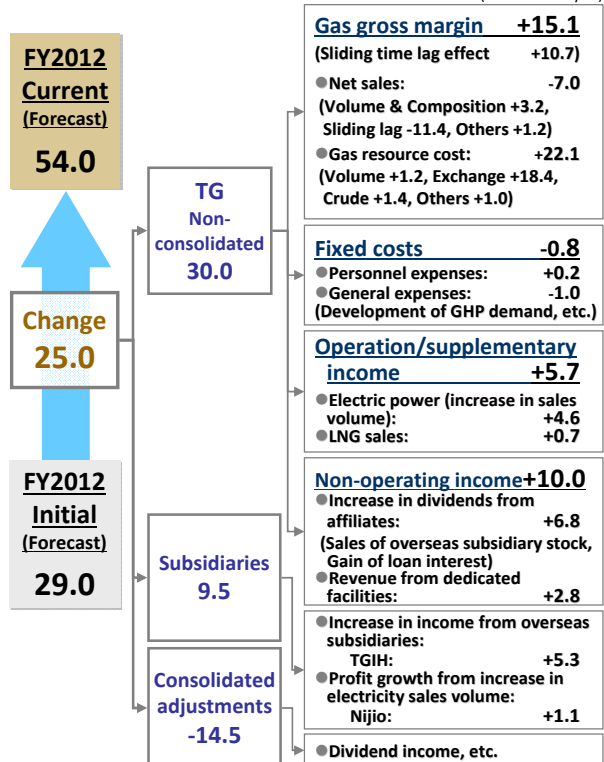
FY2012 1st Half Ordinary Income Analysis

10



<vs. initial forecasts (as of Apr. 27)>

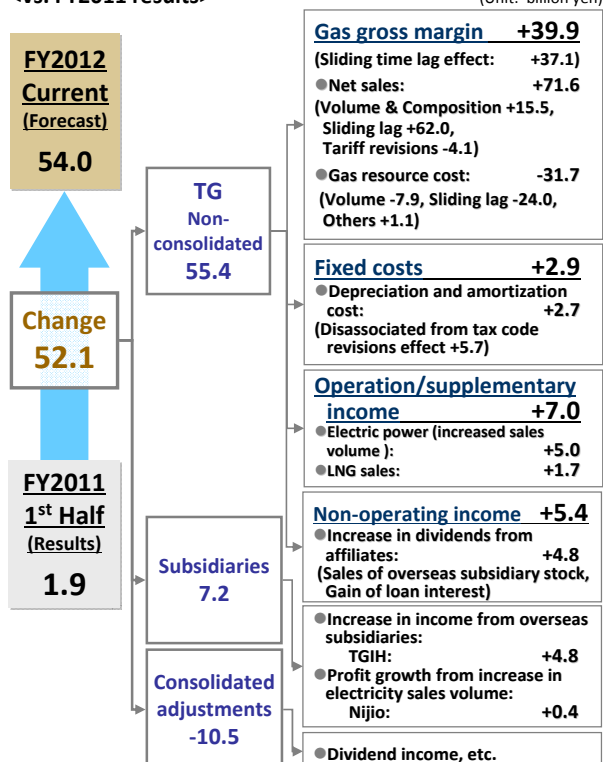
(Unit: billion yen)



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

<vs. FY2011 results>

(Unit: billion yen)



10

(Unit: billion yen)

	FY2011 Results	FY2012 Initial forecast	FY2012 Current forecast
Total assets (a)	1,863.8	1,948.0	1,929.0
Shareholders' equity (b)	839.1	874.0	902.0
Shareholders' equity ratio (b)/(a)	45.0 %	44.9%	46.8%
Interest-bearing debt (c)	625.8	687.0	638.0
D/E ratio (c)/(b)	0.75	0.79	0.71
Net income (d)	46.0	63.0	88.0
Depreciation and amortization (e)	148.5	140.0	140.0
Operating cash flow (d) + (e)	194.5	203.0	228.0
Capex	146.4	191.0	191.0
ROA: (d) / (a)	2.5%	3.3%	4.6%
ROE: (d) / (b)	5.4%	7.4%	10.1%
TEP	9.1	21.8	50.9
WACC	3.1%	3.1%	3.1%
Total payout ratio	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

*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