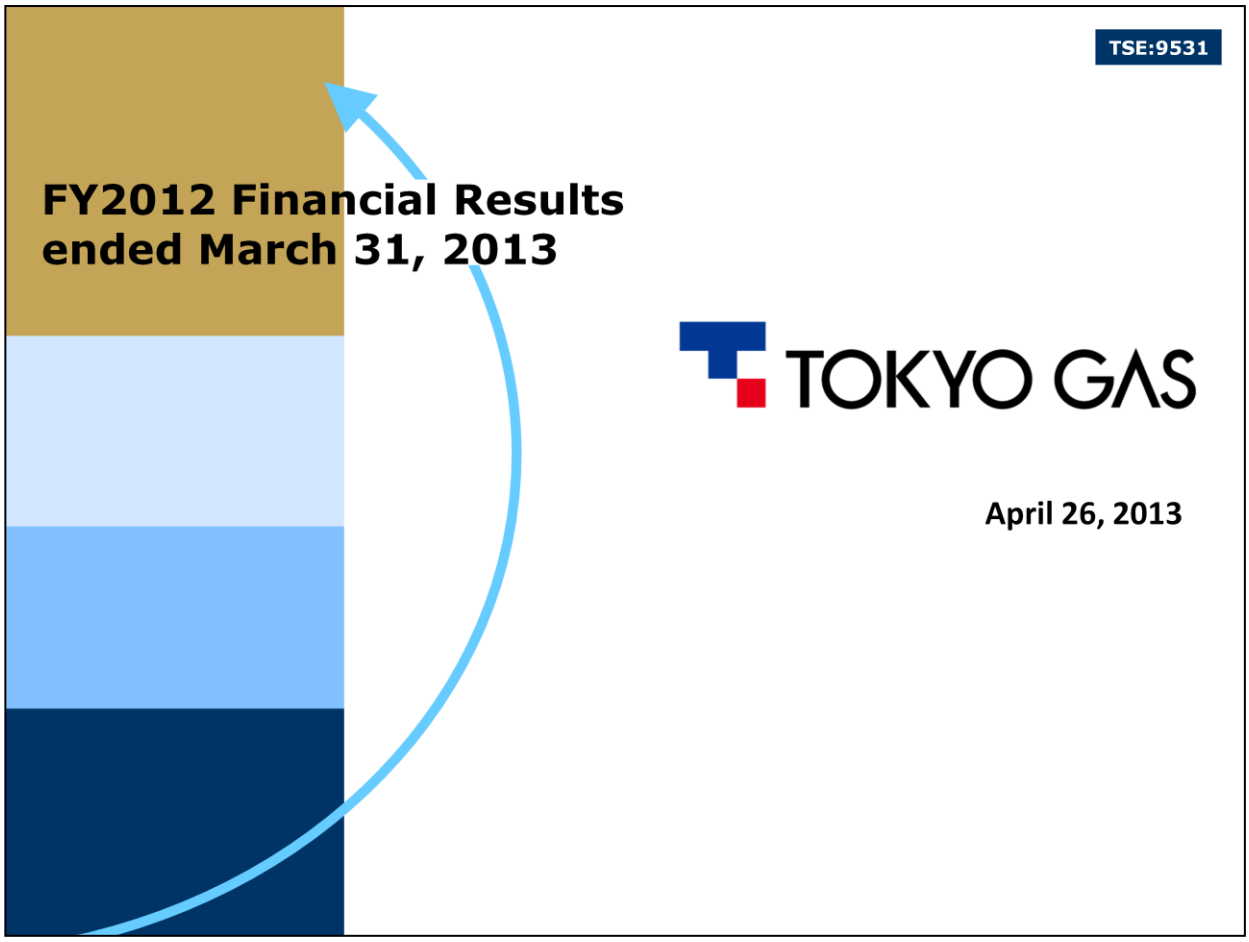


My name is Tsuyoshi Okamoto, thank you for coming to today's briefing on our business results for fiscal 2012.

FY2012 Consolidated Financial Results ended March 31, 2013

TOKYO GAS

FY2012 Full Year Consolidated Financial Results

TOKYO GAS

Financial Highlights (vs. FY11) sales growth, profit increase +71.8

(+ - +/- indicates profit impact, billion yen)

Net sales :
- \+ Gas sales grew (+95.7: Increased gas sales volume +16.2, higher sales unit prices by weaker yen +85.6, tariff revision -10.3)
- \+ Electricity sales grew (+25.2: Increased volume +20.6, higher sales unit prices +4.6)
- \+ LNG sales grew (+20.9: Increased volume +15.3, higher sales unit prices +5.6)

Operating expenses :
- \- City gas resource and other costs increased (-59.3: Increased city gas sales volume -10.8, increased expenses by weaker yen -36.7, JCC -24.3, composition, etc. 12.5)

Operating income :
- \+ City gas income increased, following the improved sliding time lag effect and the increased sales volume. (+43.9)
- \+ Electric power segment income grew due to increased sales volume and higher unit prices from tight supply-demand for electric power (+11.2)

Non-operating income and expenses :
- \+ Increased revenue from dedicated facilities (+2.7: revenue from construction of dedicated pipes and pipelines for large-volume customers outside supply areas)
- \+ Dividend income increased(+0.7)

Extraordinary Items :
- \+ Gain on sales of overseas subsidiaries and affiliates' stocks increased (Gas Malaysia) (+3.4)

(Unit: billion yen)

	FY2012 Results	FY 2011 Results	Change	%
Gas sales volume (mil. m³, 45MJ)	**15,390**	15,190	200	1.3
Net sales	**1,915.6**	1,754.2	161.4	9.2
Operating expenses	**1,770.0**	1,677.1	92.9	5.5
Operating income	**145.6**	77.0	68.6	88.9
Ordinary income — (a)	**147.4**	75.6	71.8	95.0
Net income	**101.6**	46.0	55.6	120.7
Temperature effect — (b)	***+2.5***	***+5.8***	***-3.3***	—
Sliding time lag effect — (c)	***-10.5***	***-48.4***	***+37.9***	—
Amortization of actuarial differences — (d)	***-4.4***	***-3.1***	***-1.3***	—
Adjusted ordinary income: (a) - ((b)+(c)+(d))	***159.8***	***121.3***	***+38.5****	***+31.7%***
*Adjusted net income**	***109.8***	***75.3***	***+34.5***	***+45.8%***

* +38.5: increase in gas sales volume +8.7, tariff revision -10.3, electric power +11.2, decrease in depreciation and amortization +6.5, increase in other segment income etc. +22.4 (breakdown on page 6)

Economic Frame	JCC ($/bbl)	Ex. Rate (¥/$)	Avg. Temperature (℃)
FY2012	113.9	82.9	16.7
FY2011	114.2	79.1	16.4

Pension (Non-consolidated)	Investment yield (costs deducted)	Discount rate	Year-end assets (billion yen)
FY2011	5.13%	1.7 %	254.0
FY2010	2.70 %	2.0 %	235.0

First, to summarize our results, as shown in the table on Slide 2, both revenue and profit rose year-on-year in FY2012. This was our third consecutive year of revenue growth and our first profit growth in two years, with record amounts of net sales and net income.

Net sales increased ¥161.4 billion, or 9.2%, year-on-year, to ¥1,915.6 billion. Gas sales at the city gas business increased ¥95.7 billion, on increased gas sales volume and higher unit sales prices, in line with higher resource costs from the yen's depreciation. In addition, sales at the electric power business rose ¥25.2 billion, on increased capacity utilization from tight supply versus demand and higher unit prices, and LNG sales grew ¥20.9 billion on increased volume.

At the same time, operating expenses rose ¥92.9 billion, or 5.5%, to ¥1,770.0 billion, as a result of a ¥59.3 billion increase in city gas resource costs, a ¥19.6 billion rise in LNG sales expenses, and a ¥14.0 billion increase in expenses at the electric power business.

Operating income therefore grew ¥68.6 billion, or 88.9%, year-on-year, to ¥145.6 billion. Ordinary income rose ¥71.8 billion, or 95.0%, to ¥147.4 billion, on a ¥2.7 billion increase in revenue from dedicated facilities.

As a result, net income after tax grew ¥55.6 billion, or 120.7%, to ¥101.6 billion.

The sliding time lag effect from changes in resource costs improved ¥37.9 billion, from a ¥48.4 billion shortfall in FY2011 to a ¥10.5 billion shortfall in FY2012.

The amortization of actuarial differences increased ¥1.3 billion year-on-year, to a ¥4.4 billion expense in FY2012 from a ¥3.1 billion expense in FY2011.

Consolidated Gas Sales Volume (April 1, 2012 – March 31, 2013)

TOKYO GAS

FY2011 → FY2012

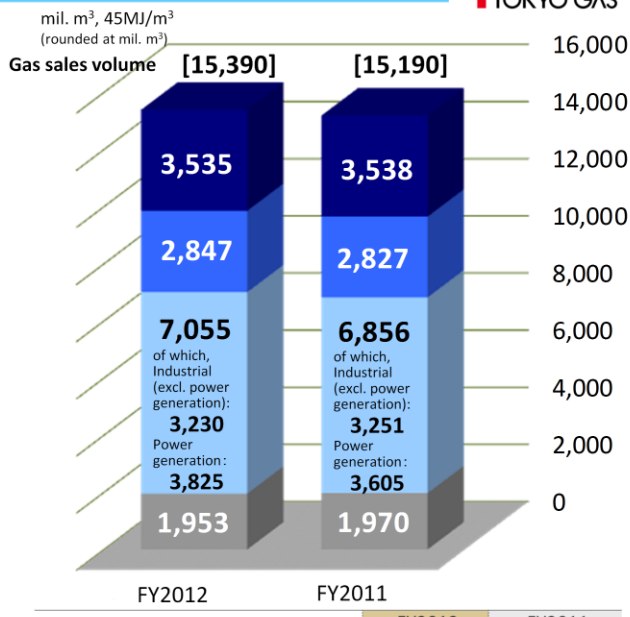
+200 mil. m³ (+1.3%)
*large-volume gas demand +186 mil. m³ (+2.3%)
*temperature effect -62 mil. m³ (-0.4%)

Residential -3 mil. m³ (-0.1%)
- Temperature effect -38 mil. m³
- Increase in number of customers +37 mil. m³
- No. of days -12 mil. m³
- Others (increase in usage per household after standardization (non-consolidated basis) +0.4%) +10 mil. m³

Commercial +20 mil. m³ (+0.7%)
- Temperature effect -23 mil. m³
- Increase in number of customers +18 mil. m³
- No. of days -17 mil. m³
- Others +42 mil. m³

Industrial +199 mil. m³ (+2.9%)
- Industrial (excl. Power generation): Operation decrease -21 mil.m³
- Power generation: Nijio -245 mil. m³, exclude Nijio +465 mil. m³ + 220 mil. m³

Wholesale -17 mil. m³ (-0.9%)
- General wholesale demand (Incl. temperature effect -1) -6 mil. m³
- Large-volume gas demand -11 mil. m³



	FY2012	FY2011
LNG liquid sales volume (thousand t) *exclude Nijio	1,262	1,051
Average temperature (°C)	16.7	16.4

Number of customers (Unit: 10 thousand)

FY2012	FY2011	Change
1,097.8	1,085.5	+12.3 (+1.1%)

Next I would like to discuss gas sales volume.

Consolidated gas sales volume in FY2012 rose 200 million m3, or 1.3%, to 15,390 million m3. Gas sales volume to the electric power business decreased 380 million m3 from the shift of a portion of sales volume to a tolling arrangement, but a 405 million increase from the commencement of utilization of the Chiba-Kashima Line led to year-on-year growth.

Residential-use gas sales volume declined 3 million m3, or 0.1 %, reflecting the fact that average temperatures in FY2012 were 0.3 degrees higher than in FY2011, and that FY2011 was a leap year.

Commercial-use sales volume faced the same conditions as residential-use volume, but with a recovery from the drop following the March 2011 earthquake, commercial-use sales volume grew 20 million m3, or 0.7%.

Industrial-use sales volume saw a 405 million m3 increase from the development of new demand in the Kashima area, and with a 174 million m3 increase in other electricity demand partially offsetting the 380 million m3 decrease from the shift to tolling, total industrial-use sales volume increased 199 million m3, or 2.9%.

Regarding the breakdown of industrial-use sales volume, general industrial-use declined 21 million m3, reflecting the absence of the previous year's growth from increased use of gas as fuel for cogeneration, along with the stalling of the economic recovery. Power generation-use sales volume grew 220 million m3, but if the tolling portion is included, the actual increase was 718 million m3, or 19.4%.

Changes in Gas Usage Volume from Shift to Tolling

TOKYO GAS

FY2012 Results

Gas sales volume including portion used in-house under tolling arrangement (Unit: million m³)

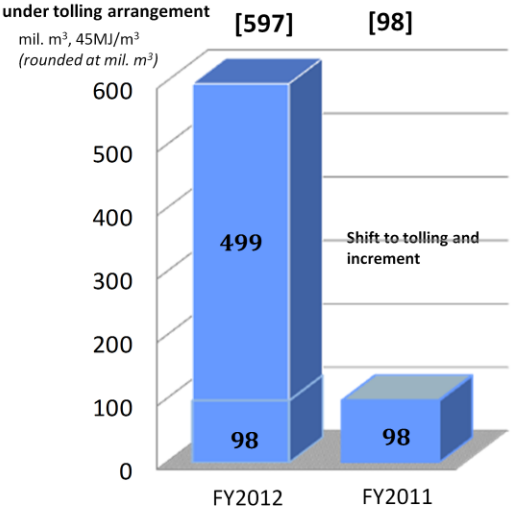
	FY2012	FY2011	Change	
Gas sales volume (financial accounting basis)	15,390	15,190	+200	+1.3%
Gas volume used in-house under tolling arrangement	597	98	+499	+509.2%
Total	15,986	15,288	+698	+4.6%

Gas sales volume for industrial-use (Unit: million m³, numbers in parenthesis refer to comparisons with FY2011)

	Kashima area	Other	Total
Power generation	315 (+315)	3,510 (-95)	3,825 (+220)
General industrial (excl. power generation)	89 (+89)	3,141 (-110)	3,230 (-21)
Total	405 (+405)	6,650 (-206)	7,055 (+199)

Gas volume used in-house under tolling arrangement

mil. m³, 45MJ/m³
(rounded at mil. m³)



* Tolling: A contract under which the seller of electricity delivers the gas required as fuel for power generation to the power plant, where the power generator processes the fuel into electricity, which it returns to the seller of electricity in exchange for a processing fee.

Slide 4 shows the portion of gas used under tolling arrangements, which is not included in gas sales volume. With our strong sales of electricity, gas volume used in tolling increased 499 million m3.

Therefore, actual gas sales volume, the sum of gas sales volume and the gas usage volume under the tolling arrangement, increased 698 million m3, or 4.6%.

This slide also shows the increase in industrial-use gas sales volume from the opening of the Chiba-Kashima Line, as well as the breakdown of year-on-year increases and decreases between power generation-use and general industrial-use in the Kashima area and in other areas.

FY2012 Net Sales and Operating Income/loss by Business Segment <vs. FY2011>

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(Unit: billion yen)

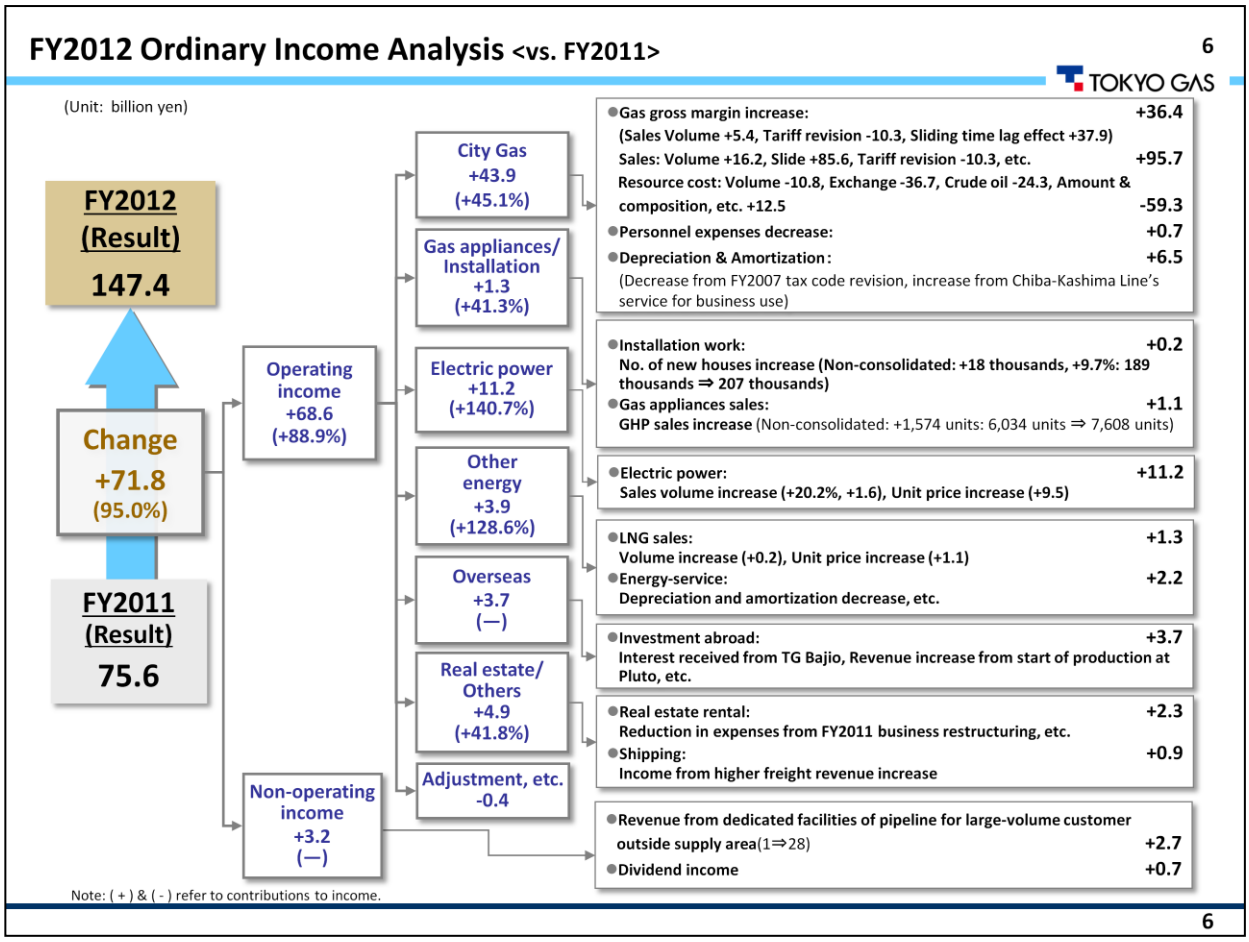
	Net Sales				Operating Income/loss			
	FY2012			FY2011	FY2012			FY2011
	Results	Change	%	Results	Results	Change	%	Results
City gas	1,401.9	95.7	7.3	1,306.2	141.3	43.9	45.1	97.4
Gas appliances and installation work	206.0	18.4	9.8	187.6	4.4	1.3	41.3	3.1
Other energy	336.6	34.1	11.3	302.5	25.9	15.0	137.4	10.9
(Electric power)	127.0	25.2	24.7	101.8	19.1	11.2	140.7	7.9
Real estate rental	30.2	0.6	2.0	29.6	5.6	2.3	69.7	3.3
Others	195.7	13.9	7.6	181.8	13.5	6.5	91.5	7.0
(Investment abroad)	12.4	9.2	286.5	3.2	2.4	3.7	—	-1.3
Adjustment	-255.0	-1.3	—	-253.7	-45.1	-0.4	—	-44.7
Consolidated	1,915.6	161.4	9.2	1,754.2	145.6	68.6	88.9	77.0

Notes:
- Net sales by business segment include internal transactions.
- "Other energy" includes electric power, energy-service, LNG sales, LPG and industrial gas, etc.
- "Others" includes construction, information processing, shipping, investment abroad, credit and leasing, etc.
- The "Adjustment" to operating income is primarily companywide expenses not allocated to individual segments.
- Parentheses indicate sub-segment (figures included in segment total)

Next, to results by business segment.

Slide 5 shows FY2012 net sales and operating income and loss by business segment, with year-on-year comparisons.

Operating income increased at all segments, with the reasons shown on the following slide.



Slide 6 outlines the increases and decreases in ordinary income by business segment.

Operating income at the city gas segment increased ¥43.9 billion, or 45.1%. As I have already mentioned, the sliding time lag effect improved ¥37.9 billion and increased sales volume contributed ¥5.4 billion, and the other major factor was a ¥6.5 billion decrease in depreciation and amortization from tax code revisions. On the other hand, price reductions from tariff revisions for small-volume customers had a ¥10.3 billion negative effect.

The gas appliances and installation work segment recorded a ¥1.3 billion, or 41.3%, increase, mainly from increased sales of GHP, with the recognition after the earthquake of their superior ability to provide a stable supply compared with electric air conditioning systems leading to increased sales to schools.

The electric power segment recorded a large 20.2% increase in sales volume compared to FY2011, and with higher unit sales prices from tight supply versus demand, operating income rose ¥11.2 billion, or 140.7%.

For the other energy segment excluding the electric power segment, operating income grew ¥3.9 billion, or 128.6%.

The LNG sales business recorded a ¥1.3 billion, or 93.6%, increase in operating income. In addition to increased sales volume, there was an improvement in the time lag factor in resource cost adjustments, similar to at the city gas segment.

At the energy-service business, a decrease in depreciation and amortization at the on-site energy services business led to a ¥2.2 billion increase in operating income.

The investment abroad segment recorded a ¥3.7 billion increase in operating income, which included increased interest income from financing provided to the operating entity of TG Bajio and the increased revenue from commencement of production at TG Pluto.

Operating income grew ¥4.9 billion, or 41.8%, at the real estate and others segment.

The real estate business reported a ¥2.3 billion, or 69.7% increase, in the absence of the previous year's expenses from business restructuring.

With higher demand for LNG leading to an increase in freight revenue, the shipping business recorded a ¥0.9 billion, or 24.9%, increase in operating income.

The improvement in non-operating income was mainly from the recording of ¥2.8 billion of revenue from the construction of dedicated pipeline facilities for large-volume customers outside the service area.

FY2012 Uses of Cash Flow

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Capital expenditure

(Unit: billion yen)

Capex	Main items	Ref: previous year
Tokyo Gas: 127.1 (+13.2, +11.6%)	Production facilities: 22.8 (+4.1) Hitachi LNG terminal construction(10.7), etc.	Tokyo Gas: 113.9
	Distribution facilities: 87.5 (+13.1) Ibaraki-Tochigi Line and other trunk line installation (8.9), New demand-side pipes and pipelines, etc.	
	Service and maintenance facilities, etc.: 16.6 (-4.1) Systems-related investment, Tamachi development-related, etc.	
Total of Consolidated Subsidiaries: 58.9 (+26.4,+81.2%)	Upstream investment 27.2, ENERGY ADVANCE 11.8, etc.	Total consolidated subsidiaries: 32.5
Total 183.7 (+37.3, +25.5% after eliminations in consolidation)		Total: 146.4 (after eliminations in consolidation)

*Numbers in parentheses refer to comparisons with FY2011.

Investments and loans

¥5.3 billion (overseas businesses, etc. ¥15.0 billion, collections on loans -¥9.7 billion)
(vs. FY 2011, -1.1)

Returns to shareholders

¥28.2 billion (actual YoY increase of -¥29.5 billion, on cash flow basis)
(Total of FY2011 year-end dividends, FY2012 interim dividends, and FY2012 treasury stock purchases)

The next slide shows our FY2012 uses of cash flow. Capital expenditure at Tokyo Gas increased ¥13.2 billion, or 11.6%, to ¥127.1 billion, and at consolidated subsidiaries rose ¥26.4 billion, or 81.2%, to ¥58.9 billion, for a total increase from FY2011 of ¥37.3 billion, or 25.5%, to ¥183.7 billion. The large increase in capex at consolidated subsidiaries represented proactive overseas upstream investment overseas.

On the other hand, investments and loans decreased ¥1.1 billion, or 17.1% from FY2011, to ¥5.3 billion.

Returns to shareholders totaled ¥28.2 billion.

Returns to Shareholders

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- Our financial policy is to provide returns to shareholders through dividends and stock repurchases, with a target total payout ratio (dividends and stock repurchases as a percentage of consolidated net income) of approximately 60% each year through FY2020.
- Accordingly, in light of the earnings trend, TG will distribute our successful business results to shareholders by increasing the year-end dividend by ¥1 per share.

● **Annual dividend ¥9 per share → ¥10 per share**

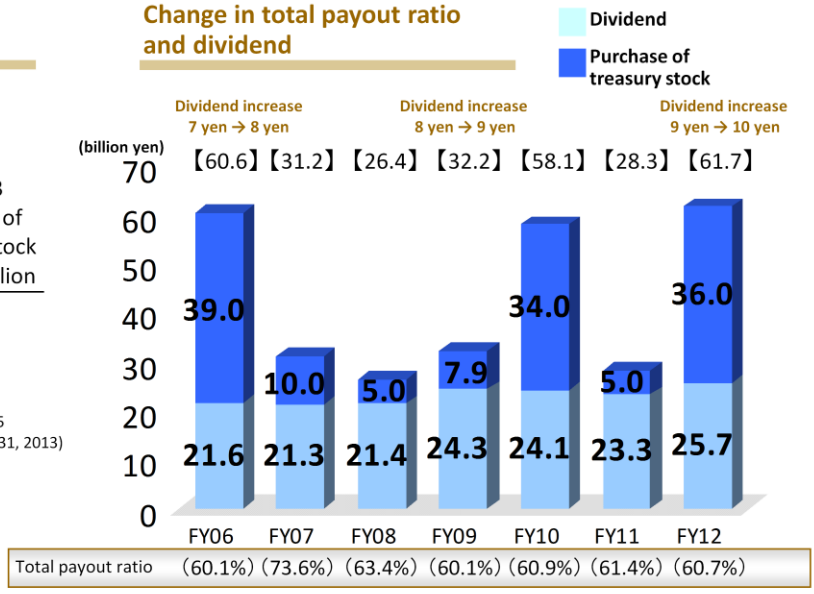
Maintaining 60% total payout ratio

Total payout ratio 60.7%

$$= \frac{\text{FY2012 Dividend ¥25.7 billion} + \text{FY2013 Purchase of treasury stock ¥36.0 billion}}{\text{FY2012 Consolidated net income ¥101.6 billion}}$$

* Total number of shares outstanding: 2,577,919,295 (As of March 31, 2013)

Change in total payout ratio and dividend



If you will turn to Slide 8, I would like to discuss returns to shareholders for FY2012.

We intend to increase the full-year dividend for FY2012 by ¥1 per share, to ¥10 from ¥9. Accordingly, the FY2012 year-end dividend is expected to be ¥5.50 per share.

Our financial policy is to provide returns to shareholders through dividends and stock repurchases, with a target total payout ratio of roughly 60% each year through FY2020. Accordingly, in light of the earnings trend, TG will distribute our successful business results to shareholders by increasing the year-end dividend by ¥1 per share.

Based on the number of shares outstanding as of the fiscal year-end and with the dividend increase, we expect the total amount of dividend payments for FY2012 to be ¥25.7 billion.

With respect to dividends, we will maintain our policy of "not reducing the dividend, and increasing the dividend in steps over the long term, in line with profit levels."

Adding stock repurchases of ¥36.0 billion in FY2013 to the ¥25.7 billion total dividend amount for FY2012, the total amount of returns to shareholders is ¥61.7 billion, which works out to 60.7% of FY2012 consolidated net income of ¥101.6 billion.

FY2013 Financial Forecast Overview

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FY2013 Full Year Forecast

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Highlights of full year forecast (vs. FY2012): sales growth, profit increase +7.6

(+/- indicates profit impact, billion yen)

Net sales :
- \+ City Gas sales to grow (+117.8: sales volume to decrease -33.8, unit sales prices to increase on higher gas resource prices +144.7)
- \+ LNG sales to grow (+19.4: sales volume to grow +9.6, unit sales prices to increase on higher gas resource prices +9.8)
- \- Electricity sales to grow (-0.6: electricity sales volume to decrease -7.4, unit sales prices to increase +6.8)

Operating expenses :
- \- City Gas resources costs to increase (-93.1: sales volume to decrease +22.7, resource costs to rise on further depreciation of yen -142.8, JCC +26.3, etc.)

Non-operating income and expenses :
- \- Revenue from dedicated facilities to decline (-2.8), revenue from dedicated facilities of pipeline for large-volume customer outside supply area
- \- Decrease in dividend income (-1.0)
- \- TG financing costs to increase (-1.7: Interest-bearing debt to increase)

Extraordinary Items :
- \- Extraordinary income to decrease (-3.4: Reduced gain from sale of overseas subsidiaries' and affiliates' stock (Gas Malaysia))

(Unit: billion yen)

	FY2013	FY 2012	Change	%
Gas sales volume (mil. m³, 45MJ)	**14,781**	15,390	-609	-4.0
Net sales	**2,116.0**	1,915.6	200.4	10.5
Operating expenses	**1,955.0**	1,770.0	185.0	10.5
Operating income	**161.0**	145.6	15.4	10.6
Ordinary income — (a)	**155.0**	147.4	7.6	5.1
Net income	**101.0**	101.6	-0.6	-0.7
Temperature effect — (b)	***0***	*+2.5*	*-2.5*	—
Sliding time lag effect — (c)	***+20.0***	*-10.5*	*+30.5*	—
Amortization of actuarial differences — (d)	***-2.2***	*-4.4*	*+2.2*	—
Adjusted ordinary income: (a) - ((b)+(c)+(d))	***137.2***	*159.8*	*-22.6**	*-14.1%*
*Adjusted net income**	***89.2***	*109.8*	*-20.6*	*-18.8%*

* -22.6: decrease in gas sales volume -8.6, increase in enterprise tax, etc. -7.1, non-operating income -7.8, increase in income from overseas business +2.7, etc. (refer to breakdown on page 14)

Economic Frame	JCC ($/bbl)	Ex. Rate (¥/$)	Avg. Temperature (℃)
FY2013	110.0	100.0	16.5
FY2012	113.9	82.9	16.7

	Pension (Non-consolidated)	Investment yield (costs deducted)	Discount rate	Year-end assets (billion yen)
FY2012	6.10%	1.4 %	276.0	
FY2011	5.13%	1.7 %	254.0	

Next, I will discuss our full-year forecast for FY2013 results.

Our economic frame for calculating our forecast assumes a crude oil price of $110 per barrel and an exchange rate of ¥100 to the U.S. dollar.

We are forecasting revenue and profit growth in FY2013, with the main reason for the increase being an improvement in the sliding time lag effect.

For net sales, we are forecasting a ¥200.4 billion, or 10.5%, increase to ¥2,116.0 billion. This includes a ¥117.8 billion, or 8.4%, increase in city gas sales on higher unit prices under the gas rate adjustment system in line with higher crude oil prices, along with a ¥19.4 billion, or 20.0%, increase in LNG sales.

With a rise in resource prices from the yen's depreciation, we expect city gas resource costs to increase ¥100.2 billion, or 7.9%, and combined with an anticipated ¥17.0 billion, or 18.6%, increase in LNG sales costs, we are forecasting a ¥185.0 billion, or 10.5%, increase in operating expenses, to ¥1,955.0 billion.

As a result, we are forecasting a ¥15.4 billion, or 10.6%, increase in operating income, to ¥161.0 billion. We expect non-operating income and expenses to weaken in the absence of the ¥2.8 billion of revenue from dedicated facilities recorded in FY2012, and are therefore forecasting a ¥7.6 billion, or 5.1%, increase in ordinary income, to ¥155.0 billion.

With a reduction in the ¥3.4 billion extraordinary income from the sale of Gas Malaysia shares recorded in FY2012, we are forecasting a ¥0.6 billion, or 0.7%, decline in net income, to ¥101.0 billion.

FY2013 Full Year Forecast: Consolidated Gas Sales Volume (April 1, 2013 – March 31, 2014)

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FY2012 → FY2013

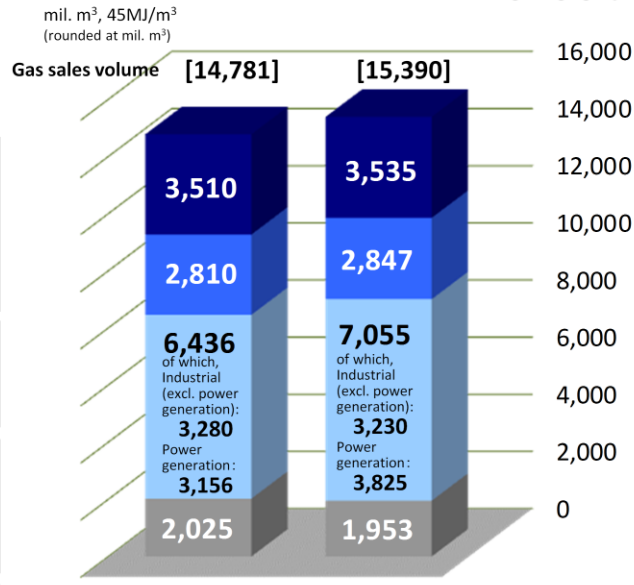
-609 mil. m³ (-4.0%)
*temperature effect -77 mil. m³ (-0.5%)

Residential -25 mil. m³ (-0.7%)
- Temperature effect -32 mil. m³
- Increase in number of customers +42 mil. m³
- No. of days +2 mil. m³
- Others (decrease in usage per household after standardization (non-consolidated basis) -0.8% -37 mil. m³

Commercial -37 mil. m³ (-1.3%)
- Temperature effect -44 mil. m³
- No. of days +4 mil. m³
- Others -3 mil. m³

Industrial -619 mil. m³ (-8.8%)
- Industrial (excl. Power generation): +49 mil. m³
  Operation increased in Kashima area
- Power generation: -668 mil. m³
  Nijio -969 mil. m³, exclude Nijio +301 mil. m³

Wholesale +72 mil. m³ (+3.7%)
- General wholesale demand (Incl. temperature effect -1) +44 mil. m³
- Large-volume gas demand +28 mil. m³



	FY2013	FY2012
LNG liquid sales volume (thousand t) *exclude Nijio	1,388	1,262
Average temperature (℃)	16.5	16.7

Number of customers (Unit: 10 thousand)

FY2013	FY2012	Change
1,110.2	1,097.8	+12.4 (+1.1%)

11

Next I would like to move on to gas sales volume.

Our FY2013 forecast is for a 609 million m3, or 4.0%, decrease in consolidated gas sales volume, to ¥14,781 million m3.

Let me continue to the breakdown of sales by usage.

The main reason for this decrease is the shift to a tolling arrangement at Ohgishima Power, which we estimate will reduce gas sales volume for electric power generation by 969 million m3.

In terms of other factors by segment, based on average temperatures for the past 10 years we are setting our average temperature assumption for FY2013 at 16.5oC. This is 0.2oC lower than the actual figure for FY2012, but because winter temperatures, which have a greater effect on gas sales volume, were particularly low in FY2012, we expect the temperature effect in FY2013 to be negative year-on-year at both the residential and commercial segments.

At the residential segment, we expect a 32 million m3 negative temperature effect, a 42 million m3 boost from an increase in the number of customer households in line with a solid pace of new installations, and a 37 million m3 decrease from a decline in volume used per customer household, for an overall decrease of 25 million m3, or 0.7%, from FY2012.

We are also forecasting a 37 million m3, or 1.3%, year-on-year, decline at the commercial segment, primarily from the temperature effect.

At the industrial segment, we are estimating a 969 million m3 decline from the shift to tolling, but are also planning on a 309 million m3 increase from the development of new demand in the Kashima area, for an overall decrease of 619 million m3, or 8.8%.

By use, we are forecasting a 49 million m3 increase in general industrial demand from further development of new demand in the Kashima area. For electric power generation, we see the effect of the shift to tolling being partially offset by increased volume for power generation use in the Kashima area, for a net decrease in power generation-use of 668 million m3.

Changes in Gas Usage Volume from Shift to Tolling

TOKYO GAS

FY2013 Forecasts

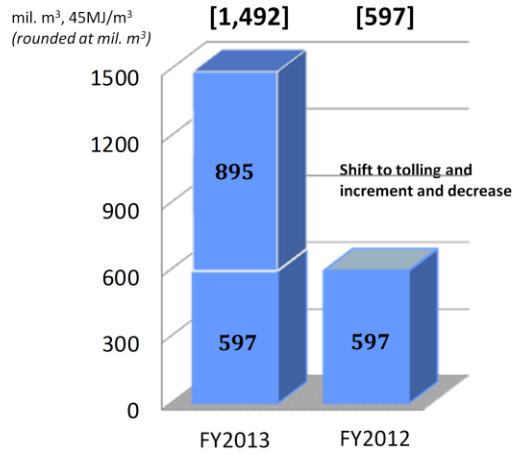
Gas sales volume including portion used in-house under tolling arrangement (Unit: million m³)

	FY2013 (Forecast)	FY2012	Change	
Gas sales volume (financial accounting basis)	14,781	15,390	-609	-4.0%
Gas volume used in-house under tolling arrangement	1,492	597	895	150.1%
Total	16,273	15,986	287	1.8%

Gas sales volume for industrial-use (Unit: million m³, Figures in parentheses are YoY change)

	Kashima area	Other	Total
Power generation	557 (+242)	2,599 (-910)	3,156 (-668)
General industrial (excl. power generation)	156 (+67)	3,124 (-18)	3,280 (+49)
Total	713 (+309)	5,723 (-928)	6,436 (-619)

Gas volume used in-house under tolling arrangement



* Tolling: A contract under which the seller of electricity delivers the gas required as fuel for power generation to the power plant, where the power generator processes the fuel into electricity, which it returns to the seller of electricity in exchange for a processing fee.

Slide 12 shows the portion of gas used under tolling arrangements, which is not included in sales volume. In FY2013, gas sales to Ohgishima Power will shift to tolling, so we expect tolling gas volume to increase 895 million m3, or 150.1% from FY2012, to 1,492 million m3.

Accordingly, we expect actual gas sales volume – the total of gas sales volume and gas volume used in tolling – to increase 287 m3, or 1.8% year-on-year.

FY2013 Full Year Forecast: Net Sales and Operating Income/loss by Business Segment <vs. FY2012>

TOKYO GAS

(Unit: billion yen)

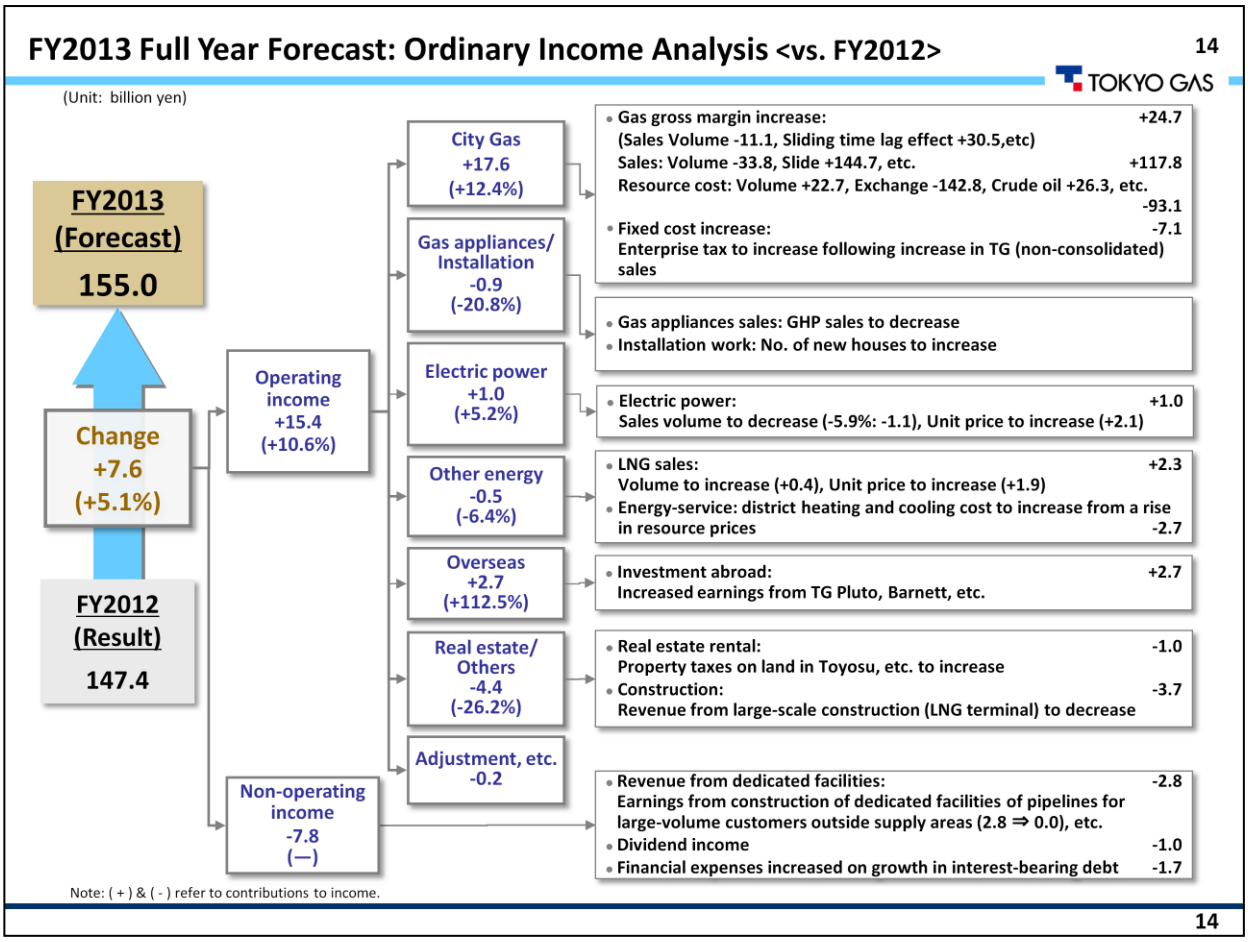
	Net Sales				Operating Income/loss			
	FY2013			FY2012	FY2013			FY2012
	Forecasts	vs. FY2012	%	Results	Forecasts	vs. FY2012	%	Results
City gas	1,519.7	117.8	8.4	1,401.9	158.9	17.6	12.4	141.3
Gas appliances and installation work	209.0	3.0	1.4	206.0	3.5	-0.9	-20.8	4.4
Other energy	337.9	1.3	0.4	336.6	26.5	0.6	2.2	25.9
(Electric power)	126.4	-0.6	-0.5	127.0	20.1	1.0	5.2	19.1
Real estate rental	28.0	-2.2	-7.5	30.2	4.6	-1.0	-17.9	5.6
Others	188.8	-6.9	-3.5	195.7	12.8	-0.7	-5.4	13.5
(Investment abroad)	22.6	10.2	82.3	12.4	5.1	2.7	112.5	2.4
Adjustment	-167.4	87.4	—	-255.0	-45.3	-0.2	—	-45.1
Consolidated	**2,116.0**	**200.4**	**10.5**	1,915.6	**161.0**	**15.4**	**10.6**	145.6

Notes:
- Net sales by business segment include internal transactions.
- "Other energy" includes electric power, energy-service, LNG sales, LPG and industrial gas, etc.
- "Others" includes construction, information processing, shipping, investment abroad, credit and leasing, etc.
- The "Adjustment" to operating income is primarily companywide expenses not allocated to individual segments.
- Parentheses indicate sub-segment (figures included in segment total)

Next, let us move to our forecasts for operating income by segment.

Slide 13 shows our forecasts for FY2013 net sales and operating income by segment, with year-on-year comparisons.

In terms of operating income, we see the main increases coming from the city gas, investment abroad, and electric power segments. The reasons for those increases are shown on the next slide.



The ¥17.6 billion, or 12.4%, increase in operating income forecast for the city gas segment includes a ¥30.5 billion increase from an improvement in the sliding time lag effect, as well as decreases of ¥11.1 billion from lower sales volume and ¥7.1 billion from an increase in fixed costs.

At the electric power business, although compared to FY2012, we expect a slight decrease of 5.9% from lower sales volume, with unit prices remaining high on continued tight supply versus demand and the shift to tolling for gas sales to Ohgishima Power, we are forecasting a ¥1.0 billion, or 5.2%, increase in operating income.

At the overseas segment, we are forecasting a ¥2.7 billion, or 112.5% increase, from investment abroad including full-scale production at TG Pluto and earnings from Barnett.

FY2013 Uses of Cash Flow

TOKYO GAS

Capital expenditure

(Unit: billion yen)

Capex	Main items	Ref: previous year
Tokyo Gas: 146.6 (+19.5, +15.3%)	Production facilities: 28.1 (+5.3) Hitachi LNG terminal construction (13.1), etc.	Tokyo Gas: 127.1
	Distribution facilities: 96.6 (+9.1) Ibaraki-Tochigi Line and other trunk line installation (21.7), New demand-side pipes and pipelines, etc.	
	Service and maintenance facilities, etc.: 21.9 (+5.3) Systems-related investment (10.7) , Tamachi development-related, etc.	
Total of Consolidated Subsidiaries: 114.4 (+55.5,+94.2%)	Overseas upstream investment 68.3 On-site energy service 10.3 (ENAC), etc.	Total consolidated subsidiaries: 58.9
Total 258.0 (+74.3, +40.4% after eliminations in consolidation)		Total: 183.7 (after eliminations in consolidation)

*Numbers in parentheses refer to comparisons with FY2012

Investments and loans

11.7 (overseas businesses, etc. 20.7, collections on loans -9.0) (vs. FY 2012 +6.4)

Returns to shareholders

62.7 (TG non-consolidated, actual YoY increase of ¥34.5 billion, on cash flow basis)
(Total of FY2012 year-end dividends' and FY2013 interim dividends' ¥26.7 billion, and FY2013 treasury stock purchases' ¥36.0 billion)

Next I will discuss uses of cash flow in FY2013. In terms of capital expenditure, with comparison to FY2012, we are planning for a ¥19.5 billion, or 15.3%, increase to ¥146.6 billion at Tokyo Gas and a ¥55.5 billion, or 94.2%, increase to ¥114.4 billion at consolidated subsidiaries, for a total ¥74.3 billion, or 40.4%, increase in capex, to ¥258.0 billion.

At the same time, we are forecasting a ¥6.4 billion, or 120.8% from FY2012, increase in investments and loans, to ¥11.7 billion.

We are planning to return ¥62.7 billion to shareholders. This includes the ¥36.0 billion of treasury stock purchases in FY2013 that I have already mentioned, along with a FY2012 year-end dividend of ¥5.5 per share and a FY2013 interim dividend of ¥5.0 per share.

FY2013 Full Year Forecast: Funding Plan (Consolidated)

TOKYO GAS

Required funds and source of funds

[Full year results] (Unit: billion yen)

Required Funds		vs. FY2012		Source of Funds		vs. FY2012
Capex	258.0	+74.3	Internal funding	Depreciation	139.0	+0.3
Other investment & financing	11.7	+6.4		Ordinary income	155.0	+7.6
Enterprise tax	43.0	+14.9		Others	13.9	+60.5
Share buybacks*	62.9 (36.0)	+33.4 (31.0)		Total	307.9	+68.4
Repayment (Non-consolidated)	49.6 (39.2)	+3.9 (8.7)	Outside funding (Non-consolidated)		117.3 (115.0)	+64.3 (55.0)
Total	425.2	+132.6	Total		425.2	+132.6

* Total of Tokyo Gas (parent) and minority interests in consolidated subsidiaries

Interest-bearing debt

End of FY2012: 642.5 billion yen
End of FY2013 Forecast: 716.0 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.

Our funding plan for FY2013 is shown in the table on slide 16. I will not go into details here, except to note that we expect interest-bearing debt as of the end of FY2013 to increase ¥73.5 billion from the previous fiscal year-end, to ¥716.0 billion.

In terms of outside funding, we intend to procure ¥117.3 billion, which I greatly thank to our debt investors for their continuous support, and hopefully remain close in future.

Key Indicators (Consolidated)

TOKYO GAS

(Unit: billion yen)

	FY2011 Results	FY2012 Results	FY2013 Forecast
Total assets (a)	1863.8	1,992.4	2,090.0
Shareholders' equity (b)	839.1	927.6	964.0
Shareholders' equity ratio (b)/(a)	45.0 %	46.6%	46.1%
Interest-bearing debt (c)	625.8	642.5	716.0
D/E ratio (c)/(b)	0.75	0.69	0.74
Net income (d)	46.0	101.6	101.0
Depreciation and amortization (e)	148.5	138.7	139.0
Operating cash flow (d) + (e)	194.5	240.4	240.0
Capex	146.4	183.7	258.0
ROA: (d) / (a)	2.5%	5.3%	4.9%
ROE: (d) / (b)	5.4%	11.5%	10.7%
TEP	9.1	59.8	57.5
WACC	3.2%	3.2%	3.2%
Total payout ratio	61.4%	60.7%	-(*)

*** Total of Tokyo Gas (parent) and minority interests in consolidated subsidiaries**

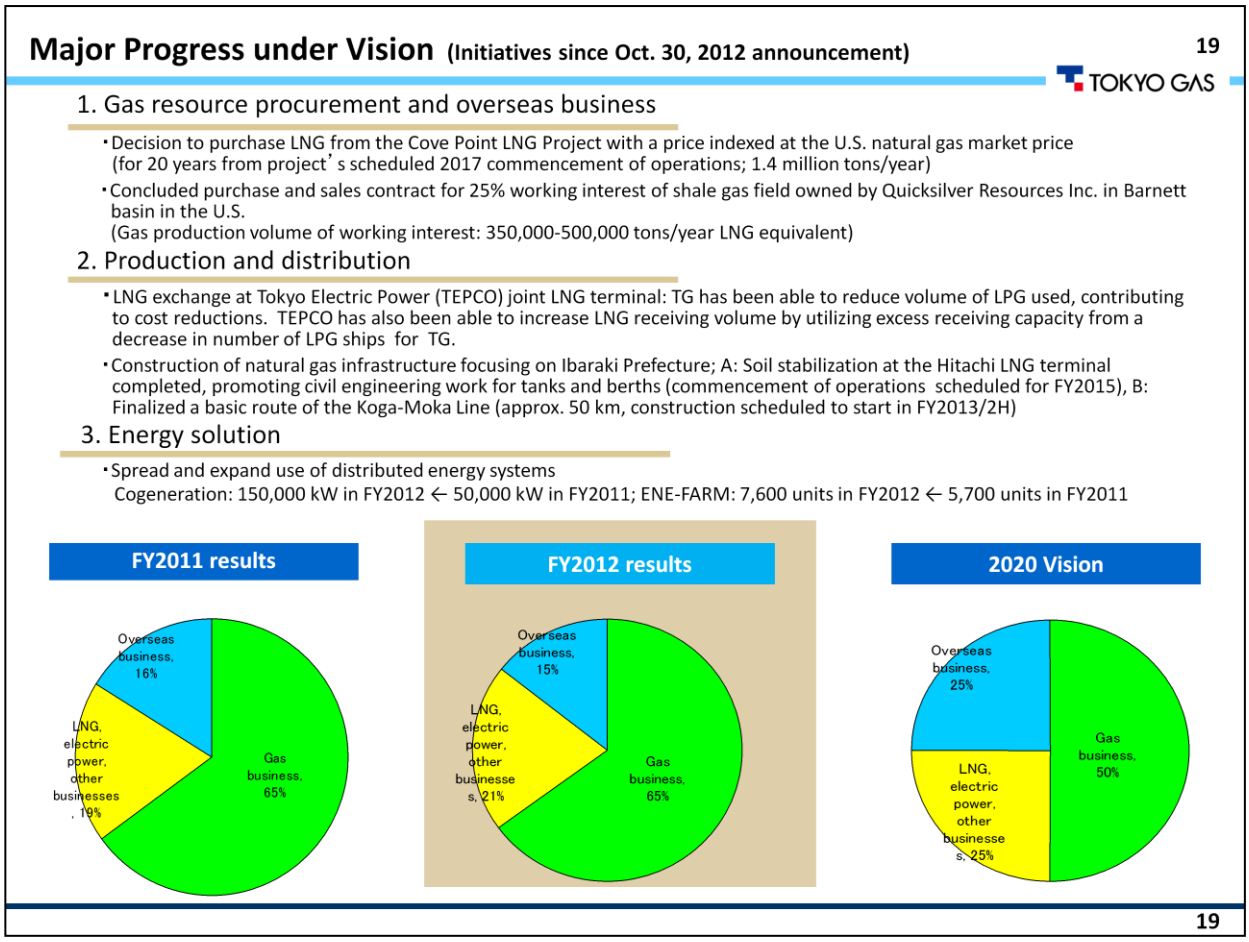
Notes:
- Shareholders' equity = Net assets – Minority interests
- ROA = Net income / Total assets (average of the amounts as of the end of the previous period and end of the current period)
- ROE = Net income / Shareholders' equity (average of the amounts as of the end of the previous period and end of the current period)
- 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 issued stock: 2,577,919,295 (as of March 31, 2013)
- *To be maintained at approximately 60% each year to FY2020

TEP: (Tokyo Gas Economic Profit): Profit after taxes and before interest payments - Cost of capital (invested capital × WACC)

Items for WACC calculation (FY2013 forecast):
- Cost of interest bearing debt: interest (1.6%)
- Cost rate for shareholders' equity (average interest rate of 10-year JGBs for past 10 years : 1.3%)
- Risk premium: 4.0%; β0.75
- Shareholders' equity used to calculate WACC is the average market cap

Slide 17 shows key indicators on a consolidated basis. I will pass over the details today except to say that we expect to maintain a double-digit ROE, with an 11.5% result in FY2012 and a forecast of 10.7% for FY2013.

Progress under Challenge 2020 Vision



Slide 19 outlines the status of progress under our Challenge 2020 Vision, focusing on major progress since this year's second-quarter results announcement.

First, in terms of gas resource procurement and the overseas business, we have decided to purchase LNG from the Cove Point project in the U.S. using Henry Hub as a price index. This will diversify our procurement to facilitate stable, low-cost importation of LNG to Japan.

With regard to production and distribution, we are carrying out an LNG exchange at the Tokyo Electric Power (TEPCO) joint LNG terminal. This enables us to lower costs by reducing the volume of LPG we use. TEPCO also benefits by being able to utilize the excess capacity from the reduction in the number of LPG vessels bound for Tokyo Gas to increase its LNG receiving volume.

At the energy solution segment, steady progress is being made in spreading and expanding the use of distributed energy systems. During FY2012, cogeneration development totaled 150,000 kW, and we sold 7,600 ENE-FARM units.

The pie charts at the bottom of the slide show the breakdown of consolidated net income by business segment. For FY2012, the gas business accounted for 65% of net income, LNG, electric power, and other businesses accounted for 21%, and the overseas business for 15%.

Consideration of Gas Tariff Revisions

TOKYO GAS

Consideration of Gas Tariff Revisions

TOKYO GAS

Current situation

- In light of increased gas sales volume from successful marketing efforts and continuous efforts to date to enhance management efficiency, Tokyo Gas is considering tariff revisions for small-volume customers as a form of returns to customers during FY2013.

Future outlook

- We intend to consider the issue, with the aim of announcing the specific timing and details with the 1H results announcement, when we have a clearer picture of FY2013 earnings.
- We will continue to pursue further management efficiency going forward and accelerate our efforts to achieve the Challenge 2020 Vision, to meet the expectations and gain the confidence of customers, shareholders, and local communities.

Other

- The effect of this tariff revision on FY2013 earnings (consolidated and non-consolidated) will be announced when it has been determined.

Reference: Past tariff revisions

Revision date	Avg. revision for small-volume customers
December 10, 1999	-2.00%
February 15, 2001	- 3.20%
January 1, 2005	- 5.18%
February 21, 2006	- 0.28%
April 15, 2008	- 1.51%
March 8, 2012	- 1.57%

Finally, I would like to discuss the consideration of gas tariff revisions, which we announced at 2:00 this afternoon.

In light of the increase in gas sales volume that has resulted from our successful marketing efforts and the success of our continuous efforts to date to enhance management efficiency, we are considering tariff revisions for small-volume customers as a form of returns to customers during FY2013.

We intend to consider the issue, with the aim of announcing the specific timing and details with this year's first-half results announcement, when we have a clearer picture of FY2013 earnings.

Accordingly, the FY2013 forecasts covered in this presentation do not include an effect from these tariff revisions, but we will make an announcement when we are able to clearly quantify that effect.

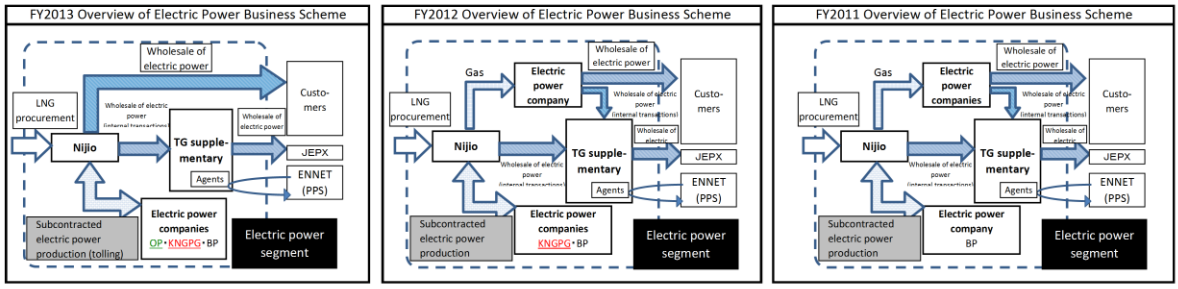
Reference Materials

Schematic transition of electric power business

TOKYO GAS

- **A shift to a tolling arrangement was implemented at Kawasaki Natural Gas Power Generation in FY2012, and will be implemented at Ohgishima Power in FY2013.**

(Reference: Overview of change in electric power business scheme (FY2013 vs. FY2012 vs. FY2011))



Note:
OP: Ohgishima Power
KNGPG: Kawasaki Natural Gas Power Generation
BP: Tokyo Gas Baypower

Gross Margin Sensitivity to Changes in Oil Price and Exchange Rate (Non-consolidated)

TOKYO GAS

Impact of rising JCC by $1/bbl

(Unit: billion yen)

		Impact on earnings				
		1Q	2Q	3Q	4Q	Full year
Period	1Q	-0.2	-0.3	0.5	0.3	0.3
	2Q	0.0	-0.2	-0.3	0.7	0.2
	3Q	0.0	0.0	-0.3	-0.7	-1.0
	4Q	0.0	0.0	0.0	-0.2	-0.2
	Full year	-0.2	-0.5	-0.1	0.1	-0.7

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	0.0	-0.9	0.9	0.4	0.4
	3Q	0.0	0.0	-1.2	1.1	-0.1
	4Q	0.0	0.0	0.0	-1.6	-1.6
	Full year	-1.1	-0.1	-0.1	-0.1	-1.4

Change in Returns to Shareholders

TOKYO GAS

FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total dividend (billion yen)	18.9	18.5	18.6	21.5	21.2	21.4	24.3	24.1	23.2	25.7
Total amount of treasury stock purchased (billion yen, reflected in following fiscal year)	—	—	—	39.0	10.0	5.0	7.9	34.0	5.0	36.0
Dividend payout ratio (%)	42.6	22.2	29.8	21.3	50.2	51.2	45.3	25.3	50.9	25.3
Total payout ratio (%)	42.2	22.1	30.0	60.1	73.6	63.4	60.1	60.9	61.4	60.7

Reference:

FY	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Dividend yield (%)*	1.9	1.7	1.5	1.3	1.5	1.9	2.5	2.4	2.5	2.4
DOE (%)	3.2	3.0	2.7	2.8	2.7	2.8	3.1	2.9	2.7	2.9

- Treasury stock purchased indicate repurchases made after announcement of total payout ratio as a policy for returns to shareholders
- Dividend payout ratio = Dividend payment amount per share / Net income per share
- Dividend yield is calculated using the average share price for the fiscal year.
- DOE = Annual dividend / Shareholders' equity (FY average) x 100

Transition of industrial-use gas sales volume (consolidated)

- Solid recovery in FY2012, with contributions from Chiba-Kashima Line (from March 2012) and Kashima Waterfront Line (from June 2012). Set to exceed 2.0 billion m^3 in 3Q.