

FY2006 ended March 2007
Consolidated Financial Results Bulletin
Tokyo Gas Co., Ltd.

Code No.: 9531

(URL <http://www.tokyo-gas.co.jp>)

Representative: Mitsunori TORIHARA, President

Contact: Makoto IKEGAMI, General Manager,

Consolidated Tax Group

Shares listed on:Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya
Stock Exchange

Location of head office: Tokyo

Meeting of board of directors to approve the financial results: April 26, 2007

Application of U.S. accounting standards (yes/no): No

1. Consolidated results for FY2006 ended March 2007 (April 1, 2006 - March 31, 2007)

(a) Consolidated business results

(Rounded down to the nearest million yen)

	Sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2006 ended Mar. 2007	1,376,958	8.7	162,315	44.5	156,039	58.1	100,699	62.1
FY2005 ended Mar. 2006	1,266,501	6.4	112,345	-22.7	98,689	-25.7	62,114	-26.1

	Net earnings per share	Net earnings per share adjusted for latent shares	Net rate of return on shareholders' equity	Ratio of current income to total capital	Operating Income Ratio
	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2006 ended Mar. 2007	37.50	35.69	13.2	9.2	11.8
FY2005 ended Mar. 2006	23.48	21.70	9.0	5.9	7.8

Note: 1. Income or loss on investment accounted for by equity method:

FY2006 ended March 2007 1,347 million yen

FY2005 ended March 2006 693 million yen

(b) Consolidated financial position

	Total assets	Shareholders' equity	Ratio to shareholders' equity	Shareholders' equity per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2006 ended Mar. 2007	1,692,635	806,045	47.0	293.11
FY2005 ended Mar. 2006	1,693,898	728,231	43.0	270.46

Note: Shareholders' equity (Minority interest are excluded)

FY2006 ended March 2007 795,101 million yen

(c) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Balance of cash and cash equivalents at year end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2006 ended Mar. 2007	190,597	-130,922	-65,843	40,231
FY2005 ended Mar. 2006	181,529	-116,071	-83,041	45,633

2. Dividend

	Dividend per share (Unit: yen)					Dividend payment (Full-year)	Payout ratio (Consolidated)	Dividend on equity
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full-year			
FY2005 ended Mar.2006	-	3.50	-	3.50	7.00	(Unit: million yen) 18,641	(%) 29.8	(%) 2.7
FY2006 ended Mar.2005	-	3.50	-	4.50	8.00	21,556	21.3	2.8
FY2007 ended Mar. 2008 (Forecast)	-	4.00	-	8.00	8.00		29.7	

3. Forecast for FY2007 ending March 2008 (April 1, 2007 - March 31, 2008)

	Sales	Operating income	Ordinary income	Net income	Net earnings per share
	(Unit: million yen) (%)	(Unit: million yen) (%)	(Unit: million yen) (%)	(Unit: million yen) (%)	(Unit: yen)
Half-year	636,000 5.4	30,000 -52.2	26,000 -53.2	20,000 -44.5	7.37
Full-year	1,419,000 3.1	113,000 -30.4	105,000 -32.7	73,000 -27.5	26.91

4. Note

(a) Changes in major consolidated subsidiaries: None

(b) Changes in scope of consolidated subsidiaries and affiliates and application of equity method

Consolidated subsidiaries

-Newly added: 3

-Excluded: 1

By equity method

-Newly added: nil

-Excluded: nil

(c) Number of outstanding shares

- Number of outstanding shares at year end (Treasury stocks are included):

FY2006 ended March 2007 2,810,171,295 shares

FY2005 ended March 2006 2,810,171,295 shares

- Number of treasury stocks at year end:

FY2006 ended March 2007 97,537,522 shares

FY2005 ended March 2006 117,825,346 shares

(Reference)**1. Non-Consolidated results for FY2006 ended March 2007 (April 1, 2006 - March 31, 2007)****(a) Non-Consolidated business results****(Rounded down to the nearest million yen)**

	Sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2006 ended Mar. 2007	1,172,186	8.7	136,778	50.3	139,823	64.3	92,340	67.0
FY2005 ended Mar. 2006	1,078,109	6.3	90,990	-24.3	85,089	-27.4	55,299	-29.7

	Net earnings per share	Net earnings per share adjusted for latent shares
	(Unit: yen)	(Unit: yen)
FY2006 ended Mar. 2007	34.39	32.74
FY2005 ended Mar. 2006	20.90	19.34

(b) Non-Consolidated financial position

	Total assets	Shareholders' equity	Ratio to shareholders' equity	Shareholders' equity per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2006 ended Mar. 2007	1,382,259	703,173	50.9	259.22
FY2005 ended Mar. 2006	1,396,728	642,953	46.0	238.78

Note: Shareholders' equity (Minority interest are excluded)

FY2006 ended March 2007 703,173 million yen

2. Non-Consolidated Forecast for FY2007 ending March 2008 (April 1, 2007 - March 31, 2008)**(Unit: million yen)**

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Half-year	538,000	4.0	22,000	-57.9	22,000	-55.7	17,000	-48.4	6.27
Full-year	1,218,000	3.9	91,000	-33.5	90,000	-35.6	62,000	-32.9	22.86

* The forecast above was prepared on the basis of information available at the time of the release of this document. Due to various factors, the actual result may vary from these forecast data.

I. Business performance and financial position

(1) Business performance

The Japanese economy of this term shows some signs of recovery including increased capital investment helped by recovery of corporate performances and improvement of employment situation. However, its business environment was still severe, as the high crude oil price tendency looks to stay long.

Under these economic circumstances, the Tokyo Gas group has made strenuous efforts in marketing to popularize and expand city gas. As a result, consolidated sales were ¥1.3769 trillion, up 8.7% year on year due to the expansion in the scope of consolidation mainly due to steady growth in gas sales.

On the other hand, Tokyo Gas made utmost efforts to hold down expenses, achieving further advances in the promotion of management efficiency. However, operational expenses increased because raw material expenses increased due to growth in sales volume as well as high rise in crude oil prices.

As a result, operating income rose 44.5% to ¥162.3 billion, and ordinary income was up 58.1% to ¥156.0 billion. Moreover, during the period under review, we recorded extraordinary income of both ¥5.8 billion in gain on sales of investment securities and ¥7.8 billion gains on sale of fixed assets and extraordinary losses of ¥7.2 billion in advanced depreciation deduction of fixed assets. As a result, net income rise 62.1% to ¥100.6 billion.

<Situation in each segment during the term>

1) Gas business

In FY2006, the gas sales volume rose 1.7% compared with the previous year to 13.315 billion m³.

Residential demand fell 2.7 % year on year to 3.452 billion m³. It is because of higher temperatures than last year in the second half when gas demand is strong, which caused less demand in hot water and space heating.

Moreover, commercial and other business demand was down 2.8% to 2.044 billion m³ and 5.6% to 0.928 billion m³ respectively, making a combined total of 2.972 billion m³, down 3.7% year on year. This was result of decrease in demand for air-conditioning due to lower temperature in summer and high temperature in winter.

Industrial demand was up 5.8% year on year to 5.336 billion m³ compared with the previous year due to increased operation of both existing and new customers.

Wholesale Supplies to other gas utilities rose 9.3% year on year to 1.554 billion m³ mainly due to acquisition of new customers by those utilities.

As a result, gas sales was up to ¥999.5 billion by ¥89.2 billion or 9.8% compared with the previous year due to increase in gas sales volume and rate increase based on feedstock cost adjustment.

Operating expenses overall rose by ¥45.6 billion yen or 6.1% because of the increase in raw material cost that accompanied the growth in gas sales volume.

Operating income was up by ¥ 43.5 billion or 27.2% over the previous year to ¥203.5 billion.

Note: Tokyo Gas changed calorific value of city gas from 46.04655 MJ (mega joule) /m³ to 45 MJ/ m³ on February 21, 2006. Gas sales volume is indicated based on 45 MJ/ m³.

2) Gas appliances business

Sales rose by ¥4.6 billion or 3.5% compared to the previous year to ¥135.4 billion. As a result of a ¥8.0 billion or 6.4% increase in operating expenses, operating income fell ¥3.5 billion or 74.7% year on year to ¥1.1 billion.

3) Related construction

Sales declined by ¥0.5 billion or 0.9% compared with the previous year to ¥59.2 billion. As a result of a ¥0.7 billion or 1.2% increase in operating expenses, operating income fell ¥1.2 billion or 41.2% to ¥1.7 billion.

4) Real estate Rental

Sales declined by ¥0.1 billion or 0.4% compared with the previous year to ¥34.0 billion. As a result of a ¥1.4 billion or 5.0% decrease in operating expenses, operating income rose ¥1.3 billion or 23.3% to ¥6.7 billion.

5) Other business

Sales in other business rose by ¥32.9 billion or 13.0% compared with the previous year to ¥285.4 billion due to the increase in sales related to Energy service business. As a result of a ¥28.6 billion or 11.8% increase in operating expenses, operating income rose ¥4.2 billion or 43.5% to ¥13.8 billion.

<Summary by segment>

(Unit: billion yen)

		Gas	Gas appliances	Related construction	Real estate Rental	Others
Sales	FY2006 (% of total)	999.5 (66.1%)	135.4 (8.9%)	59.2 (3.9%)	34.0 (2.2%)	2,854 (18.9%)
	FY2005 (% of total)	910.3 (65.6%)	130.8 (9.4%)	59.7 (4.3%)	34.1 (2.5%)	2,525 (18.2%)
	Amount of change	89.2	4.6	0.5	-0.1	32.9
	Rate of change	9.8%	3.5%	-0.9%	-0.4%	13.0%
Operating expenses	FY2006 (% of total)	795.9 (61.9%)	134.2 (10.4%)	57.4 (4.5%)	27.3 (2.1%)	2,715 (21.1%)
	FY2005 (% of total)	750.3 (62.2%)	126.2 (10.5%)	56.7 (4.7%)	28.7 (2.4%)	2,429 (20.2%)
	Amount of change	45.6	8.0	0.7	-1.4	28.6
	Rate of change	6.1%	6.4%	1.2%	-5.0%	11.8%
Operating income	FY2006 (% of total)	203.5 (89.6%)	1.1 (0.5%)	1.7 (0.8%)	6.7 (3.0%)	13.8 (6.1%)
	FY2005 (% of total)	160.0 (87.6%)	4.6 (2.5%)	2.9 (1.6%)	5.4 (3.0%)	9.6 (5.3%)
	Amount of change	43.5	-3.5	-1.2	1.3	4.2
	Rate of change	27.2%	-74.7%	-41.2%	23.3%	43.5%

Note: Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments.

<Ratio of consolidated income to parent's income>

The ratio of consolidated income to parent company's income for FY2006 and FY2005 was as follows.

	Sales	Operating income	Ordinary income	Net income
FY2006	1.17	1.19	1.12	1.09
FY2005	1.17	1.23	1.16	1.12

<Comparison of forecast for FY2007 and results of FY2006 >

(Unit: billion yen)

	Sales	Operating income	Ordinary income	Net income
FY2007 (forecast)	1,419.0	113.0	105.0	73.0
FY2006 (actual)	1,376.9	162.3	156.0	100.6
Change	42.1	-49.3	-51.0	-27.6
Rate of change	3.1%	-30.4%	-32.7%	-27.5%

We forecast that gas sales volume in FY2007 will grow 4.3% compared with FY2006 to 13.885 billion m³ due to our efforts to acquire new customers and to promote and sell gas appliances. We expect gas sales to increase by ¥46.2 billion or 4.6% to ¥1.0457 trillion in response to this, while sales in both gas appliance and contracted construction work will decline. However as we expect sales in other business to increase, we expect consolidated sales to rise by ¥42.1 billion or 3.1% to ¥1.419 trillion.

Meanwhile, because of factors such as the increase in operating expenses due to increase in raw material cost, the projection is envisaged as follows:

Operating income: down ¥49.3 billion (-30.4%) to ¥113.0 billion
 Ordinary income: down ¥51.0 billion (-32.7%) to ¥105.0 billion
 Net income: down ¥27.6 billion (-27.5%) to ¥73.0 billion

The ratios of consolidated income to parent company's income are shown below.

	Sales	Operating income	Ordinary income	Net income
FY2007	1.17	1.24	1.17	1.18

(2) Financial position

<Cash flow>

(Unit: billion yen)

	FY2006	FY2005	Change
Cash flow from operating activities	190.5	181.5	9.0
Cash flow from investing activities	-130.9	-116.0	-14.9
Cash flow from financing activities	-65.8	-83.0	17.2
Cash and cash equivalents during FY2006	-6.1	-17.5	11.4
Cash and cash equivalents at beginning of year	45.6	50.6	-5.0
Cash and cash equivalents due to expansion of consolidation	0.7	12.5	-11.8
Cash and cash equivalents at end of year	40.2	45.6	-5.4

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities amounted to ¥190.5 billion. This derived mainly from the progress of depreciation of fixed assets (amortization in FY2006 came to ¥128.9 billion).

b) Cash flow from investing activities

Cash and cash equivalents obtained as a result of investing activities amounted to ¥130.9 billion. This derived mainly from the acquisition of tangible fixed assets such as gas supply facilities (expenditure: ¥124.1 billion).

c) Cash flow from financing activities

Cash and cash equivalents obtained as a result of financing activities amounted to ¥65.8 billion. A total of ¥14.9 billion was raised through long-term debt, but the overall cash flow decreased due to the outflow of expenditure for the acquisition of treasury stock (¥34.6 billion), expenditure for repayment of long-term debt (¥26.7 billion), payment of dividend (¥18.7 billion), and decrease in short-term debt (¥6.5 billion).

<Cash Flow Indicators>

	FY2002	FY2003	FY2004	FY2005	FY2006
Equity ratio	34.6%	35.9%	38.9%	43.0%	47.0%
Equity ratio based on market value	61.0%	63.8%	68.6%	81.9%	105.3%
Number of years for debt repayment	3.4	3.1	2.9	3.1	2.8
Interest coverage ratio	12.2	14.5	16.5	15.9	18.6

Equity ratio: Equity capital / total assets

Equity ratio based on market value: total market price of shares / total assets

Number of years for debt repayment: Interest bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payments

-All calculation based on consolidated financial figures.

-Total market value of shares is calculated based on the number of shares as of the end of fiscal year (excluding treasury stocks)

-Cash flow means operating cash flow

-Interest bearing debt covers bonds, convertible bonds, long-term borrowings (all including debts due within one year), short term borrowings and commercial papers out of the interest bearing debt recorded on the balance sheet.

<Basic policy on the corporate profit allocation>

Over the five-year period of new medium-term plan (fiscal 2006 - 2010), the Group plans to use the cash flow resulting from steady execution of the plan for aggressive investment and financing in the total energy business, which is to empower the Group's sustained growth into the future, as well as for proper allocation of the fruits of the Group's business to its shareholders. More specifically, the Group has posted a 60-percent target for the ratio of total payout to shareholders (dividends plus treasury stock acquisition divided by previous net income).

Total payout ratio of year n = [(dividends from unappropriated profit in year n) + (amount of treasury stocks acquired in year n + 1)] / (consolidated net income in year n)

In accordance with the aforementioned perspective on overall propensity, we are planning to acquire up to 60 million shares of our own stock worth up to 39 billion yen during fiscal 2007, and expect to pay a dividend this term of 8 yen per share, up 1 yen from fiscal 2006. I should add that, in the future as well, we intend to continue paying stable dividends in line with this policy.

II. Management Policy

(1) Basic policy on corporate management

These days, the status of natural gas is rapidly rising in light of its environmentally-friendly features that mitigate global warming, its economic merit relative to oil as crude oil prices stay on high levels, and the convenience exemplified by its ability to accommodate demand in such forms as distributed power sources. Expectations and demands from communities and customers are anticipated to increase even further over the coming years.

Taking into account the aforementioned changes of management environment, the Group have formulated its new FY2006 - 2010 medium-term management plan, stating its new goal of establishing a total energy business. The new plan represents a further progression, and paves the way for the creation and cultivation of new natural gas markets. The Group aims to improve the value offered to the customers as well as contributing to development of local communities and improvement of global environment to become a corporate group which continuously grow and develop while always gaining trust from customers, shareholders, and society.

(2) Targeted management indicators (consolidated)

Operating cash flow (100 million yen)	<Five-year total from 2006 to 2010> 11,200	<FY2006 Result> 233.8
Return on Asset (ROA) (%)	<FY 2010 target> 5.5	<FY2006 Result> 5.9
Return on Equity (ROE) (%)	<FY 2010 target> 10.9	<FY2006 Result> 13.2
TEP* (100 million yen)	<FY 2010 target> 510	<FY2006 Result> 53.8

*Note: TEP (Tokyo Gas Economic Profit)

-Operating cash flow=net income + depreciation

-TEP = after-tax & pre-interest-payment profit – capital cost (interest-bearing debt cost + shareholder capital cost)

(Pre-condition) Capital cost ratio (WACC): 3.8 %

(3) Issues to be addressed by the company

With three key factors in operations: “establishment of total energy business with natural gas at the core”; “increase in the brand value”; and “structural reform” in order to achieve sustainable growth and development in the 2010s as a leading player of total energy business with natural gas at its core, the Group deals with following activities.

<Establishment of total energy business with natural gas at the core >

The Group plans to promote a total energy business through wider-area development of multi-energy supply with a competitive strength grounded in the LNG value chain and energy services one-stop supply of solutions that are backed by excellent technical and sales capabilities and truly satisfy customers.

In the residential sector, the Group offers customers a more comfortable and better life through TES/floor heating systems, the energy-saving highly efficient water heater “Eco-JOES”, the mist sauna “MiSTY”, the advanced gas cook top “Pipitto Konro”, and the home automation system “Remote PLUS.” In addition, LIFUEL (fuel cell) and

ECOWILL (gas engines), the cogeneration systems positioned them as residential power generation systems. The Group strives for the further diffusion of the system. For condominiums, besides cogeneration systems for supply of power to each unit, the Group supply one-stop solutions through combinations with HEATS, TES, Security, Remote PLUS, and Home Energy Management System..

In the energy sales field, the Group provides a diversity of value to its customers through one-stop multi-energy supply of LNG, LPG, electric power, and other energy grounded in the Group's city gas network. In terms of electric power business, in addition to Tokyo Gas Bay Power which is already in operation, Tokyo Gas Yokosuka Power is started its operation in fiscal 2006. The Group proceeds the plan of construction of Kawasaki Natural Gas Power Plant and Ohgishima Power while forming alliances with other corporate groups. The Group also actively promotes various energy services including on-site energy services, which is best-mix on-site combinations of energy and systems as well as facility management service, solutions covering the entire life cycle of facilities, from system selection to operation and maintenance for the customer.

In relation to multi-energy supply and wider-area development of energy services, the Group efficiently condition the pipeline network including the new construction of Chiba-Kashima Line as well as deepening its coordination with its wholesale buyers (surrounding city gas distributors) and LPG companies. Furthermore, for customers located far from gas pipelines, the Group proposes a switch to natural gas supplied by means such as LNG trucks as well as delivering LNG by utilizing coastal LNG carriers for the markets outside the 200-km radius of Kanto region to meet the needs of natural gas.

Tokyo Gas imported over 10 million ton. From the perspective of achieving more competitive LNG procurement, the Group shall achieve an effective LNG business linkage encompassing upstream gas fields, transportation, receiving terminals, and end-use gas supply (including businesses outside Japan) toward the goal of enhancing the LNG value chain. In addition to the commencement of purchasing of LNG from the Darwin and Sakhalin II projects, the Group plans to receive supplies from new projects such as the Gorgon and Pluto in Western Australia. While striving for more competitive LNG procurement in this way, the Group consider acquiring upstream interests. The Group plans to expand its own fleet of LNG carriers from five ships at present to seven by the end of fiscal 2010, and raise the FOB purchasing ratio to about 50 %. Thereafter, the Group contemplates further investment to expand its fleet to nine carriers and promote their extensive use to lower transportation cost and increase the Group's LNG trading business.

<Increase in the brand value>

It is our aspiration to remain a corporate group that continues to be trusted and preferred by customers and society as a whole, through steady approaches to fulfilling our social responsibilities. This is at the foundation of our efforts in terms of communication with customers to elevate the status of the Tokyo Gas brand under the watchwords "Safety, Security, and Reliability." To assure safety in particular, we are not only taking further measures for aged gas pipes and buried house pipes requiring response, but also making vigorous efforts in relation to gas equipment and appliances. For example, we are encouraging customers to switch to safer appliances, making fuller arrangements for safety checks, and developing equipment that is inherently safer.

<Structural reform>

For the purpose of building closer relations with each and every customer and making our penetration of the market even deeper, in April of this year, we launched a setup for customer services with deep local roots that are provided by All Tokyo Gas (the extended family of the Tokyo Gas Group.) As a remaining task, we are going to reorganize and consolidate the sales and service capabilities of our branches, Enesta, and the Tokyo Gas Customer Service Group. Specifically, we intend to establish new companies for one-stop provision of goods and services that help to endow lifestyles with more value. These new companies will be equipped with a unified setup for response grounded in the community, in close coordination with the members of All Tokyo Gas. We are starting preparations for them this fiscal year, and intend to establish them, one after the other, beginning in fiscal 2008.

<Consolidated Statements>

1. Consolidated balance sheet

(Unit: million yen)

Account	FY2006 (Mar. 31, 2007)	FY2005 (Mar. 31, 2006)	Change
(Assets)			
Fixed assets	1,371,576	1,391,882	-20,306
Tangible fixed assets	1,130,480	1,140,302	-9,822
Production facilities	207,751	216,123	-8,372
Distribution facilities	503,547	514,713	-11,166
Business facilities	64,012	59,461	4,551
Other facilities	301,503	298,951	2,552
Suspended facilities	874	984	-110
Construction in progress	52,790	50,068	2,722
Intangible fixed assets	24,068	23,649	419
Goodwill	1,396	-	1,396
Consolidation Adjust Account	-	2,504	-2,504
Other intangible fixed assets	22,671	21,144	1,527
Investments, etc.	217,027	227,931	-10,904
Investment securities	144,666	145,047	-381
Long-term loans receivable	3,778	3,553	225
Deferred tax assets	28,043	36,385	-8,342
Miscellaneous investments	41,289	43,668	-2,379
Allowances for doubtful accounts	-750	-724	-26
Current assets	321,058	302,016	19,042
Cash and deposits	42,616	49,116	-6,500
Notes and accounts receivable	166,382	147,059	19,323
Inventories	36,132	34,597	1,535
Deferred tax assets	11,989	12,765	-776
Other current assets	64,868	59,326	5,542
Allowances for doubtful accounts	-929	-848	-81
Total assets	1,692,635	1,693,898	-1,263

(Unit: million yen)

Account	FY2006 (Mar. 31, 2007)	FY2005 (Mar. 31, 2006)	Change
(Liabilities)			
Fixed liabilities	601,454	661,945	-60,491
Straight bonds	305,500	305,500	-
Convertible bonds	32,618	39,700	-7,082
Long-term bank loans payable	127,778	151,539	-23,761
Deferred tax liabilities	4,716	5,329	-613
Estimated retirement benefits	92,947	130,222	-37,275
Allowances for repairs of gas holders	3,437	3,229	208
Reserve for safety measures	5,427	-	5,427
Other fixed liabilities	29,029	26,424	2,605
Current liabilities	285,135	293,466	-8,331
Fixed liabilities due within one year	42,742	45,597	-2,855
Notes and accounts payable	59,728	76,925	-17,197
Short-term bank loans payable	10,954	17,670	-6,716
Corporation tax payable, etc.	43,854	33,527	10,327
Deferred tax liabilities	106	178	-72
Other current liabilities	127,748	119,566	8,182
Total liabilities	886,589	955,411	-68,822
Minority interest	-	10,255	-10,255
(Net assets)			
Shareholders' Equity	743,997	-	743,997
Paid in Capital	141,844	-	141,844
Capital Surplus	2,065	-	2,065
Returned earnings	644,652	-	644,652
Treasury Stock	-44,564	-	-44,564
Valuation and translation adjustments	51,103	-	51,103
Unrealized gains on other securities	49,706	-	49,706
Deferred loss on hedging instruments	1,095	-	1,095
Foreign currency translation adjustment	302	-	302
Shares of Minor Shareholders	10,944	-	10,944
Total net assets	806,045	-	806,045
(Shareholders' equity)			
Common stock	-	141,844	-141,844
Capital reserve	-	2,065	-2,065
Consolidated retained earnings	-	572,599	-572,599
Mark-up from revaluation of securities	-	56,510	-56,510
Translation adjustment account	-	51	-51
Treasury stock	-	-44,840	44,840
Total shareholders' equity	-	728,231	-728,231
Total liabilities, minority interest and shareholders' equity	1,692,635	1,693,898	-1,263

2. Consolidated statement of income

(Unit: million yen)

Account	FY2006 (Apr. 2006 to Mar. 2007)	FY2005 (Apr. 2005 to Mar. 2006)	Change
Sales	1,376,958	1,266,501	110,457
Cost of sales	799,468	724,503	74,965
(Gross profit)	(577,489)	(541,998)	(35,491)
Supply and sales expenses	343,962	352,388	-8,426
General and administrative expenses	71,211	77,263	-6,052
(Operating income)	(162,315)	(112,345)	(49,970)
Non-operating income	13,100	10,863	2,237
Interest income	155	58	97
Dividend income	1,895	1,391	504
Return on investment accounted for by equity method	1,347	693	654
Rental income	1,500	-	1,500
Balance on commodity derivatives	-	2,458	-2,458
Balance on weather derivatives	1,620	-	1,620
Contribution for gas pipeline construction for wholesale supply	1,488	-	1,488
Miscellaneous revenues	5,092	6,261	-1,169
Non-operating expenses	19,375	24,520	-5,145
Interest paid	10,369	11,014	-645
Balance on commissioned construction	-	3,016	-3,016
Loss on weather derivatives	-	5,666	-5,666
Miscellaneous expenditures	9,005	4,823	4,182
(Ordinary income)	(156,039)	(98,689)	(57,350)
Extraordinary income	13,750	7,601	6,149
Gain on sales of fixed assets	7,899	2,257	5,642
Gain on sales of investment securities	5,851	4,929	922
Gain on breakdown of retirement benefit reserve accompanying changes to corporate pension system	-	414	-414
Extraordinary losses	7,257	5,443	1,814
Loss from sale of fixed assets	29	17	12
Losses on compression of fixed assets	7,227	298	6,929
Loss on abandonment of a system project	-	5,127	-5,127
Net income before adjustment for tax, etc.	162,533	100,846	61,687
Corporation tax, residence tax and business tax	49,335	35,703	13,632
Adjustment for corporate taxes, etc.	11,711	2,497	9,214
Minority shareholder income (loss)	786	530	256
Net income	100,699	62,114	38,585

2. Consolidated Statements of Changes in Net Assets and Statements of consolidated retained earnings

[Consolidated Statements of Changes in Net Assets]

Current interim period (From April 1, 2006 to March 31, 2007)

(Unit: million yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained surplus	Treasury stock	Total shareholders' equity
Balance at Mar. 31, 2006	141,844	2,065	572,599	-44,840	671,669
Changes of items during the interim period					
Dividends from surplus			-18,772		-18,772
Directors' and corporate auditors bonuses			-67		-67
Net income			100,699		100,699
Disposal of treasury stock			-8,403	34,933	26,529
Repurchase of treasury stock				-34,658	-34,658
Increase of subsidiaries			-1,404		-1,404
Net changes of items other than shareholders' equity					
Total changes of items during the interim period	-	-	72,052	275	72,327
Balance at Mar.30, 2007	141,844	2,065	644,652	-44,564	743,997

	Valuation and translation adjustments				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Translation adjustments	Total valuation and translation adjustment		
Balance at Mar. 31, 2006	56,510	-	51	56,562	10,255	738,487
Changes of items during the interim period						
Dividends from surplus						-18,722
Directors' and corporate auditors bonuses						-67
Net income						100,699
Disposal of treasury stock						26,529
Repurchase of treasury stock						-34,658
Increase of subsidiaries						-1,404
Net changes of items other than shareholders' equity	-6,803	1,095	-250	-5,458	689	-4,769
Total changes of items during the interim period	-6,803	1,095	-250	-5,458	689	67,558
Balance at Mar. 31, 2007	49,706	1,095	-302	51,103	10,944	806,045

3. Statement of consolidated retained earnings

(Unit: million yen)

Account	FY2005 (Apr. 2005 - Mar.2006)	
(Capital surplus)		
Initial balance of capital surplus		2,067
Increase in capital surplus		
Net gain on disposal of treasury stock	-	-
Decrease in capital surplus		
Net loss on disposal of treasury stock	1	1
Balance of capital surplus at end of period		2,065
(Retained earnings)		
Initial balance of retained earnings		532,810
Increase in retained earnings		
Net Income	62,114	
Increase due to expansion in the scope of consolidation	4	62,119
Decrease in retained earnings		
Dividends	18,496	
Directors' bonuses	65	
Net loss on disposal of treasury stock	3,768	22,329
Balance of consolidated retained earnings at end of period		572,599

4. Consolidated statement of cash flows

(Unit: million yen)

Account	FY2006 (Apr. 2006 to Mar. 2007)	FY2005 (Apr. 2005 to Mar. 2006)	Change
I. Cash flow from operating activities			
Net income before adjustment for tax, etc.	162,533	100,846	61,687
Depreciation	128,998	132,300	-3,302
Impairment losses	4,144	4,076	68
Loss on retirement of tangible fixed assets	3,156	3,251	-95
Gain/loss on sale of fixed assets	-7,903	-2,220	-5,683
Loss on advanced depreciation deduction	7,227	-	7,227
Income/loss on sale of investment securities	-5,851	-4,929	-922
Gain/loss on revaluation of investments in securities	595	-	595
Change in allowances for doubtful accounts	-	-1,100	1,100
Change in provision for retirement benefits	-37,274	-11,189	-26,085
Increase or decrease in reserve for safety measure	5,427	-	5,427
Interest and dividends earned	-2,050	-1,449	-601
Interest paid	10,369	11,014	-645
Income from a company by equity method	-1,347	-693	-654
Change in accounts receivable	-17,369	-7,101	-10,268
Change in inventories	-1,535	-9,170	7,635
Change in accounts payable	-14,075	23,122	-37,197
Change in consumption tax payable	4,450	-2,080	6,530
Change in prepaid expenses	-	-528	528
Change in uncollected balance	-	-1,551	1,551
Loss from abandonment of a system project	-	4,517	-4,517
Other	-1,339	-1,076	-263
Sub-total	238,156	236,036	2,120
Proceeds from interest and dividends	2,010	1,445	565
Payment of interest	-10,243	-11,409	1,166
Payment of corporation tax, etc.	-39,326	-44,542	5,216
Cash flow from operating activities	190,597	181,529	9,068
II. Cash flow from investing activities			
Payments for a fixed deposits	-5,517	-	-5,517
Proceed from drawing fixed deposits	6,616	-	6,616
Purchases of investment securities	-12,625	-7,564	-5,061
Proceeds from sale of investment securities, etc.	9,911	5,219	4,692
Purchases of tangible fixed assets	-124,173	-110,993	-13,180
Purchases of intangible fixed assets	-8,611	-4,950	-3,661
Spending on long-term prepaid expenses	-2,471	-2,502	31
Proceeds from sale of fixed assets	5,985	6,598	-613
Proceeds from sale of consolidated subsidiary	-	678	-678
Expenditures based on lending for long-term loans	-840	-1,572	732
Other	803	-984	1,787
Cash flow from investing activities	-130,922	-116,071	-14,851
III. Cash flow from financing activities			
Net decrease in short-term debt	-6,522	-8,684	2,162
Net change in commercial paper	6,000	-	6,000
Proceeds from long-term debt	14,934	16,997	-2,063
Payments for long-term debt	-26,790	-34,100	7,310
Payments for redemption of bonds	-196	-18,333	18,137
Payment to minority shareholders on account of capital reduction	9	-	9
Payment for share refundment to minority shareholders	-70	-	-70
Proceeds from sale of treasury stock	323	26	297
Payments for acquiring treasury stock	-34,658	-20,355	-14,303
Dividend payments	-18,780	-18,497	-283
Payment of dividends to minority shareholders	-92	-93	1
Cash flow from financing activities	-65,843	-83,041	17,198
IV. Difference due to conversion of cash and cash equivalents	9	4	5
V. Change in cash and cash equivalents	-6,159	-17,578	11,419
VI. Cash and cash equivalents at beginning of year	45,633	50,664	-5,031
VII. Increase in cash and cash equivalents			

	due to new consolidation	799	12,547	-11,748
VIII. Decrease in cash and cash equivalents excluding subsidiaries		-42	-	-42
IX. Cash and cash equivalents at end of year		40,231	45,633	-5,402

5. Segment information

(1) Segment information by category of business

(Unit: million yen)

		Gas	Gas appliances	Contracted construction work	Building lease	Other business	Total	Corporate and eliminations	Consolidated
Current year	I. Sales and operating income (loss)								
	Sales								
	(1) External sales	976,358	132,741	55,526	11,933	200,397	1,376,958	-	1,376,958
	(2) Intersegment sales and transfers	23,162	2,665	3,702	22,101	85,009	136,641	(136,641)	-
	Total	999,521	135,407	59,229	34,034	285,407	1,513,599	(136,641)	1,376,958
	Operating expenses	795,954	134,237	57,478	27,303	271,559	1,286,534	(71,891)	1,214,643
	Operating income (loss)	203,566	1,169	1,750	6,731	13,847	227,065	(64,750)	162,315
Previous year	II. Assets, depreciation expenses and capital expenditures								
	Assets	1,009,880	46,186	20,618	185,909	248,138	1,510,734	181,901	1,692,635
	Depreciation expenses	97,969	544	164	10,399	21,951	131,029	(2,031)	128,998
	Impairment loss	-	-	-	-	-	-	-	-
	Capital expenditures	83,449	575	64	3,331	37,495	124,916	(2,831)	122,084
	I. Sales and operating income (loss)								
	Sales								
(1) External sales	898,553	128,376	55,771	11,054	172,745	1,266,501	-	1,266,501	
(2) Intersegment sales and transfers	11,767	2,449	3,975	23,132	79,850	121,175	(121,175)	-	
Total	910,320	130,825	59,746	34,187	252,595	1,387,676	(121,175)	1,266,501	
Operating expenses	750,300	126,208	56,771	28,728	242,948	1,204,957	(50,801)	1,154,155	
Operating income (loss)	160,020	4,617	2,975	5,459	9,647	182,719	(70,373)	112,345	
II. Assets, depreciation expenses, and capital expenditures									
Assets	1,013,053	43,075	19,718	193,712	228,085	1,497,645	196,253	1,693,898	
Depreciation expenses	100,788	485	184	11,339	21,420	134,218	(1,917)	132,300	
Impairment loss	-	-	-	-	-	-	-	-	
Capital expenditures	88,216	804	36	2,850	26,596	118,503	(1,571)	116,932	

Notes

1. Classification of business categories and main products in each category of business

Business categories are classified by aggregate sale category in accordance with the Gas Business Accounting Regulations.

Business categories	Main products
Gas	Gas
Gas appliances	Gas appliances
Contracted construction work	Gas construction work
Building lease	Lease and management of buildings, etc.
Other businesses	District heating and cooling, coke, LPG, petroleum products, credit leases, system integration, general engineering

2. The main unapportionable operating expenses included under "corporate and eliminations" are general expenses relating to the administration department of the company submitting the consolidated financial statements.

FY2006: ¥65,391 million (FY2005: ¥71,569 million)

3. In the category of assets, the main company-wide assets included under "corporate and eliminations" are surplus operating funds (cash and cash equivalents), deferred tax assets, and long-term investment capital (investment securities).

FY2006: ¥223,418 million (FY2005: ¥239,031 million)

(2) Segment information by location

Not applicable due to insignificance of overseas consolidated subsidiaries.

(3) Overseas sales

Not included due to insignificance of overseas sales as a proportion of consolidated sales.

➤ **Supplementary information of performance indicator**

	FY2006	FY2005
	(Unit: yen)	(Unit: yen)
1. Shareholders' equity per share	293.11	270.46
2. Earnings per share	37.50	23.48
3. Earnings per share adjusted for latent shares	35.69	21.70

-Basis for calculation

	FY2006	FY2005
Earnings per share		
Net income(million yen)	100,699	62,114
Not attributable to common shareholders (million yen)	-	67
-Directors' bonuses paid (million yen)	-	67
Net income attributable to common shareholders	100,699	62,047
Average number of common shares outstanding (thousand of shares)	2,685,453	2,642,314
Net earnings per share adjusted for latent shares		
Net income adjusted for latent shares (million yen)	306	515
-Interest expense after tax(million yen)	303	509
Number of increase in common shares (thousand of shares)	144,718	240,724
-CB (thousand of shares)	144,718	240,724
Latent shares which do not have the dilution effect	-	-

➤ **Subsequent events**

(1) **Acquisitions of treasury stock**

The Directors' meeting held on April 26, 2007 approved the acquisition of treasury stock

-Number of shares: Limited to 60,000,000 shares

-Cost of shares acquisitions: Limited to ¥39,000 million

-Period of acquisitions: April 27, 2007 - March 31, 2008

5. Non-Consolidated results for FY2006 ended March 2007 (April 1, 2006 - March 31, 2007)

1) Balance Sheet

(Unit: million yen)

Account	FY2006 (ended March 31, 2007)	FY2005 (ended March 31, 2006)	Change
(Assets)			
Fixed assets	1,135,534	1,161,187	-25,653
Tangible fixed assets	789,468	811,322	-21,854
Production facilities	207,999	216,309	-8,310
Distribution facilities	483,764	499,633	-15,869
Business facilities	60,348	56,075	4,273
Associated business facilities	4,511	4,984	-473
Suspended facilities	874	984	-110
Construction in progress	31,970	33,336	-1,366
Intangible fixed assets	17,914	16,453	1,461
Leaseholds	1,197	1,187	10
Software	16,067	14,569	1,498
Other intangible fixed assets	649	696	-47
Investments, etc.	328,150	333,411	-5,261
Investment securities	96,967	101,021	-4,054
Investments in affiliates	107,625	101,215	6,410
Long-term loans receivable	190	185	5
Long-term loans to affiliates	72,269	68,880	3,389
Investments in partnership	3	3	0
Long-term prepaid expenses	28,981	31,706	-2,725
Deferred tax assets	18,751	27,505	-8,754
Miscellaneous investments	3,881	3,500	381
Allowances for doubtful accounts	-519	-608	89
Current assets	246,724	235,540	11,184
Cash and deposits	23,141	31,688	-8,547
Trade notes receivable	1,209	1,199	10
Accounts receivable	107,223	93,882	13,341
Accounts receivable from affiliates	14,190	12,242	1,948
Uncollected accounts	10,319	11,066	-747
Negotiable securities	1	1	0
Finished products	86	89	-3
Raw materials	21,933	21,777	156
Supplies	6,891	6,595	296
Prepaid expenses	304	214	90
Short-term CMS lending to affiliates	15,452	-	15,452
Short-term credits against affiliates	1,972	15,855	-13,883
Deferred tax assets	8,690	9,660	-970
Other current assets	36,187	32,178	4,009
Allowances for doubtful accounts	-881	-911	30
Total assets	1,382,259	1,396,728	-14,469

(Unit: million yen)

Account	FY2006 (ended March 31, 2007)	FY2005 (ended March 31, 2006)	Change
(Liabilities)			
Fixed liabilities	452,828	514,148	-61,320
Straight bonds	287,700	287,700	0
Convertible bonds	32,618	39,700	-7,082
Long-term bank loans payable	33,704	56,749	-23,045
Long-term obligations to affiliates	333	337	-4
Retirement benefit reserve	81,765	119,024	-37,259
Allowances for repairs of gas holders	3,144	3,069	75
Reserve for safety measures	5,315	-	5,315
Other fixed liabilities	8,247	7,568	679
Current liabilities	226,257	239,626	-13,369
Fixed liabilities due within one year	22,984	27,029	-4,045
Accounts payable	23,988	42,360	-18,372
Other accounts payable	35,870	28,611	7,259
Accrued expenses	37,058	40,412	-3,354
Corporation tax payable, etc.	38,180	29,353	8,827
Advances received	4,362	4,733	-371
Deposits received	2,219	1,714	505
CMS short-term borrowings from affiliates	31,308	33,029	-1,721
Short-term obligations to affiliates	18,600	19,024	-424
Other current liabilities	11,684	13,358	-1,674
Total liabilities	679,085	753,775	-74,690
Net Assets			
Shareholders' equity	659,372	-	659,372
Common stock	141,844	-	141,844
Common stock	141,844	-	141,844
Capital surplus	2,065	-	2,065
Capital reserve	2,065	-	2,065
Earned surplus	560,027	-	560,027
Earned surplus reserve	35,454	-	35,454
Other retained earnings	524,573	-	524,573
Expropriation etc. compression reserve	910	-	910
Reserve against depreciation of construction of specified gas pipes	712	-	712
Raw material cost fluctuation adjustment reserve	141,000	-	141,000
General reserves	249,000	-	249,000
Earned surplus carried forward	132,950	-	132,950
Treasury stock	-44,564	-	-44,564
Treasury stock	-44,564	-	-44,564
Variance of the estimate and the exchange rate	43,800	-	43,800
Unrealized gains on other securities	42,597	-	42,597
Gain or loss on deferred hedge	1,202	-	1,202
Total Net assets	703,173	-	703,173
Total Liabilities, Minority Interest, and Shareholders' Equity	1,382,259	-	1,382,259
(Shareholders' equity)			
Common stock	-	141,844	-141,844
Common stock	-	141,844	-141,844
Capital surplus	-	2,065	-2,065
Capital reserve	-	2,065	-2,065
Earned surplus	-	494,930	-494,930
Earned surplus reserve	-	35,454	-35,454

Expropriation etc. compression reserve	-	954	-954
Reserve against depreciation of construction of specified gas pipes	-	1,954	-1,954
Raw material cost fluctuation adjustment reserve	-	141,000	-141,000
General reserves	-	219,000	-219,000
Unappropriated profits of current year	-	96,567	-96,567
Unrealized gains on shares, etc. available for sale	-	48,952	-48,952
Unrealized gains on other securities	-	48,952	-48,952
Treasury stock	-	-44,840	44,840
Treasury stock	-	-44,840	44,840
Total shareholders' equity	-	642,953	-642,953
Total liabilities and shareholders' equity	-	1,396,728	-1,396,728

2) Statement of Income

(Unit: million yen)

Account		FY2006 (Apr. 2006-Mar. 2007)	FY2005 (Apr. 2005-Mar.2006)	Change			
Ordinary income or loss	Operating income or loss	Product sales	980,869	896,613	84,256		
		Gas sales	980,869	896,613	84,256		
		Cost of sales	474,069	422,158	51,911		
		(Gross profit)	(506,800)	(474,455)	(32,345)		
		Supply and sales expenses	298,634	309,710	-11,076		
		General and administrative expenses	74,607	80,575	-5,968		
		(Profit on gas sales)	(133,558)	(84,169)	(49,389)		
		Miscellaneous operating revenues	162,587	162,086	501		
		Income of construction work received	51,037	52,287	-1,250		
		Revenues from sales of gas appliances	110,723	109,291	1,432		
		Other revenues	827	507	320		
		Miscellaneous operating expenses	160,597	155,786	4,811		
		Cost of construction work	49,480	50,025	-545		
		Cost of sales of gas appliances	111,117	105,760	5,357		
		Revenues from associated business	28,729	19,408	9,321		
		Revenue from LNG sales	8,677	3,521	5,156		
		Revenue from remote control services	-	2,316	-2,316		
		Revenue from power sales	5,020	4,202	818		
		Revenue from other associated business	15,031	9,367	5,664		
		Expenses for associated business	27,499	18,888	8,611		
		Expense for LNG sales	8,036	3,441	4,595		
		Expense for remote control services	-	1,419	-1,419		
		Expense for power sales	5,010	4,325	685		
		Expenses for other associated business	14,452	9,701	4,751		
		(Operating income)	(136,778)	(90,990)	(45,788)		
		Ordinary income or loss	Non-operating income or loss	Non-operating income	15,900	13,831	2,069
				Interest income	1,283	1,076	207
Divided income	2,561			1,836	725		
Rental income	4,413			3,696	444		
Balance on commodity derivatives	-			2,458	-2,458		
Balance on weather derivatives	1,610			-	1,610		
Contribution for gas pipeline construction for wholesale supply	1,914			-	1,914		
Miscellaneous revenues	4,117			4,490	-373		
Non-operating expenses	12,855			19,732	-6,877		
Interest paid	1,424			1,595	-171		
Interest on bonds	5,979			6,635	-656		
Balance on commissioned construction	-			3,122	-3,122		
Balance on weather derivatives	-			5,660	-5,660		
Miscellaneous expenditures	5,451			2,718	2,733		
(Ordinary income)		(139,823)	(85,089)	(54,734)			
Extraordinary income or loss	Extraordinary incomes	Extraordinary incomes	13,604	5,671	7,933		
		Gain on sales of fixed assets	7,756	867	6,889		
		Gain on sales of investment securities	5,847	4,804	1,043		
		Extraordinary losses	7,228	5,887	1,341		
		Losses on sales of fixed assets	-	13	-13		
		Losses on compression of fixed assets	7,227	298	6,929		
Loss on abandonment of a system project	-	5,576	-5,576				
(Net income before income tax)		(146,199)	(84,873)	(61,326)			
Corporate taxes etc.		41,210	28,970	12,240			
Adjustment for corporate tax, etc.		12,648	603	12,045			
Net income		92,340	55,299	37,041			
Retained earnings at the beginning of period		-	54,231	-			
Breakdown of expropriation, etc., compression reserve		-	22	-			
Quotation difference losses on disposal of treasury stock		-	3,768	-			
Mid-term dividend		-	9,218	-			
Unappropriated income at the end of period		-	96,567	-			

Notes: 1. Figures in the sales column for "Results for FY2006 ended March 2007: (1) Business performance" are the total of product sales, miscellaneous operating revenues, and revenues from associated businesses.

3) Non-consolidated Statements of Changes in Net Assets

(Unit: million yen)

Current interim period (From April 1st, 2006 to September 30th, 2006)

	Shareholders' Equity											
	Paid-in capital	Capital Surplus		Earned surplus reserve	Retained earnings						Treasury Stock	Total Shareholders' Equity
		Capital reserve	Total earned surplus		Other retained earnings					Total retained earnings		
					Expropriation etc., compression reserve	Reserve against depreciation of construction of specified gas pipes	Returned earnings Raw material cost fluctuation adjustment reserve	General reserves	Deferred retained earnings			
Balance at March. 31, 2006	141,844	2,065	2,065	35,454	954	1,954	141,000	219,000	96,567	494,930	-44,840	594,000
Changes of items during the interim period												
Reversal of Expropriation etc., compression reserve					-43				43			-
*Reversal of reserve against depreciation of construction of specified gas pipes						-621			621			
Reversal of reserve against depreciation of construction of specified gas pipes						-621			621			-
*General reserves								30,000	-30,000			-
*Dividends from surplus									-9,423	-9,423		-9,423
Dividends from surplus									-9,349	-9,349		-9,349
*Directors' and corporate auditors bonuses									-67	-67		-67
Net income									92,340	92,340		92,340
Repurchase of treasury stock											-34,658	-34,658
Disposal of treasury stock									-8,403	-8,403	34,933	26,529
Net changes of items other than owners' equity												
Total changes of items during the interim period					-43	-1,242		30,000	36,383	65,097	275	65,372
Balance at March.31, 2007	141,844	2,065	2,065	35,454	910	712	141,000	249,000	132,950	560,027	-44,564	659,372

Note: * Proposed profit distribution in general meeting in June, 2006.

	Valuation and translation of Adjustments			Total net asset
	Value Adjustments of Securities	Deferred loss on hedging instruments	Total value Adjustments of Securities	
Balance at March.31, 2006	48,952	-	48,952	642,953
Changes of items during the interim period				
Reversal of Expropriation etc., compression reserve				-
*Reversal of reserve against depreciation of construction of specified gas pipes				-
Reversal of reserve against depreciation of construction of specified gas pipes				-
*General reserves				-
*Dividends from surplus				-9,423
Dividends from surplus				-9,349
*Directors' and corporate auditors bonuses				-67
Net income				92,340
Repurchase of treasury stock				-34,658
Disposal of treasury stock				26,529
Net changes of items other than owners' equity	-6,355	1,202	-5,152	-5,152
Total changes of items during the interim period	-6,355	1,202	-5,152	60,220
Balance at September.30, 2006	42,597	1,202	43,800	703,173

Note: * Proposed profit distribution in general meeting in June, 2006.

<Proposed profit distribution>

(Unit: million yen)

Items	FY2005 (Apr. 2005-Mar. 2006)
Unappropriated earnings at the end of year	96,567
Deduction from the reserve against depreciation of construction of specified gas pipes	621
Total	97,188
Profit distribution	
Dividends	9,423 (¥3.5 per share)
Bonuses for directors	67
General reserves	30,000
Retained earnings forward to the next term	57,698

(Reference)

<Gas sales for FY2006>

		FY2006 (actual)	FY2005 (actual)	Change	% change		
No. of customers	Thousand	9,955	9,818	137	1.4		
Gas sales volume	Residential	m ³	33.36	35.01	-1.65	-4.7	
		Mil. m ³	3,356	3,468	-112	-3.2	
	Business	Commercial	Mil. m ³	1,963	2,036	-73	-3.6
		Other	Mil. m ³	867	927	-60	-6.4
	Industrial	Mil. m ³	5,232	4,965	267	5.4	
	Sub total	Mil. m ³	8,062	7,928	134	1.7	
	Wholesale to other utilities	Mil. m ³	1,770	1,628	142	8.7	
Total	Mil. m³	13,188	13,024	164	1.3		
Average temperature	°C	16.8	16.2	0.6	-		

- Notes: 1. The upper row of figures for residential demand indicates gas sales per meter read (m³/household/month)
 2. "Other" for business demand indicates sales to public and medical institutions.
 3. Gas sales volumes are on the basis of 45MJ/ m³

<FY2006 balance of payments >

(Unit: billion yen)

Income			Change from previous year	Rate (%)	Expenses		Change from previous year	Rate (%)	
Product	Gas sales	9,808	842	9.4	Operating expenses	Cost of sales	4,740	519	12.3
						Sales and administrative expenses	3,732	-170	-4.4
						Subtotal	8,473	349	4.3
Other sales	Construction orders	510	-12	-2.4	Other expenses	Construction orders	494	-6	-1.1
	Gas appliances, etc.	1,115	18	1.6		Gas appliances	1,111	54	5.1
	Associated businesses	287	93	48.0		Subsidiary businesses	274	86	45.6
	Subtotal	1,913	99	5.4		Subtotal	1,880	134	7.7
Total sales		11,721	940	8.7	Total expenses		10,354	483	4.9
					Operating profit		1,367	458	50.3
Non-operating income		159	21	15.0	Non-operating expenses		128	-69	-34.9
					Ordinary profit		1,398	548	64.3
Extraordinary profit		136	80	139.9	Extraordinary loss		72	14	22.8
					Net Income		923	371	67.0

(Rounded down to nearest ¥100 million)

Notes: [1] Cost of sales includes cost of raw materials is ¥450.4 billion (increase by ¥ 55.3billion, or +14.0%, from the previous year).

[2] Non-operating expenses include interest expenses is ¥7.4billion (decrease by ¥0.8 billion, or- 10.0%, from the previous year).

Crude-oil price (\$/bbl)	FY2006	FY2005	Change	¥/\$ rate	FY2006	FY2005	Change
	63.45	55.81	7.64		¥/\$ rate	116.97	113.32

(3) Capital expenses

The tables below present figures for capital investment in FY2006 and FY2007.

(Unit: hundred million yen)

	FY2005 (actual)		FY2006 (actual)		FY2007 (projection)	
		(%)		(%)		(%)
Production facilities	54	6.4	59	6.7	93	9.7
Distribution facilities	561	65.4	653	73.6	722	74.7
Business facilities	222	25.9	175	19.7	139	14.5
Associated business facilities	19	2.3	0	0.0	10	1.1
Total	858	100.0	887	100.0	966	100.0

(Unit: hundred million yen)

Terminal-related facilities (production facilities)	FY2005 (actual)	FY2006(actual)	FY2007 (projection)
Sodegaura Terminal	24	22	24
Negishi Terminal	12	5	7
Ohgishima Terminal	11	21	37
Total	47	48	68
Mains and branches (distribution facilities)	FY2005(actual)	FY2006 (actual)	FY2007(projection)
Demand-development mains and branches	(695km) 226	(661km) 258	(710km) 293
Safety measure mains and branches	(130km) 91	(210km) 119	(212km) 122
Planned mains and branches	(22km) 77	(39km) 108	(65km) 136
Urban development mains and branches	(69km) 18	(68km) 25	(67km) 11
Total	(916km) 414	(978km) 511	(1,054km) 564

2. Outlook for FY2007 (Non-consolidated)

(Unit: billion yen)

	Sales		Operating Income	Ordinary Income	Net income	
	Gas Sales	Others				
FY2007 (projection)	12,180	10,240	1,940	910	900	620
FY2006 (actual)	11,721	9,808	1,913	1,367	1,398	923
Change	459	432	27	-457	-498	-303
Rate of change	3.9%	4.4%	1.4%	-33.5%	-35.6%	-32.9%

<Gas sales projection for FY2007>

			FY2007 (projection)	FY2006 (actual)	Change	Rate of change (%)	
No. of gas customers		Thousand	10,084	9,955	129	1.3	
Gas sales volume	Residential	Mil. m ³	3,425	3,356	69	2.0	
	Business	Commercial	Mil. m ³	2,018	1,963	55	2.8
		Other	Mil. m ³	909	867	42	4.8
	Industrial	Mil. m ³	5,418	5,232	186	3.6	
	Sub total	Mil. m ³	8,345	8,062	283	3.5	
	Supplies to other utilities	Mil. m ³	1,960	1,770	190	10.7	
	Total	Mil. m ³	13,730	13,188	542	4.1	
Ave. temperature	°C		16.8	16.8	0.0	-	
Crude oil price	\$/bbl		55.00	63.45	-8.45	-13.3	
Exchange rate	¥/\$		120.00	116.97	3.03	2.6	