

# Summary of Consolidated 3<sup>rd</sup> Quarter Results

## FY2008 ending March 2009

### Tokyo Gas Co., Ltd.

Code No.: 9531

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange  
(URL <http://www.tokyo-gas.co.jp/>)

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Starting date of dividend: February 16, 2009

## 1. Summary of 3<sup>rd</sup> Quarter Results for FY2008 ending March 2009 (April 1, 2008 – Dec. 31, 2008)

### (1) Consolidated Business Results

(Rounded down to the nearest million yen)

	Sales	Operating Income	Ordinary Income	Net Income
	(Unit: million yen) (%)			
3rd Quarter of FY2008	1,161,370 -	-13,980 -	-18,074 -	-7,377 -
3rd Quarter of FY2007	1,000,925 6.7	23,461 -75.2	22,224 -74.8	12,786 -78.5

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
3rd Quarter of FY2008	-2.78	-
3rd Quarter of FY2007	4.79	4.69

### (2) Changes in Consolidated Financial Position

	Total Assets	Net Asset	Equity Ratio	Book-value per Share
	(Unit: million yen)	(Unit: million yen)	(Unit: %)	(Unit: yen)
3rd Quarter of FY2008	1,829,080	727,529	39.1	266.05
FY2007	1,703,651	780,455	45.1	289.49

Reference: Tangible net worth 3<sup>rd</sup> Quarter of FY 2008 ending December 2008: 715,748 million yen  
FY 2007 ending March 2008: 769,072 million yen

## 2. Dividend

Record date	Dividend per share				
	End of 1 <sup>st</sup> Quarter	End of 2 <sup>nd</sup> Quarter	End of 3 <sup>rd</sup> Quarter	End of 4 <sup>th</sup> Quarter	Full year
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2008	-	4.00	-	4.00	8.00
FY2009	-	4.00	-	-	-
FY 2009 (Forecast)	-	-	-	4.00	8.00

\* Revisions to the quarter's dividend forecasts: No

## 3. Consolidated results forecast for the year ending March 2009 (April 1, 2008 - March 31, 2009)

(% of Full year is versus previous fiscal year)

	Sales	Operating Income	Ordinary Income	Net Income	Net earnings per share
	(Unit: billion yen) (%)	(Unit: yen)			
Full year	1,699.0 14.2	50.0 -28.6	42.0 -37.2	33.0 -22.3	12.27

\* Revisions to the quarter's consolidated forecasts: Yes

#### 4. Note

- (1) Changes in major consolidated subsidiaries (yes/no): No
- (2) Application of simple accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation: Yes

\*Please see page 3, [Quantitative information and financial statements, etc.] 4. Note in detail.

- (3) Changes in accounting treatment principles, procedures and expressions related to quarterly consolidated financial statement preparation (entries of changes in material matters that are basic to preparation of quarterly consolidated financial statements)

-Changes accompanied by reform of accounting standards: Yes

-Other changes: Yes

\*Please see page 3, [Quantitative information and financial statements, etc.] 4. Note in detail.

- (4) Number of outstanding shares

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

3rd Quarter of FY2008 ended Dec. 2008 2,717,571,295shares

FY 2007 ended March 2008 2,741,571,295shares

- Number of treasury stocks at year end :

3rd Quarter of FY2008 ended Dec. 2008 27,294,177shares

FY 2007 ended March 2008 84,937,500shares

- Average number of shares outstanding :

3rd Quarter of FY2008 ended Dec. 2008 2,657,487,324shares

3rd Quarter of FY2007 ended Dec. 2007 2,669,200,510shares

\* Explanations and other matters of special note in regard to appropriate use of business results forecasts

1. Consolidated business results forecasts released on October 31, 2008 are revised. The above forecasts were prepared based on information obtainable as of the date of release of this document. Going forward, due to a variety of factors actual results may differ from the estimated values. In regard to matters related to the above forecasts, refer to Page 3, [Quantitative information and financial statements, etc.] 3. Quantitative information about consolidated business results forecast.
2. Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements" (Corporate accounting standards No. 12) and "Accounting standards implementation guidance for quarterly financial statements" (Corporate accounting standards implementation guidance No. 14) are applied. Quarterly consolidated financial statements are prepared in accordance with "Quarterly consolidated financial statement rules."

**\*Reference: Non-consolidated Forecast for the Year Ending March 2009 (April 1, 2008 - March 31, 2009)**

	Sales	Operating Income	Ordinary Income	Net Income	Net earnings per share
Full year	(Unit: billion yen) 1,460.0	(Unit: billion yen) 28.0	(Unit: billion yen) 25.0	(Unit: billion yen) 17.0	(Unit: yen) 6.32

Business results forecasts are revised. The above forecasts are that of after revised.

## < Business performance and financial position, etc.>

### 1. Qualitative information about consolidated business performance

Although demand in industrial sector and wholesale market increased, residential and commercial sector gas sales volume decreased for the third-quarter (April - December 2008). The gas sales volume stayed at 1.3% increase compared to the third-quarter of fiscal 2007 to 10.055 billion m<sup>3</sup>.

Gas sales increased 19.1% to ¥ 865.8 billion.

With the increase in gas sales, consolidated sales overall rose 16.0% to ¥ 1.1613 trillion.

On the other hand, operating expenses rose 20.2% to ¥ 1.1753 trillion because of the increase in gas resource costs despite our continuous efforts to control costs in order to promote even greater business efficiency.

Overall, operating income decreased ¥37.3 billion over the same quarter of fiscal 2007 to -¥13.9 billion, and ordinary income was down ¥40.2 billion to -¥18.0 billion.

In addition, extraordinary profits of ¥7.8 billion were posted on the application of lease accounting standards, and ¥1.5 billion on reorganization of the health and welfare pension fund. Deduction of corporate and other taxes resulted in a quarterly net profit decline of ¥20.0 billion to -¥7.3 billion.

Since gas is characterized by clear seasonal fluctuations and accounts for a high proportion of group sales, temperature, etc. affects our seasonal sales.

### 2. Qualitative information about consolidated financial position

Relative to end-March 2008, there were declines in the balances of fixed assets by depreciation, but with aggregate increases in the balances of LNG, other gas resources and consumable supplies, as well as that of cash and deposits, aggregating ¥125.4 billion, net assets totaled ¥1.829 trillion.

Dividend of surplus (¥21.2 billion), other marketable securities valuation difference (-¥17.9 billion) and deferred loss on hedging instruments (-¥10.5 billion) were negative effects for net assets which resulted to ¥727.5 billion.

Relative to the rate of increase in total assets, that of equity capital (the total of shareholder capital and valuation, conversion and other amounts) decreased, resulting in a 6.0 point decline in the equity capital ratio to 39.1%.

Net assets per share decreased by ¥23.44 to ¥266.05.

### 3. Qualitative information about consolidated results forecast

Compared with our consolidated results forecast published in our FY 2008, 2nd Quarter Results Bulletin released on Oct. 31, 2008. We have changed the economic framework, that is, the projected crude oil price to be 91.29\$/bbl (Average 50\$/bbl from Jan.2009). As for currency rate, we have not changed from previous projection, which is ¥95/\$ from January onwards, thus the average currency rate will be ¥100.94/\$ for FY2008.

As a result, reflecting mainly the changes in financial results of Tokyo Gas Co., Ltd., we forecast total sales of ¥1.6990 trillion (down by ¥82.0 billion) but improvement from the previous projection in operating income of ¥50 billion (increase by ¥40 billion), ordinary income of ¥ 42 billion (increase by ¥ 38 billion), and net income of ¥33 billion (increase by ¥ 24 billion) respectively.

As for the con-consolidated results, we have changed our forecast published in our FY2008, 2nd Quarter Results Bulletin released on Oct. 31, 2008. The total sales will decline by ¥70 billion to ¥1.46trillion due to decline in gas sales by ¥56 billion, reflecting the gas rate based on the gas cost slide time lag which includes adjustment of gas cost of regulated tariff to be conducted in January 2009 – March 2009 as well as lower gas sales volume(-2.8%). Whereas, the gas cost will decline by ¥98.4 billion, resulting in decrease in total cost by ¥109 billion.

As a result, we forecast increase in operating income of ¥28 billion (increase by ¥39 billion), ordinary income of ¥25 billion (increase by ¥38 billion) and net income of ¥17 billion (increase by ¥23 billion) respectively.

### 4. Note

(1) Changes in principal subsidiaries during the period (changes in designated subsidiaries due to changes in scope of consolidation):None applicable

(2) Application of simple accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation

1) Simple accounting treatment

Calculation of default estimate for general obligations (loans to debtors with no serious management problems)

When it is deemed that there is no material change in the default ratio and other calculations vs. the

previous consolidated accounting year end, we adopt the method of computation of the general obligation default estimate using rational standards for the ratio computed in the previous consolidated fiscal year.

#### Valuation of inventory assets

We estimate net sale prices only when profitability clearly declines due to inventory asset book value reductions, and adopt the book value reduction method.

#### Calculation of corporate and other taxes, tax carry forward assets and tax carry forward liabilities

In judging the recoverability of tax carry forward assets, when it is deemed that there are no material changes in the management environment and temporary variances since the previous consolidated fiscal year end, we use the previous year's future business results forecasts and tax planning.

### 2) Accounting treatment peculiar to quarterly consolidated financial statement preparation

#### Computation of tax expenses

After application of tax effect accounting to the year's net profit before tax and other adjustments, including the first consolidated accounting quarter, we estimate the effective tax rate rationally and multiply the pretax quarterly net profit (cumulative) by that rate.

### (3) Changes in accounting treatment principles, procedures and expressions related to quarterly consolidated financial statement preparation

#### 1) Quarterly consolidated financial statements

Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements" (Corporate accounting standards No. 12, March 14, 2007) and "Accounting standards implementation guidance for quarterly financial statements" (Corporate accounting standards implementation guidance No. 14, March 14, 2007) are applied. Quarterly consolidated financial statements are prepared based on "Rules related to quarterly consolidated financial statement terminology, format and preparation methods" (hereinafter "Rules").

#### 2) Changes in important asset valuation standards and methods

##### Inventory assets

Heretofore the moving average-derived cost price method has been principally used for inventory asset valuation, but beginning in this first consolidated accounting quarter, in conjunction with application of "Accounting standards for inventory asset valuation" (Corporate accounting standards No. 9, July 5, 2006), this is calculated mainly by the moving average-derived cost price method (balance sheet prices using reduced book values based on profitability declines).

This change has no effect on profit/loss.

#### 3) Operation of "Present accounting treatment of overseas subsidiaries in consolidated financial statement preparation"

Beginning in this first quarter consolidated accounting year, "Accounting treatment of overseas subsidiaries in consolidated financial statement preparation" (Practical response report No. 18, May 17, 2006) is applied and we have made appropriate amendments.

#### 4) Application of lease transaction accounting standards

In regard to non-transferable finance lease transactions, accounting treatment has heretofore followed loan transaction methods. But "Accounting standards for lease transactions" (Corporate accounting standards No. 13, June 17, 1993, amended on March 30, 2007) and "Accounting standards implementation guidance for lease transactions" (Corporate accounting standards implementation guidance No. 16, January 18, 1994, amended on March 30, 2007) have enabled their operation in quarterly consolidated financial statements for consolidated accounting years beginning on and after April 1, 2008 and following normal trading-related accounting treatment. Depreciation of lease assets related to non-transferable finance lease transactions employs the number of useful years in the lease period, with the remaining value marked to zero by the straight line method.

This change has minor effects on operating and recurring profits, but increases pretax net profit by ¥8,258 million.

## 5. Consolidated 3<sup>rd</sup> Quarter financial results

### (1) Balance Sheet

(Unit: million yen)

Account	3rd Quarter of FY2008 (as of Dec. 31, 2008)	FY2007 (as of Mar. 31, 2008)
<b>ASSETS</b>		
Fixed assets		
Tangible fixed assets		
Production facilities	193,683	200,585
Distribution facilities	489,829	486,845
Business facilities	59,441	60,765
Other facilities	297,887	303,189
Suspended facilities	316	316
Construction in progress	67,334	72,419
Total tangible fixed assets	1,108,493	1,124,122
Intangible fixed assets		
Goodwill	1,395	1,833
Other intangible fixed assets	23,018	21,385
Total intangible fixed assets	24,413	23,219
Investments, etc.		
Investment securities	116,861	131,443
Long-term loans receivable	25,832	18,485
Deferred tax assets	40,969	31,635
Miscellaneous investments	36,743	48,072
Allowances for doubtful accounts	-974	-614
Total investments, etc.	219,432	229,022
Total fixed assets	1,352,338	1,376,365
Current assets		
Cash and deposits	73,492	46,092
Notes and accounts receivable	182,864	172,889
Leasing receivables and leasing investment assets	25,801	-
Commercial products	3,655	3,742
Work in process goods	96	64
Raw materials and inventory goods	67,860	34,718
Deferred tax assets	31,165	13,704
Other current assets	92,532	56,590
Allowances for doubtful accounts	-728	-516
Total current assets	476,742	327,286
Total Assets	1,829,080	1,703,651

(Unit: million yen)

Account	3rd Quarter of FY2008 (as of Dec. 31, 2008)	FY2007 (as of Mar. 31, 2008)
<b>LIABILITIES</b>		
Fixed liabilities		
Straight bonds	291,490	331,489
Long-term bank loans payable	193,611	155,648
Deferred tax liabilities	1,821	3,066
Retirement benefit reserve	94,880	93,557
Allowances for repairs of gas holders	3,534	3,558
Reserve for safety measures	1,724	2,957
Other fixed liabilities	25,211	26,346
Total fixed liabilities	612,275	616,624
Current liabilities		
Fixed liabilities due within one year	97,511	63,359
Notes and accounts payable	95,181	99,352
Short-term bank loans payable	8,560	8,378
Corporation tax payable, etc.	12,247	25,150
Deferred tax liabilities	1	1
Other current liabilities	275,734	110,327
Total current liabilities	489,276	306,570
Total liabilities	1,101,551	923,195
<b>NET ASSETS</b>		
Shareholders' Equity		
Paid in Capital	141,844	141,844
Capital Surplus	2,065	2,065
Returned earnings	585,213	634,116
Treasury Stock	-13,206	-42,774
Total Shareholder's Equity	715,916	735,251
Value Adjustments of Securities		
Unrealized gains on other securities	14,012	31,917
Deferred loss on hedging instruments	-10,134	424
Foreign currency translation adjustment	-4,046	1,479
Total value adjustments of securities	-167	33,820
Shares of Minor Shareholders	11,780	11,382
Total net asset	727,529	780,455
Total liabilities, minority interest and shareholders' equity	1,829,080	1,703,651

**(2)Consolidated 3<sup>rd</sup> Quarter Statement of Income**

(Unit: million yen)

Account	3rd Quarter of FY2008 (Apr.- Dec. 2008)
Sales	1,161,370
Cost of sales	843,049
Gross profit on sales	318,350
Supply and sales expenses and general and administrative expenses	
Supply and sales expenses	277,830
General and administrative expenses	54,500
Total supply and sales expenses and general and administrative expenses	332,330
Operating income	-13,980
Non-operating income	
Interest income	832
Dividend income	1,571
Return on investment accounted for by equity method	4,767
Miscellaneous revenues	5,919
Total non-operating income	13,090
Non-operating expenses	
Interest paid	8,100
Miscellaneous expenditure	9,083
Total non-operating expenses	17,184
Ordinary income	-18,074
Extraordinary income	
Effect of new accounting standards for lease	7,846
Gain on reorganization of the health and welfare pension fund	1,559
Total of extraordinary income	9,406
Net income before adjustment for tax, etc.	-8,667
Corporate tax, residence tax & business tax	-1,272
Adjustment for corporate taxes, etc.	-633
Total corporate tax, etc.	-1,905
Minority shareholder income (loss)	615
Net income	-7,377

**(3) 3<sup>rd</sup> Quarter Consolidated Statement of Cash Flows**

(Unit: million yen)

Account	3rd Quarter of FY2008 (Apr.- Dec. 2008)
Cash flow from operating activities	
Net income before adjustment for tax, etc.	-8,667
Depreciation	99,621
Amortization of long-term prepaid expenses	3,135
Loss on retirement of tangible fixed assets	2,299
Change in allowances for doubtful accounts	571
Change in provision for retirement benefits	1,322
Change in prepaid pension expense	9,027
Change in reserve for safety measure	-1,232
Interest and dividends earned	-2,404
Interest paid	8,100
Income from a company by equity method	-4,767
Change in accounts receivable	-5,886
Change in inventories	-31,967
Change in accounts payable	-20,036
Change in consumption tax payable	-1,035
Change in prepaid expenses	-3,356
Change in uncollected balance	-17,208
Change in lease asset	-4,225
Effect of new accounting standards for lease	-7,846
Other	-22,679
Sub-total	-7,236
Proceeds from interest and dividends	3,111
Payment of interest	-9,642
Payment of corporate tax, etc.	-18,639
Cash flow from operating activities	-32,406
Cash flow from investing activities	
Payments for a fixed deposits	-4,270
Proceed from drawing fixed deposits	3,960
Purchases of investment securities	-13,631
Proceeds from sale of investment securities, etc.	1,258
Purchases of tangible fixed assets	-100,786
Purchases of intangible fixed assets	-3,473
Purchases of long-term prepaid expenses	-1,048
Proceeds from sale of fixed assets	734
Payments for long-term loans receivable	-8,996
Proceed from collecting long-term loans receivable	1,136
Other	-330
Cash flow from investing activities	-125,447

(Unit: million yen)

Account	3rd Quarter of FY2008 (Apr.- Dec. 2008)
Cash flow from financing activities	
Net change in short-term debt	181
Net change in commercial paper	167,000
Payments for lease debt	-2
Proceeds from long-term debt	56,518
Payments for long-term debt	-24,289
Proceeds from issue of bond	20,000
Proceeds from sales of treasury stock	212
Payments for acquiring treasury stock	-10,405
Dividend payments	-21,135
Payment of dividends to minority shareholders	-225
Cash flow from financing activities	<u>187,852</u>
Difference due to conversion of cash and cash equivalents	<u>-2,863</u>
Change in cash and cash equivalents	<u>27,134</u>
Cash and cash equivalents at beginning of term	43,706
Increase in cash and cash equivalents due to new consolidation	1
Decrease in cash and cash equivalents excluding subsidiaries	-45
Cash and cash equivalents at end of term	<u>70,796</u>

Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements" (Corporate accounting standards No. 12) and "Accounting standards implementation guidance for quarterly financial statements" (Corporate accounting standards implementation guidance No. 14) are applied. Quarterly consolidated financial statements are prepared in accordance with "Quarterly consolidated financial statement rules."

(4) **Note of going concerns' premise:** No

(5) **Segment information**

a. Segment information by category of business

Second quarter consolidated total period (Apr. - Dec. 2008)

(Unit: million yen)

	Gas	Gas appliances	House-pipe installation	Real estate leases (See Note)	Other business	Total	Corporate and eliminations	Consolidated
Sales								
(1) External sales	836,383	89,137	29,776	9,824	196,248	1,161,370	-	1,161,370
(2) Inter segment sales & transfers	29,493	2,387	2,165	17,059	70,766	121,872	(121,872)	-
Total	865,877	91,524	31,941	26,883	267,014	1,283,242	(121,872)	1,161,370
Operating profit (loss)	18,590	3,484	(1,492)	7,011	7,880	35,473	(49,453)	(13,980)

b. Geographic segment information

Third quarter consolidated total period (Apr. - Dec. 2008)

Not shown due to the amount of sales in Japan is over 90% of total.

c. Overseas sales (Apr. - Dec. 2008)

Second quarter consolidated total period (Apr. - Dec. 2008)

Not included due to insignificance of overseas sales as a proportion is below 10% of consolidated sales.

(6) **Significant change in the number of shareholders' equity**

Acquisition of treasury stocks

Tokyo gas acquired treasury stocks pursuant to Article 156 of the Companies Law as applied mutatis mutandis to Article 165:3 of the law. However, Tokyo Gas finished acquiring treasury stocks by June 13, 2008, which are resolved by the board of directors held on April 25, 2008.

-Term of acquisition: June 4, 2008 – June 13, 2008 (execution base)

-Total number of shares to be acquired: 23,984 thousand shares

-Total value of shares to be acquired: ¥9,999 million

-Way of acquisition: Market purchase on the Tokyo Stock Exchange using non-designated money trust

(7) **Significant subsequent event**

The board of directors held on July 29, 2008 approved the cancellation of treasury stock pursuant to article 178 of the Company Law.

-Class of shares to be cancelled: Common stock

-Number of shares to be cancelled: 24,000 thousand shares

-Scheduled date of cancellation: July 30, 2008

(Reference)

**Financial statements of previous year**

**(1) Consolidated 3<sup>rd</sup> Quarter Statement of Income**

Account	3rd Quarter of FY2007 (Apr. - Dec. 2007) (Unit: million yen)	
I .Sales		1,000,925
II .Cost of sales		651,979
(Gross profit)		348,946
III. Supply and sales expenses and general and administrative expenses		
1.Supply and sales expenses	272,991	
2.General and administrative expenses	52,493	325,485
(Operating income)		23,461
IV .Non-operating income		
1.Interest income	274	
2.Dividend income	1,394	
3.Return on investment accounted for by equity method	2,229	
4.Rental income	1,153	
5.Gain on commodity derivatives	1,213	
6.Miscellaneous revenues	4,660	10,926
V .Non-operating expenses		
1.Interest paid	7,670	
2.Balance on commissioned construction	1,595	
3.Miscellaneous expenditure	2,897	12,163
(Ordinary income)		22,224
VI.Extraordinary income		-
VII.Extraordinary losses	559	559
Net income before adjustment for tax, etc.		21,665
Corporation tax, residence tax, & business tax	8,495	
Adjustment for corporate taxes, etc.	-445	8,040
Minority shareholder income (loss)		838
Net income		12,786

**(2) 3<sup>rd</sup> Quarter Consolidated Statement of Cash Flows**

Account	3rd Quarter of FY2007
	(Apr.- Dec. 2007)
	(Unit: million yen)
I. Cash flow from operating activities	
Net income before adjustment for tax, etc.	21,665
Depreciation	101,905
Losses on impairment	559
Amortization of goodwill	511
Amortization of long-term prepaid expenses	3,218
Loss on retirement of tangible fixed assets	996
Change in provision for retirement benefits	-1,131
Change in prepaid pension expense	-6,515
Increase or decrease in reserve for safety measure	-2,265
Interest and dividends earned	-1,669
Interest paid	7,670
Income from a company by equity method	-2,229
Change in accounts receivable	7,765
Change in inventories	-20,899
Change in accounts payable	-1,366
Change in consumption tax payable	-4,843
Change in prepaid expenses	-3,672
Change in uncollected balance	3,495
Other	-22,154
Sub-total	81,039
Proceeds from interest and dividends	1,820
Payment of interest	-8,985
Payment of corporate tax, etc.	-41,895
Cash flow from operating activities	31,978

Account	3rd Quarter of FY2007 (Apr.- Dec. 2007)
	(Unit: million yen)
II. Cash flow from investing activities	
Payments for a fixed deposits	-3,751
Proceed from drawing fixed deposits	4,351
Purchases of investment securities	-6,208
Proceeds form sale of investment securities, etc.	1,065
Purchases of tangible fixed assets	-89,494
Purchases of intangible fixed assets	-3,549
Spending on long-term prepaid expenses	-1,924
Proceeds from sale of fixes asset	1,024
Expenditures based on lending for long-term loans	-9,803
Proceeds from long-term loans receivable	1,101
Other	119
Cash flow from investing activities	-107,071
III. Cash flow from financing activities	
Net change in short-term debt	-3,068
Net change in commercial paper	95,000
Proceeds from long-term debt	58,590
Payments for long-term debt	-40,766
Proceeds from issue of bond	29,989
Proceeds from sales of treasury stock	235
Payments for acquiring treasury stock	-39,513
Dividend payments	-22,739
Payment of dividends to minority shareholders	-274
Cash flow from financing activities	77,451
IV. Difference due to conversion of cash and cash equivalents	34
V. Change in cash and cash equivalents	2,393
VI. Cash and cash equivalents at beginning of term	40,231
VII. Increase in cash and cash equivalents due to new consolidation	1,301
VIII. Cash and cash equivalents at end of term	43,926

### (3)Segment information

#### a. Segment information by category of business (Apr. – Dec. 2007)

(Unit: million yen)

	Gas	Gas appliances	House-pipe installation	Real estate leases (See Note)	Other business	Total	Corporate and eliminations	Consolidated
Sales								
(1) External sales	704,333	91,736	34,056	9,270	161,528	1,000,925	-	1,000,925
(2) Inter segment sales & transfers	22,464	2,029	2,947	17,032	57,217	101,691	(101,691)	-
Total	726,797	93,765	37,004	26,303	218,745	1,102,617	(101,691)	1,000,925
Operating profit (loss)	52,712	4,312	(762)	6,331	7,781	70,375	(46,914)	23,461

#### b. Geographic Segment information

Second quarter consolidated total period (Apr. - Dec. 2007)

Not shown due to the amount of sales in Japan is over 90% of total.

#### c. Overseas sales

Second quarter consolidated total period (Apr. - Dec. 2007)

Not included due to insignificance of overseas sales as a proportion is below 10% of consolidated sales.

## 6. Other Information

### (1) Non-consolidated Third-quarter Results

(Gas Sales Volume for 3<sup>rd</sup> Quarter, FY2008)

			3rd Quarter, FY2008 (Apr. - Dec. 2008)	3rd Quarter, FY2007 (Apr. - Dec. 2007)	Change	% Change	
Number of Customers		Thousand	10,199	10,052	147	1.5	
Gas sales volume	Residential		m <sup>3</sup>	26.35	26.88	-0.53	-2.0
			Mil. m <sup>3</sup>	2,053	2,061	-8	-0.4
	Business	Commercial	Mil. m <sup>3</sup>	1,441	1,502	-61	-4.1
		Other	Mil. m <sup>3</sup>	630	643	-13	-2.1
	Industrial		Mil. m <sup>3</sup>	4,165	4,162	3	0.1
	Bus./ Ind. Sub total		Mil. m <sup>3</sup>	6,236	6,307	-71	-1.1
	Wholesales supply		Mil. m <sup>3</sup>	1,517	1,446	71	4.9
	Total		Mil. m <sup>3</sup>	9,806	9,814	-8	-0.1
Average temperature		°C	19.4	19.6	-0.2	-	

- Notes: 1. The upper row of figures for residential demand indicates gas sales volume per meter read (m<sup>3</sup>/household, month)  
 2. "Other" for business demand indicates sales volume to public and medical institutions.

### (Income and Expenditure for 3<sup>rd</sup> Quarter, FY2008)

(Unit: billion yen)

Income		Change from 3rd Quarter of FY 2007	Rate (%)	Expenditure		Change from 3rd Quarter of FY2007	Rate (%)		
Product sales	Gas sales	844.9	132.3	18.6	Operating expenses	Cost of sales	576.7	158.0	37.7
						Sales and administrative expenses	300.6	8.1	2.8
						Sub total	877.3	166.1	23.3
Other sales	House-pipe installation	27.4	-3.9	-12.2	Other expenses	House-pipe installation	28.8	-3.1	-9.8
	Gas appliance sales	77.3	-2.1	-2.8		Gas appliance sales	72.3	-2.3	-3.1
	Associated businesses	62.0	32.9	112.9		Associated businesses	61.9	33.1	114.7
	Sub total	166.8	26.9	19.2		Sub total	163.1	27.7	20.4
Total sales		1,011.8	159.2	18.7	Total expenses		1,040.5	193.8	22.9
					Operating income		-28.6	-34.4	-
Non-operating income		10.9	-0.7	-6.1	Non-operating expenses		12.4	3.0	31.7
					Ordinary income		-30.1	-38.1	-
Extraordinary profit		-	-	-	Extraordinary loss		-	-0.5	-100.0
					Net income		-19.1	-23.8	-

- Notes: 1. Cost of sales includes gas resource cost of ¥ 556.2billion (increased by ¥ 157.9 billion, or 39.6% from 3rd Quarter of FY2007).  
 2. Non-operating expenses include interest expenses of ¥ 6.9billion (increased by ¥ 1.0billion, or 15.8% from 3rd Quarter of FY2007).

Crude-oil price (\$/bbl)	3rd Quarter, FY2008	3rd Quarter, FY2007	Change	¥/\$ rate	3rd Quarter, FY2008	3rd Quarter, FY2007	Change
		105.05	73.47		31.58		102.92

**(2) Consolidated results forecast for the year ending March 2009 (April 1, 2008 - March 31, 2009)  
(Comparing with Consolidated results of FY2007)**

① Consolidated results

(Unit: billion yen)

	Sales			Operating Income	Ordinary Income	Net Income
		Gas Sales	Other Sales			
Forecast of FY2008	1,699.0	1,269.6	429.4	50.0	42.0	33.0
Results of FY2007	1,487.4	1,087.0	400.4	70.0	66.8	42.4
Change	211.6	182.6	29.0	-20.0	-24.8	-9.4
% Change	14.2	16.8	7.2	-28.6	-37.2	-22.3

② Non-consolidated results

(Unit: billion yen)

	Sales			Operating Income	Ordinary Income	Net Income
		Gas Sales	Other Sales			
Forecast of FY2008	1,460.0	1,236.0	224.0	28.0	25.0	17.0
Results of FY2007	1,268.0	1,065.8	202.2	42.8	44.3	29.9
Change	192.0	170.2	21.8	-14.8	-19.3	-12.9
% Change	15.1	16.0	10.8	-34.7	-43.7	-43.2

			Forecast of FY2008	Results of FY2007	Change	% Change	
Number of Customers		Thousand	10,249	10,124	125	1.2	
Gas sales volume	Residential		Mil. m <sup>3</sup>	3,426	3,427	-1	-
	Business	Commercial	Mil. m <sup>3</sup>	1,958	2,047	-89	-4.4
		Other	Mil. m <sup>3</sup>	882	928	-46	-4.9
		Industrial	Mil. m <sup>3</sup>	5,381	5,593	-212	-3.8
	Bus./ Ind. Sub total		Mil. m <sup>3</sup>	8,221	8,568	-347	-4.0
	Wholesales supply		Mil. m <sup>3</sup>	2,077	2,058	19	0.9
	Total		Mil. m <sup>3</sup>	13,724	14,053	-329	-2.3
Crude-oil price		\$/bbl	91.29	78.71	12.58	16.0	
Exchange rate		¥/US\$	100.94	114.44	-13.50	-11.8	