

FY2009 ended March 2010
Consolidated Financial Results Bulletin
Tokyo Gas Co., Ltd.

Code No.: 9531

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

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Consolidated Tax Group

General shareholders' meeting schedule: June 29, 2010

Starting date of dividend: June 29, 2010

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

Stock listings:

Tokyo Stock Exchange, Osaka Securities Exchange,

Nagoya Stock Exchange

Location of head office: Tokyo

1. Summary of Consolidated Results for FY2009 ended March 2010 (April 1, 2009 - March 31, 2010)**(1) 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) (%)	
FY2009 ended Mar. 2010	1,415,718	-14.7	85,229	30.7	83,519	43.2	53,781	28.9
FY2008 ended Mar. 2009	1,660,162	11.6	65,204	-6.9	58,337	-12.7	41,708	-1.8

	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)	(%)	(%)	(%)
FY2009 ended Mar. 2010	19.86	-	6.8	4.6	6.0
FY2008 ended Mar. 2009	15.63	15.37	5.4	3.4	3.9

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

FY2009 ended March 2010 3,796 million yen

FY2008 ended March 2009 5,529 million yen

(2) Changes in Consolidated Financial Position

	Total Assets	Net Asset	Equity Ratio	Book-value per Share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
As of Mar. 31, 2010	1,840,972	826,291	44.2	301.58
As of Mar. 31, 2009	1,764,185	784,616	43.8	284.72

Notes: Shareholders' equity (Minority interest are excluded)

FY2009 ended March 2010 813,886 million yen

FY2008 ended March 2009 772,365 million yen

(3) 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)
FY2009 ended Mar. 2010	294,110	-177,290	-69,375	112,868
FY2008 ended Mar. 2009	159,561	-163,575	30,932	64,009

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			
FY2008 ended Mar.2009	-	4.00	-	4.00	8.00	(Unit: million yen) 21,425	(%) 51.2	(%) 2.8
FY2009 ended Mar.2010	-	4.00	-	5.00	9.00	24,343	45.3	3.1
FY2010 ending Mar.2011 (Forecast)	-	4.50	-	4.50	9.00	-	37.4	-

3. Consolidated Results Forecast for FY2010 ending March 2011 (April 1, 2010 - March 31, 2011)

	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	688,000	8.8	33,000	-28.9	31,000	-38.7	19,000	-42.0	7.04
Full-year	1,551,000	9.6	108,000	26.7	102,000	22.1	65,000	20.9	24.09

4. Notes

(1) Changes in major consolidated subsidiaries (yes/no): *No*

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

1) Changes accompanied by reform of accounting standards: *Yes*

2) Other changes: *Yes*

*Please see page 22, "Basis of Preparation of Consolidated Financial Statements" in detail.

(3) Number of outstanding shares

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

As of Mar. 31, 2010 2,703,761,295 shares

As of Mar. 31, 2009 2,717,571,295 shares

2) Number of treasury stocks at year end:

As of Mar. 31, 2010 5,062,893 shares

As of Mar. 31, 2009 4,884,659 shares

*Please see page 25 for Net Earnings per Share.

(Reference)

1. Non-Consolidated Business Results for FY2009 ended March 2010 (April 1, 2009 - March 31, 2010)

(1) 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) (%)
FY2009 ended Mar. 2010	1,210,640 -16.4	59,124 39.0	58,931 47.8	38,883 55.0
FY2008 ended Mar. 2009	1,448,154 14.2	42,547 -0.7	39,864 -10.2	25,087 -16.2

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
FY2009 ended Mar. 2010	14.36	-
FY2008 ended Mar. 2009	9.40	9.26

(2) Changes in Non-Consolidated Financial Position

	Total Assets	Net Asset	Equity Ratio	Book-value per Share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
As of Mar. 31, 2010	1,543,535	683,995	44.3	253.45
As of Mar. 31, 2009	1,472,344	662,658	45.0	244.28

Notes: Shareholders' equity (Minority interest are excluded)

FY2009 ended March 2010 683,995 million yen

FY2008 ended March 2009 662,658 million yen

2. Non-Consolidated Results Forecast for FY2010 ending March 2011 (April 1, 2010 - March 31, 2011)

	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	593,000 9.6	21,000 -42.0	26,000 -33.2	22,000 -13.2	8.15
Full-year	1,344,000 11.0	80,000 35.3	85,000 44.2	61,000 56.9	22.60

* 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. For details please refer to page 6.

I . Business performance and financial position

(1) Analysis on business performance

<Results of FY2009>

Although a downturn of the global economy that was triggered by the financial market crisis in the U.S. appeared to have stopped worsening further, during this term the Japanese economy was unable to find its way out of the problems with both consumer spending and capital expenditures continuing to be stagnant and constrained at lower levels.

In this economic environment, the Tokyo Gas group made efforts to add high-value to and expand sales of the natural gas. However, gas sales declined due to lower gas unit prices under the gas rate adjustment system and an overall decrease in gas sales volume compared to the previous year. As a result, consolidated sales declined by 14.7% from the previous year to ¥1.4157 trillion.

On the other hand, despite the increased costs resulting from retirement benefits accounting actuarial differences, operational expenses decreased through its utmost efforts to restrict expenses and realize even better management efficiency and lower gas resource costs due to a drop in LNG price.

As a result of these developments, operating income increased by 30.7 % to ¥85.2 billion, ordinary income shot up 43.2 % to ¥83.5 billion and net income was up 28.9 % to ¥53.7 billion.

<Situation in each segment during the term>

1) Gas business

In FY2009, the gas sales volume decreased by 2.0% compared with the previous year to 13.666 billion m³. Residential demand decreased by 0.9 % year on year to 3.437 billion m³. It is a result of lower demand for hot water and space heating due to an increasing use of highly-efficient equipment by households and an increase in apartment buildings with higher air tightness and heat insulation.

Commercial demand was down 4.5% to 1.940 billion m³ as a result of reduced operation of existing facilities but other business demand was up 2.4% to 1.002 billion m³, making a combined total of 2.943 billion m³.

Industrial demand was down 3.1% year on year to 5.446 billion m³ due to decreased operation of existing customers.

Wholesale supplies to other gas utilities stayed almost unchanged from the year earlier at 1.841 billion m³ (an increase of 0.0%).

As a result, gas sales decreased by ¥212.0 billion to ¥1.0455 trillion or 16.9% from the year earlier due to decline in gas unit price based on gas rate adjustment system.

Operating expenses overall declined by ¥228.6 billion or 19.9% due to a decrease in gas resource cost caused by decreases in LNG price and gas sales volume.

Operating income was up by ¥ 16.5 billion or 14.9% over the previous year to ¥127.3 billion.

(Consolidated Gas Sales Volume for FY2009)

			FY2009	FY2008	Change	% change	
No. of customers		Thousand	10,637	10,513	124	1.2	
Gas sales volume	Residential	m ³	31.95	32.51	-0.56	-1.7	
		Mil. m ³	3,437	3,468	-31	-0.9	
	Business	Commercial	Mil. m ³	1,940	2,032	-92	-4.5
		Other	Mil. m ³	1,002	979	23	2.4
	Industrial		Mil. m ³	5,446	5,623	-177	-3.1
	Sub total		Mil. m ³	8,389	8,634	-245	-2.8
	Supplies to other utilities		Mil. m ³	1,841	1,840	1	0.0
Total		Mil. m ³	13,666	13,942	-276	-2.0	
Average temperature		°C	16.5	16.6	-0.1	---	

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.

(Crude Oil Price and Foreign Exchange Rate)

Crude oil price (\$/bbl)	FY2009	FY2008	Change		FY2009	FY2008	Change
	69.38	90.52	-21.14	¥/\$ rate	92.89	100.71	-7.82

2) Gas appliances

Sales increased by ¥3.7 billion or 3.0% compared to the previous year to ¥126.0 billion. Operating expenses increased by ¥3.5 billion or 2.9%. As a result, operating income increased by ¥0.3 billion or 12.0% year on year to ¥2.3 billion.

3) Installation work

Sales declined by ¥4.7 billion or 9.6% compared with the previous year to ¥44.3 billion. Operating expenses decreased by ¥5.1 billion or 10.3%. As a result, operating income improved by ¥0.4 billion to -0.6 billion yen.

4) Real estate rental

Sales declined by ¥1.9 billion or 5.4% compared with the previous year to ¥33.7 billion. Operating expenses decreased by ¥1.7 billion or 6.3%. As a result, operating income fell ¥0.2 billion or 2.0% to ¥7.2 billion.

5) Other business

Sales in other business decreased by ¥45.9 billion or 12.6% compared with the previous year to ¥317.8 billion due to the decrease in sales related to energy service business. Operating expenses decreased by ¥47.7 billion or 13.6%. As a result, operating income rose by ¥1.8 billion or 12.8% to ¥15.2 billion.

<Summary by segment>

(Unit: billion yen)

		Gas	Gas appliances	Installation work	Real estate rental	Other business
Sales	FY2009 (% of total)	1,045.5 (66.7%)	126.0 (8.0%)	44.3 (2.8%)	33.7 (2.2%)	317.8 (20.3%)
	FY2008 (% of total)	1,257.5 (68.8%)	122.3 (6.7%)	49.0 (2.7%)	35.6 (1.9%)	363.7 (19.9%)
	Amount of change (Rate of change)	-212.0 (-16.9%)	3.7 (3.0%)	-4.7 (-9.6%)	-1.9 (-5.4%)	-45.9 (-12.6%)
Operating expenses	FY2009 (% of total)	918.1 (64.8%)	123.7 (8.7%)	45.0 (3.2%)	26.4 (1.9%)	302.6 (21.4%)
	FY2008 (% of total)	1,146.7 (67.5%)	120.2 (7.1%)	50.1 (3.0%)	28.1 (1.7%)	350.3 (20.7%)
	Amount of change (Rate of change)	-228.6 (-19.9%)	3.5 (2.9%)	-5.1 (-10.3%)	-1.7 (-6.3%)	-47.7 (-13.6%)
Operating income	FY2009 (% of total)	127.3 (84.1%)	2.3 (1.5%)	-0.6 (-0.4%)	7.2 (4.8%)	15.2 (10.0%)
	FY2008 (% of total)	110.8 (83.4%)	2.0 (1.6%)	-1.0 (-0.8%)	7.4 (5.6%)	13.4 (10.2%)
	Amount of change (Rate of change)	16.5 (14.9%)	0.3 (12.0%)	0.4 (-)	-0.2 (-2.0%)	1.8 (12.8%)

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

<Forecast for FY2010>

We forecast that consolidated gas sales volume in FY2010 will increase 5.8% compared with FY2009 to 14.465 billion m³ thanks to an expected increase in gas sales volume sold by us and a contribution from Ohgishima Power Co., Ltd. that will be in full operation. As a result, we expect consolidated sales to increase by ¥135.3 billion or 9.6% to ¥1.5510 trillion, operating income to increase by ¥22.8 billion or 26.7% to ¥108.0 billion, ordinary income to increase by ¥18.5 billion or 22.1% to ¥102.0 billion, and net income to increase by ¥11.3 billion or 20.9% to ¥65.0 billion.

Non-consolidated gas sales volume in FY2010 is forecast to increase by 1.0% to 13.286 billion m³ due to an expected business recovery in industrial sectors. Non-consolidated gas sales is expected to rise by ¥86.2 billion or 8.5% to ¥1.0970 trillion due to an increase in unit price as a result of gas rate adjustment system and an expected increase in sales volume. As for operating expenses, we forecast personnel expenses to decrease as a result of the cost reduction related to retirement benefits accounting actuarial differences due to the improved pension assets management, absorbing a negative effect of an increasing gas resource costs due to higher crude oil price. With revenues from miscellaneous and associated business combined, we expect operating income to increase by ¥20.9 billion or 35.3% to ¥80 billion, ordinary income to increase by ¥26.1 billion or 44.2% to ¥85.0 billion, and net income to increase by ¥22.2 billion or 56.9% to ¥61.0 billion.

The economic frame assumed for FY2010 is \$80/bbl for crude oil price and ¥95/\$ for foreign exchange rate.

(1) Consolidated Business Results

1) Gas sales volume forecast for FY2010

			FY2010 (Forecast)	FY2009 (Actual)	Change	% change	
Gas sales volume	Residential		Mil. m ³	3,464	3,437	27	0.8
	Business	Commercial	Mil. m ³	1,940	1,940	0	0.0
		Other	Mil. m ³	1,000	1,002	-2	-0.2
		Industrial	Mil. m ³	6,150	5,446	704	12.9
	Sub total		Mil. m ³	9,090	8,389	701	8.4
	Supplies to other utilities		Mil. m ³	1,912	1,841	71	3.9
	Total		Mil. m ³	14,465	13,666	799	5.8
Average temperature		°C	16.8	16.5	0.3	-	

2) Forecast for FY2010

(Unit: billion yen)

	Sales		Operating Income	Ordinary Income	Net Income
	Gas Sales	Other Sales			
FY2010 (forecast)	1,551.0	395.0	108.0	102.0	65.0
FY2009 (results)	1,415.7	370.1	85.2	83.5	53.7
Change	135.3	24.9	22.8	18.5	11.3
Rate of change	9.6%	6.7%	26.7%	22.1%	20.9%

Note: Internal sales between segments are adjusted in the "Other sales" column.

(2) Non-consolidated Business Results

1) Gas sales volume forecast for FY2010

			FY2010 (Forecast)	FY2009 (Actual)	Change	% change	
Gas sales volume	Residential		Mil. m ³	3,357	3,332	25	0.7
	Business	Commercial	Mil. m ³	1,852	1,856	-4	-0.2
		Other	Mil. m ³	929	936	-7	-0.7
	Industrial		Mil. m ³	5,002	4,952	50	1.0
	Sub total		Mil. m ³	7,783	7,745	38	0.5
	Supplies to other utilities		Mil. m ³	2,147	2,073	74	3.6
	Total		Mil. m ³	13,286	13,150	136	1.0

2) Forecast for FY2010

(Unit: billions of yen)

	Sales		Operating income	Ordinary income	Net income	
	Gas sales	Other sales				
FY2010 (forecast)	1,344.0	1,097.0	247.0	80.0	85.0	61.0
FY2009 (results)	1,210.6	1,010.8	199.7	59.1	58.9	38.8
Change	133.4	86.2	47.3	20.9	26.1	22.2
Rate of change	11.0%	8.5%	23.7%	35.3%	44.2%	56.9%

(Crude Oil Price and Foreign Exchange Rate)

Crude oil price (\$/bbl)	Forecast for FY2010	Results of FY2009	Change		Forecast for FY2010	Results of FY2009	Change
		80.00	69.38	10.62	¥/\$ rate	95.00	92.89

(2) Analysis on financial position

<Analysis on assets, debt, shareholders' equity and cash flows>

1) Situation of Assets, debt and shareholders' equity

Assets increased by ¥76.8 billion to ¥1.8409 trillion compared with the end of March 2009 because of an increase in noncurrent assets such as investment securities whose valuation increased at the fiscal year end [¥53.1 billion] and in current assets due to an increased balance of cash and bank deposits [¥23.6 billion].

Liabilities increased by ¥35.1 billion to ¥1.0146 trillion mainly due to an increased balance of notes payable and accounts payable [¥31.6 billion] and an increase in the retirement benefits allowance [¥30.2 billion], despite a decrease in interest-bearing debt [¥37.3 billion].

Net assets also increased to ¥826.2 billion as a result of an increase in shareholders' equity [¥26.8 billion] derived from net income, etc., and increase in unrealized gains/losses and exchange rate adjustments [¥14.7 billion] derived from gain of net unrealized holding gains on securities, etc.

Our shareholders' equity ratio rose by 0.4 percentage points to 44.2% from the end of March 2009.

2) Situation of cash flow

(Unit: billion yen)

	FY2009	FY2008	Change
Cash flow from operating activities	294.1	159.5	134.6
Cash flow from investing activities	-177.2	-163.5	-13.7
Cash flow from financing activities	-69.3	30.9	-100.2
Exchange difference of cash and cash equivalents	1.0	-6.5	7.5
Cash and cash equivalents during FY2008	48.5	20.3	28.2
Cash and cash equivalents at beginning of year	64.0	43.7	20.3
Cash and cash equivalents due to expansion of consolidation	0.3	-	0.3
Cash and cash equivalents at end of year	112.8	64.0	48.8

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities amounted to ¥294.1 billion. This was derived mainly from net income before adjustments for tax and etc. [¥83.5 billion] and depreciation of noncurrent assets [¥142.1 billion].

b) Cash flow from investing activities

Cash and cash equivalents decreased to ¥177.2 billion as a result of investing activities. This was mainly due to the acquisition of tangible fixed assets such as gas supply facilities [expenditure: ¥136.5 billion].

c) Cash flow from financing activities

Cash and cash equivalents decreased to ¥69.3 billion as a result of financing activities. Despite the proceeds from corporate bond issuance [¥30.0 billion] and new long-term borrowing [¥13.0 billion], repayments of existing corporate bonds [¥60.2 billion] and long-term borrowings [¥29.2 billion] as well as payment of dividends [¥21.6 billion] had a net negative effect on cash flow.

<Cash Flow Indicators>

	FY2005	FY2006	FY2007	FY2008	FY2009
Equity ratio	43.0%	47.0%	45.1%	43.8%	44.2%
Equity ratio based on market value	81.9%	105.3%	62.8%	53.0%	60.4%
Number of years for debt repayment	3.1	2.8	3.1	3.7	1.9
Interest coverage ratio	15.9	18.6	17.9	14.0	27.3

Equity ratio: Equity capital / total assets

Equity ratio based on market value: total market capitalization / total assets

Ratio of cash flow to interest-bearing debt: interest-bearing debt / cash flow

Instant coverage ratio: cash flow / interest payments

- Notes:
1. All calculation based on consolidated financial figures.
 2. Total market capitalization is calculated based on the number of shares as of the end of fiscal year (excluding treasury stocks).
 3. Cash flow means operating cash flow.
 4. Interest bearing debt covers bonds, convertible bonds, long-term bank loan payable (all including debts due within one year), short-term bank loan payable and commercial papers out of the interest bearing debt recorded on the balance sheet.

(3) Basic policy on the corporate profit allocation and dividend

In the five-year period of new medium-term plan (fiscal 2009 - 2013), the Group plans to use the cash flow resulting from steady execution of the plan for enhancement of LNG value chain aggressively, 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, in addition to dividend, the Group has posted share buy-back as shareholder return, and set 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 = [(total annual dividends 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 as well as meeting shareholders' expectations, we are planning to pay out a dividend of ¥9 per share this year, an increase of ¥1 from the year earlier, and acquire shares of our own stock worth up to ¥8.0 billion for the purpose of liquidation based on our total payout ratio target. At the time of our merger with a consolidated subsidiary, T.G. Enterprise Co., Ltd., on April 1 this year, we purchased 14,037,000 shares (approx. ¥5.8 billion) of treasury stock as a result of appraisal remedy exercised by opposing shareholders. We then resolved at the board of directors' meeting held on April 28, 2010 that with this ¥5.8 billion being taken as part of ¥8.0 billion, we will use the difference of ¥2.2 billion (at maximum) to buy back our own stock up to the cap of 6 million shares.

As for the dividend payment, we intend to pay stable dividends going forward and plan to pay out ¥9 next fiscal year.

(4) Risks of businesses

Of the items related to business results and financial position in the financial results, the following ones could possibly exert a major influence on decisions by investors. It should be noted that statements concerning the future in this document are judgments made by the Group based on information available at the end of the term.

A Risks associated with accidents, disasters, etc.

(a) Gas resource procurement difficulties

The Group depends on import from other countries for most of natural gas and other gas resources used to produce city gas. The supply of city gas therefore could possibly be impaired in the event of inability to procure gas resources for a long period of time owing to country risks at import sources, troubles affecting gas fields or LNG liquefaction terminals, or difficulties in the process of LNG carrier transport. It is making efforts to spread procurement risks to achieve stable and flexible procurement of LNG through such activities as diversifying suppliers by importing LNG from six countries and 10 projects and allocating ships flexibly using its own LNG ships.

(b) Natural disasters

The Group is an equipment-intensive industry whose business activities are grounded in facilities for the production and supply of city gas. It therefore is enforcing countermeasures to keep the aftermath of natural disasters minimal. Some examples of the countermeasures include a provision to produce and supply city gas even in the event of large-scale earthquakes with a magnitude of the Great Hanshin-Awaji Earthquake, preparation of a BCP (Business Continuity Plan) prepared for such large-scale earthquakes as the Cabinet Office assumes and improvement of contingency plan and execution of regular drills for natural disasters including earthquakes and typhoons. Despite all this, however, the supply of city gas could possibly be impaired in the event of large-scale natural disasters due to damage inflicted on its plants or other production facilities and pipelines or other supply facilities. In such a case, the cost required for resumption of normal production and supply could possibly affect the Group's profitability.

(c) Accidents accompanying gas manufacture and supply, and supply impairments

The production and supply of city gas and electricity that is essential to the life of customers and industries is at the foundation of the Group's business activities. For this reason, it is implementing measures to prevent accidents and supply impairments through systematic implementation of various security measures, preparation of business contingency plan and execution of regular drills. However, in the event of large-scale leakage, explosions, or supply difficulties in the process of city gas production or supply, it could possibly result in tangible and intangible loss in aspects including social responsibility, in addition to the direct loss. In the event supply impairment occurs to power supply, it may result in additional loss to fix the problem.

(d) Problems in securing the safety of city gas and quality of gas appliances

As it is responsible for the safety of city gas supply, it is implementing safety measures including strengthening of our efforts to perform regular checks for customers, introducing wider range of check items, and promotion of exchange to safer appliances. It has also been involved in the development of gas appliances with advanced functions for safety because it sells gas appliances and other products under its own brand through consolidated subsidiaries and cooperating firms. In the event of accidents involving gas city supply or caused by gas appliances, however, it could possibly incur both direct and indirect loss associated with response to such incidents.

(e) Damage due to rumors caused by city gas accidents at other firms

City gas accidents at other firms could possibly have an immense impact on the entire city gas industry and breed circumstances in which it would incur tangible and intangible loss.

B Market fluctuation risk

(a) Risk of changes in market prices and interest rates

The Group could possibly incur losses due to fluctuations in the market price of its real estate, stocks and pension assets. With regard to interest-bearing debt, its interest payment could possibly increase in the event interest rates rise. However, the impact from fluctuations in interest rates is expected to be limited as most of its interest-bearing debts are long-term fixed rate debts.

C Risks accompanying business execution

(a) Risks related to existing businesses

a) Changes in gas resource costs

Changes in terms of contracts and negotiations with suppliers of LNG, of which city gas is produced, may affect its profitability. Also, as price of LNG is linked with that of crude oil and crude oil is denominated in U.S. dollar under the sales contract, changes in the price of crude oil as well as exchange rate between Japanese yen and U.S. dollar can have an impact on its profitability.

In the event of such developments as demand exceeding the volume of procurement from LNG projects resting on long-term contracts, incidence of trouble in shipment terminals or transport, and delays in the start of supply from new LNG projects, the gas resource costs associated with spot LNG purchasing undertaken in response may possibly affect its profitability.

On the other hand, under the provisions for adjustment for gas resource costs on gas tariffs, changes in gas resource prices are reflected in gas tariffs within five months at maximum. However, if the amount of such changes exceeds 160% of the standard resource price, the amount by which it exceeds will not be collected. In case such changes are reflected in gas tariffs beyond the current fiscal term, it may affect the bottom line of the next fiscal term because of the uncollected and over-collected amounts of the resource costs.

b) Changes in gas sales due to climate change

As sales of city gas accounts for about 70% of the Group's sales, the occurrence of abnormal weather such as unusually hot summers or warm winters could possibly affect the bottom line due to the resulting reduction of gas sales in the residential use, where gas is used mainly for heating water and air conditioning.

c) Decrease in demand accompanying intensified competition

There is a risk of decline in demand and effect on the balance of payments in the event of intensified competition with electric power companies or other enterprises newly entering the wholesale gas business, or a loss of competitiveness on the part of LNG itself relative to other forms of energy due to factors such as a fluctuation in crude oil prices.

d) Reduction in the existing demand

Although the Group has been aggressively trying to reinforce sales activities including an introduction of gas appliances with high degrees of environment-consciousness, efficiency and comfort and strengthening of sales structure, part of the existing demand in the industrial and commercial uses could possibly be reduced by factors such as the decrease in facility operating rates due to the recession, the progress of energy-conserving activities, and changes in the industrial structure. In addition, developments such as decreased numbers in one household and changes in lifestyle and wider use of energy-saving appliances could possibly reduce part of the existing demand in the residential use.

e) Delay in the development of new technologies

Although the Group has been engaged in the development of new products and technologies with environmentally-enhancing designs and high level of safety, it may not be able to develop and deliver these products and technologies on a timely manner. In such cases, it may lose competitiveness against other forms of energy and affect its execution of businesses.

f) Changes in laws, regulations, institutions, and national/local energy policy

The Group executes its business in accordance with the Gas Utility Industry Law, Companies Act, Financial Instruments and Exchange Law, other laws and regulations, and the energy policy of national and local governments. Changes in such policy consequently could affect its execution of business.

(b) Delayed cultivation of new markets

The Group is cultivating new markets by promoting the spread of equipment such as ENE FARM (the residential fuel cell) and new energy utilization systems combining solar light and heat as described in the medium-term management plan. However, the subsequent outbreak of environmental changes including the changes in energy policy by national local governments could delay this cultivation, compel a change of business strategy, and prevent recovery of investments.

(c) Inability to recover investments

The Group is continuing to make large-scale investments for the evolution and advancement of its strategy for integrated energy business and other agenda set forth in its medium-term management plan. We evaluate profitability and risks of all investments, capital contributions, loans and debt guarantees at an investment evaluation committee, and we make investment decisions based on a conclusion from the committee while consulting with the management council and the board of directors' meeting, if necessary, from a standpoint of comprehensive management judgment. The subjects of these investments include construction of pipelines and reinforcement of the foundation for stable supply by construction of LNG base and other facilities, electric power business, energy service business, development of gas fields overseas, LNG transport business, IT and other elements required for conditioning of the foundation for established business, and active use of real estate in hand. Subsequent changes in the economic situation could possibly make it impossible to recover these investments sufficiently or induce the intended effect from it, and consequently affect the balance of payments.

D Risks related to information management and system operation

(a) Leakage of personal information

For its execution of business as a public utility, the Group collects and manages personal information on its customers. It has implemented measures to prevent leakage of personal information through construction of a group-wide information security system, execution of education on information security and voluntary monitoring while internal audit ensures its construction and operation to enforce necessary changes. In case the external leakage of personal information occurs, it could possibly cause tangible and intangible loss in forms such as a loss of credibility among customers that is more serious than in the case of other corporate groups, in addition to the direct cost required for response.

(b) Shutdown or malfunction of IT systems

Because the Group relies on IT systems for customer service work and calculation of gas tariffs, it has implemented measures to keep the impact on the operation from unexpected events minimal through building a robust data center superior in fault-resilience and disaster-tolerance and preparation and execution of various security measures and regular drills required for stable operation of the systems. The shutdown or malfunction of these systems could possibly cause delay accommodation of customer needs but also cause tangible and intangible loss in forms such as detraction from the image of the Group's name.

Please note, however, that it is unlikely that malfunction of IT system will have any serious impact on the production and supply of city gas because its IT system for the production and supply adjustment of city gas has its own security measures in place including a backup system and wireless network operated by the Group.

(c) Interruption of telephone service at call centers

The Group receives most requests from customers by telephone. An interruption of telephone service at call centers therefore could possibly not only delay accommodation of customer needs over large areas but also cause tangible and intangible loss in forms such as detraction from the image of the Group's name.

E Risks related to corporate social responsibility

(a) Conformance with new environmental regulations etc.

The emergence of additional obligations for compliance with new environmental legislation or environmental improvement could possibly affect the Group's conduct of business and its balance of payments.

(b) Compliance violations

Since compliance forms a basis of operation, the Group has established a committee on management ethics chaired by the president. This committee sets out the basic policies under which the Group executes actions to improve compliance and the internal audit confirms the Group's compliance with laws and regulations and corporate ethics.

The occurrence of acts that are improper in the context of laws and regulations, or the articles of association; improper acts in information disclosure; or acts in violation of corporate ethics could possibly cause tangible and intangible damage in forms such as the imposition of social sanctions in addition to the direct cost required for response.

(c) Insufficient CS or customer services

The Group thinks CS (Customer Satisfaction) is one of the key issues for its management. The Group is pursuing the CS improvement program under the basic policies set out by the CS improvement committee chaired by the president. However, the occurrence of insufficient satisfaction or defective treatment of customers could possibly result in tangible and intangible loss in forms such as a decline in corporate competitiveness and detraction from the image of the Group's name.

II .Scope of consolidated subsidiaries and affiliates and application of equity method

1) The scope of consolidation

- Newly included subsidiaries in scope of consolidation: six companies

Tokyo Gas Lifeval Chiba Co., Ltd.

Tokyo Gas Pipeline Co., Ltd.

Tokyo Gas Lifeval Minami-Setagaya Co., Ltd.

Tokyo Gas Lifeval Higashi-Ohta Co., Ltd.

TGE (SHANGHAI) LNG ENGINEERING CO., LTD.

Tokyo Gas Gorgon Pty Ltd

[Every company is newly consolidated]

- Excluded: 2 companies

Tokyo Gas Techno-Service Co., Ltd.

Tokyo Gas Plant Tech Co., Ltd.

[Both were merged with the parent]

2) Equity method affiliates

- Newly included equity method affiliates: None

Information about other consolidated subsidiaries and affiliates are not disclosed because there are no significant changes from articles of “business diagram” and “situation of subsidiaries and affiliates” in the latest securities report. [filed on 26 June, 2009]

III. Management Policy

(1) Basic policy on corporate management

The environment surrounding the energy industries in Japan is changing rapidly with its example being the current government's goal of "reducing the greenhouse gas by 25% by 2020 compared with the level in 1990" as a result of social demand for the conservation of global environment. Attention is paid to renewable energies such as sunlight, solar heat, wind power and biomass as an effective means for "realization of low-carbon society." The whole society should use these energies effectively but limited volume and unstable supply still remain as a challenge.

On the other hand, the natural gas we provide comes with "predominant friendliness with environment among fossil energies," "stable supply supported by diversified sources of procurement and strong LNG value chain," and "user-friendliness and economic efficiency to accommodate various forms of demand including dispersed power system". With introduction of systems with low environmental load such as residential fuel cell "ENE FARM" and co-generation, change of fuel from oil and a combination of renewable energies, natural gas can make a great contribution to the "realization of low-carbon society" and therefore we expect demand for natural gas from society and customers to keep expanding going forward.

Based on these understandings, we intend to do business with an emphasis on "creation of value keyed by environment (Eco-friendly)," "improvement of value for customers (Excellent service)," and "in-depth cultivation and widening of markets (Expansion)" set out in the medium-term Group management plan for fiscal years 2009 - 2013. It also calls for steps to strengthen the LNG value chain, reinforce the synergy of All Tokyo Gas (a collective term for the Group and its cooperating companies), and realize evolution and advancement of our integrated energy business. Through action on these agenda, we hope to constantly remain trusted by our customers, shareholders, and society as a whole as a resilient corporate group that is able to cope flexibly with future changes in the business climate and achieve sustained growth.

(2) Issues to be addressed by the Company

[Development of business with an emphasis on the Three Es]

1) Eco-friendly - creation of value keyed by the environment

In the residential sector, we shall promote the diffusion of new energy systems such as "ENE FARM" residential fuel cells, for which we started mass-marketing last year ahead of the rest of the world, "dual power generation" which is a combination of ENEFARM and a solar power system, and a gas hot water system that also utilizes solar heat called "SOLAMO", in order to offer solutions for customer needs for saving energy without sacrificing lifestyle comfort.

In the industrial and commercial sectors, we shall develop energy service business that incorporates new-energy and energy-saving services, and therefore has added environmental value. We aim to actively contribute to realization of a low-carbon society through construction of a smart energy network system that enables the whole community to achieve efficient use of energy and reduce environmental burden.

2) Excellent service - improvement of value for customers

We shall establish a sales setup rooted in the community through Tokyo Gas LIFEVAL established in October 2009 to raise the service level even higher. We shall also deliver satisfaction to customers by making value proposals of a higher quality tailored to the needs of each and every one.

In the industrial and commercial sectors, we shall take full advantage of the technical, engineering, and sales capabilities nurtured thus far in comprehensively meeting the expectations of each customer through proposals for facility optimization, consultation regarding the "best mix" of energy forms including city gas and electricity, and services in financing and risk management.

In addition, we will actively promote security measures including the promotion of replacement of non-safe appliances and prevention of leakage from pipelines on customers' properties that belong to customers, and reinforce earthquake countermeasures even further so that customers can safely use gas.

3) Expansion - rigorous in-depth cultivation and widening markets

Besides aggressively developing the immense latent demand, mainly in connection with industrial use, in the area within a 200-kilometer radius around Tokyo, we shall meet needs for natural gas among customers who are difficult to supply with gas pipes through means such as LNG lorries, reinforce the sales setup of All Tokyo Gas, install effective gas pipe networks, and take other initiatives to expand the number of customers and rigorously develop demand. We shall also steadily build up our business in power generation while pursuing the ultimate synergy with our gas business.

In addition, we shall build an effective setup for sales that encompasses schemes of partnership with peripheral gas businesses and wide-area branches and related city gas companies. We shall strengthen partnership with city gas and LP gas companies which we supply on a wholesale basis, and thereby work for the further diffusion of gaseous energy.

[Strengthening of the LNG value chain]

In addition to the existing long-term contracts, we shall launch new projects and also conclude short- and medium-term contracts for sure response to the demand as it expands over the coming years. Meanwhile, through approaches to overseas projects for acquisition of upstream rights for gas fields or otherwise related to the LNG value chain, we shall steadily procure competitive LNG. Specifically, we were able to secure upstream rights to and sign a purchase agreement with Gorgon LNG Project in Australia, and entered into a contract to acquire natural gas thermal power generation business in Mexico to further reinforce a long-term supply stability and flexibility of supply/demand for LNG. We also plan to increase the number of LNG vessels of our own from the current 7 to 8 by FY 2011 to reduce transportation costs and promote LNG transportation business for other utility companies.

Furthermore, we aim to strengthen the basis for stable supply to meet the increasing future demand through construction of Hitachi LNG base and a trunk line between Ibaraki and Tochigi that connects with the existing network, for both of which we target the start of operation in FY 2015.

[Reinforcement of the synergy of All Tokyo Gas]

To reinforce the synergy of All Tokyo Gas, we shall reconstruct the setup for business execution based on studies, from the perspective of the overall optimum, of the advisable configuration of roles and partnership by Tokyo Gas LIFEVAL as well as affiliates, cooperating companies, and Tokyo Gas itself. At the same time, we shall continue to put resources into the business of affiliates deploying our integrated energy business strategy. We shall achieve growth and increase profitability in the Group as a whole. We shall reconstruct the system of human resource development in All Tokyo Gas and vigorously promote agenda such as the development of technology for the coming generation.

It is our basic policy to fulfill our corporate social responsibility (CSR) and public-service mission through our routine business activities. In this spirit, we shall make efforts to see that this basic perspective on CSR for response to the trust placed in us as a public-minded enterprise by our stakeholders spreads and takes root among the other members of All Tokyo Gas as well.

(3) Key management indicators (Consolidated)

	2009-2013 medium term management plan	Results in FY09
Operating cash flow ¹ (billion yen)	<Five-year total from 2009 to 2013> 1,060	199.8
Return on Asset (ROA) (%)	<FY 2013 target> 3.7	3.0
Return on Equity (ROE) (%)	<FY 2013 target> 7.7	6.8
TEP ² (billion yen)	<FY 2013 target> 18	18.6

Notes: 1. Operating cash flow = net income + depreciation

2. TEP = Tokyo Gas Economic Profit

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

3. Target WACC for FY 2013 = (cost of interest-bearing debt 1.46%) x 27% + (risk-free rate 1.71% + risk premium on equity 4.0% x β 0.75) x 73% = 3.8%

4. Actual WACC for FY 2009 = (cost of interest-bearing debt 1.14%) x 37% + (risk-free rate 1.44% + risk premium on equity 4.0% x β 0.75) x 63% = 3.2%

IV. Consolidated Financial Statements

(1) Balance Sheet

(Unit: million yen)

Account	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
ASSETS		
Noncurrent assets		
Property, plant and equipment		
Production facilities	193,613	186,467
Distribution facilities	490,809	475,932
Service and maintenance facilities	60,510	59,169
Other facilities	297,643	295,494
Inactive facilities	316	742
Construction in progress	67,957	91,037
Total property, plant and equipment	1,110,852	1,108,843
Intangible assets		
Goodwill	1,233	1,460
Other	24,816	26,517
Total intangible assets	26,049	27,977
Investments and other assets		
Investment securities	109,173	139,052
Long-term loans receivable	24,839	40,996
Deferred tax assets	46,212	53,087
Other	35,847	36,350
Allowances for doubtful accounts	-906	-1,130
Total investments and other assets	215,166	268,357
Total noncurrent assets	1,352,068	1,405,178
Current assets		
Cash and deposits	66,905	107,391
Notes and accounts receivable - trade	166,542	156,398
Lease receivables and leasing investment assets	25,594	25,888
Merchandise and finished goods	3,807	3,291
Work in process	43	16,388
Raw materials and supplies	56,905	37,412
Deferred tax assets	13,461	16,606
Other	79,431	73,034
Allowances for doubtful accounts	-574	-619
Total current assets	412,117	435,794
Total assets	1,764,185	1,840,972

(Unit: million yen)

Account	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
LIABILITIES		
Noncurrent Liabilities		
Bonds payable	291,490	301,491
Long-term loans payable	207,741	186,681
Deferred tax liabilities	3,654	4,448
Provision for retirement benefits	100,734	130,903
Provision for gas holders repairs	3,555	3,597
Provision for safety measures	1,450	184
Other	24,597	27,012
Total noncurrent liabilities	<u>633,223</u>	<u>654,319</u>
Current liabilities		
Current portion of noncurrent liabilities	88,169	53,456
Notes and accounts payable - trade	103,319	134,946
Short-term loans payable	5,910	11,348
Income taxes payable	34,894	34,945
Deferred tax liabilities	2	8
Other	114,048	125,656
Total current liabilities	<u>346,345</u>	<u>360,362</u>
Total liabilities	<u>979,568</u>	<u>1,014,681</u>
NET ASSETS		
Shareholders' equity		
Capital stock	141,844	141,844
Legal capital surplus	2,065	2,065
Retained earnings	631,045	657,387
Treasury stock	-2,361	-1,986
Total Shareholder's equity	<u>772,594</u>	<u>799,310</u>
Value and translation adjustments		
Valuation difference on available-for-sale securities	11,466	20,175
Deferred gains or losses on hedges	920	1,690
Foreign currency translation adjustment	-12,615	-7,290
Total valuation and translation adjustments	<u>-228</u>	<u>14,575</u>
Minor interests	12,250	12,404
Total net asset	<u>784,616</u>	<u>826,291</u>
Total liabilities and net assets	<u>1,764,185</u>	<u>1,840,972</u>

(2) Consolidated Statement of Income

(Unit: million yen)

Account	FY2008	FY2009
	(Apr. 2008 – Mar. 2009)	(Apr. 2009 – Mar. 2010)
Net Sales	1,660,162	1,415,718
Cost of sales	1,139,791	854,231
Gross profit	520,371	561,487
Selling, general and administrative expenses		
Supply and sales expenses	381,177	403,671
General and administrative expenses	73,989	72,586
Total selling, general and administrative expenses	455,166	476,257
Operating income	65,204	85,229
Non-operating income		
Interest income	1,089	1,112
Dividend income	1,675	1,091
Equity in earnings of affiliates	5,529	3,796
Foreign exchange gains	-	6,175
Miscellaneous income	7,381	8,450
Total non-operating income	15,675	20,626
Non-operating expenses		
Interest expenses	10,869	10,303
Balance on commissioned construction	3,257	3,186
Expense for environmental consideration	-	3,097
Miscellaneous expenses	8,415	5,747
Total non-operating expenses	22,542	22,336
Ordinary income	58,337	83,519
Extraordinary income		
Gain on adjustment for changers of ‘Accounting Standards for Lease Transactions’	7,846	-
Gain on transfer of benefit obligation relating to employees’ pension fund	1,570	-
Gain from the transfer of operation	1,359	-
Total extraordinary income	10,775	-
Extraordinary losses		
Loss on valuation of investment securities	1,076	-
Total extraordinary losses	1,076	-
Income before income taxes	68,037	83,519
Income taxes - current	27,630	43,419
Income taxes - deferred	-2,366	-14,552
Total income taxes	25,264	28,866
Minority interests in income	1,064	871
Net income	41,708	53,781

(3) Consolidated Statements of Changes in Net Assets and Statements of Consolidated Retained Earnings

(Unit: million yen)

	FY2008 (Apr.2008 – Mar. 2009)	FY2009 (Apr.2009 – Mar. 2010)
Shareholders' equity		
Paid-in capital		
Balance at the end of previous period	141,844	141,844
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of period	141,844	141,844
Capital surplus		
Balance at the end of previous period	2,065	2,065
Changes of items during the period		
Total changes of items during the interim period	-	-
Balance at the end of previous period	2,065	2,065
Retained surplus		
Balance at the end of period	634,116	631,045
Changes by accounting change of controlled foreign corporation	94	-
Changes of items during the period		
Dividends from surplus	-21,200	-21,701
Net income	41,708	53,781
Disposal of treasury stock	-11,710	-21
Cancellation of treasury stock	-11,622	-5,418
Change of subsidiaries	-340	-298
Total changes of items during the period	-3,165	26,342
Balance at the end of period	631,045	657,387
Treasury stock		
Balance at the end of previous period	-42,774	-2,361
Changes of items during the period		
Repurchase of treasury stock	-10,462	-5,149
Disposal of treasury stock	39,252	105
Cancellation of treasury stock	11,622	5,418
Total changes of items during the period	40,413	374
Balance at the end of period	-2,361	-1,986
Total shareholders' equity		
Balance at the end of previous period	735,251	722,594
Changes by accounting change of controlled foreign corporation	94	-
Changes of items during the period		
Dividends from surplus	-21,200	-21,701
Net income	41,708	53,781
Repurchase of treasury stock	-10,462	-5,149
Disposal of treasury stock	27,542	84
Cancellation of treasury stock	-	-
Change of subsidiaries	-340	-298
Total changes of items during the period	37,247	26,716
Balance at the end of period	772,594	799,310

(Unit: million yen)

	FY2008 (Apr.2008 – Mar. 2009)	FY2009 (Apr.2009 – Mar. 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	31,917	11,466
Changes of items during the period		
Changes of items during the period other than shareholders' equity	-20,451	8,709
Total changes of items during the period	-20,451	8,709
Balance at the end of period	11,466	20,175
Deferred gains or losses on hedges		
Balance at the end of previous period	424	920
Changes of items during the period		
Changes of items during the period other than shareholders' equity	496	769
Total changes of items during the period	496	769
Balance at the end of period	920	1,690
Translation adjustments		
Balance at the end of previous period	1,479	-12,615
Changes of items during the period		
Changes of items during the period other than shareholders' equity	-14,094	5,324
Total changes of items during the period	-14,094	5,324
Balance at the end of period	-12,615	-7,290
Total valuation and translation adjustment		
Balance at the end of previous period	33,820	-228
Changes of items during the interim period		
Changes of items during the period other than shareholders' equity	-34,048	14,803
Total changes of items during the period	-34,048	14,803
Balance at the end of period	-228	14,575
Minority interests		
Balance at the end of previous period	11,382	12,250
Changes of items during the period		
Changes of items during the period other than shareholders' equity	867	154
Total changes of items during the period	867	154
Balance at the end of period	12,250	12,404

(Unit: million yen)

	FY2008 (Apr.2008 – Mar. 2009)	FY2009 (Apr.2009 – Mar. 2010)
Total net assets		
Balance at the end of previous period	780,455	784,616
Changes by accounting change of controlled foreign corporation	94	-
Changes of items during the period		
Dividends from surplus	-21,200	-21,701
Net income	41,708	53,781
Repurchase of treasury stock	-10,462	-5,149
Disposal of treasury stock	27,542	84
Change of subsidiaries	-340	-298
Changes of items during the period other than shareholders' equity	-33,180	14,957
Total changes of items during the period	4,066	41,674
Balance at the end of period	784,616	826,291

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

Account	FY2008 (Apr.2008 – Mar. 2009)	FY2009 (Apr.2009 – Mar. 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	68,037	83,519
Depreciation and amortization	136,899	142,110
Amortization of goodwill	610	573
Amortization of long-term prepaid expenses	4,184	4,007
Loss on retirement of property, plant and equipment	3,561	3,239
Income/loss on sales of investment securities	1,076	-
Increase (decrease) in allowance for doubtful accounts	7,177	30,168
Increase (decrease) in provision for retirement benefits	9,027	-
Decrease (increase) in prepaid pension costs	-1,507	-1,266
Increase (decrease) in provision for safety measure	-2,764	-2,204
Interest and dividends income	10,869	10,303
Interest expenses	-5,529	-3,796
Equity in (earnings) losses of affiliates	2,585	15,419
Decrease (increase) in notes and accounts receivable - trade	-21,111	19,740
Decrease (increase) in inventories	6,005	29,482
Increase (decrease) in notes and accounts payable - trade	-	5,106
Increase (decrease) in consumption tax payable	-12,186	-6,830
Decrease (increase) in accounts receivable – other	-4,042	-
Decrease (increase) in lease receivables and lease asset	-1,359	-
Gain and loss from transfer of operation	-7,846	-
Gain on adjustment for changes of ‘Accounting Standard’ for Lease Transaction	-7,623	9,807
Other, net		
Subtotal	186,063	339,380
Interest and dividends income received	3,421	6,249
Interest expenses paid	-10,850	-10,755
Income taxes paid	-19,073	-40,763
Net cash provided by (used in) operating activities	159,561	294,110
Net cash provided by (used in) investment activities		
Payments into time deposits	-6,085	-8,181
Proceed from withdrawal of time deposits	5,575	6,625
Purchase of investment securities	-15,091	-13,462
Proceeds from sales and redemption of securities	1,388	794
Purchase of property, plant and equipment	-133,629	-136,511
Purchase of intangible assets	-7,120	-8,964
Proceeds from transfer of business	-	1,680
Purchase of long-term prepaid expenses	-1,479	-1,599
Proceeds from sales of noncurrent assets	828	735
Payment of long-term loans receivable	-8,996	-17,814
Collecting of long-term loans receivable	1,505	1,712
Net decrease (increase) in short-term loans receivable	-1,031	1,168
Other, net	558	-3,471
Net cash provided by (used in) investment activities	-163,575	-177,290

(Unit: million yen)

Account	FY2008 (Apr.2008 – Mar. 2009)	FY2009 (Apr.2009 – Mar. 2010)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-2,468	4,931
Repayments of lease obligations	-5	-640
Proceeds from long-term loans payable	81,185	13,066
Payments for long-term loans payable	-31,249	-29,279
Proceeds from issuance of bonds	20,000	30,000
Redemption of bonds	-4,888	-60,200
Proceeds from stock issuance to minority shareholders	-	758
Payments for withdrawals to minority shareholders	-	-907
Proceeds from sales of treasury stock	235	84
Purchase of treasury stock	-10,462	-5,149
Cash dividends paid	-21,208	-21,695
Cash dividends paid to minority shareholders	-205	-345
Net cash provided by (used in) financing activities	30,932	-69,375
Effect of exchange rate change on cash and cash equivalents	-6,570	1,064
Net increase (decrease) in cash and cash equivalents	20,347	48,509
Cash and cash equivalents at beginning of year	43,706	64,009
Increase in cash and cash equivalents		
from newly consolidated subsidiary	1	349
Decrease in cash and cash equivalents resulting		
from exclusion of subsidiaries from consolidation	-45	-
Cash and cash equivalents at end of term	64,009	112,868

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

(6) Basis of Preparation of Consolidated Financial Statements

Disclosure is omitted because there are no significant changes since the publication of the most recent securities report (filed June 26, 2009).

(7) Changes in Basis of Preparation of Consolidated Financial Statements

1) Changes to the accounting standards for revenue from completed works and cost of completed works

Regarding the accounting standards for subcontracted works, in the past the completed contract method has mostly applied, but with the application from the current consolidated fiscal year of the Accounting Standards Concerning Construction Contracts (Corporate Accounting Standards No. 15 of Dec. 27, 2007) and of the Application Guidelines for Accounting Standards Concerning Construction Contracts (Corporate Accounting Standards Application Guidelines No. 18 of Dec. 27, 2007), beginning with construction contracts initiated from this consolidated fiscal year, the construction works progress standards (with the construction progress rate estimated in proportion to costs) will be applied to construction works with certain results recognized in areas with substantial progress by the end of this consolidated fiscal year while the completed contract method will be applied to other construction works.

The impact of this change on the business performance of the Tokyo Gas group is minimal.

2) Changes to posting items for semi-completed construction works

In the past, semi-completed construction works at Tokyo Gas Co., Ltd. and its subsidiaries have been posted as other current assets in accordance with the provisions of the Gas Business Accounting Standards. However, as a result of the change in the nature of that accounting with the application of the Accounting Standards Concerning Construction Contracts (Corporate Accounting Standards No. 15 of Dec. 27, 2007) and the Application Guidelines for Accounting Standards Concerning Construction Contracts (Corporate Accounting Standards Application Guidelines No. 18 of Dec. 27, 2007) from this consolidated fiscal year, and for better clarity, semi-completed construction works will now be posted as partly work in process.

The amount of semi-completed construction works included in other current assets as of the end of the previous consolidated fiscal year was ¥15,984 million.

3) Accounting standard relating to retirement benefits

Starting from this consolidated fiscal year, a third version of the revised "Accounting Standard for Retirement Benefits" (Corporate Accounting Standards No. 19 of July 31, 2008) has been applied.

Actuarial differences will start to be amortized from next fiscal year and there will be no impact on operating income, ordinary income and net income before adjusting for taxes.

The balance of actuarial differences arising from application of this accounting standard that is to be amortized stands at -8.344 million yen (a decrease in retirement benefit expenses in next consolidated fiscal year).

(8) Supplementary Information

(Adjustments of gas resource costs)

Adjustments to gas resource costs sometimes emerge from contract changes and price negotiations trends with gas resource suppliers.

(9) Notes on consolidated financial statements

1) Segment information

(a) Segment information by category of business

Previous year (2008.4.1~2009.3.31)

(Unit: million yen)

Previous year	I. Sales and operating income (loss)								
	Sales								
	(1) External sales	1,220,023	117,256	45,834	13,132	263,915	1,660,162	-	1,660,162
	(2) Intersegment sales and transfers	37,551	5,106	3,259	22,505	99,867	168,290	(168,290)	-
	Total	1,257,574	122,363	49,094	35,637	363,783	1,828,452	(168,290)	1,660,162
	Operating expenses	1,146,717	120,276	50,194	28,194	350,301	1,695,684	(100,726)	1,594,957
	Operating income (loss)	110,857	2,086	(1,099)	7,442	13,482	132,768	(67,563)	65,204
	II. Assets, depreciation expenses, and capital expenditures								
	Assets	1,037,149	40,097	17,548	175,539	267,562	1,537,898	226,286	1,764,185
	Depreciation expenses	109,247	733	101	9,637	19,347	139,067	(2,168)	136,899
	Impairment loss	-	-	-	-	-	-	-	-
	Capital expenditures	110,653	917	54	5,769	29,562	146,958	(2,507)	144,450
		Gas	Gas appliances	Contracted construction work	Building lease	Other business	Total	Corporate and eliminations	Consolidated

Current year (2009.4.1~2010.3.31)

Current year	I. Sales and operating income (loss)								
	Sales								
	(1) External sales	1,017,299	118,592	41,353	12,397	226,073	1,415,718	-	1,415,718
	(2) Intersegment sales and transfers	28,236	7,495	3,006	21,312	91,745	151,795	(151,795)	-
	Total	1,045,535	126,088	44,360	33,710	317,819	1,567,513	(151,795)	1,415,718
	Operating expenses	918,183	123,752	45,011	26,417	302,609	1,415,973	(85,484)	1,330,488
	Operating income (loss)	127,352	2,335	(650)	7,292	15,210	151,539	(66,310)	85,229
	II. Assets, depreciation expenses, and capital expenditures								
	Assets	1,009,021	42,187	16,121	169,034	272,050	1,508,414	332,558	1,840,972
	Depreciation expenses	113,217	638	93	9,352	21,046	144,349	(2,239)	142,110
	Impairment loss	-	-	-	-	-	-	-	-
	Capital expenditures	113,697	553	161	3,078	31,807	149,299	(2,712)	146,586

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, facility construction and engineering, LPG, industrial gas, power generation, information processing, overseas shipping, credit leases

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.

FY2008: ¥68,664 million FY2009: ¥67,302 million

3. In the asset category the main company-wide assets included under "corporate and eliminations" include surplus working capital (cash and deposits), deferred tax assets, and assets relating to long-term investment capital (investment securities).

FY2008: ¥259,494 million FY2009: ¥368,107 million

(b) Segment information by location

Not applicable due to insignificance of overseas consolidated subsidiaries.

(c) Overseas sales

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

2) Supplementary information of shares

	FY2008	FY2009
	(Unit: yen)	(Unit: yen)
1. Shareholders' equity per share	284.72	301.58
2. Earnings per share	15.63	19.86
3. Earnings per share adjusted for latent shares	15.37	-

-Basis for calculation

	FY2008	FY2009
Earnings per share		
Net income(million yen)	41,708	53,781
Not attributable to common shareholders (million yen)	-	-
Net income attributable to common shareholders (million yen)	41,708	53,781
Average number of common shares outstanding (thousand shares)	2,667,617	2,707,933
Net earnings per share adjusted for latent shares		
Net income adjusted for latent shares (million yen)	98	-
-Interest expense after tax(million yen)	96	-
Number of increase in common shares (thousand shares)	51,947	-
-CB (thousand shares)	51,947	-
Latent shares which do not have the dilution effect	-	-

-Basis for calculation of BPS

	FY2008	FY2009
Book Value per share		
Shareholders' equity (million yen)	784,616	826,291
Deduction from shareholders' equity (million yen)	12,250	12,404
-Shares of minority shareholders (million yen)	12,250	12,404
Net Shareholders' equity attributable to common shares (million yen)	772,365	813,886
Number of shares to calculate BPS (thousand shares)	2,712,687	2,698,698

3) Material subsequent events

(a) The Company acquired TG Enterprise Co., Ltd. into its 100%-owned subsidiary through simplified merger procedures effective April 1, 2010.

As there were requests from opposing shareholders that the Company repurchase their holdings in accordance with the provisions of Article 797, Section 1 of the Companies Act, the Company repurchased its own stock as described below:

No. of opposing shareholders:	9
Period in which requests to purchase shares were accepted:	March 29, 2010 – March 31, 2010
No. of shares requested to be repurchased:	16,537 thousand shares
No. of shares repurchased:	14,037 thousand shares
* As for the 2,500 thousand shares difference between the number of shares requested to be repurchased and the number of shares repurchased, the requests to repurchase shares were withdrawn by the opposing shareholders.	
Value of shares repurchased:	¥5,783 million
Period of acquisition:	April 16, 2010 – April 21, 2010
Method of acquisition:	Off-market transaction

(b) The Company resolved at the meeting of Board of Directors held on April 28, 2010 that it would acquire its own shares of stock based on the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 156, Section 3 of the Companies Act.

The repurchases of shares are to be carried out as described below:

Type of shares:	Ordinary shares of the Company
No. of shares to be repurchased:	Up to 6 million shares (maximum)
Total value of stock repurchased:	Up to ¥2,200 million (maximum)
Period of acquisitions:	April 30, 2010 – March 31, 2011

(Omitted disclosure)

Explanatory notes other than above are omitted because little need is supposed to be for information disclosure regarding those matters in the financial results bulletin.

V. Non-Consolidated Statements

(1) Balance Sheet

(Unit: million yen)

Account	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
ASSETS		
Fixed assets		
Tangible fixed assets		
Production facilities	193,833	186,806
Distribution facilities	471,730	453,947
Business facilities	56,651	54,894
Other facilities	3,612	2,919
Suspended facilities	316	742
Construction in progress	41,713	60,374
Total tangible fixed assets	767,856	759,684
Intangible fixed assets		
Leaseholds	1,263	1,295
Software	15,728	-
Other intangible fixed assets	5,050	21,929
Total intangible fixed assets	22,042	23,224
Investments, etc.		
Investment securities	48,938	60,054
Investments in affiliates	142,320	168,344
Long-term loans receivable	171	109
Long-term loans to affiliates	121,482	135,558
Investments in partnership	13	13
Long-term prepaid expenses	23,586	20,482
Deferred tax assets	39,576	46,698
Miscellaneous investments	4,176	7,415
Allowances for doubtful accounts	-494	-762
Total investments, etc.	379,771	437,913
Total fixed assets	1,169,671	1,220,823
Current assets		
Cash and deposits	23,114	56,373
Notes and accounts receivable	650	627
Accounts receivable	106,418	96,160
Accounts receivable from affiliates	25,059	25,508
Uncollected accounts	22,176	29,387
Negotiable securities	1	10,001
Finished products	107	102
Raw materials	44,899	20,767
Supplies	7,920	9,924
Advance payments-other	-	2,051
Prepaid expenses	653	703
Short-term CMS lending to affiliates	21,315	25,609
Short-term credits affiliates	2,169	2,501
Deferred tax assets	10,286	12,565
Other current assets	38,429	30,955
Allowances for doubtful accounts	-527	-528
Total current assets	302,673	322,712
Total Assets	1,472,344	1,543,535

(Unit: million yen)

Account	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
LIABILITIES		
Fixed liabilities		
Straight bonds	277,690	287,691
Long-term bank loans payable	133,737	117,450
Long-term obligations to affiliates	324	365
Retirement benefit reserve	90,838	120,891
Allowances for repairs of gas holders	3,231	3,133
Reserve for safety measures	1,331	92
Other fixed liabilities	3,423	6,050
Total fixed liabilities	510,575	535,674
Current liabilities		
Fixed liabilities due within one year	66,782	37,394
Accounts payable	77,097	107,449
Other accounts payable	31,776	35,000
Accrued expenses	31,801	31,217
Corporation tax payable, etc.	28,615	28,900
Advances received	5,169	6,033
Deposits received	1,511	4,456
CMS short-term borrowings from affiliates	28,813	41,259
Short-term obligations to affiliates	22,156	27,382
Other current liabilities	5,386	4,772
Total current liabilities	299,109	323,865
Total liabilities	809,685	859,539
NET ASSETS		
Shareholders' Equity		
Common stock	141,844	141,844
Capital surplus		
Capital reserve	2,065	2,065
Total Capital surplus	2,065	2,065
Earned surplus		
Earned surplus reserve	35,454	35,454
Other retained earnings		
Expropriation etc. compression reserve	910	909
Reserve against loss of investment abroad, etc.	2,024	4,011
Reserve against depreciation of construction of specified gas pipes	-	-
Raw material cost fluctuation adjustment reserve	141,000	141,000
General reserves	299,000	299,000
Earned surplus carried forward	32,644	42,399
Total Earned surplus	511,032	522,775
Treasury Stock	-2,361	-1,986
Total shareholders' Equity	652,581	664,699
Variance of the estimate and the exchange rate		
Unrealized gains on other securities	9,429	16,791
Gain or loss on deferred hedge	647	2,505
Total Variance of the estimate and the exchange rate	10,077	19,296
Total net asset	662,658	683,995
Total liabilities, minority interest and shareholders' equity	1,472,344	1,543,535

(2) Statement of Income

(Unit: million yen)

Account	FY2008 (Apr. 2008 – Mar. 2009)	FY2009 (Apr. 2009 – Mar. 2010)
Product Sales		
Gas sales	1,225,737	1,010,891
Total product sales	1,225,737	1,010,891
Cost of sales		
Inventory at the end of previous period	119	107
Cost of goods manufactured	763,228	514,913
Cost of goods purchased	13,651	10,379
Cost of goods self-consumed	3,127	2,106
Inventory at the end of period	107	102
Total Cost of sales	773,765	523,190
Gross profit	451,972	487,700
Supply and sales expenses	337,000	360,041
General and administrative expenses	75,882	74,558
Total supply and sales expenses and general and administrative expenses	412,882	434,600
Profit on gas sales	39,089	53,100
Miscellaneous operating revenues		
Income of construction work received	41,923	37,624
Revenues from sales of gas appliances	95,870	94,877
Income from third party access	212	213
Other revenues	1,957	2,863
Total miscellaneous operating revenues	139,963	135,579
Miscellaneous operating expenses		
Cost of construction work	42,755	38,512
Cost of sales of gas appliances	94,518	93,508
Total miscellaneous operating expenses	137,273	132,020
Revenues from associated business		
Revenue from LNG sales	36,660	22,375
Revenue from power sales	19,284	20,439
Revenue from other associated business	26,508	21,354
Total revenues from associated business	82,453	64,169
Expenses for associated business		
Expense for LNG sales	35,901	21,028
Expense for power sales	20,099	19,663
Expenses for other associated business	25,684	21,011
Total expenses for associated business	81,685	61,704
Operating income	42,547	59,124
Non-operating income		
Interest income	2,042	2,184
Dividend income	2,117	4,897
Rental income	4,249	4,380
Miscellaneous revenues	5,311	6,151
Total non-operating income	13,721	17,615
Non-operating expenses		
Interest paid	2,304	2,602
Interest on bonds	6,484	5,754
Amortization of bond issue expenses	74	109
Balance on commissioned construction	3,407	3,270
Expense for environmental consideration	-	3,097
Miscellaneous expenditure	4,133	2,973
Total non-operating expenses	16,404	17,807
Ordinary income	39,864	58,931

(Unit: million yen)

Account	FY2008 (Apr. 2008 – Mar. 2009)	FY2009 (Apr. 2009 – Mar. 2010)
Extraordinary losses		-
Loss on valuation of investment securities	1,062	
Total of extraordinary losses	1,062	-
Net income before income tax	38,801	58,931
Corporate taxes, etc.	19,210	34,520
Adjustment for corporate taxes, etc.	-5,496	-14,472
Total corporate tax, etc.	13,713	20,047
Net income	25,087	38,883

(3) Non-Consolidated Statements of Changes in Net Assets and Statements of Non-Consolidated Retained Earnings

(Unit: million yen)

	FY2008 (Apr.2008 to Mar. 2009)	FY2009 (Apr.2009 to Mar. 2010)
Shareholders' equity		
Paid-in capital		
Balance at the end of previous period	141,844	141,844
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of period	141,844	141,844
Capital surplus		
Balance at the end of previous period	2,065	2,065
Changes of items during the interim period		
Total changes of items during the interim period	-	-
Balance at the end of period	2,065	2,065
Total Capital surplus		
Balance at the end of previous period	2,065	2,065
Changes of items during the interim period		
Total changes of items during the interim period	-	-
Balance at the end of period	2,065	2,065
Retained surplus		
Legal reserve		
Balance at the end of previous period	35,454	35,454
Changes of items during the interim period		
Total changes of items during the interim period	-	-
Balance at the end of period	35,454	35,454
Other Retained surplus		
Compression reserve		
Balance at the end of previous period	910	910
Changes of items during the interim period		
Total changes of items during the interim period	-	-
Balance at the end of period	910	909
Reserve against loss of investment on abroad, etc.		
Balance at the end of previous period	1,800	2,024
Changes of items during the interim period		
Reserve against loss of investment abroad, etc.	224	1,987
Total changes of items during the interim period	224	1,987
Balance at the end of period	2,024	4,011
Reserve against depreciation of construction of specified gas pipes		
Balance at the end of previous period	356	-

(Unit: million yen)

	FY2008 (Apr.2008 to Mar. 2009)	FY2009 (Apr.2009 to Mar. 2010)
Changes of items during the interim period		
Reversal of reserve against depreciation of construction of specified gas pipes	-356	-
Total changes of items during the interim period	-356	-
Balance at the end of period	-	-
Raw material cost fluctuation adjustment reserve		
Balance at the end of previous period	141,000	141,000
Changes of items during the interim period	-	-
Balance at the end of period	141,000	141,000
General reserves		
Balance at the end of previous period	299,000	299,000
Changes of items during the interim period		
Total changes of items during the interim period	-	-
Balance at the end of period	299,000	299,000
Deferred retained earnings		
Balance at the end of previous period	51,957	32,644
Changes of items during the interim period		
Reserve against loss of investment abroad, etc.	-224	-1,987
Reversal of reserve against depreciation of construction of specified gas pipes	356	-
Dividends from surplus	-21,200	-21,701
Net income	25,087	38,883
Disposal of treasury stock	-11,710	-21
Cancellation of treasury stock	-11,622	-5,418
Total changes of items during the interim period	-19,313	9,755
Balance at the end of period	32,644	42,399
Total Retained surplus		
Balance at the end of previous period	530,478	511,032
Changes of items during the interim period		
Reserve against loss of investment abroad, etc.	-	-
Reversal of reserve against depreciation of construction of specified gas pipes	-	-
Dividends from surplus	-21,200	-21,701
Net income	25,087	38,883
Disposal of treasury stock	-11,710	-21

(Unit: million yen)

	FY2008 (Apr.2008 to Mar. 2009)	FY2009 (Apr.2009 to Mar. 2010)
Cancellation of treasury stock	-11,622	-5,418
Total changes of items during the interim period	-19,446	11,742
Balance at the end of period	511,032	522,775
Treasury stock		
Balance at the end of previous period	-42,774	-2,361
Changes of items during the interim period		
Repurchase of treasury stock	-10,462	-5,149
Disposal of treasury stock	39,252	105
Cancellation of treasury stock	11,622	5,418
Total changes of items during the interim period	40,413	374
Balance at the end of period	-2,361	-1,986
Total shareholders' equity		
Balance at the end of previous period	631,614	652,581
Changes of items during the interim period		
Dividends from surplus	-21,200	-21,701
Net income	25,087	38,883
Repurchase of treasury stock	-10,462	-5,149
Disposal of treasury stock	27,542	84
Cancellation of treasury stock	-	-
Total changes of items during the interim period	20,966	12,117
Balance at the end of period	652,581	664,699
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	27,727	9,429
Changes of items during the interim period		
Changes of items during the interim period other than shareholders' equity	-18,297	7,361
Total changes of items during the interim period	-18,297	7,361
Balance at the end of period	9,429	16,791
Deferred gains or losses on hedges		
Balance at the end of previous period	658	647
Changes of items during the interim period		
Changes of items during the interim period other than shareholders' equity	-10	1,857
Total changes of items during the interim period	-10	1,857
Balance at the end of period	647	2,505

(Unit: million yen)

	FY2008 (Apr.2008 to Mar. 2009)	FY2009 (Apr.2009 to Mar. 2010)
Valuation and translation adjustments		
Balance at the end of previous period	28,385	10,077
Changes of items during the interim period		
Changes of items during the interim period other than shareholders' equity	-18,308	9,219
Total changes of items during the interim period	-18,308	9,219
Balance at the end of period	10,077	19,296
Total net assets		
Balance at the end of previous period	660,000	662,658
Changes of items during the interim period		
Dividends from surplus	-21,200	-21,701
Net income	25,087	38,883
Repurchase of treasury stock	-10,462	-5,149
Disposal of treasury stock	27,542	84
Changes of items during the interim period other than shareholders' equity	-18,308	9,219
Total changes of items during the interim period	2,658	21,336
Balance at the end of period	662,658	683,995

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

VI. Others

(1) Management reshuffle

Management reshuffle has been disclosed on 12 January, 2010 and 29 January 2010..

(2) Non-Consolidated Operating Results

<Gas sales for FY2009>

			FY2009 (actual)	FY2008 (actual)	Change	% change	
No. of customers		Thousand	10,340	10,256	84	0.8	
Gas sales volume	Residential		m ³	31.82	32.40	-0.58	-1.8
			Mil. m ³	3,332	3,368	-36	-1.1
	Business	Commercial	Mil. m ³	1,856	1,952	-96	-4.9
		Other	Mil. m ³	936	916	20	2.2
	Industrial		Mil. m ³	4,952	5,280	-328	-6.2
	Sub total		Mil. m ³	7,745	8,148	-403	-4.9
	Supplies to other utilities		Mil. m ³	2,073	2,073	0	0.0
	Total		Mil. m ³	13,150	13,589	-439	-3.2
Average temperature		°C	16.5	16.6	-0.1	-	

- 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

<FY2009 Balance of Payments>

(Unit: billion yen)

Income		Change from previous year	Rate (%)	Expenses		Change from previous year	Rate (%)		
Product	Gas sales	10,108	-2,149	-17.5	Operating expenses	Cost of sales	5,231	-2,506	-32.4
						Sales and administrative expenses	4,346	218	5.3
						Subtotal	9,577	-2,289	-19.3
Other sales	Construction orders	376	-43	-10.3	Other expenses	Construction orders	385	-42	-9.9
	Gas appliances, etc.	979	-1	-0.1		Gas appliances	935	-10	-1.1
	Associated businesses	641	-183	-22.2		Subsidiary businesses	617	-199	-24.5
	Subtotal	1,997	-227	-10.2		Subtotal	1,937	-252	-11.5
Total sales		12,106	-2,375	-16.4	Total expenses		11,515	-2,541	-18.1
					Operating profit		591	166	39.0
Non-operating income		176	39	28.4	Non-operating expenses		178	14	8.6
					Ordinary profit		589	191	47.8
Extraordinary profit		-	-	-	Extraordinary loss		-	-10	-100.0
					Net Income		388	138	55.0

(Rounded down to nearest ¥100 million)

Notes: 1 Cost of sales includes cost of raw materials is ¥ 492.5 billion (decrease by ¥ 252.3 billion, or 33.9%, from the previous year).

2 Non-operating expenses include interest expenses is ¥ 8.3 billion (decrease by ¥ 1.0 billion, or 10.1%, from the previous year).

<Capital expenses>

(Unit: hundred million yen)

	FY2008 (Actual)		FY2009 (Actual)		FY2010 (Projection)	
		(%)		(%)		(%)
Production facilities	88	8.3	140	12.5	109	10.2
Distribution facilities	831	78.1	785	70.0	710	66.5
Business facilities	139	13.1	189	16.8	240	22.6
Associated business facilities	4	0.5	8	0.7	7	0.7
Total	1,065	100.0	1,123	100.0	1,066	100.0

(Unit: hundred million yen)

Terminal-related facilities (production facilities)	FY2008 (Actual)	FY2009 (Actual)	FY2010 (Projection)
Sodegaura Terminal	24	19	19
Negishi Terminal	35	74	43
Ohgishima Terminal	21	43	33
Total	80	136	95
Mains and branches (distribution facilities)	FY2008 (Actual)	FY2009 (Actual)	FY2010 (Projection)
Demand-development mains and branches	(684km) 335	(603km) 317	(606km) 300
Safety measure mains and branches	(225km) 151	(299km) 181	(260km) 170
Planned mains and branches	(46km) 187	(44km) 136	(47km) 101
Urban development mains and branches	(67km) 16	(51km) 9	(60km) 14
Total	(1,052km) 691	(998km) 644	(972km) 587