TOKYO GAS

FY2008 Financial Results

ending March 31 2009

Tokyo Gas Co., Ltd.

April 28, 2009

I am Mitsunori Torihara, the President of Tokyo Gas. Thank you very much for kindly taking the time to attend this presentation today. We appreciate your support.

Today, I am going to present a summary of the Tokyo Gas Group's FY2008 results along with the projections for FY2009.

Summary

(Consolidated Results)

FY2008　Financial Highlights

➢Increased Revenue, Decreased Income

➢Non-consolidated : + Gas gross margin + Fixed cost

	FY2008	FY2007	Change
Gas Sales Volume（45MJ/m³）	13.94billion m³	14.22billion m³	−0.28billion m³
Sales	1,660.1billion	1,487.4billion	+172.7billion
Operating Income	65.2billion	70.0billion	−4.8billion
Ordinary Income	58.3billion	66.8billion	−8.5billion
Net Income	41.7billion	42.4billion	−0.7billion
Operating Cash Flow	182.7billion	184.9billion	−2.2billion
ROA	2.4%	2.5%	−
ROE	5.4%	5.4%	−
TEP *(WACC)	−4.8billion(3.4%)	1.7billion（3.6%）	−6.5billion

■ROA=Net Income/Total assets(Average of beginning & end of the fiscal year)
■ROE=Net Income/Shareholders' equity(Average of beginning & end of the fiscal year)
■Operating CF=Net Income + Depreciation expense including amortization of long-term period expense
■TEP [Tokyo Gas Economic Profit]
=After-tax, pre-interest-payment profit − (capital cost + debt cost)

	Crude oil	Ex. rate	Temperature
FY08	$90.51/bbl	100.71yen/$	16.6℃
FY07	$78.72/bbl	114.44yen/$	16.6℃

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Let us begin with the highlights of the Tokyo Gas Group's FY2008 business performance. In FY2008, revenues increased but profits declined compared with a year earlier.

The Japanese economy is abruptly contracting under the present global recession, which began from the U.S. financial crisis last autumn. As a result our gas sales volume posted year-on-year declines for the six consecutive months from October 2008 through March 2009. Consequently, the gas sales volume for the full year FY 2008 declined 1.9% from the previous year, dropping 0.28 billion cubic meters to 1.394 billion cubic meters.

Nevertheless, with the increase in unit sales prices under Japan's gas resource cost adjustment system, our FY2008 sales rose 11.6% to 1.66 trillion yen. For FY2008 overall Tokyo Gas posted increased revenues with reduced profits: operating income declined 4.8 billion yen (6.9%) to 65.2 billion yen; ordinary income fell 8.5 billion yen (12.7%) to 58.3 billion yen, and net income dropped 0.7 billion yen (1.8%) to 41.7 billion yen.

I will return to address the reasons for these profit declines later on, but first I would like to explain the FY2008 business environment, along with the measures that Tokyo Gas took in response.

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The management environment in FY2008

Worldwide economic recession

- Drop in the volume of gas sales for industrial demand
  (Gas sales volume in the second half: -11.7%)

Drastic changes in the economic framework (crude oil prices and exchange rates)

- LNG and LPG price hike (first half) – bigger negative impact of the slide time lag
- LNG and LPG price drop, higher yen (second half) - improvement in the slide time lag
- LNG price nearing to crude oil price

Growing environmental concern

- Start of the first commitment period under the Kyoto Protocol

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The following three factors had major impacts on the operations of the Tokyo Gas Group during FY2008.

The first, which I just mentioned, is the business slowdown under the influence of the simultaneous worldwide recession which started from the U.S. financial crisis. There has been a major slowdown in Japanese industrial activities since last fall, especially in export industries, so our gas sales volume for industrial use turned to a sharp decline.

The second factor is the sudden changes in crude oil prices. The wild fluctuations in energy prices, as represented by the price of WTI crude which posted a record high of $147.27 per barrel last July and then fell to $49.66 per barrel at the end of March, and in between even entered into $30level, have a huge effect on our revenues and gas resource costs. Even though unrecovered revenues under Japan's sliding gas resource cost adjustment system greatly improved in the second half, these crude oil price fluctuations still pushed down the Tokyo Gas Group's FY2008 profits. While Tokyo Gas holds regular LNG price revision meetings for most of our long-term contract projects, the outlook for LNG prices has become difficult, with the prolongation of negotiations and the review of pricing formulas.

The third factor is the increase in social demands for environmental preservation. The first commitment period under the Kyoto Protocol began last year, sparking a marked increase in social interest and demands concerning global warming countermeasures and the transition to a low-carbon society. To begin with, the Tokyo Gas Group contributes to reducing CO2 emissions through the sophisticated use of environmentally friendly natural gas. For Tokyo Gas, the provision of new value with the environment as the main axis is becoming an increasingly important issue.

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Main initiatives in FY2008

【Promotion of integrated energy business 】

➢ For sustained growth into the future

- **Attainment of the target for new gas development: 700 million m^3 (non-consolidated)**

- **ENE FARM (residential fuel cell)**
  ⇒Completion of preparations for full commercialization in FY2009 (sales of 1,500 units)

- **Expansion of power business:**
  start-up of Kawasaki Natural Gas Power Generation
  2 units: 800MW (TG stake 490MW)

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In this manner, in the midst of a very harsh business environment, the Tokyo Gas Group steadily implemented measures in FY2008 to achieve our vision as an "integrated energy business with natural gas at its core."

During the year, we moved the following initiatives forward as touchstones for future sustainable growth.

The first is the development of new gas sales. While the FY2008 environment was harsh for increasing gas sales volume, Tokyo Gas did secure approximately 700 million cubic meters in additional sales from the development new customer demand through the provision of value-added energy services and by reinforcing our sub-user sales activities. Looking at this additional volume in detail, in the residential sector the higher demand from the sales of gas appliances resulted in increased gas sales volume for part of FY2008, and will contribute throughout FY2009. In the commercial and industrial sectors, higher gas sales volumes are realized one to two years after the contracts have been concluded.

The second initiative is the ENE FARM fuel cell for residential use. As one countermeasure to global warming, during FY2008 Tokyo Gas completed large-scale field tests on the ENE FARM fuel cell, which is our trump card for the residential market. We are now working together with various housing construction companies to prepare for full-scale sales from FY2009.

The third initiative is the expansion of our power generation business. Kawasaki Natural Gas Power Generation Co. Ltd. initiated power generation operations at Unit No. 1 in April 2008 and at Unit No. 2 in October 2008. Based on our equity in that joint venture, these two units increased the electric power generation capacity of Tokyo Gas by approximately 400MW. Moreover, the electric power plant construction works by Ohgishima Power Co. Ltd. are proceeding on schedule.

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Main initiatives in FY2008

【Promotion of integrated energy business 】

➢ Strengthening of the foundation of the gas business

- **Steady launch of LIFEVAL**
  Establishment of 24 firms in 27 blocks
  (35 firms in 50 blocks as of April 2009)
- **Trunk line investment to increase supply capacity:**
  Chuo Trunk Line(No.1)
- **Reinforcement of measures for safety**
  Replacement of aged pipelines and unsafe gas appliances
- **Shortening of the slide time lag**
  Non regulated customers:FY2008, Regulated customers: May 2009
- **Expansion of the LNG transportation business (commissioning of the sixth carrier)**

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Tokyo Gas advanced the following measures in FY2008 to reinforce the foundations of our mainline gas business.

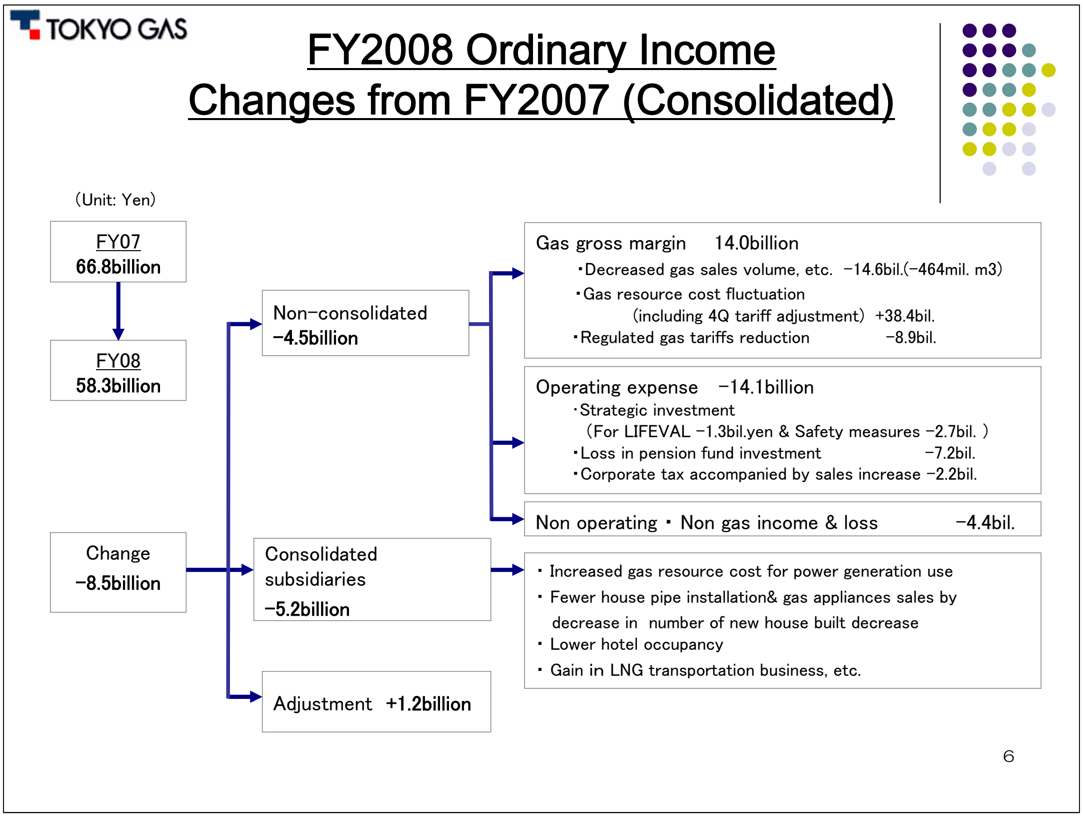
First, we have been steadily launching the new Tokyo Gas LIFEVAL regional energy companies for the residential sector. The LIFEVAL strategy divides the greater Tokyo metropolitan area into about 65 blocs. The first companies were established in April 2008, followed by a second group in October 2008 to cover a total of 27 blocs. The third group was already launched this April to cover 23 more blocs, reaching roughly 80% of the total. Preparations are now steadily proceeding to establish the fourth and final group this October. All of the approximately 65 blocs are scheduled to be covered by the end of this fiscal year.

Second, in trunk infrastructure investment, we completed phase one of a new trunk line that links the centers of our radial trunk lines, and began supply using this new line from December 2008. This new Chuo trunk line not only improves the supply stability of the radial trunk lines, but also greatly increases our ability to supply the northern Kanto area, where demand is greatly expanding.

Third, in measures to enhance security, we replaced gray cast iron pipes and advanced other safety measures for aged pipelines. Our ongoing campaign to promote the replacement of small water heaters and other unsafe gas appliances, launched in January 2007, is also making steady progress.

As for the fourth point, lessening gas resource costs fluctuation risk by shortening the time lag under the sliding rate adjustment system, revising the gas resource cost adjustment system has not only shortened the period before costs are reflected in gas rates, but also lessened the profit fluctuation risk by adjusting rates on a monthly basis. Tokyo Gas instituted these revisions from February 2009 for the large-volume field, and will begin applying this new approach to the controlled field from next month (May 2009). We will now come to enjoy the benefits of more stable revenues.

Lastly, in the expansion of LNG transportation capacity as part of our efforts to strengthen the LNG value chain, our sixth LNG carrier the Energy Navigator was commissioned in June 2008.



As a result of these operating activities, in FY2008 the Tokyo Gas Group realized ordinary income of 58.3 billion yen, down 8.5 billion yen from the previous year.

I will now explain the individual reasons for this profit decrease.

First, on a stand-alone basis at Tokyo Gas, gross profits on gas rose 14.0 billion yen. These gross profits were actually reduced 14.6 billion yen from lower sales volume and 8.9 billion yen from the rate reduction for regulated customers implemented in April 2008, but the large 38.4 billion yen improvement under the sliding rate adjustment system, which included a negative 4.2 billion yen from rate special measures for January through March, more than compensated for those factors.

Meanwhile, operating expenses rose 14.1 billion yen, including a 7.2 billion yen increase in salaries expenses from pension actuarial differences and 4.0 billion yen in LIFEVAL startup costs and measures to enhance security, while non-operating income declined 4.1 billion yen. Consequently, on a stand-alone basis Tokyo Gas profits for FY 2008 declined by 4.5 billion yen.

At our consolidated subsidiaries, although revenues improved at the tanker company, the profits of our consolidated subsidiaries declined by a total of 5.2 billion yen, with lower occupancy rates in our hotel business plus the start-up costs for launching the new consolidated subsidiary Nijio Co. Ltd.

Business Summary in FY2008

Next we will review the FY2008 performance by segment.

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FY08 Segment Information
Sales & Operating income & loss

(billion yen)

	Sales		Operating Income	
	FY08	FY07	FY08	FY07
Gas	1,257.5 (+170.5)	1,087.0	110.8 (-0.8)	111.6
Gas Appliances	122.3 (-10.0)	132.3	2.0 (-0.9)	2.9
House-pipe Installation	49.0 (-8.3)	57.3	-1.0 (-1.8)	0.8
Real Estate	35.6 (+0.5)	35.1	7.4 (-0.5)	7.9
Others	363.7 (+43.4)	320.3	13.4 (+0.7)	12.7
Sum	1,828.4 (+195.2)	1,632.2	132.7 (-3.4)	136.1
Internal setoffs etc.	-168.2(--)	-144.7	-67.5(--)	-66.0
Consolidated	**1,660.1 (+172.7)**	**1,487.4**	**65.2 (-4.8)**	**70.0**

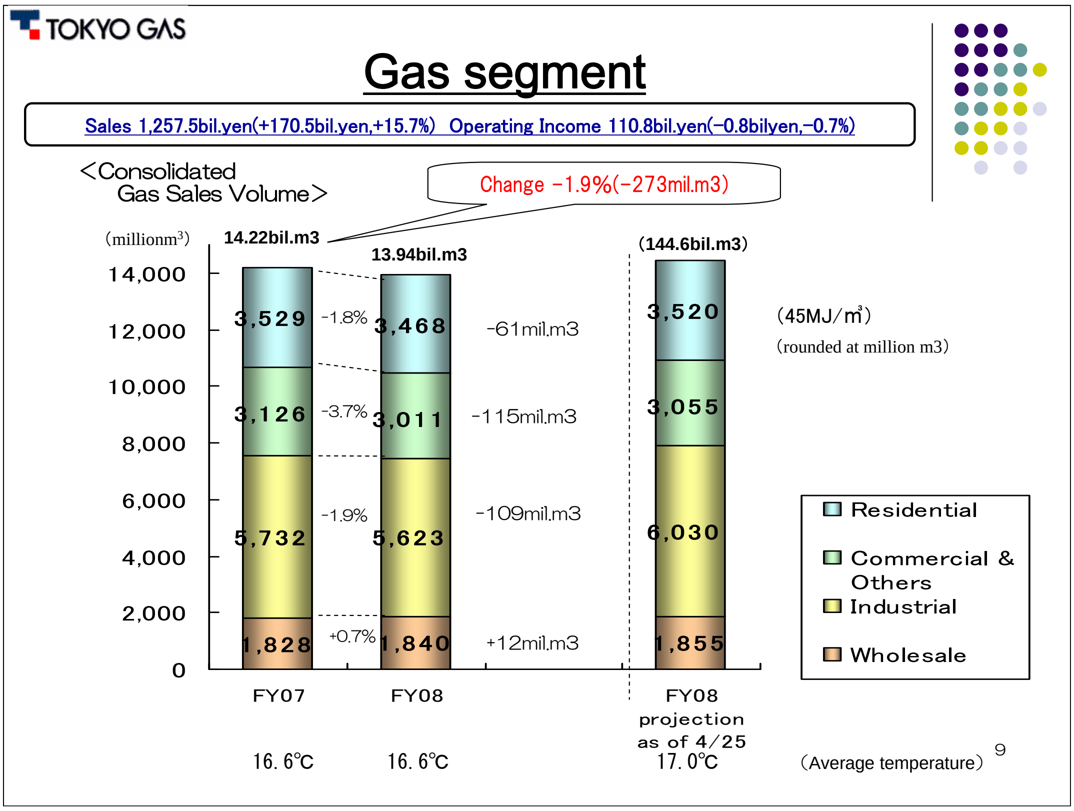
*Numbers shown in parentheses are change from FY07

*Sales include internal transactions. Operating income does not include operating expenses that cannot be allocated.

We begin with the gas segment revenues and operating profits.

While gas segment revenues increased, operating profits declined by 0.8 billion yen from the effects of the time lag under the sliding rate adjustment system to 110.8 billion yen.

Here are the gas segment results in more detail.



As I mentioned earlier, the global recession since autumn 2008 has had a profound impact on industrial sector gas demand. As a result, FY2008 gas sales volume fell 0.28 billion cubic meters, or 1.9%, to 13.94 billion cubic meters.

Next we review the FY2008 gas sales by sector.

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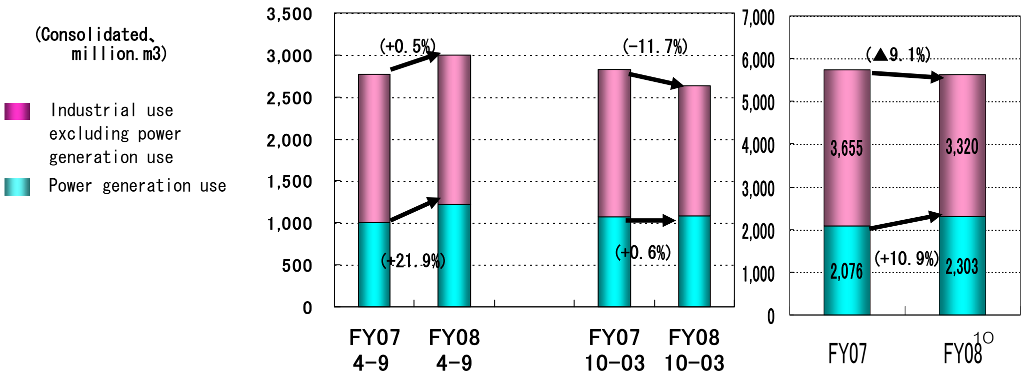
Industrial Gas Sales Volume

Industrial 562.3mil.m3 (-109mil.m3 -1.9%)

- Industrial use (Excluding power generation use)
  First half: + 9 million m^3 (+0.4%)
  Second half: - 344 million m^3 (11.7%) due to drop in production of steel, machinery, chemicals, etc. in response to the recession
- Power generation use
  First half: +220 million m3 (+21.9%) due to increased demand at existing IPP&PPS customers, start- up of new power plants
  Second half: + 7 million m3 (+0.5%) due to lower power demand / maintenance



We begin with the gas sales volume for industrial use.

During the first half, the gas sales volume grew favorably over the previous year from higher operating rates at existing facilities combined with operations at new power plants. During the second half, however, the capacity utilization of existing facilities dropped sharply. Consequently for the full year the industrial use gas sales volume declined 0.11 billion cubic meters, or 1.9%, to 5.62 billion cubic meters.

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Residential Gas Sales Volume

Residential 346.8mil.m3（-62mi.m3, -1.8%）

- Hot water /heating demand affected by temperature -46mill.m3(-1.3%)
- Others −67mil.m3(-1.9%) Energy saving appliances, Air-tight house, etc.

- Increased customers ＋53mil.m3 (+1.5%)

(10 thousand)

	FY08	FY07	Change
New Customers (Non-consolidated)	21.2	25.7	−4.5
Customers	1,051	1,038	+13

Percentage of Electrified house as sole energy source in FY08 new houses

(Non-consolidated)	FY08	FY07	Change
%	12%	11%	＋1%

Average Temp(℃)	FY08	FY07	Change
1st Half	22.1	22.6	−0.5
2nd Half	11.1	10.6	+0.5
FY	16.6	16.6	0

Strategic Appliances（Non-consolidated）

	FY08	FY07	Change
High-tech gas cooker	86,980	74,946	12,034
Efficient Water Heater	72,164	74,693	−2,529
Sauna	18,239	18,441	−202
Residential cogen.	4,156	4,278	−122

※Ecowill, ENE･FARM (PEFC)

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Next, the gas sales volume for residential use decreased 0.06 billion cubic meters, or 1.8%, to 3.47 billion cubic meters. While the number of customers increased, demand eased with the spread of energy conservation appliances and because temperatures in the second half were somewhat higher than in the previous year.

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Commercial Gas Sales Volume

Commercial 3,011 million㎥
(-11.5 million m3、-3.7%)

- Decrease in air-conditioning demand by lower temp. and decreasing counted days
  -99mil.㎥(-3.1%)
- Number of customers
  +68mil.㎥(+2.2%)
  (New large volume customer)
- Others
  -84million㎥(-2.6%)

Wholesale Gas Sales Volume

Wholesale 1,840 million㎥
(+12 million m3、+0.7%)

- Increase in customers of wholesale area
  + 4mil.㎥(+0.2%)
- New wholesale customers
  + 8mil.㎥(+0.5%)
  Noda Gas , Aug.2007～
  Tatebayashi Gas, Nov. 2007～

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The gas sales volume for commercial and other use fell 0.11 billion cubic meters, or 3.7%, to 3.01 billion cubic meters. Although the number of customers increased, commercial sales were down because of reduced air conditioning demand from the warm winter and cool summer. Commercial sales were also greatly affected by lower operating rates at existing facilities.
The gas sales volume for wholesale supply to other gas companies increased by 0.01 billion cubic meters, or 0.7%, to 1.84 billion cubic meters, with the development of new demand and increased operations by those companies.

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Changes relative to the previous year in non-gas segments

- **Gas Appliances** (Sales -10.0bil.yen Operating income -0.9bil.yen)

  Decrease in new constructions and hold-off in purchase for existing constructions

- **House pipe installation** (Sales -8.3bil.yen Operating income –1.8bil.yen)

  Decline in the number of new projects under the influence of the construction slump

- **Real estate leasing** (Sales +0.5bil.yen Operating income –0.5bil.yen)

  Increased building lease revenue and reduction in depreciation

- **Other business** (Sales +43.4bil.yen Operating income +0.7bil.yen)

  ･Energy service business :
  Increase in number of customers and unit prices

  ･Power business :
  Increased sales from start up of Kawasaki Natural Gas Power Generation
  Decrease in profit due to the hike in gas resource cost

  ･LNG tankers : Increase in sales and profit by increase number of tankers

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We now turn to segments other than gas.

The gas appliance segment and the related construction segment both posted lower income and lower profits, largely because of the decrease in new construction projects under the present construction slump.

The real estate rental segment posted higher revenues with the opening of the new Ginza gCUBE from September 2008, but profits fell on increased expenses from the integration of the Tokyo Gas headquarters building.

In other segments, sales and operating profit increased from increased projects in the energy services business and the initiation of electric power generation operations by Kawasaki Natural Gas Power Generation Co. Ltd., recovering the loss from sharp increases in fuel expenses in the first half.

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Dividend & Share Buy Back in FY2008

【Dividend】

・Maintain dividend level

8.0yen/share

【Share buy back】

・Share buy back in FY09

5.0bil. yen（15mil.shares）

【Total payout ratio】

・Total payout ratio in FY08 is at 63% (mid-term plan target：60%)

Total payout ratio ６３% ＝ (21.4billion yen: dividend in FY08 ＋ 5.0billion yen: Share buy back in FY09) / 41.7billion yen(FY08 consolidated net income)

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Turning to shareholder returns, as an appropriate standard in allocating cash flow the Tokyo Gas Group maintains a total return to shareholders of 60% of consolidated net income in current term dividends plus subsequent term treasury stock repurchases.

For the FY2008 settlement, Tokyo Gas issued a year-end dividend of 4 yen per share for a total annual dividend of 8 yen per share, and at the meeting held today, the Board of Directors authorized the purchase of up to 15 million shares (0.55%) or 5.0 billion yen in treasury stock for stock retirement.

Consequently, the FY2008 total payout ratio was 63%. The Tokyo Gas Group continues striving to boost our per share enterprise value.

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B/S at the end of FY2008

(Asset)

(Rounded down at billion yen)

	End of FY2008	End of FY2007	Change	Change
Fixed Asset& Intangible fixed Asset	1,136.9	1,147.3	-10.4	Facility investments +145.9, amortization -141.0
Investments	215.1	229.0	-13.9	Investment securities -22.2
Current assets	412.1	327.2	+84.9	Leasing receivables and assets +25.5
Total	1,764.1	1,703.6	60.5	

(Debt / Shareholders equity)

	End of FY2010	End of FY2009	Change	Change
Interest-bearing debt	593.2	558.7	+34.5	Long-term loans +81.1, Repayment -31.0, FY08 convertible bond -28.1
Other debt	386.3	364.5	+21.8	
Shareholders' equity	784.6	780.4	+4.2	Retained surplus -3.1, Marketable securities valuation difference -20.5, foreign currency translation adjustment -14.0, Treasury shares +40.4
Total	1,764.1	1,703.6	+60.5	

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Next, looking at the balance sheet at the end of FY2008, total assets rose 60.5 billion yen from the previous year, largely because of an increase in lease credits, to 1,764.1 billion yen.

On the liabilities side, long-term borrowings, interest-bearing debts and other liabilities rose a combined 56.4 billion yen to 979.5 billion yen. Net assets grew 4.2 billion yen to 784.6 billion yen.

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FY2009 Projection

(Consolidated)

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FY2009 Projection

- Decreased revenue, Increased income
- Non-consolidated :
  Gas sales volume decreases, gross margin increase
  Increased fixed cost by strategic investment

	FY2009 Projection	FY2008	Change
Gas Sales Volume(45MJ/m³)	13.47billionm³	13.94billionm³	-0.47billionm³
Sales	1,381.0billion	1,660.1billion	-279.1billion
Operating Income	73.0billion	65.2billion	+7.8billion
Ordinary Income	64.0billion	58.3billion	+5.7billion
Net Income	42.0billion	41.7billion	+0.3billion
Operating CF	191.0billion	182.7billion	+8.3billion
ROA	2.4%	2.4%	-
ROE	5.4%	5.4%	-
TEP (WACC)	▲0.1billion(3.4%)	▲4.8billion(3.4%)	+4.7billion

	Crude oil	Ex. rate	Temperature
FY09	$50.0/bbl	100.0yen/$	16.9℃
FY08	$90.2/bbl	100.7yen/$	16.6℃

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I will now present our performance forecast for FY2009 (April 1, 2009 – March 31, 2010). Compared with the previous fiscal year, we expect sales to decline 279.1 billion yen, or 16.8%, to 1,381 billion yen, operating income to increase 7.8 billion yen, or 12.0%, to 73 billion yen, ordinary income to rise 5.7 billion yen, or 9.7%, to 64.0 billion yen, and net income to increase 0.3 billion yen, or 0.7%, to 42.0 billion yen.

While future crude oil prices and foreign exchange rates are unpredictable, our FY2009 projections assume an economic framework for the entire fiscal year with crude oil prices at $50 per barrel and a fixed exchange rate of 100 yen to the U.S. dollar.

For FY 2009, the projected annual impacts from fluctuations in crude oil prices and foreign exchange rates are 1.1 billion yen from a price shift of one US dollar per barrel of crude oil and 0.8 billion yen from an exchange rate shift of one yen per US dollar. The reduced sensitivities compared with the previous fiscal year primarily result from the shortening of the time lag under the sliding rate adjustment system.

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Strategic priorities for FY2009

Implementation of major initiatives in the first year of the new medium-term management plan

Eco-friendly (creation of environmental value)	・Start of commercial sales of ENE FARM (1,500 units) ・Reinforced approaches to new energy business
Excellent Service (improvement of value for customers)	・Launch of Tokyo Gas LIFEVAL in all blocks (October 2009) ・Strengthening of safety measures ＜Accelerated replacement of aged pipes and unsafe gas appliances ＞
Expansion (in-depth cultivation and widening of markets)	・Increase in the number of new residential customers ＜About 210,000 ＞ ・Launch of Ohgishima Power (400 MW) ＜March 2010 ＞ ・Cultivation of new demand ＜About 400 million m^3 ＞
Strengthening of the LNG value chain	・Preparations for launch of the Pluto Project ・Commissioning of a new LNG carrier (No. 7) ・Start of construction of the No.4 LNG Tank at the Ohgishima Terminal ・Commencement of the Phase I section of the Gunma Trunk Line into service
Reinforcement of the synergy of All Tokyo Gas	・Start of business in development of Tamachi property

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FY2009 is the initial year of the Tokyo Gas Group Medium-term Management Plan FY2009 – 2013, and we will steadily and vigorously implement the key policies prescribed in that plan.

First, we will initiate full-sale scales of the ENE FARM fuel cell for residential use from next month (May 2009). We have set a sales target of 1,500 units for FY2009, and are vigorously advancing sales activities for new and existing housing, centered on new construction.

The LIFEVAL system for the residential sector will be fully established in October 2009, strengthening our one-stop service structure to meet all types of customer needs.

Ohgishima Power Co. Ltd. is advancing preparations to bring its first gas-fired electric power plant on line in March 2010, further strengthening the foundations of the Tokyo Gas Group's electric power generation, which is a main pillar of our integrated energy business.

In measures to reinforce the LNG value chain, our seventh LNG carrier the Energy Confidence will come into service this year. In addition to further expanding our LNG transport capacity, Tokyo Gas also plans to begin construction of a fourth LNG storage tank at the Tokyo Gas Ohgishima LNG Terminal, as infrastructure to prepare for future increases in demand.

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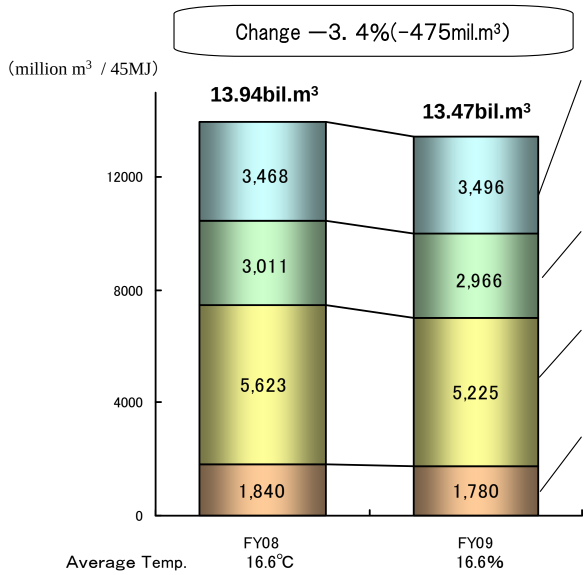
FY2009 Gas Sales Volume Projection (Consolidated)



<FY08 →FY09 Projection>

Residential ＋0.8% （＋28mil.m3）
・Number of customers increase (+130 thousand)
・Decrease gas volume per house by energy saving appliances

Commercial &Others -1.5% （-45mil.m3）
・Influence by economic recession and energy saving behaviors

Industrial -7.1% （-398mil. m3）
・Continued influence by economic recession since 4Q, FY2008

Wholesale -3.3% （-60millionm3）
・Decrease industrial customers' volume in Wholesale area

（rounded at million m3）

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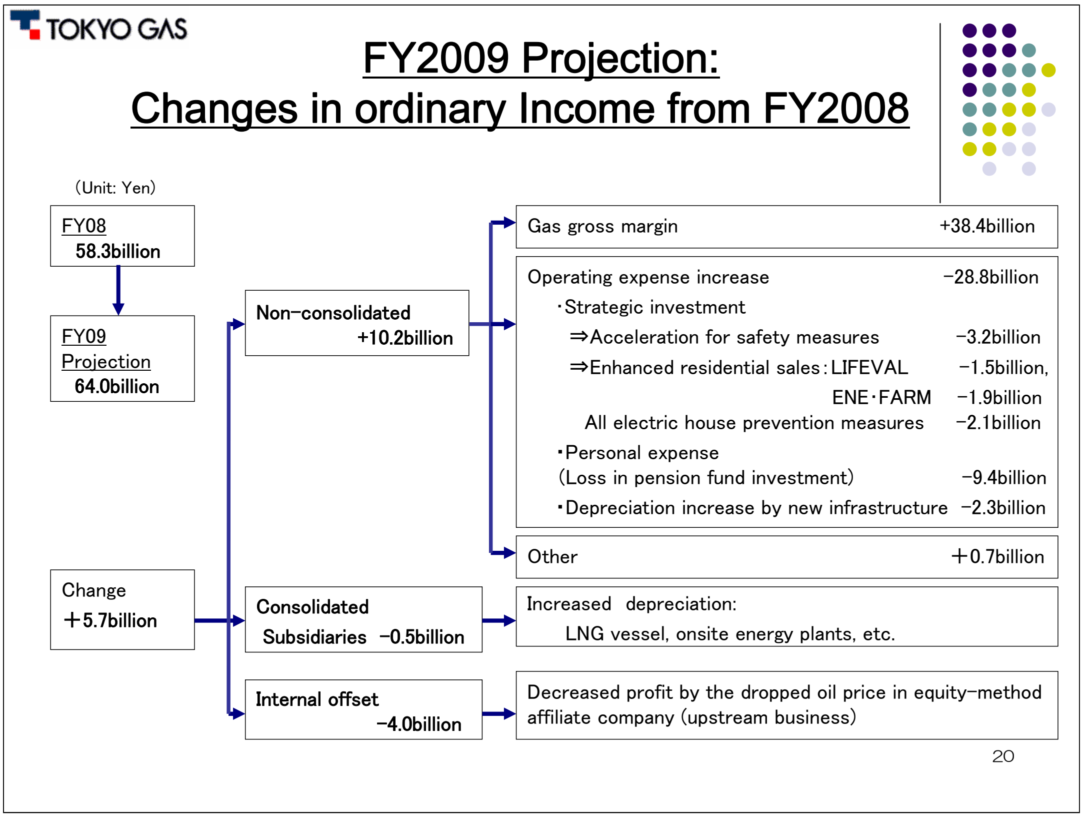
We project that the FY2009 gas sales volume will decline 3.4% from the previous year to 13.5 billion cubic meters, given the outlook for continued harsh business conditions in Japan, and assuming that the gas sales volume for industrial use remains similar to that during the fourth quarter of FY2008.



I will now explain the factors behind our projection that FY2009 consolidated ordinary income will increase by 5.7 billion yen.

To begin with, the ordinary income of Tokyo Gas on a stand-alone basis is projected to increase by 10.2 billion yen. Gas sales volume and sales revenues are both projected to decrease, but we expect the gross profits on gas to improve by 38.4 billion yen because declines in gas resource costs are expected to exceed declines in sales revenues. Among the concerned factors, we project that the drop in gas sales volume will reduce profits by 12.4 billion yen, while shortening the time lag under the sliding rate adjustment system should increase profits by 37.0 billion yen.

Fixed expenses are projected to rise 28.8 billion yen, with investments to steadily implement the key policies under the new Medium-term Management Plan together with increases in retirement benefits accounting actuarial differences and other salary expenses.

The ordinary income of the consolidated subsidiaries is projected to basically remain around the previous year's level.

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FY2009 Use of Cash Flow

(Unit: Yen)

Capital Investments	Main Projects
Tokyo Gas 121.2billion (＋14.7billion ＋13.8%)	･Production Facilities: 17.2billion (+8.4billion) Negishi Terminal BOG Facilities, Ohgishima terminal LNG storage tank, etc.
	･ Pipeline Facilities : 81.3billion(−1.8billion) New Trunk & Service Line: Chiba-Kashima Line Maintenance (Exchange Lines, etc.)
	･Business Facilities, etc.: 22.7billion(+8.4billion) IT facilities, etc.
Consolidated Subsidiaries: 35.4billion (−6.8billion −16.0%)	･Tokyo LNG Tanker Co., Ltd.:LNG Vessels (−2.5billion) ･Energy Advance Co., Ltd.:Co-generation Plants (−1.3billion),etc.
Total : 151.0billion (＋5.3billion、+3.5%, after cancellaton)	

*Numbers shown in parentheses are change from FY08

- **Other Investments & Loans：90.8billion**
  (Upstream Business · Power Generations ·LIFEVAL , etc.)
- **Dividend & Share buy back：27.0billion**
  (Keeping total payout principle of 60％)

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The FY2009 capital investment plan calls for an increase of 5.1 billion yen to 151.0 billion yen.

This includes 90.8 billion yen of investments and loans to positively advance upstream businesses and electric power generation.

In shareholder returns, we plan to maintain our basic policy of a total return to shareholders of 60% of consolidated net income, with a total annual dividend of 8 yen per share.

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FY2009 Funding Plan

(unit: billion yen)

Required Fund		Fund Source		
CAPEX	151	Internal Funding	Depreciation	149
Other Invest. & Loans	84		Ordinary Income	64
Dividend & Tax	46		Others	66
Share Buy Back	5		Total	279
Repayment (Non-Consolidated)	89 (68)	Outside Funding (Non-Consolidated)		96 (88)
Total	375	Total		375

Interest Bearing Debt : End of FY08 593.2bil.yen , End of FY09 601.0bil. yen

*CP as seasonal operating money isn't included, which redeemed by end of FY09.

*Other Invest & Loans is after offset of input. and repayment.

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I will now proceed to explain the cash flow projections for FY2009.

The FY2009 plans call for capital investment and financing surpassing the previous year's levels, and for redemptions of corporate bonds. We project that these activities will require approximately 375.0 billion yen in funds.

As for the funds sources, we plan to use our own capital for three-quarters of these investments and to procure the remaining one-fourth from outside. We will source the outside funds using corporate bonds, long-term borrowings and short-term borrowings as appropriate, acting flexibly in accordance with financial market conditions.

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Performance Indicators

(Unit: Yen)

	TEP(WACC)	Operating CF	ROA	ROE	D/E ratio
FY08	−4.8billion (3.4%)	182.7billion	2.4%	5.4%	0.77
FY09	−0.1billion (3.4%)	191.0billion	2.4%	5.4%	0.76
Mid-term plan FY13 target	18.0billion (3.8%)	09～13 total 1,060.0billion	3.7%	7.7%	0.69

■TEP [Tokyo Gas Economic Profit]
=After-tax, pre-interest-payment profit − capital cost (capital invested x WACC)
■Operating CF=Net Income + Depreciation expense

■ROA=Net Income/Total assets(Average of start & end of the fiscal year)

■ROE=Net Income/Shareholders' equity(Average of start & end of the fiscal year)

This page presents the main performance indicators for FY2008 and projections for FY2009 together with the targets for FY2013 under the Medium-term Management Plan.

Total assets are projected to increase in FY2009, reflecting active capital investment and financing, while the Tokyo Gas Group maintains the present debt-to-equity ratio and upholds ROA, ROE and other profit indices at the FY2008 level.

We will continue focusing management efforts on these key performance indicators toward approaching the targets specified in the Medium-term Management Plan.

Our current market is facing a very difficult moment, but we aim to fulfill the initiatives laid out in our mid-term management plan to correspond to the high expectations for our role in realizing low carbon society by exploring sophisticated utilization of natural gas. Specifically, we will input our management resources into strategic measures such as ENE-FARM commercialization, LIFEVAL set up, reinforcement of safety measures and facilitation of infrastructure to meet our targets set in our management plan.

This completes our overview of the Tokyo Gas Group's FY2008 consolidated business performance. From pages 25 forward you will find materials detailing the FY2009 revenues and operating profit projections by segment, for your reference.

This concludes my presentation today on the FY2008 financial results and FY2009 performance projection.

Thank you very much.

Supplementary Data

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FY09 Segment Information
Sales & Operating income & loss

(billion yen)

	Sales		Operating Income	
	FY09 Projection	FY08	FY09 Projection	FY08
Gas Sales	1,014.1(-243.4)	1,257.5	131.0(+20.2)	110.8
Gas Appliances	131.6(+9.3)	122.3	1.2(-0.8)	2.0
Related Construction	50.8(+1.8)	.49.0	-0.3(+0.7)	-1.0
Real Estate	34.2(-1.4)	35.6	7.0(-0.4)	7.4
Others	293.8(-69.9)	363.7	11.0(-2.4)	13.4
Total	1,524.5(-303.9)	1,828.4	149.9(+17.2)	132.7
Internal set-offs, etc.	-143.5(―)	-168.2	-76.9(-9.4)	-67.5
Consolidated	1,381.0(-279.1)	1,660.1	73.0(+7.8)	65.2

*Numbers shown in parentheses are change from FY07

*Sales include internal transactions. Operating income does not include operating expenses that cannot be allocated.

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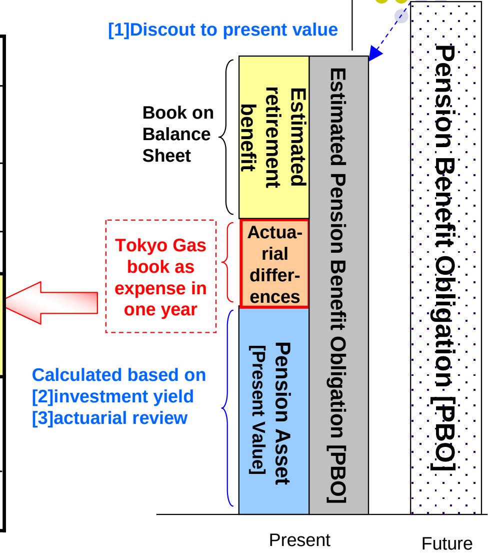
Japanese pension system and impact of actuarial differences to total labor cost

	FY08	FY09
Discount Rate (Change)	1.8% (0)	1.8% (0)
Investment yield target (a)(*)	2.0%	2.0%
Return (b)	−11.45%	−
Total of actuarial differences ((a)−(b))	¥32.0 billion yen. (−13.45%)	
Amount of expense (Former FY actuarial differences)	¥20.4bilition	¥32.0billion
Change		+¥11.6billion

(＊)Exclude fees & other expenses



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Performance Indicators ①

(Rounded down at billion yen)

	FY07	FY08	FY09 Projection	FY08 vs. FY07	FY09 Projection vs. FY08
Sales	1,487.4	1,660.1	1,381.0	+172.7	−279.1
Operating Income	70.0	65.2	73.0	−4.8	+7.8
Ordinary Income	66.8	58.3	64.0	−8.5	+5.7
Net Income	42.4	41.7	42.0	−0.7	+0.3
EPS(yen)	15.94	15.63	15.48	−0.31	−0.15
TEP	1.7	−4.8	−0.1	−6.5	+4.7
Gas Sales Volume (million㎥45MJ/㎥)	14,215	13,942	13,466	−274	−476
oil($/bbl)	78.70	90.51	50.00	+11.79	−40.51
Exchange rate (yen/US$)	114.44	100.71	100.00	−13.73	−0.71
Temperature(℃)	16.6	16.6	16.9	0	+0.3

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Performance Indicators ②

(rounded down at billion yen)

	FY07	FY08	FY09 Projection	FY08 vs. FY07	FY09 Projection vs. FY08
Total assets (a)	1,703.6	1,746.1	1,791.0	+60.5	+26.9
Shareholders' equity (b)	769.0	772.3	787.0	+3.3	+14.7
Equity ratio (b)/(a)	45.1%	43.8%	43.9%	-	-
Interest-bearing Debt	558.7	593.2	601.0	34.5	+7.8
Operating Cash Flow (c)+(d)	184.9	182.7	191.0	-2.2	+8.3
Net Income (c)	42.4	41.7	42.0	-0.7	+0.3
Depreciation (d)	142.4	141.0	149.0	-1.4	+8.0
CAPEX	138.0	145.9	151.0	+7.9	+5.1
ROA ：(c) / (a)	2.5%	2.4%	2.4%	–	-
ROE： (c) / (b)	5.4%	5.4%	5.4%	–	-
Total payout ratio	74%	63%	-	–	-

*ROA=Net Income／total asset（Average of start & end of FY）, ROE=Net Income／shareholders' equity（Average of start & end of FY）
Denomination of EPS is average share numbers of FY
Operating cash flow =Net Income + depreciation（Includes amortization of long-term debt）
Total payout ratio = [Dividend from inappropriate profit in year n]+[Amount of treasury stocks acquired in year (n+1)] / [Consolidated net income in year n]

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Tokyo Gas Co., Ltd.

Statements made in this presentation with respect to Tokyo Gas's present plans projections strategies and beliefs and other statements herein that are not expressions of historical fact are forward-looking statements about the future performance of the company. As such they are based on management's assumptions and opinions stemming from currently available information and therefore involve risks and uncertainties. The company's actual performance may greatly differ from these projections due to these risks and uncertainties which include without limitation general economic conditions in Japan changes in the foreign exchange rate of the yen crude oil prices and the weather.