

# Reference

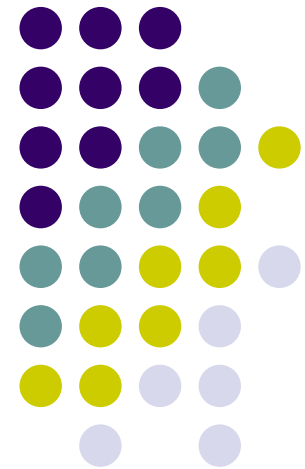
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# Results



# <Consolidated> Financial Results (Changes from FY2009 2Q)



(Unit: 100mil.JPY)

	FY10 2Q	FY09 2Q	Change		Reason
Net sales	7,013	6,320	693	11.0%	City gas +551 (Sales volume increased), Other energy +314 (Electric power +179)
Operating income	480	464	16	3.5%	City gas resource costs +760, Decline in pension benefits (Costs from actuarial differences in retirement benefit accounting decreased -258)
Ordinary income	458	505	-47	-9.3%	Non-operating income/loss -62 (Foreign exchange loss -73, Gains on weather derivatives +14)
Net income	255	327	-72	-21.9%	Extraordinary loss -23 (Loss on valuation of investment securities (FY10 2Q: 23, FY09 2Q: 0))

Total assets	17,985	18,409	-424	-2.3%	Current assets -473 (Notes and accounts receivable-trade -192), Investments and other assets -237, Property, plant and equipment & Intangible assets +286 (Facility investment 668, Amortization -719, Ohgishima Power Newly consolidated subsidiary +357)
Shareholders' equity	8,038	8,138	-100	-1.2%	Net income 255, Cash dividends paid -134, Retirement of treasury stock -79, Valuation difference on stock -69
Shareholders' equity ratio (%)	44.7%	44.2%	0.5	—	Increased the ratio due to Decrease in Total assets (-2.3%) > Decrease in Shareholders' equity (-1.2%)
Total assets turnover (times)	0.39	0.36	0.03	—	
Interest-bearing debt	6,500	5,559	941	16.9%	Tokyo Gas +945, Ohgishima Power +92 (Newly consolidated subsidiary), Tokyo Gas Urban Development -110
Net income	255	327	-72	-21.9%	
Depreciation and amortization (*2·3)	719	702	17	2.4%	Ohgishima Power +32 (Newly consolidated subsidiary), Tokyo LNG Tanker -19
Operating cash flow (*1)	974	1,029	-55	-5.3%	
Capex (*2)	668	579	89	15.3%	Ohgishima Power +161, Tokyo LNG Tanker -45, Tokyo Gas Pluto -31
EPS (¥/Share)	9.54	12.07	-2.53	-21.0%	Decrease in Net income (-72)
BPS (¥/Share)	300.05	301.58	-1.53	-0.5%	

\*Scope of consolidation (FY10 2Q: 67 (Tokyo Gas +62 subsidiaries + 4 affiliated companies accounted for by the equity-method); 66 in FY09 2Q (Tokyo Gas + 61 subsidiaries + 4 affiliated companies accounted for by the equity-method)

Figures in FY09 2Q show those for the corresponding period of the previous year (P/L items) or those as of the end of the previous period (B/S items)

- (\*1) Operating Cash Flow = Net Income + Depreciation and amortization:  
(application of simplified accounting treatment; no application of the amount on Consolidated Statement of Cash Flows)
- (\*2) Capex and Depreciation: after internal transactions
- (\*3) Depreciation and amortization includes long-term prepaid expenses

<Consolidated>

## Breakdown of Sales by Consolidated Subsidiary/Segment (Change from FY2009 2Q)



(Unit: 100mil. JPY)

	External net sales by segment						External sales ratio	Internal sales	Non-consolidated net sales	
	City Gas	Appliances and Gas Installation	Other Energy	Real Estate	Others	Total				
Tokyo Gas Co., Ltd.(A)	468,689	50,557	36,185	0	3,084	558,516	92.5%	45,201	603,718	
External sales by consolidated subsidiary	Tokyo Gas Urban Development Co., Ltd.	0	0	0	5,767	0	5,767	35.4%	10,511	16,278
	Ohgishima Power Co., Ltd.	0	0	4,437	0	0	4,437	26.0%	12,639	17,077
	Nagano Toshi Gas., Ltd.	5,262	472	0	0	0	5,734	100.0%	0	5,734
	Energy Advance Co., Ltd.	0	0	30,255	0	0	30,255	95.3%	1,485	31,741
	Gaster Co., Ltd.	0	5,058	0	0	0	5,058	40.0%	7,574	12,633
	Tokyo LNG Tanker Co., Ltd.	0	0	0	0	1,547	1,547	21.4%	5,681	7,229
	Tokyo Gas Energy Co., Ltd.	136	0	10,627	0	0	10,764	75.0%	3,594	14,358
	Capty Co., Ltd.	0	4,694	0	0	1,276	5,971	28.7%	14,804	20,775
	Tokyo Gas Chemicals Co., Ltd.	0	0	4,934	0	0	4,934	66.9%	2,444	7,378
	Chiba Gas Co., Ltd.	6,330	496	541	0	0	7,368	95.9%	316	7,685
	TG Information Network Co., Ltd.	0	0	0	0	497	497	6.3%	7,466	7,963
	Tokyo Gas Engineering Co., Ltd.	0	0	0	0	15,788	15,788	84.0%	3,004	18,792
	Nijio Co., Ltd.	4,480	0	0	0	0	4,481	23.5%	14,608	19,089
	50 other subsidiaries	6,916	8,085	12,359	255	12,580	40,198	63.0%	23,604	63,802
Consolidated subsidiaries subtotal (B)	23,126	18,808	63,156	6,023	31,690	142,805	57.0%	107,734	250,540	
Consolidated total	491,816	69,365	99,341	6,023	34,774	701,322	82.1%	152,936	854,259	
External sales ratio	92.6%	73.3%	73.0%	36.4%	45.9%	82.1%	-	-	-	
Internal sales (C)	39,429	25,274	36,730	10,504	41,000	152,937	-	152,937	-	
Total sum of sales (A)+(B)+(C)	531,245	94,639	136,071	16,527	75,774	854,259	-	-	-	

# <Consolidated> Change in Composition of Balance Sheet (Changes from the End of FY2009)



(Changes from the End of FY 2009)

(Unit: 100 mil.JPY)

	End of Sep 2010		End of Mar 2010		Changes		Description
		%		%			
<b>【Assets】</b>							
Noncurrent assets	14,101	78.4%	14,051	76.3%	50	0.4%	Capex (property, plant and equipment, intangible assets) +668, Amortization -719, Addition of Ohgishima Power Station to consolidation +357, Investment securities (investments and other assets) -12 (decrease from valuation difference), Long-term loans receivable -218
Current assets	3,884	21.6%	4,357	23.7%	-473	-10.9%	(Cash and deposits) -419, (Notes and accounts receivable-trade) -192 (decrease from seasonal factors) Accounts receivable-other (other current assets) -245, Short-term loans receivable +185
<b>Total Assets</b>	<b>17,985</b>	<b>100.0%</b>	<b>18,409</b>	<b>100.0%</b>	<b>-424</b>	<b>-2.3%</b>	

<b>【Liabilities】</b>							
Interest-bearing debt	6,500	36.1%	5,559	30.2%	941	16.9%	Increase from issuance of 32nd and 33rd Domestic unsecured notes (corporate bonds) +400, decrease from redemption of 20th Domestic unsecured notes -200, Payments (for long-term loans payable) -277, New borrowings +114, (Commercial paper) +840
Provision for retirement benefits	1,140	6.3%	1,309	7.1%	-169	-12.9%	TG -170
Notes and accounts payable-trade	616	3.4%	1,349	7.3%	-733	-54.3%	Accounts payable-trade -729
Accrued expenses	244	1.4%	347	1.9%	-103	-29.8%	TG -92
Other liabilities	1,297	7.2%	1,581	8.6%	-284	-17.9%	Accounts payable-other -192
<b>Total Liabilities</b>	<b>9,799</b>	<b>54.5%</b>	<b>10,146</b>	<b>55.1%</b>	<b>-347</b>	<b>-3.4%</b>	
<b>【Net Assets】</b>							
Shareholders' equity	8,024	44.6%	7,993	43.4%	31	0.4%	(Capital stock, Legal capital surplus) Unchanged (Retained earnings) +32 (Net income +255, Dividend payments -134, Retirement of treasury stock -79, other)
Valuation and translation adjustments	14	0.1%	145	0.8%	-131	-90.2%	Decrease from valuation difference (valuation difference on available-for-sale securities) -69, (Deferred gains or losses on hedges) -22, (Foreign currency translation adjustment) -40
Minority interests	147	0.8%	124	0.7%	23	19.1%	
<b>Total Net Assets</b>	<b>8,186</b>	<b>45.5%</b>	<b>8,262</b>	<b>44.9%</b>	<b>-76</b>	<b>-0.9%</b>	Equity ratio: 44.2% (March 31, 2010) -> 44.7% (Sept. 30, 2010)
<b>Total (Liabilities and Net Assets)</b>	<b>17,985</b>	<b>100.0%</b>	<b>18,409</b>	<b>100.0%</b>	<b>-424</b>	<b>-2.3%</b>	

# <Non-consolidated>

## Financial Results/Breakdown of General Expenses

### (Changes from FY2009 2Q)



100mil.JPY				
	FY10 2Q	FY09 2Q	Change	
Net Sales	6,037	5,409	628	11.6%
Operating income	315	362	-47	-12.9%
Ordinary income	386	389	-3	-0.8%
Net income	272	253	19	7.6%

#### Impact of Sliding System Time Lag

100mil. JPY			
	FY10 2Q	FY09 2Q	Change
Revenue from sliding system	-148	-293	145
Increase in gas cost	-1	-509	508
Change	-147	216	-363

Change from basic price

#### Economic Frame

	FY10 2Q	FY09 2Q	Change
JCC \$/bbl	78.35	61.82	16.53
Ex.rate ¥/\$	88.91	95.53	-6.62

100mil.JPY					
		FY10 2Q	FY09 2Q	Change	
Gas sales		4,913	4,518	395	8.8%
Operating cost	Raw materials and supplies	2,684	2,012	672	33.4%
	(Gross margin)	(2,229)	(2,506)	(-277)	(-11.1%)
	Personnel expenses	378	637	-259	-40.6%
	General expenses	1,095	1,052	43	4.1%
	Depreciation & amortization	520	516	4	0.9%
	LNG regasification	-19	-16	-3	-
Total		4,660	4,202	458	10.9%
Installation work		-7	-8	1	-
Gas appliances		46	32	14	43.0%
Other operation income		39	23	16	66.9%
Supplimentary business income		21	22	-1	-2.4%
Operating income		315	362	-47	-12.9%
Non operating income		71	27	44	160.1%
Ordinary income		386	389	-3	-0.8%
Extraordinary income		36	0	36	-
Extraordinary loss		23	0	23	-
Taxes		126	135	-9	-6.6%
Net income		272	253	19	7.6%

Volume, Composition +261, Unit price +134	
Volume, Composition+186, Unit price+486 (foreign exchange effect=-163, oil price effect=+692)	
Volume, Composition +75, Unit price -352	
Retirement benefits-259 (actuarial differences-258), other	
See below	
Increase in amortization from newly acquired pipes, pipelines, supply equipment, other +4	
Decrease in: new constructions, fixed and overhead costs, other	
Gas appliances GHP-3, other miscellaneous, other	
Electric power sales+5, CNG sales-2, other	
Increase in dividends received +54, Gain from weather derivatives+14, foreign exchange loss-36, other	
Extraordinary income from merger of TG Enterprises+36	
Valuation loss on investment securities+23	

#### Breakdown of General Expenses

100mil.JPY				
	FY10 2Q	FY09 2Q	Change	
Repair costs	161	155	6	3.9%
Expendable costs	67	64	3	5.0%
Rent	97	97	0	-0.5%
Consignment costs	300	293	7	2.5%
Taxes	199	196	3	1.8%
Marketing costs	107	86	21	24.3%
Others	164	161	2	1.7%

Production equipment repairs+2, Building repairs+2, other	
Increase in number of gas meters +3, other	
Increase in consignment fees: system-related+3, sales-related+2, other	
Increase in enterprise tax+4, others	
Strengthening of marketing to existing residential gas customers+7, increase in advertising costs+5, increase in marketing commissions+3, promotion of replacement of safety equipment+2, other	

# <Non-consolidated> Key Indices of Business Activities (Changes from FY2009 2Q)



## Number of Customers

thousands

	FY10 2Q	FY09 2Q	Change	
Number of customers	10,376	10,298	78	0.8%
Number of new customers	77	81	-4	-4.5%

## Breakdown of Gas Sales Volume

mil.m3

		FY10 2Q	FY09 2Q	Change	
Residential vol. per meter (m3)		149.8	144.2	5.6	3.9%
Residential		1,315	1,260	55	4.4%
Commercial	Commercial	981	950	31	3.2%
	Public & Medical	506	454	52	11.4%
	Commercial total	1,487	1,404	83	5.9%
Industrial	Power Gen.	1,038	952	86	9.1%
	Other	1,465	1,381	84	6.1%
	Industrial total	2,503	2,333	170	7.3%
Total		3,990	3,737	253	6.8%
Wholesale		1,032	941	91	9.7%
Total		6,337	5,938	399	6.7%
(Large-volume gas demand)		3,213	2,985	228	7.7%

Temp. effect+1.0m3(+0.7%), no. of days+1.1m3(+0.8%), Other+3.5m3(+2.4%)

Temp. effect+8mil.m3(+0.7%), no. of days+9mil.m3(+0.8%), no. of contracts+6mil.m3(+0.5%), other change+32mil.m3(+2.4%)

Temp. effect+94mil.m3(+6.7%), other change-11mil.m3(-0.8%)

See below

Temp. effect+5mil.m3(+0.5%), existing customer volume of other gas companies+86mil.m3(+9.2%)

Temp. effect+107mil.m3(+1.8%), power generation+86mil.m3(+1.4%), industrial(excl. power gen.) +84mil.m3(+1.4%), Wholesale(excl. Temp. effect )+86mil.m3(+1.4%), Other+36mil.m3(+0.7%)

# <Non-consolidated> Financial Results/Breakdown of General Expenses (Changes from Initial Plan as of April 28)



100mil.JPY				Impact of Sliding System Time Lag				Economic Frame				
	FY10 2Q	As of Apr 28	Change		FY10 2Q	As of Apr 28	Change		FY10 2Q	As of Apr 28	Change	
Net sales	6,037	5,930	107	1.8%	Revenue from sliding system	-148	-74	-74	JCC \$/bbl	78.35	80.00	-1.65
Operating income	315	210	105	50.1%	Increase in gas cost	-1	127	-128	Ex.rate ¥/\$	88.91	95.00	-6.09
Ordinary income	386	260	126	48.6%	Change	-147	-201	54				
Net income	272	220	52	24.0%	Change from basic price							

100mil.JPY				100mil.JPY			
	FY10 2Q	As of Apr 28	Change		FY10 2Q	As of Apr 28	Change
Gas sales	4,913	4,840	73	1.5%	Volume, Composition+137, Unit price-64		
Operating cost	Raw materials and supplies	2,684	2,717	-33	-1.2%	Volume, Composition+99, Unit price-132 (of sliding lag: foreign exchange effect=-144, oil price effect=-3)	
	(Gross margin)	(2,229)	(2,123)	(106)	(5.0%)	Volume, Composition+38, Unit price+68	
	Personnel expenses	378	365	13	3.8%	Increase in expenses from: decrease in transfers to installation work, gas appliances sales, other +6, decrease in seconded employees +3, other	
	General expenses	1,095	1,074	21	2.0%	See below	
	Depreciation & amortization	520	528	-8	-1.4%	Depreciation and amortization from delays in timing of acquisition of equipment, others -8	
	LNG regasification	-19	-16	-3	-		
Total	4,660	4,668	-8	-0.2%			
Installation work	-7	-10	3	-	Increase in new constructions+1, other		
Gas appliances	46	36	10	29.4%	Gas appliances, Decrease in alarm annunciator related fees and fixed cost+7, other		
Other operation income	39	26	13	52.2%			
Supplementary business income	21	12	9	80.1%	Electric power sales+7, other		
Operating income	315	210	105	50.1%			
Non operating income	71	50	21	42.2%	Gain from weather derivatives+13, miscellaneous income+9, increase in dividends received+6, foreign exchange loss-14, other		
Ordinary income	386	260	126	48.6%			
Extraordinary income	36	35	1	4.3%			
Extraordinary loss	23	0	23	-	Valuation loss on investment securities+23		
Taxes	126	75	51	69.1%			
Net income	272	220	52	24.0%			

Breakdown of General Expenses				100mil.JPY			
	FY10 2Q	As of Apr 28	Change		FY10 2Q	As of Apr 28	Change
Repair costs	161	154	7	5.0%	Increases in repairs for: pipes and pipelines+2, holders+2, other		
Expendable costs	67	61	6	10.8%	Increase in number of gas meters+7, other		
Rent	97	100	-3	-2.8%	Decrease in rent for buildings-2, other		
Consignment costs	300	294	6	2.3%	Increase in sales consignment fees+2, other		
Taxes	199	199	0	0.5%			
Marketing costs	107	98	9	9.3%	Strengthening of marketing to existing residential gas customers+8, other		
Others	164	168	-4	-2.4%	Decrease in asset retirement expenses-5, other		



# <Non-consolidated> Key Indices of Business Activities (Changes from Initial Plan as of April 28)



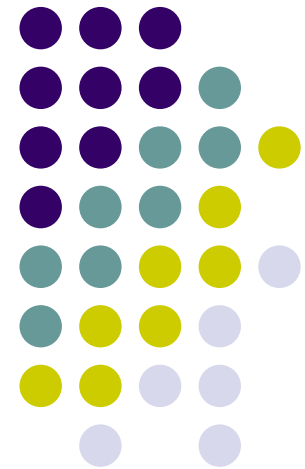
## Number of Customers thousands

	FY10 2Q	As of Apr 28	Change	
Number of customers	10,376	10,363	13	0.1%
Number of new customers	77	62	15	23.7%

## Breakdown of Gas Sales Volume mil.m3

	FY10 2Q	As of Apr 28	Change			
Residential vol. per meter (m3)	149.8	144.8	5.0	3.4%	Temp. effect+1.9m3(+1.3%), no. of days-0.2m3(-0.1%), other+3.3m3(+2.2%)	
Residential	1,315	1,271	44	3.4%	Temp. effect+17mil.m3(+1.3%), no. of days-2mil.m3(-0.1%), other change+29mil.m3(+2.2%)	
Commercial	Commercial	981	924	57	6.1%	
	Public & Medical	506	473	33	7.0%	
Commercial Total	1,487	1,397	90	6.4%	Temp. effect+57mil.m3(+4.1%), other change+33mil.m3(+2.3%)	
Industrial	Power Gen.	1,038	1,014	24	2.3%	
	Other	1,465	1,480	-15	-1.0%	
Industrial Total	2,503	2,494	9	0.4%	Existing customer volume increase	
Total	3,990	3,891	99	2.5%		
Wholesale	1,032	997	35	3.5%	Temp. effect+4mil.m3(+0.4%), existing customer volume increase of other gas companies +31mil.m3(+3.1%)	
Total	6,337	6,160	177	2.9%	Temp. effect+78mil.m3(+1.3%), industrial (excl. power gen) +24mil.m3(+0.4%), Power generation-15mil.m3(-0.2%), Wholesale(excl. Temp. effect)+31mil.m3(+0.5%), other+59mil.m3(+0.9%)	
(Large-volume gas demand)	3,213	3,170	43	1.4%		

# Forecast



## <Non-consolidated>

# Oil Price and Currency Projections, Temperature and Their Impacts on Gross Margin



### Assumed value of JCC & Ex.rate

	FY10 Projections as of Oct 29			
	1st Half	2nd Half	Fiscal	
JCC	78.35	80.00	79.18	\$/bbl
Ex.rate	88.91	85.00	86.96	¥/\$
	FY10 Projections as of Apr, 28			
	1st Half	2nd Half	Fiscal	
JCC	80.00	80.00	80.00	\$/bbl
Ex.rate	95.00	95.00	95.00	¥/\$
	Change			
	1st Half	2nd Half	Fiscal	
JCC	-1.65	0.00	-0.82	\$/bbl
Ex.rate	-6.09	-10.00	-8.04	¥/\$

### Impact of JCC & Ex.rate fluctuation to gross margin in fiscal year

100mil.JPY

1\$/bbl	3Q	4Q	Fiscal
Net sales	-5	-2	-7
Gas resource cost	-12	-4	-16
Gross margin	7	2	9

Note: The table above shows the impact of 1\$/bbl JCC fall in each quarter on gross margin for the full year

1¥/\$	3Q	4Q	Fiscal
Net sales	-14	-4	-18
Gas resource cost	-14	-13	-27
Gross margin	0	9	9

Note: The table above shows the impact of 1JPY ex.rate to US\$ in each quarter on gross margin for the full year

# <Consolidated> Financial Results Forecast (Changes from Initial Plan as of April 28/FY2009 2Q)



	As of Oct 29	As of April 28	Change		Reasons	FY09 2Q	Change	
Net sales	15,250	15,510	-260	-1.7%	Net sales of city gas -227 (decreased due to gas rate adjustment system in spite of sales volume increased (+1.5%))	14,157	1,093	7.7%
Operating income	1,160	1,080	80	7.4%	City gas cost -342 (decrease in resource cost, other)	852	308	36.1%
Ordinary income	1,120	1,020	100	9.8%	Non-operating income +20 (gains on weather derivatives, other)	835	285	34.1%
Net income	680	650	30	4.6%	Extraordinary losses -23 (Loss on valuation of investment securities), Increase in taxes associated with higher income(-4)	537	143	26.4%
(100mil. JPY)								
Total assets	18,240	18,310	-70	-0.4%		18,409	-169	-0.9%
Shareholders' equity	8,430	8,400	30	0.4%	Increase in Retained earnings +30, (Increase in Net income)	8,138	292	3.6%
Shareholders' equity ratio (%)	46.2%	45.9%	0.3	-	Raised the ratio due to increased Shareholders' equity associated with increased Retained earnings	44.2%	2.0	-
Total asset turnover (times)	0.83	0.84	-0.01	-	Decreased the turnover ratio due to decreased Net sales (-1.7%)	0.79	0.04	-
ROA (*2) (%)	3.7%	3.5%	0.2	-	Increased associated with increased Net income (+4.6%)	3.0%	0.7	-
ROE (*2) (%)	8.2%	7.9%	0.3	-	Increased associated with increased Net income (+4.6%)	6.8%	1.4	-
Interest-bearing debt	6,220	6,460	-240	-3.7%	Tokyo Gas -190	5,559	661	11.9%
D/E ratio	0.74	0.77	-0.03	-		0.68	0.06	-
Net income	680	650	30	4.6%		537	143	26.4%
	Depreciation cash and amortization (*3*4)	1,510	1,530	-20	-1.3%	Tokyo Gas -11	1,461	49
Operation cash flow	2,190	2,180	10	0.5%		1,998	192	9.6%
CAPEX	1,500	1,550	-50	-3.2%	TG Pluto -21, Ohgishima Power -18	1,481	19	1.2%
TEP	302	235	67	28.5%	Increased associated with increased Ordinary income (+9.8%)	186	116	62.4%
(WACC)	3.3%	3.3%	-	-		3.2%	0.1	-
EPS (¥/share)	25.38	24.26	1.12	4.6%	Increased associated with increased Net income (+4.6%)	19.86	5.52	27.8%
BPS (¥/share)	314.66	311.26	3.40	1.1%	Raised the total assets due to increased Shareholders' equity associated with increased Retained earnings	301.58	13.08	4.3%
Total payout ratio (*6)	-	-	-	-		60.1%	-	-

Scope of consolidation (FY10 2Q: 67 (Tokyo Gas + 62 subsidiaries + 4 affiliated companies accounted for by the equity-method); 66 in FY09 2Q (Tokyo Gas + 61 subsidiaries + 4 affiliated companies accounted for by the equity-method))

\*1 Operating cash flow is calculated using the simple definition of "Net income + Depreciation and amortization."

\*2 Total assets and shareholders' equity used to calculate ROA and ROE are the average of the amount as of the end of the previous term and the amount as of the end of the current term.

\*3 Amounts for capex and depreciation and amortization are after offsetting of internal transactions.

\*4 Depreciation and amortization includes amortization of long-term prepaid expenses.

\*5 FYn Gross payout ratio = ((FYn dividend amount on profit disposal basis) + (FYn+1 stock repurchases)) / (FYn consolidated net income)

\*6 Gross payout ratio target set at 60% under current Medium-term Mgt. Plan.

TEP (Tokyo Gas Economic Profit)

TEP = Profit after taxes and before interest payments - Cost of capital (invested capital x WACC)

- Cost of interest-bearing debt: Interest (1.24%)
- Cost rate for shareholders' equity (average interest rate of 10-year JGBs for past 10 years: 1.47%), Risk premium: 4.0%;  $\beta$  0.75
- Shareholders' equity used to calculate WACC is the average market cap for FY2009

# <Non-consolidated>

## Financial Results Forecast/Breakdown of General Expenses (Changes from Initial Plan as of April 28)



100mil.JPY				
	Current	Initial Plan	Change	
Net Sales	13,190	13,440	-250	-1.9%
Operating income	850	800	50	6.3%
Ordinary income	920	850	70	8.2%
Net income	630	610	20	3.3%

Impact of Sliding System Time Lag				
100mil.JPY				
	Current	Initial Plan	Change	
Revenue from sliding system	-388	10	-398	
Increase in gas cost	-135	257	-392	
Change	-253	-247	-6	

Economic Frame				
	Current	Initial Plan	Change	
JCC \$/bbl	79.18	80.00	-0.82	
Ex.rate ¥/\$	86.96	95.00	-8.04	

100mil.JPY						
	Current	Initial Plan	Change			
Gas sales	10,710	10,970	-260	-2.4%	Volume, Composition+145, Unit price-405	
Operating cost	Raw materials and supplies	5,710	6,017	-307	-5.1%	Volume, Composition+108, Unit price-415 (of sliding lag: foreign exchange effect=-431, oil effect=-49)
	(Gross margin)	(5,000)	(4,953)	(47)	(0.9%)	Volume, Composition+37, Unit price+10
	Personnel expenses	767	744	23	3.1%	Increased cost associated with decline in amount of transfer to installation work & appliance sales, etc.+13, increased expensed due to decline in numbers of seconded staff+6 Other
	General expenses	2,415	2,415	0	0.0%	See below
	Depreciation & amortization	1,091	1,102	-11	-1.0%	Depreciation and amortization from delays in timing of acquisition of equipment, others-11
	LNG regasification	-38	-31	-7	-	
	Total	9,945	10,247	-302	-2.9%	
Installation work	-8	-8	0	-		
Gas appliances	61	53	8	15.1%	Gas appliances, increased water heater, other+5, other, miscellaneous	
Other operation income	53	45	8	17.8%		
Supplimentary business income	32	32	0	0.0%		
Operating income	850	800	50	6.3%		
Non operating income	70	50	20	40.0%	Gain from weather derivatives+13, increase in dividends received+5 others	
Ordinary income	920	850	70	8.2%		
Extraordinary income	36	35	1	2.9%		
Extraordinary loss	23	0	23	-	Valuation loss on investment securities+23	
Taxes	303	275	28	10.2%		
Net income	630	610	20	3.3%		

Breakdown of General Expenses					
100mil. JPY					
	Current	Initial Plan	Change		
Repair costs	356	356	0	0.0%	
Expendable costs	143	142	1	0.7%	
Rent	194	199	-5	-2.5%	Decrease in rent for buildings-3, other
Consignment costs	635	640	-5	-0.8%	Decrease in consignment fees: system-related-4, other
Taxes	409	414	-5	-1.2%	Decrease in enterprise tax-4, other
Marketing costs	280	276	4	1.4%	Increase in advertising costs+6, other
Others	398	388	10	2.6%	Increase in asset retirement expenses +7, other

# <Non-consolidated>

## Key Indices Forecast of Business Activities

### (Changes from Initial Plan as of April 28)



**Number of Customers** thousands

	Current	Initial Plan	Change	
Number of Customers	10,438	10,425	13	0.1%
Number of New Customers	167	157	10	6.5%

**Breakdown of Gas Sales Volume** mil. m<sup>3</sup>

	Current	Initial Plan	Change			
Residential vol. per meter (m3)	387.3	382.3	5.0	1.3%	Temp. effect+1.9m3(+0.5%), number of days-0.2m3(-0.1%), other change+3.3m3(+0.9%)	
Residential	3,400	3,357	43	1.3%	Temp. effect+17mil.m3(+0.5%), number of days-2mil.m3(-0.1%), other change+28mil.m3(+0.9%)	
Commercial	Commercial	1,918	1,852	66	3.5%	
	Public & Medical	968	929	39	4.1%	
	Commercial total	2,886	2,781	105	3.7%	Temp. effect+57mil.m3(+2.0%), other change+48mil.m3(+1.7%)
Industrial	Power Gen.	2,006	1,949	57	2.9%	
	Other	2,998	3,053	-55	-1.8%	
	Industrial total	5,004	5,002	2	0.1%	Existing customer volume
Total	7,890	7,783	107	1.4%		
Wholesale	2,181	2,147	34	1.6%	Temp. effect+4mil. m3(+0.2%), existing customer volume of other gas company+30mil.m3(+1.4%)	
Total	13,471	13,286	185	1.4%	Temp. effect+78mil.m3(+0.6%), power generation+57mil.m3(+0.4%), industrial(excl. power gen.) -55mil.m3(-0.4%),	
(Large-volume gas demand)	6,335	6,290	45	0.7%	Wholesale(excl. Temp. effect)+30mil.m3(+0.2%),Other+75mil.m3(+0.6%)	

# <Non-consolidated>

## Financial Results Forecast/Breakdown of General Expenses (Changes from FY2009)



	100mil.JPY			
	Current	FY09	Change	
Net sales	13,190	12,106	1,084	9.0%
Operating income	850	591	259	43.8%
Ordinary income	920	589	331	56.1%
Net income	630	388	242	62.0%

	100mil.JPY		
	Current	FY09	Change
Revenue from sliding system	-388	-774	386
Increase in gas cost	-135	-831	696
Change	-253	57	-310

	Economic Frame		
	Current	FY09	Change
JCC \$/bbl	79.18	69.40	9.78
Ex.rate ¥/\$	86.96	92.89	-5.93

Change from basic price

	100mil.JPY					
	Current	FY09	Change			
Gas sales	10,710	10,108	602	5.9%	Volume, Composition+214, unit price+388	
Operating cost	Raw materials and supplies	5,710	4,925	785	15.9%	Volume, Composition +118, Unit price+667 (of sliding lag: foreign exchange effect=-318, oil price effect=+951)
	(Gross margin)	(5,000)	(5,183)	(-183)	(-3.5%)	Volume, Composition +96, unit price-279
	Personnel expenses	767	1,283	-516	-40.2%	Retirement benefits-518 (actuarial differences-518), other
	General expenses	2,415	2,325	90	3.9%	See below
	Depreciation & amortization	1,091	1,076	15	1.4%	Increase in amortization from newly acquired pipes, pipelines, supply equipment, other+15
	LNG regasification	-38	-32	-6	-	
	Total	9,945	9,577	368	3.8%	
Installation work	-8	-8	0	-		
Gas appliances	61	44	17	37.2%	Gas appliances, ENE-FARM alarm annunciator related fees, others-21, other, miscellaneous	
Other operation income	53	35	18	49.0%		
Supplementary business income	32	24	8	29.8%	LNG sales+6, electric power sales+4, other	
Operating income	850	591	259	43.8%		
Non operating income	70	-1	71	-	Increase in dividends income+31, gain from weather derivatives+17, decrease in environment improvement+30, other	
Ordinary income	920	589	331	56.1%		
Extraordinary income	36	0	36	-	Extraordinary income from merger of TG Enterprises+36	
Extraordinary loss	23	0	23	-	Valuation loss on investment securities+23	
Taxes	303	200	103	51.1%		
Net income	630	388	242	62.0%		

	100mil.JPY				
	Current	FY09	Change		
Repair costs	356	356	0	-0.1%	
Expendable costs	143	141	2	0.8%	
Rent	194	192	2	0.8%	
Consignment costs	635	603	32	5.2%	Out sourcing fees: Lifeval related+8, increase in consignment fees: system-related+5, Out sourcing fees: security related+4,
Taxes	409	404	5	5.2%	Increase in enterprise tax+4, other
Marketing costs	280	244	36	14.3%	Increase in advertisement +14, enhanced sales for residential market+14, other
Others	398	385	13	3.4%	Higher electric cost+5, increased research fees+5, other

# <Non-consolidated> Key Indices Forecast of Business Activities (Changes from FY2009)



thousands

	Current	FY09	Change	
Number of Customers	10,438	10,340	98	1.0%
Number of New Customers	167	187	-20	-10.4%

## Breakdown of Gas Sales Volume

mil.m3

	Current	FY09	Change			
Residential vol. per meter (m3)	387.3	381.8	5.5	1.4%	Temp. effect+0.1m3(+0.0%), number of days+1.6m3(+0.4%), other change+3.8m3(+1.0%)	
Residential	3,400	3,332	68	2.0%	Temp. effect+1mil.m3(+0.0%), number of days+14mil.m3(+0.4%), number of customers+21mil.m3(+0.6%), other+32mil.m3(+1.0%)	
Commercial	Commercial	1,918	1,856	62	3.3%	
	Public & Medical	968	936	32	3.4%	
	Commercial total	2,886	2,792	94	3.3%	Temp. effect+96mil.m3(+3.4%), other change-2mil.m3(-0.1%)
Industrial	Power Gen.	2,006	1,952	54	2.7%	
	Other	2,998	3,000	-2	0.0%	
	Industrial total	5,004	4,952	52	1.1%	Existing customer volume
Total	7,890	7,745	145	1.9%		
Wholesale	2,181	2,073	108	5.2%	Temp. effect+4mil.m3(+0.2%), existing customer volume of other gas company+104mil.m3(+5.0%)	
Total	13,471	13,150	321	2.4%	Temp. effect+101mil.m3(+0.8%), industrial (excl. power gen.) +54mil.m3(+0.4%), power generation-2mil.m3(-0.0%),	
(Large-volume gas demand)	6,335	6,199	136	2.2%	Wholesale(excl. Temp. effect)+104mil.m3(+0.8%), other+64mil.m3(+0.4%)	





## <Non-consolidated> Financial Results Forecast for 2nd Half (Changes from Initial Plan as of April 28)

100mil.JPY

	Current	As of Jul 29	Change	
Net Sales	7,153	7,510	-357	-4.8%
Operating income	535	590	-55	-9.3%
Ordinary income	534	590	-56	-9.5%
Net income	358	390	-32	-8.2%

100mil.JPY

	Current	As of Jul 29	Change			
Gas sales	5,797	6,130	-333	-5.4%	Volume, Composition+8, Unit price-341	
Operating cost	Raw materials and supplies	3,026	3,300	-274	-8.3%	Volume, Composition+9, Unit price-283 (of sliding lag: exchange rate effect=-287, oil price effect=-46)
	(Gross margin)	(2,771)	(2,830)	(-59)	(-2.1%)	Volume, Composition-1, Unit price-58
	Personnel expenses	389	379	10	2.6%	Increased cost associated with decline in amount of transfer to installation work & appliance sales, etc., +6, other
	General expenses	1,320	1,341	-21	-1.6%	Decrease in number of gas meters-6, decrease on Enterprise tax-4, decrease in repairs for: pipes and pipelines-2, decrease in holder repairs-2, Decrease in consignment fees: system-related-2, other
	Depreciation & amortization	571	574	-3	-0.5%	Decrease in depreciation and amortization from delays in timing of acquisition of equipment, others-3
	LNG regasification	-19	-15	-4	-	
	Total	5,285	5,579	-294	-5.3%	
Installation work	-1	2	-3	-	Decrease in constructions, increase in fixed and overhead costs, other	
Gas appliances	15	17	-2	-11.8%	Gas appliances, increase in overhead cost-3, other	
Other operation income	14	19	-5	-26.3%		
Supplementary business income	11	20	-9	-45.0%	Electric power sales-7, other	
Operating income	535	590	-55	-9.3%		
Non operating income	-1	0	-1	-		
Ordinary income	534	590	-56	-9.5%		
Extraordinary income	0	0	0	-		
Extraordinary loss	0	0	0	-		
Taxes	177	200	-23	-11.5%		
Net income	358	390	-32	-8.2%		

## <Non-consolidated>

# Breakdown of Operating Cash Flows /CAPEX

### <Non-consolidated> Operating Cash Flows

Results (FY10 2Q vs FY09 2Q) 100mil.JPY

	FY10 2Q	FY09 2Q	Change	
Net income	272	253	19	7.6%
Depreciation	542	539	3	0.6%
Operating Cash Flow (A+B)	814	792	22	2.8%

Results (FY10 2Q vs Initial Plan as of Apr 28) 100mil.JPY

	FY10 2Q	Initial Plan	Change	
Net income	272	220	52	24.0%
Depreciation	542	549	-7	-1.3%
Operating Cash Flow (A+B)	814	769	45	5.9%

Forecast (Current vs Initial Plan as of Apr 28) 100mil.JPY

	Current	Initial Plan	Change	
Net income	630	610	20	3.3%
Depreciation	1,135	1,146	-11	-1.0%
Operating Cash Flow (A+B)	1,765	1,756	9	0.5%

Forecast (Current vs FY09 Results) 100mil.JPY

	Current	FY09	Change	
Net income	630	388	242	62.0%
Depreciation	1,135	1,123	12	1.1%
Operating Cash Flow (A+B)	1,765	1,511	254	16.8%

### Capex

Results (FY10 2Q vs FY09 2Q) 100mil.JPY

	Results	FY09 2Q	Change	
Production	33	42	-9	-19.9%
Supply	315	338	-23	-6.8%
Others	52	38	14	34.7%
Total	402	420	-18	-4.3%

Production facilities: BOG at Negishi LNG terminal, other -¥0.9billion  
 Distribution facilities: Stable supply-related, other -¥2.3billion  
 Others: Other facilities, other +¥1.4billion

Results (FY10 2Q vs Initial Plan as of Apr 28) 100mil.JPY

	FY10 2Q	Initial Plan	Change	
Production	33	45	-12	-25.1%
Distribution	315	315	0	0.0%
Others	52	61	-9	-14.2%
Total	402	422	-20	-4.7%

Production facilities: Other production facilities, other -¥1.2billion  
 Distribution facilities: Demand development-related +1.2billion, stable supply-related, other -¥1.2billion  
 Others: Other facilities, other +¥0.9billion

Forecast (Current vs Initial Plan as of Apr 28) 100mil.JPY

	Current	Initial Plan	Change	
Production	108	109	-1	-0.9%
Distribution	728	710	18	2.5%
Others	230	247	-17	-6.9%
Total	1,066	1,066	0	0.0%

Production facilities: Other production facilities, other -¥0.1billion  
 Distribution facilities: Demand development-related +2.3billion, stable supply-related, other -¥0.5billion  
 Others: Other facilities, other +¥1.7billion

Forecast (Current vs FY09 Results) 100mil.JPY

	Current	FY09	Change	
Production	108	140	-32	-22.9%
Distribution	728	785	-57	-7.3%
Others	230	197	33	16.8%
Total	1,066	1,123	-57	-5.1%

Production facilities: BOG at Negishi LNG terminal -¥4.0billion, Other production facilities, other -¥0.8billion  
 Distribution facilities: Demand development-related -2.0billion, stable supply-related -¥3.9billion, other distribution facilities, Others: Other facilities, other +¥3.3billion



# Tokyo Gas Co., Ltd.

## < Cautionary Statement regarding Forward-looking Statements >

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.

