

April 28, 2011

Tokyo Gas Co., Ltd.

Fiscal 2010 Results Briefing

Main Q&A

Q1: What is your reason for maintaining the policy of a return to shareholders of 60% of consolidated net income, when that includes an extraordinary income from the sale of land in Toyosu?

A1: We had considered reinvesting the income from the sale of land in Toyosu in the real estate business, but the fact is that regardless of whether at the city gas business or real estate business, the profit was generated through our business operations of producing, supplying, and selling city gas. That is why we maintained our policy of returning 60% of consolidated net income, including the extraordinary income, to shareholders.

Q2: Given the concerns of tighter supply-demand for electricity this summer, we would expect cogeneration systems to be receiving increased attention. What is the recent status of inquiries?

A2: We have been receiving inquiries both from customers who have cogeneration systems installed and want to increase their level of operation, and from new customers who want to install systems. The government's supplementary budget for reconstruction following the Great East Japan Earthquake also includes ¥10 billion for subsidies to increase installations of in-house power generation equipment, which should prove beneficial. Nevertheless, we still do not have a firm idea of in what scale, and on what schedule, the shift to dispersed energy sources will take. In any case, we will continue to highlight the value of dispersed energy sources and work diligently to promote these systems.

Q3: You are aggressively pursuing overseas business, including the decision to invest in the first Japanese coal-bed methane (CBM) project. Will you be placing an even greater emphasis on overseas businesses going forward?

A3: As I have stated previously, we will proactively pursue attractive projects. In addition to the upstream business you mentioned, we are already involved in electrical power generation and gas supply businesses overseas. One example is Gas Malaysia, our equity-method affiliate that supplies gas in Malaysia, and greatly contributes to Tokyo Gas's profit. Going forward we hope to continue to proactively pursue upstream and overseas businesses, and realize new sources of profit for Tokyo Gas.