

# Reference Materials

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# Results

# <Consolidated> Financial Results (Changes from FY2010)

100 million yen

	FY11 2Q	FY10 2Q	Change		Reasons
Net sales	7,483	7,013	470	6.7%	City gas+326 (Increase in Gas sales volume and Unit price, Nijio +111), Other energy +288 (Energy services +138)
Operating income	17	480	-463	-96.4%	City gas -408, Other energy -19 (Energy services -16), Increase in companywide expenses -17
Ordinary income	19	458	-439	-95.8%	Non-operating income/loss +22 (Foreign exchange gain +32, Loss from weather derivatives -12)
Net Income	(49)	255	-304	-119.4%	Extraordinary loss -25 (Loss on valuation of investment securities)

Total assets*	17,790	18,296	-506	-2.8%	Current assets -293 (Accounts receivable-other -459, Gas cost +147), Property, plant and equipment & Intangible assets -128 (Capex +585, depreciation -722), investments and other assets -86 (investment securities -121)
Shareholders' equity*	8,043	8,589	-546	-6.4%	Acquisition of treasury stock -339, Dividend -120, Net income -49, Valuation difference on stock -23
Shareholders' equity ratio* (%)	45.2%	46.9%	-1.7	—	Ratio declined as decline in shareholders' equity (-6.4%) was greater than decline in total assets (-2.8%)
Total assets turnover (times)	0.41	0.39	0.02	—	
Interest-bearing debt*	6,398	5,841	557	9.5%	Tokyo Gas +524, Tokyo Gas Gorgon +117, Tokyo Gas Urban Development Co., Ltd. -80
Net income	(49)	255	-304	-119.4%	
Depreciation and amortization (*2, 3)	722	719	3	0.4%	Tokyo Gas +4
Operating cash flow (*1)	672	974	-302	-31.0%	
Capex (*2)	585	668	-83	-12.5%	Ohgishima Power -164, Tokyo Gas +25, Tokyo Gas QCLNG +23, Energy Advance Co., Ltd. +13
EPS (¥/share)	(1.89)	9.54	-11.43	—	Decreased on decline in net income -304
BPS* (¥/share)	311.20	320.70	-9.50	-3.0%	

Scope of consolidation: (71 as of Sep. 30, 2011 (Tokyo Gas + 65 consolidated subsidiaries + 5 affiliated companies accounted for by the equity-method); 67 as of Sep. 30, 2010 (Tokyo Gas + 62 consolidated subsidiaries + 4 affiliated companies accounted for by the equity-method))

\*Figures in FY10 2Q show those for the corresponding period of the previous year (P/L items) or those as of the end of the previous term (Mar. 31, 2011) (B/S items)

(\*1) Operating cash flow is calculated using the simplified accounting treatment of "Net income + Depreciation and amortization." (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(\*2) Amounts for capex and depreciation and amortization are after offsetting of internal transactions.

(\*3) Depreciation and amortization includes amortization of long-term prepaid expenses.

# <Consolidated>

## Breakdown of Sales by Consolidated Subsidiary/Segment

million yen

		External net sales by segment					Total	External sales ratio	Internal sales	Non-consolidated net sales
		City Gas	Appliances and Gas Installation	Other Energy	Real Estate	Others				
Tokyo Gas Co., Ltd. (A)		489,225	48,895	48,470	0	3,458	590,050	91.1%	57,646	647,696
External sales by consolidated subsidiary	Tokyo Gas Urban Development Co., Ltd.	0	0	0	5,111	0	5,111	35.1%	9,440	14,551
	Ohgishima Power Co., Ltd.	0	0	7,182	0	0	7,182	25.0%	21,595	28,778
	Nagano Toshi Gas., Ltd.	5,204	579	0	0	0	5,783	100.0%	0	5,783
	Energy Advance Co., Ltd.	0	0	33,756	0	0	33,756	95.6%	1,543	35,299
	Gaster Co., Ltd.	0	5,802	0	0	0	5,802	43.8%	7,446	13,249
	Tokyo LNG Tanker Co., Ltd.	0	0	0	0	2,546	2,546	38.5%	4,059	6,605
	Tokyo Gas Energy Co., Ltd.	141	0	10,773	0	0	10,915	75.6%	3,528	14,444
	Capty Co., Ltd.	0	6,455	0	0	2,294	8,750	35.0%	16,229	24,979
	Tokyo Gas Chemicals Co., Ltd.	0	0	5,888	0	0	5,888	69.3%	2,610	8,498
	Chiba Gas Co., Ltd.	6,303	534	539	0	0	7,377	95.9%	316	7,693
	TG Information Network Co., Ltd.	0	0	0	0	376	376	4.3%	8,412	8,788
	Tokyo Gas Engineering Co., Ltd.	0	0	0	0	18,480	18,480	88.6%	2,375	20,856
	Nijio Co., Ltd.	6,190	0	0	0	0	6,190	20.3%	24,275	30,466
Other subsidiaries	6,638	8,072	12,336	250	12,868	40,166	62.0%	24,616	64,782	
Consolidated subsidiaries subtotal (B)		24,478	21,444	70,477	5,361	36,566	158,328	55.6%	126,449	284,777
Consolidated total		513,703	70,340	118,947	5,361	40,024	748,378	80.3%	184,095	932,474
External sales ratio		91.0%	70.8%	68.6%	36.2%	49.7%	80.3%	-	-	-
Internal sales (C)		50,671	29,073	54,361	9,433	40,554	184,095	-	184,095	-
Total sum of sales (A)+ (B)+ (C)		564,375	99,413	173,309	14,795	80,579	932,474	-	-	-

## <Consolidated>

### Balance Sheet (as of Sep. 30, 2011 vs. as of Mar. 31, 2011)

(Changes from Mar. 31, 2010)

100 million yen

	Sep. 30, 2011		Mar. 31, 2011		Change		Change
		%		%			
<b>[Assets]</b>							
Noncurrent assets	13,689	76.9%	13,902	76.0%	-213	-1.5%	(Property, plant and equipment, intangible assets) Capex +585, depreciation -722 (Investments and other assets) Investment securities -121, (decrease by impairment loss -48, decrease from differences in market value -36), long-term loans receivable +36
Current assets	4,100	23.1%	4,393	24.0%	-293	-6.7%	(Other current assets) Accounts receivable-other -459, Resource costs +147
<b>Total Assets</b>	<b>17,790</b>	<b>100.0%</b>	<b>18,296</b>	<b>100.0%</b>	<b>-506</b>	<b>-2.8%</b>	
<b>[Liabilities]</b>							
Interest-bearing debt	6,398	36.0%	5,841	31.9%	557	9.5%	(Corporate bonds) Increase from issue of 34th Domestic unsecured notes +200 (Long-term loans payable) New borrowings +376, Payments -140, (Commercial paper) +120
Provision for retirement benefits	913	5.1%	968	5.3%	-55	-5.7%	TG -57
Notes and accounts payable-trade	765	4.3%	761	4.2%	4	0.5%	
Other liabilities	1,514	8.5%	1,983	10.8%	-469	-23.6%	Income taxes payable -197, Accrued expenses +Accounts payable-other -239
<b>Total Liabilities</b>	<b>9,592</b>	<b>53.9%</b>	<b>9,555</b>	<b>52.2%</b>	<b>37</b>	<b>0.4%</b>	
<b>[Net Assets]</b>							
Shareholders' equity	8,089	45.5%	8,599	47.0%	-510	-5.9%	Purchase of treasury stock in the market -339, Dividend -120, Net income -49
Total other comprehensive income	-45	-0.3%	-10	-0.1%	-35	327.1%	(Valuation difference on available-for-sale securities) decrease in market value -23, (Deferred gains or losses on hedges) -16
Minority interests	154	0.9%	151	0.8%	3	1.6%	
<b>Total Net Assets</b>	<b>8,197</b>	<b>46.1%</b>	<b>8,740</b>	<b>47.8%</b>	<b>-543</b>	<b>-6.2%</b>	Equity ratio: 46.9% (March 31, 2011) →45.2% (September 30, 2011)
<b>Total (Liabilities and Net Assets)</b>	<b>17,790</b>	<b>100.0%</b>	<b>18,296</b>	<b>100.0%</b>	<b>-506</b>	<b>-2.8%</b>	

# <Non-consolidated> Financial Results (Changes from FY2010)

## Actual Results for 2Q

100 million yen

	FY11 2Q	FY10 2Q	Change	
Net Sales	6,476	6,037	439	7.3%
Operating income	-121	315	-436	-138.5%
Ordinary income	-44	386	-430	-111.4%
Net income	-62	272	-334	-123.0%

### Impact of Sliding System Time Lag

	FY11 2Q	FY10 2Q	Change
Revenue from sliding system	172	-148	320
Increase in gas cost	576	-1	577
Change	-404	-147	-257

Change from basic price

### Economic Frame

	FY11 2Q	FY10 2Q	Change
JCC \$/bbl	113.91	78.37	35.54
Ex. rate ¥/\$	79.75	88.91	-9.16

100 million yen

	FY11 2Q	FY10 2Q	Change			
Gas Sales	5,134	4,913	221	4.5%	Volume, Composition -85, Unit price +306	
Operating cost	Raw materials and supplies	3,197	2,684	513	19.1%	Volume, Composition -44, Unit price +557 (Foreign exchange effect=-326, Oil price effect = +665, Other +218)
	(Gross profit)	(1,937)	(2,229)	(-292)	(-13.1%)	Volume, Composition -41, Unit price -251
	Personnel expenses	483	378	105	27.7%	Retirement benefits +107 (Expenses from actuarial differences +112), other
	General expenses	1,113	1,095	18	1.7%	See below
	Depreciation & amortization	524	520	4	0.8%	Increase in depreciation from acquisition of new pipes, pipelines, production equipment +4
	LNG regasification	-23	-19	-4	-	
	Total	5,296	4,660	636	13.7%	
Installation work	-7	-7	0	-		
Gas appliances	41	46	-5	-10.9%	Decrease in net appliance profit -9	
Other operation income	34	39	-5	-13.0%		
Supplementary business income	5	21	-16	-72.3%	LNG sales -9, Electric power sales -3, other	
Operating income	-121	315	-436	-138.5%		
Non operating income	77	71	6	8.5%	Increase in gains on EX rate+20 (FY11+6, FY10-14), decrease in gains on weather derivatives -12 (FY11+1,FY10+13), other	
Ordinary income	-44	386	-430	-111.4%		
Extraordinary income	0	36	-36	-100.0%	Dissipation of extraordinary income from the effect of merger of TG Enterprise Co., Ltd. (FY10) -36	
Extraordinary loss	48	23	25	108.7%	Loss on valuation of investment securities +25	
Taxes	-29	126	-155	-123.4%		
Net income	-62	272	-334	-123.0%		

### Breakdown of General Expenses

100 million yen

	FY11 2Q	FY10 2Q	Change		
Repair costs	171	161	10	6.0%	Gas line connection security measures (including provisions) +9, other
Exp	66	67	-1	-0.9%	
Rent	89	97	-8	-7.9%	Rent of buildings and facilities -7, other
Consignment costs	313	300	13	4.1%	Pipeline-related consignment costs +7, Sales-related consignment costs +2, Telephone reception consignment expenses +2, other
Taxes	203	199	4	2.0%	Enterprise tax +3, other
Marketing costs	102	107	-5	-4.6%	Advertising cost -3, other
Others	169	164	5	3.3%	Asset retirement expenses +3, other

## <Non-consolidated>

### Key Indices of Business Activities (Changes from FY2010)

#### Actual Results for 2Q

##### Number of Customers

Thousands

	FY11 2Q	FY10 2Q	Change	
Number of customers	10,480	10,376	104	1.0%
Number of new customers	72	77	-5	-6.1%

##### Breakdown of Gas Sales Volume

Mil. m3

	FY11 2Q	FY10 2Q	Change			
Residential vol. per meter (m3)	144.0	149.8	-5.8	-3.9%	Temp. effect -2.2m3 (-1.5%), No. of days+0.1m3 (+0.1%), Other (includes conservation activities) -3.7m3 (-2.5%)	
Residential	1,273	1,315	-42	-3.1%	Temp. effect -20mil.m3 (-1.5%), No. of days+1mil.m3 (+0%), No. of contracts +10mil.m3 (+0.8%), Other (includes conservation activities) -33mil.m3 (-2.5%)	
Commercial	Commercial	851	981	-130	-13.2%	
	Other	425	506	-81	-16.0%	
Commercial total	1,276	1,487	-211	-14.1%	Temp. effect -40 mil.m3 (-2.7%), Other (includes effect of energy conservation, earthquake) -171 mil.m3 (-11.4%)	
Industrial	Power gen.	1,167	1,038	128	12.4%	
	Other	1,518	1,465	53	3.6%	Refer to presentation Slide 6
Industrial total	2,684	2,503	181	7.2%		
Total	3,960	3,990	-30	-0.7%		
Wholesale	1,022	1,032	-10	-1.0%	Temp. effect +2 mil.m3 (+0.2%), Existing customer volume of other gas companies -12mil.m3 (-1.2%)	
Total	6,256	6,337	-81	-1.3%	Temp. effect -58mil.m3 (-0.9%), Power generation +128 mil.m3 (+2.0%), Industrial (excl. power gen.) +53 mil.m3 (+0.8%), Wholesale (excl. temp. effect) -12 mil.m3 (-0.2%), Other -192 mil.m3 (-3.0%)	
(Large-volume gas demand)	3,294	3,213	81	2.5%		

## <Non-consolidated> Financial Results (FY2011 vs. Jul. 29 forecast)

### Actual Results for 2Q

100 million yen

	FY11 2Q	Jul. 29	Change	
Net Sales	6,476	6,530	-54	-0.8%
Operating income	-121	-90	-31	-
Ordinary income	-44	-20	-24	-
Net income	-62	-10	-52	-

### Impact on Sliding System Time Lag

	FY11 2Q	Jul. 29	Change
Revenue from sliding system	172	183	-11
Increase in gas cost	576	603	-27
Change	-404	-420	16

Change from basic price

### Economic Frame

	FY11 2Q	Jul. 29	Change
JCC \$/bbl	113.91	112.48	1.43
Ex. rate ¥/\$	79.75	80.86	-1.11

100 million yen

	FY11 2Q	Jul. 29	Change			
Gas sales	5,134	5,170	-36	-0.7%	Volume, Composition -15, Unit price -21	
Operating cost	Raw materials and supplies	3,197	3,193	4	0.1%	Volume, Composition +18, Unit price -14 (Foreign exchange effect = -33, Oil price effect = +3, Other = +16)
	(Gross profit)	(1,937)	(1,977)	(-40)	(-2.0%)	Volume, Composition -33, Unit price -7
	Personnel expenses	483	486	-3	-0.5%	
	General expenses	1,113	1,098	15	1.4%	See below
	Depreciation & amortization	524	525	-1	0.0%	Decrease in depreciation from installation delays, other -1
	LNG regasification	-23	-22	-1	-	
Total	5,296	5,280	16	0.3%		
Installation work	-7	-7	0	-		
Gas appliances	41	37	4	12.1%	Decrease in overhead costs +4, other	
Other operation income	34	30	4	14.7%		
Supplementary business income	5	-10	15	-	Electric power sales +13, other	
Operating income	-121	-90	-31	-		
Non operating income	77	70	7	10.1%	Gains on EX rate +6, other	
Ordinary income	-44	-20	-24	-		
Extraordinary income	0	0	0	-		
Extraordinary loss	48	0	48	-	Loss on valuation of investment securities +48	
Taxes	-29	-10	-19	-		
Net income	-62	-10	-52	-		

### Breakdown of General Expenses

100 million yen

	FY11 2Q	Jul. 29	Change		
Repair costs	171	166	5	3.3%	Gas line connection security measures (including provisions) +9, other
Exp	66	70	-4	-4.3%	Gas meters -2, other
Rent	89	90	-1	-0.5%	
Consignment costs	313	312	1	0.4%	
Taxes	203	205	-2	-0.5%	
Marketing costs	102	87	15	17.4%	Event promotion costs +9, Marketing commissions +5, other
Others	169	168	1	-1.2%	



## <Non-consolidated)

### Key Indices of Business Activities (FY2011 vs. Jul. 29 forecast)

#### Actual Results for 2Q

##### Number of Customers

Thousands

	FY11 2Q	Jul. 29	Change	
Number of customers	10,480	10,481	-1	0.0%
Number of new customers	72	69	3	4.7%

#### Breakdown of Gas Sales Volume

Mil. m3

	FY11 2Q	Jul. 29	Change		
Residential vol. per meter (m3)	144.0	146.5	-2.5	-1.7%	Temp. effect -2.2m3 (-1.6%), Other (Includes conservation activities) -0.3m3 (-0.2%)
Residential	1,273	1,297	-24	-1.8%	Temp. effect -20mil.m3 (-1.6%), Other (Includes conservation activities) -4mil.m3 (-0.3%)
Commercial					
Commercial	851	834	17	2.1%	
Other	425	424	1	0.2%	
Commercial total	1,276	1,258	18	1.5%	Temp. effect +14mil.m3 (+1.1%), Other (Includes effect of electric outage, earthquake) +4mil.m3 (+0.3%)
Industrial					
Power gen.	1,167	1,153	14	1.2%	
Other	1,518	1,526	-8	-0.6%	
Industrial total	2,684	2,679	5	0.2%	Existing customer volume increase
Total	3,960	3,937	23	0.6%	
Wholesale	1,022	1,028	-6	-0.6%	Temp. effect -3mil.m3 (-0.3%), Existing customer volume of other gas companies -3mil.m3 (-0.3%)
Total	6,256	6,262	-6	-0.1%	Temp. effect -9mil.m3 (-0.1%), Power generation +14mil.m3 (+0.2%), Industrial (excl. power gen.) -8mil.m3 (-0.1%), Wholesale (excl. temp. effect) -3mil.m3 (-0.1%), Other ±0mil.m3 (±0%)
(Large-volume gas demand)	3,294	3,274	20	0.6%	

# Forecasts

# <Non-consolidated>

## Oil Price and Currency Forecasts, and Their Impacts on Gross Profit

### Economic Frame

	FY11 Forecasts as of Oct 31			
	1st Half	2nd Half	Full-year	
JCC	113.91	110.00	111.96	\$/bbl
Ex. Rate	79.75	80.00	79.88	¥/\$
	FY11 Forecasts as of Jul 29			
	1st Half	2nd Half	Full-year	
JCC	112.48	110.00	111.24	\$/bbl
Ex. Rate	80.86	80.00	80.43	¥/\$
	Change			
	1st Half	2nd Half	Full-year	
JCC	1.43	0.00	0.72	\$/bbl
Ex. Rate	-1.11	0.00	-0.55	¥/\$

### Profit Sensitivity to Changes in Oil Price and EX Rate

1\$/bbl	3Q	4Q	Full-year
Net sales	-5	0	-5
Gas resource cost	-13	-3	-16
Gross profit	8	3	11

\* Impact on JCC decrease by \$1

¥1/\$	3Q	4Q	Full-year
Net sales	-22	-6	-28
Gas resource cost	-24	-19	-43
Gross profit	2	13	15

\* Impact on a 1-yen appreciation

# <Consolidated> Financial Results (current forecast vs. Jul. 29 forecast)

## Full-year Forecast

100 million yen

	Current	As of Jul 29	Change		Reference	
Net sales	17,140	17,050	90	0.5%	Increase in other energy (Electricity) sales +130, City gas sales -27 (Decline in unit sales prices)	
Operating income	610	610	0	0.0%		
Ordinary income	580	580	0	0.0%		
Net Income	320	370	-50	-13.5%	Increase in extraordinary loss -48 (Loss on valuation of investment securities)	
Total assets	18,990	18,750	240	1.3%		
Shareholders' equity	8,300	8,370	-70	-0.8%	Decrease in retained earnings -50 (Decrease in net income)	
Shareholders' equity ratio (%)	43.7%	44.6%	-0.9	-	Decrease from decline in shareholders' equity on decrease in retained earnings	
Total assets turnover (times)	0.92	0.93	-0.01	-		
ROA (*2) (%)	1.7%	2.0%	-0.3	-	ROA decreased due to decrease in net income (-13.5%)	
ROE (*2) (%)	3.8%	4.4%	-0.6	-	ROE decreased due to decrease in net income (-13.5%)	
Interest-bearing debt	6,520	6,120	400	6.5%	Tokyo Gas +412	
D/E ratio	0.79	0.73	0.06	-		
	Net income	320	370	-50	-13.5%	
	Depreciation and amortization (*3, 4)	1,490	1,500	-10	-0.7%	
Operating cash flow (*1)	1,810	1,870	-60	-3.2%		
Capex (*3)	1,580	1,600	-20	-1.3%	Tokyo Gas Gorgon -9	
TEP	-46	-43	-3	-	Decrease from increased cost of capital on increase in interest-bearing debt	
(WACC)	3.2%	3.2%	-	-		
EPS (¥/share)	12.29	14.21	-1.92	-13.5%	Decreased due to decrease in net income (-13.5%)	
BPS (¥/share)	321.11	323.82	-2.71	-0.8%	Decrease from decline in shareholders' equity on decrease in retained earnings	
Total payout ratio (*5) (%) (*6)	-	-	-	-		

(\*1) Operating cash flow is calculated using the simplified accounting treatment of "Net income + Depreciation and amortization." (simplified accounting treatment; differs from amount in Consolidated Statement of Cash Flows)

(\*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 (FY2009-FY2013).

## <Non-consolidated>

### Financial Results (current forecast vs. Jul. 29 forecast)

#### Full-year Forecast

100 million yen

	Current	Jul. 29	Change	
Net Sales	15,030	14,920	110	0.7%
Operating income	350	370	-20	-5.4%
Ordinary income	430	430	0	0.0%
Net income	250	300	-50	-16.7%

#### Impact on Sliding System Time Lag

	Current	Jul. 29	Change
Revenue from sliding system	919	957	-38
Increase in gas cost	1,398	1,430	-32
Change	-479	-473	-6

#### Economic Frame

	Current	Jul. 29	Change
JCC \$/bbl	111.96	111.24	0.72
Ex. rate ¥/\$	79.88	80.43	-0.55

Change from basic price

100 million yen

	Current	Jul. 29	Change		
Gas sales	11,880	11,930	-50	-0.4%	
Operating cost	Raw materials and supplies	7,213	7,189	24	0.3%
	(Gross profit)	(4,667)	(4,741)	(-74)	(-1.6%)
	Personnel expenses	978	978	0	0.0%
	General expenses	2,372	2,372	0	0.0%
	Depreciation & amortization	1,087	1,096	-9	-0.8%
	LNG regasification	-43	-41	-2	-
Total	11,607	11,594	13	0.1%	
Installation work	-6	-4	-2	-	
Gas appliances	52	60	-8	-13.3%	
Other operation income	46	56	-10	-17.9%	
Supplementary business income	31	-22	53	-	
Operating income	350	370	-20	-5.4%	
Non operating income	80	60	20	33.3%	
Ordinary income	430	430	0	0.0%	
Extraordinary income	0	0	0	-	
Extraordinary loss	48	0	48	-	
Taxes	132	130	2	1.5%	
Net income	250	300	-50	-16.7%	

Volume, Composition -7, Unit price -43

Volume, Composition +49, Unit price -25 (Foreign exchange effect = -37, Oil price effect = +54, Other -42)

Volume, Composition -56, Unit price -18

See below

Decrease in depreciation from installation delays, etc. -9

Decrease in net appliance revenue -12

Electric power sales +49, etc.

Foreign exchange gains +6, Lower interest payments, etc. +4, Decrease in loss on valuation of investment securities +2

Loss on valuation of investment securities +48

#### Breakdown of General Expenses

100 million yen

	Current	Jul. 29	Change	
Repair costs	355	349	6	1.7%
Exp	140	142	-2	-1.4%
Rent	178	179	-1	-0.6%
Consignment costs	642	639	3	0.5%
Taxes	425	430	-5	-1.2%
Costs for demand development	249	252	-3	-1.2%
Others	383	381	2	0.5%

Gas line connection security measures (Including provisions) +9, etc.

System-related consignment costs +3, etc.

Enterprise tax -5, etc.

Commission for demand development -3, etc.

## <Non-consolidated>

### Key Indices of Business Activities (current forecast vs. Jul. 29 forecast)

#### Full-year Forecast

##### Number of Customers

Thousands

	Current	Jul. 29	Change	
Number of customers	10,548	10,551	-3	0.0%
Number of new customers	173	173	0	0.0%

##### Breakdown of Gas Sales Volume

Mil. m3

	Current	Jul. 29	Change			
Residential vol. per meter (m3)	377.7	382.5	-4.8	-1.3%	Temp. effect -2.3 m3 (-0.6%), Other (includes conservation activities) -2.5 m3 (-0.7%)	
Residential	3,346	3,391	-45	-1.3%	Temp. effect -20 mil. m3 (-0.6%), Other (includes conservation activities) -25 mil. m3 (-0.7%)	
Commercial	Commercial	1,694	1,679	15	0.9%	
	Public & Medical	858	858	0	0.1%	
Commercial total	2,553	2,536	17	0.6%	Temp. effect +14 mil. m3 (+0.6%), Other +3 mil. m3 (+0.1%)	
Industrial	Power gen.	2,312	2,215	97	4.4%	
	Other	2,985	3,001	-16	-0.5%	
	Industrial total	5,297	5,217	80	1.5%	Increase in existing customer volume
Total	7,850	7,753	97	1.2%		
Wholesale	2,163	2,204	-41	-1.8%	Temp. effect -3mil. m3 (-0.1%), Decrease in existing customer volume of other gas companies -38 mil. m3 (-1.7%)	
Total	13,359	13,348	11	0.1%	{ Temp. effect -9 mil.m3 (-0.1%), Power generation +97 mil. m3 (+0.7%), Industrial (excl. power gen.) -16 mil. m3 (-0.1%), Wholesale (excl. temp. effect) -38 mil. m3 (-0.3%), Other -23 mil. m3 (-0.1%)	
(Large-volume gas demand)	6,471	6,384	87	1.4%		

## <Non-consolidated>

### Financial Results (current forecast vs. FY2010)

#### Full-year Forecast

100 million yen

	Current	FY10	Change	
Net Sales	15,030	13,298	1,732	13.0%
Operating income	350	888	-538	-60.6%
Ordinary income	430	991	-561	-56.6%
Net income	250	674	-424	-63.0%

#### Impact of Sliding System Time Lag

	Current	FY10	Change
Revenue from sliding system	919	-409	1,328
Increase in gas cost	1,398	-117	1,515
Change	-479	-292	-187

#### Economic Frame

	Current	FY10	Change
JCC \$/bbl	111.96	84.15	27.81
Ex. rate ¥/\$	79.88	85.74	-5.86

Change from basic price

100 million yen

	Current	FY10	Change			
Gas sales	11,880	10,716	1,164	10.9%	Volume, Composition -159, Unit price +1,323	
Operating cost	Raw materials and supplies	7,213	5,745	1,468	25.5%	Volume, Composition -36, Unit price +1,504 (Foreign exchange effect = -462, Oil price effect = +1,544, Other = +422)
	(Gross profit)	(4,667)	(4,971)	(-304)	(-6.1%)	Volume, Composition -123, Unit price -181
	Personnel expenses	978	764	214	28.0%	Retirement benefits +221 (Expenses from actuarial differences +226), etc.
	General expenses	2,372	2,399	-27	-1.1%	See below
	Depreciation & amortization	1,087	1,083	4	0.3%	Increase in depreciation from acquisition of new pipes, pipelines, production facilities, etc. +4
	LNG regasification	-43	-40	-3	-	
Total	11,607	9,951	1,656	16.6%		
Installation work	-6	-3	-3	-100.0%		
Gas appliances	52	73	-21	-29.3%	Decrease in net appliance revenue -24	
Other operation income	46	70	-24	-34.4%		
Supplementary business income	31	53	-22	-42.4%	Electric power sales -12, LNG sales -3, etc.	
Operating income	350	888	-538	-60.6%		
Non operating income	80	102	-22	-22.0%	Affiliated company dividends received -29, etc.	
Ordinary income	430	991	-561	-56.6%		
Extraordinary income	0	52	-52	-	FY2010: Dissipation of extraordinary income from the effect of merger of TG Enterprise Co., Ltd. -36, Gain on sales of noncurrent assets -8, etc.	
Extraordinary loss	48	56	-8	-14.3%	FY2010: Loss on disaster -31, Loss on valuation of investment securities +27, etc.	
Taxes	132	311	-179	-57.7%		
Net income	250	674	-424	-63.0%		

#### Breakdown of General Expenses

100 million yen

	Current	FY10	Change		
Repair costs	355	354	1	0.1%	Gas line connection security measures (Including provisions)+9, Repair costs for pipes and pipelines -7, etc.
Exp	140	142	-2	-1.7%	
Rent	178	193	-15	-7.8%	Rent of buildings and facilities -15, etc.
Consignment costs	642	616	26	4.1%	Pipeline-related consignment costs +15, Telephone reception consignment expenses +8, etc.
Taxes	425	408	17	4.0%	Enterprise tax +14, etc.
Marketing costs	249	293	-44	-15.3%	Residential-use operating expenses -25, Events and exhibitions -12, etc.
Others	383	393	-10	-3.6%	Postage fee -8, etc.

## <Non-consolidated>

### Key Indices of Business Activities (current forecast vs. FY2010)

#### Full-year Forecast

##### Number of Customers

Thousands

	Current	FY10	Change	
Number of customers	10,548	10,441	106	1.0%
Number of new customers	173	182	-9	-5.1%

#### Breakdown of Gas Sales Volume

Mil. m3

	Current	FY10	Change			
Residential vol. per meter (m3)	377.7	388.4	-10.7	-2.8%	Temp. effect -5.8 m3 (-1.5%), No. of days +1.2 m3 (+0.3%), Other (Includes conservation activities) -6.1 m3 (-1.6%)	
Residential	3,346	3,412	-66	-1.9%	Temp. effect -53 mil. m3 (-1.5%), No. of days +11 mil. m3 (+0.3%), No. of contracts +32 mil. m3 (+0.9%), Other (Includes conservation activities) -56 mil. m3 (-1.6%)	
Commercial	Commercial	1,694	1,880	-186	-9.9%	
	Public & Medical	858	995	-137	-13.8%	
	Commercial total	2,553	2,875	-322	-11.2%	Temp. effect -65 mil. m3 (-2.3%), Other (Includes effect of energy conservation, earthquake) -257 mil. m3 (-8.9%)
Industrial	Power gen.	2,312	1,977	335	17.0%	
	Other	2,985	2,986	-1	0.0%	
	Industrial total	5,297	4,963	334	6.7%	Increase in existing customer volume
	Total	7,850	7,839	11	0.1%	
Wholesale	2,163	2,191	-28	-1.3%	Temp. effect -4 mil. m3 (-0.2%), Decrease in existing customer volume of other gas companies -24 mil. m3 (-1.1%)	
Total	13,359	13,441	-82	-0.6%	Temp. effect -122 mil. m3 (-0.9%), Power generation +335 mil. m3 (+2.5%), Industrial (excl. power gen.) -1 mil. m3 (-0.0%), Wholesale (excl. temp. effect) -24 mil. m3 (-0.2%), Other -270 mil. m3 (-2.0%)	
(Large-volume gas demand)	6,471	6,281	190	3.0%		



## <Consolidated> Breakdown of Operating Cash flows/ Capex

### Operating Cash Flows

Actual results (FY11 2Q vs. FY10 2Q) 100 million yen

	FY11 2Q	FY10 2Q	Change	
Net income (A)	-49	255	-304	-119.4%
Depreciation (B)	722	719	3	0.4%
Operating Cash Flow (A+B)	672	974	-302	-31.0%

Forecasts (FY 11 forecasts as of Oct. 31 vs. FY10 results) 100 million yen

	FY11 Forecast as of Oct 31	FY10	Change	
Net income (A)	320	954	-634	-66.5%
Depreciation (B)	1,490	1,493	-3	-0.2%
Operating Cash Flow (A+B)	1,810	2,448	-638	-26.1%

### Breakdown of Capex

Actual results (FY11 2Q vs. FY10 2Q) 100 million yen

		FY11 2Q	FY10 2Q	Change	
Tokyo Gas Co., Ltd.	Production	53	33	20	59.8%
	Supply	303	315	-12	-4.1%
	Others	70	52	18	32.8%
	Subtotal	427	402	25	6.2%
Capex at consolidated subsidiaries (including eliminations)		158	266	-108	-40.6%
Total		585	668	-83	-12.5%

Production facilities: Other production facilities, etc. +20

Supply facilities: Stable supply-related, etc. -12

Others: Other facilities, etc. +18

Forecasts (FY 11 forecasts as of Oct. 31 vs. FY10 results) 100 million yen

		FY11 Forecast as of Oct 31	FY10	Change	
Tokyo Gas Co., Ltd.	Production	242	91	151	165.9%
	Supply	746	742	4	0.5%
	Others	235	190	45	23.7%
	Subtotal	1,223	1,023	200	19.6%
Capex at consolidated subsidiaries (including eliminations)		357	479	-122	-25.5%
Total		1,580	1,502	78	5.2%

Production facilities: Construction of Hitachi LNG terminal, Ohgishima Power Station TL22, etc. +151

Supply facilities: Demand development-related -8, Other supply facilities, etc. +12

Others: Other facilities, etc +45

# Tokyo Gas Co., Ltd.

**< Cautionary Statement regarding Forward-looking Statements >  
Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, strategies, and other information herein that are not expressions of historical fact are forward-looking statements about the future performance of the Company. The Company's actual performance may greatly differ from these projections due to critical factors which include general economic conditions in Japan, crude oil prices, the weather, changes in the foreign exchange rate of the yen, rapid technological innovations, and the Company's responses to the progress of deregulation.**