

**FY2012 3Q Financial Results
ended December 31, 2012**



January 31, 2013

My name is Hisashi Nakamura, general manager of IR section. Today I will present an overview of results for the third quarter of FY2012.

**FY2012 3Q Consolidated Financial Results
ended December 31, 2012**



Highlights of operating profit increase (before inter-segment cancellation)

(+/- indicates profit impact, billion yen)

- **City gas segment <+70.3>**
 - Operating income increased, following the improved sliding time lag effect (+59.1)
 - Gas sales volume increased (+14.9, +442 mil. m³, +4.3%: of which, Kashima +282 mil. m³, temperature effect +44 mil. m³ +2.3%, rebound from impacts by the earthquake and others)
- **Other energy segment <+15.0>**
 - Operating income grew at electric power business (+10.4; increased volume +27.2%/+6.3, higher unit sales prices +4.2)
 - Operating income from LNG sales grew (+2.7)
- **Investment abroad <+2.3>**
 - Interest income increased from loan for operating entity of TG Bajio (+2.4)

	(Unit: billion yen)				
	FY2012 3Q Results	FY 2011 3Q Results	Change	%	
Gas sales volume (mil. m ³ , 45MJ)	10,825	10,383	+442	+4.3	
Net sales	1,335.4	1,169.9	+165.5	+14.1	
Operating expenses	1,236.4	1,162.9	+73.5	+6.3	
Operating income	99.0	6.9	+92.1	—	
Ordinary income — (a)	101.7	5.2	+96.5	—	
Net income	64.0	-1.0	+65.0	—	
Temperature effect — (b)	2.9	0.6	+2.3	—	
Sliding time lag effect — (c)	13.2	-45.9	+59.1	—	
Amortization of actuarial differences — (d)	-3.0	-2.0	-1.0	—	
Adjusted ordinary income: (a) - (b)+(c)+(d)	88.6	52.5	+36.1	+68.8	
Adjusted net income	57.9	29.2	+28.7	+98.3	
Economic Frame	JCC (\$/bbl)	Ex. Rate (¥/\$)	Avg. Temperature (°C)	Pension Assets	Investment Yield (cost deducted)
FY2012 3Q	113.98	79.95	19.6°C	FY2012 3Q	4.14%
FY2011 3Q	113.12	78.98	19.7°C	FY2011 3Q	3.99%

Expected annual return: 2%

First, please refer to Slide 2.

As shown in the table on Slide 2, both sales and profit for the first three quarters of FY2012 rose year-on-year. I would like to discuss the highlights of this profit growth.

Profit rose at all segments, but the increases were particularly large at the city gas segment, the other energy segment, which includes the electric power business, and the others segment, which includes investments abroad.

Profit at the city gas business rose ¥70.3 billion. The main factors behind this increase were an easing of sharply higher crude oil prices, and a ¥59.1 billion improvement in the sliding time lag effect, to a ¥13.2 billion surplus from a year-earlier ¥45.9 billion shortfall. In addition, with the increase in volume from the opening of the Chiba-Kashima Line, gas sales volume grew 442 million m³, or 4.3%, boosting city gas profit by ¥14.9 billion.

The other energy segment recorded profit growth of ¥15.0 billion. Of this increase, ¥10.4 billion was from increased sales volume and higher unit sales prices at the electric power business, driven by continued tightness in supply versus demand for electric power associated with the idling of nuclear power plants. In addition, profit rose ¥2.7 billion at the LNG sales business, on an improvement in the time lag effect in resource cost adjustments similar to the improvement at the city gas business.

Profit at the others segment grew ¥5.3 billion, with investment abroad generating a ¥2.4 billion increase in interest income from the loan extended to the operating entity of TG Bajio, and profit growth of ¥1.5 billion at the construction business from profit locked in from the receipt of an order for additional LNG terminal construction.

Also in the area of investment abroad, the TG Australia Group saw a ¥2.2 billion foreign exchange gain from the Australian dollar's strength relative to the end of the previous year's third quarter, which was recorded as non-operating income, and we recorded a ¥2.9 billion extraordinary income from the sale of a portion of our shareholding in our equity-method affiliate Gas Malaysia, in connection with that company's listing.

As a result, operating income rose ¥92.1 billion year-on-year, to ¥99.0 billion, ordinary income grew ¥96.5 billion, to ¥101.7 billion, and net income after tax rose ¥65.0 billion, to ¥64.0 billion.

Consolidated Gas Sales Volume <Apr. 1 – Dec. 31, 2012>

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FY2011 3Q → FY2012 3Q

+442 mil. m³ (+4.3%)

*large-volume gas demand +289 mil. m³ (+4.9%)

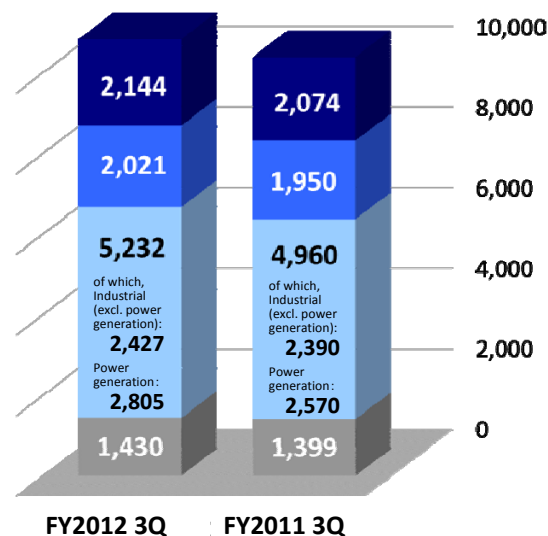
*temperature effect +44 mil. m³ (+0.4%)

■ Residential	+70 mil. m³ (+3.4%)
• Temperature effect	+26 mil. m ³
• Increase in number of customers	+21 mil. m ³
• No. of days	+4 mil. m ³
• Others (increase in usage per household after standardization (non-consolidated basis) +0.9%)	+19 mil. m ³
■ Commercial	+71 mil. m³ (+3.6%)
• Temperature effect	+11 mil. m ³
• Increase in number of customers	+15 mil. m ³
• No. of days	+5 mil. m ³
• Others (rebound from impacts by the earthquake, etc.)	+39 mil. m ³
■ Industrial	+272 mil. m³ (+5.5%)
Impact of Chiba-Kashima Line commencement	+282 mil. m ³
• Industrial (excl. Power generation):	+36 mil. m ³
New demand from opening of Chiba-Kashima Line	
• Power generation:	+235 mil. m ³
Nijio -157 mil. m ³ , Excluding Nijio +393 mil. m ³ (Reference)	
Portion of FY2011 result shifted to tolling	-253 mil. m ³
■ Wholesale	+31 mil. m³ (+2.2%)
• General wholesale demand (Incl. temperature effect +7)	+36 mil. m ³
• Large-volume gas demand	-5 mil. m ³

Gas sales volume: [10,825]

[10,383]

mil. m³, 45MJ/m³
(rounded at mil. m³)



	FY2012 3Q	FY2011 3Q
LNG liquid sales volume (thousand t) *exclude Nijio	382	307
Average temperature	19.6 °C	19.7 °C
Number of customers	(Unit: 10 thousand)	
	FY2012 3Q-end	FY2011 3Q-end
	1,093.3	1,080.9
		Change
		+12.4 (+1.2%)

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Turning to Slide 3, I will discuss gas sales volume.

Gas sales volume for the first three quarters grew 442 million m³, or 4.3%, to 10,825 million m³.

At the residential sector, the temperature effect was negative in the first half compared with the same period of previous year, but cold weather in November and December led to a turnaround to a 26 million m³ positive effect. In addition, with a steady increase in the number of customers and a recovery from the year-earlier drop in the wake of the Great East Japan Earthquake that were still significant in the first half, total residential-use sales volume for the first three quarters rose 70 million m³, or 3.4%.

Commercial-use sales volume has been gradually rebounding from the energy-saving trend following the earthquake, and as at the residential sector, cold weather and an increase in the number of customers also boosted sales volume, which grew 71 million m³, to 3.6%.

The industrial sector recorded a large increase of 272 million m³, or 5.5%. Despite the loss of 253 million m³ of the previous year's gas sales volume at Nijio from the move to the tolling arrangements, the opening of the Chiba-Kashima Line increased sales volume by 282 million m³, and power generation-use and other factors apart from the Chiba-Kashima Line boosted sales volume by 243 million m³.

I have explained tolling as a change in the previous arrangement of distribution channels, and because this is becoming the norm overseas, we have changed the name from this quarter. A definition of tolling is included in Slide 4.

Industrial-use sales volume excluding power generation was down year-on-year in the first half, but in addition to the increase from the Chiba-Kashima Line, other factors including increased utilization of cogeneration in other areas contributed to the year-on-year increase. General industrial-use outside the Kashima area, however, declined 41 million m³.

FY2012 3Q Results

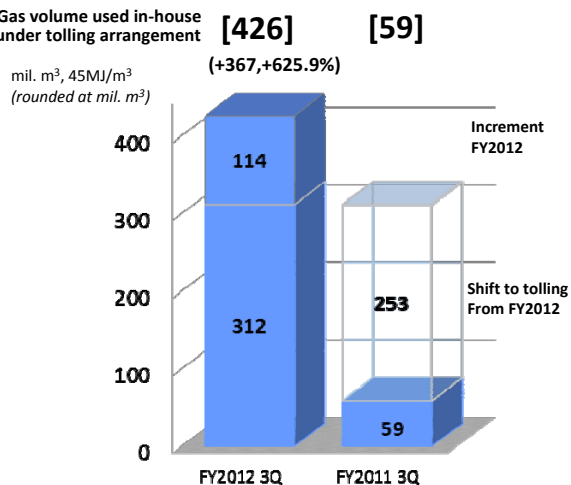
Gas sales volume including portion used in-house under tolling arrangement (Unit: million m3)

	FY2012 3Q	FY2011 3Q	Change	
Gas sales volume (financial accounting basis)	10,825	10,383	+442	+4.3%
Gas volume used in-house under tolling arrangement	426	59	+367	+625.9%
Total	11,252	10,442	+810	+7.8%

Gas sales volume for industrial-use (Unit: million m3)

	Kashima area	Other	Total
Power generation	206	2,599	2,805
General industrial (excl. power generation)	77	2,350	2,427
Total	282	4,949	5,232

Gas volume used in-house under tolling arrangement



Note: Tolling: A contract under which the seller of electricity delivers the gas required as fuel for power generation to the power plant, where the power generator processes the fuel into electricity, which it returns to the seller of electricity in exchange for a processing fee.

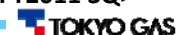
Next, please turn to Slide 4.

We have changed the method of presentation for gas usage volume under the tolling arrangement, with this portion no longer being included in sales volume. Gas usage volume under the tolling arrangement increased 367 million m3, but as I explained previously, the portion shifted from the previous fiscal year was 253 million m3, and the 114 million m3 differential represents increased usage as fuel under the tolling arrangement.

Total gas usage volume, including both gas sales volume and tolling, increased 810 million m3, or 7.8%.

This slide also shows a breakdown of industrial-use gas sales volume in terms of the increase from the opening of the Chiba-Kashima Line versus existing regions, and breaks each of these down by power generation-use and general industrial-use excluding power generation.

FY2012 3Q Net Sales and Operating Income/loss by Business Segment <vs. FY2011 3Q> 5



(Unit: billion yen)

	Net Sales			Operating Income/loss				
	FY2012 3Q		FY2011 3Q	FY2012 3Q			FY2011 3Q	
	Results	Change	%	Results	Results	Change	%	Results
City gas	968.8	109.5	12.7	859.3	93.3	70.3	304.0	23.0
Gas appliances and installation work	147.2	18.0	13.9	129.2	3.3	1.5	79.3	1.8
Other energy	240.6	30.6	14.6	210.0	20.7	15.0	262.7	5.7
(Electric power)	93.8	24.2	34.8	69.6	14.0	10.4	288.3	3.6
Real estate rental	22.6	0.4	1.8	22.2	4.8	1.2	32.1	3.6
Others	135.4	16.8	14.2	118.6	9.4	5.3	127.3	4.1
(Investment abroad)	7.7	5.4	229.6	2.3	2.4	2.3	288.3	0.1
Adjustment	-179.4	-9.9	—	-169.5	-32.7	-1.2	—	-31.5
Consolidated	1,335.4	165.5	14.1	1,169.9	99.0	92.1	—	6.9

Notes:

- Net sales by business segment include internal transactions.
- "Other energy" includes energy-service (including LNG sales), electric power, LPG and industrial gas, etc.
- "Others" includes construction, information processing, shipping, investment abroad, credit and leasing, etc.
- The "Adjustment" to operating income is primarily companywide expenses not allocated to individual segments.

Slide 5 shows sales and operating income by segment, along with year-on-year comparisons. Please refer to Slide 6 for a more detailed breakdown of these figures.

FY2012 3Q Ordinary Income Analysis <vs. FY2011 3Q>

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(Unit: billion yen)

**FY2012 3Q
(Result)
101.7**

**Change
+96.5**

**FY2011 3Q
(Result)
5.2**

**Operating
Income
+92.1**

**Non-operating
Income
+4.4**

**City Gas
+70.3**

**Gas
appliances
/Installation
+1.5**

**Other energy
+15.0**

**Real estate
/Others
+6.5**

**Adjustment,
etc.
-1.2**

● Gas gross margin increase: (Sales Volume +14.9<temp. +2.3>, Tariff revision -6.5, Sliding time lag effect +59.1)	+65.5
● Sales: Volume +40.9, Slide +77.4, Tariff revision -6.5, etc.	+109.5
● Resource cost: Volume -26.0, Exchange -4.5, Crude oil -22.9, etc.	-44.0
● Personnel expenses decrease:	+0.9
● No. of personnel decline	-0.8
● General expenses increase	-0.8
● Enterprise tax(-1.4), Marketing(-0.5), etc.	-0.8
● Depreciation & Amortization	+4.5
● Reduction in effect of tax code revisions of FY2007 (+8.3)	+4.5
● Increase by the commencement of Chiba-Kashima Line, etc.	+4.5
● Gas appliances sales:	+1.0
● GHP sales increase (+1,701 units: 4,580⇒6,281 units: non-consolidated)	+1.0
● Installation work:	+0.5
● No. of new houses increase (+19 thousands, +15.3%: 126 thousands ⇒ 145 thousands)	+0.5
● Electric power:	+10.4
● Sales volume increased (+27.2%, +6.3), Unit price increase(+4.2)	+10.4
● LNG sales:	+2.7
● Volume increase (+25.1% +0.4), Unit price increase (+2.4)	+2.7
● Energy-service: Onsite ES increase (ENAC: +1.3)	+1.3
● Real estate rental:	+1.1
● Depreciation of real estate decreased	+1.1
● Investment abroad:	+2.2
● Interest income increased from loan for operating entity of TG Bajjo (+2.4)	+2.2
● Construction:	+1.5
● revenue from large scale construction (LNG terminal) increased	+1.5
● Revenue from dedicated facilities of pipeline for large-volume customer outside supply area(0.1⇒2.7)	+2.6
● Foreign currency translation:	+2.0
● TG Australia group +2.1(-1.3⇒+0.8), etc.	+2.0
● Dividend income	+0.7

Note: (+) & (-) refer to contributions to income.

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FY 2012 3Q Consolidated Financial Results Overview (Forecast)



~Focus on the changes from the previous forecasts (2012.10.30) ~

Highlights of full year forecasts: sales growth, profit decline

- **Revision of exchange rate assumption**
 - Exchange rate assumption revised to JPY90/\$ from January 2013, from previous JPY80/\$, to reflect recent market conditions. Crude oil price unchanged at \$110/bbl.
 - Deterioration in sliding time-lag effect -¥19.4 billion
- **Upward revision to gas sales volume**
 - Upward revision for all uses totaling +265 million m³, including +115 million m³ for “power generation”, contributing on the profit increase: +6.1 <temp. +4.5>
 - Also, upward revision for net sales at city gas segment (+¥34.8 billion; +2.5%)
- **Upward revision to operating income from real estate and others segments**
 - Construction: Income growth from large projects (LNG terminals) (TG Engineering +1.3)
 - Shipping: Increase in chartered vessel income, etc. (Tokyo LNG Tanker +0.7)

 (Unit: mil. M³/45MJ, billion yen)

	Current Release	Previous Forecast (Oct. 30)	Change	%	FY2011	Change	%
Gas sales volume (mil. m ³ , 45MJ)	15,400	15,135	+265	+1.8	15,190	+210	+1.4
Net sales	1,934.0	1,890.0	+44.0	+2.3	1,754.2	+179.8	+10.2
Operating expenses	1,792.0	1,738.0	+54.0	+3.1	1,677.1	+114.9	+6.9
Operating income	142.0	152.0	-10.0	-6.6	77.0	+65.0	+84.2
Ordinary income — (a)	144.0	154.0	-10.0	-6.5	75.6	+68.4	+90.4
Net income	93.0	99.0	-6.0	-6.1	46.0	+47.0	+101.9
Temperature effect — (b)	5.6	1.1	+4.5	-	7.8	-2.2	-
Sliding time lag effect — (c)	-10.3	9.1	-19.4	-	-48.4	+38.1	-
Amortization of actuarial differences — (d)	-4.4	-4.4	-	-	-3.1	-1.3	-
Adjusted ordinary income: (a) - ((b)+(c)+(d))	153.1	148.2	+4.9	+3.3	119.3	+33.8	+28.3
Adjusted net income*	94.4	88.3	+6.1	+6.9	74.6	+19.8	+26.5

Gross Margin Sensitivity to Changes in Oil Price and Exchange Rate (Unit: billion yen) (full year/non-consolidated basis)	Economic Frame (Full Year)	Crude Oil Price (\$/bbl)	Foreign Exchange Rate (¥/\$)	Average Temp. (°C)	Pension Asset	Investment Yield (cost deducted)	Discount Rate	Year-end Assets (billion yen)
Impact of rising JCC by \$1/bbl	FY12	112.99	82.46	16.7	FY11	5.13%	1.7%	254.0
Impact of yen depreciation by ¥1/\$	FY11	114.17	79.08	16.4	FY10	2.70%	2.0%	235.0

Expected annual return: 2%

Next, I would like to look at our full year forecasts for FY2012, shown on Slide 8. This chart also includes year-on-year comparisons, but now I will outline the changes from our previous forecast announced with first half results.

With regard to the assumptions underlying our full year forecasts, we have revised exchange rate forecast from January to ¥90/\$ from ¥80/\$ to reflect recent market rates. We have left our forecast for crude oil prices unchanged at \$110/bbl.

As shown at the bottom-left of the slide, we see the time lag from fourth-quarter crude oil price movements as reflected in LNG prices having almost no impact on operating income for the full year, but each ¥1 depreciation of the yen depressing operating income by ¥1.7 billion.

As you can see, we have raised our previous forecast for sales, but have lowered our profit projections.

The major factor behind our lower profit forecast is a ¥19.4 billion worsening of the sliding time lag effect as a result of the yen’s depreciation. At the same time, we have added ¥6.1 billion to our profit forecast to reflect increased gas sales volume for all uses, but mainly power generation, and ¥3.6 billion at the “others” segment including construction, shipping, and investment abroad.

As a result, we have raised our sales forecast by ¥44.0 billion, or 2.3%, to ¥1,934.0 billion. We have reduced our forecast for operating income by ¥10.0 billion, or 6.6%, to ¥142.0 billion, for ordinary income by ¥10.0 billion, or 6.5%, to ¥144.0 billion, and for net income by ¥6.0 billion, or 6.1%, to ¥93.0 billion.

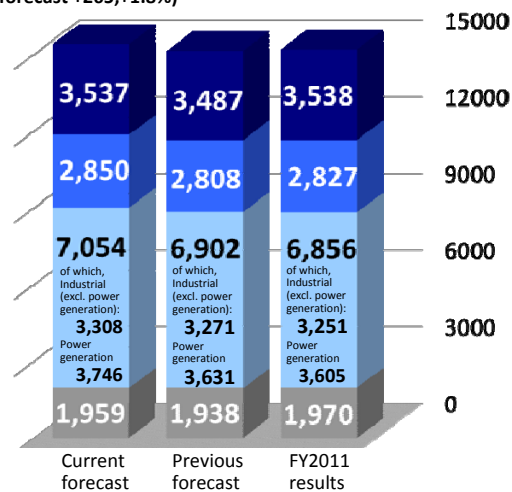


Previous Forecast → Current Forecast

+265 mil. m³ (+1.8%)

Residential	+50 mil. m ³ (+1.4%)
● Temp. effect (Oct. to Jan.)	+53 mil. m ³
● Others (decrease in usage per household after standardization, etc.)	-3 mil. m ³
Commercial	+42 mil. m ³ (+1.5%)
● Temp. effect of 3Q and Jan.	+26 mil. m ³
● Expecting less energy-saving effect in winter than initially anticipated	+14 mil. m ³
Industrial	+152 mil. m ³ (+2.2%)
● Industrial (excl. Power generation): Demand upward in 3Q and reflection of a part of individual customers' demand in 4Q	+37 mil. m ³
● Power generation: reflected higher utilization in 3Q	+115 mil. m ³
Wholesale	21 mil. m ³ (1.1%)
● To reflect 3Q temperature effect, etc.	+8 mil. m ³
● Increase in 4Q demand from wholesale suppliers, etc.	+13 mil. m ³

Gas sales volume: [15,400] [15,135] [15,190] mil. m³, 45MJ/m³ (vs. previous forecast +265,+1.8%) (rounded at mil. m³)



	Current forecast	Previous forecast
LNG liquid sales volume (thousand t) <small>*exclude Nijio</small>	599	612
Average temperature	16.7°C	16.8°C
(Unit: 10 thousand)		
Number of customers		
Current forecast	Previous forecast	Change
1,096.8	1,096.8	0.0 (0.0%)

Turning to Slide 9, I will discuss our full year forecast for gas sales volume.

In terms of total gas sales volume, we have raised our previous forecast by 265 million m³, or 1.8%, to 15.4 billion m³.

Cold weather from November through mid-January has been one of the reasons for the change to our previous forecast. We have raised our forecast for the residential sector by 53 million m³, and for the commercial sector by 26 million m³, to reflect this temperature effect.

The 115 million m³ increase to the power generation portion of our industrial-use forecast is to reflect the higher-than-expected result in the third quarter. Although we see the effect of the idling of nuclear power stations continuing in the fourth quarter, we have factored in increases and decreases based on information from individual customers, and based on this, our full year forecast is basically unchanged.

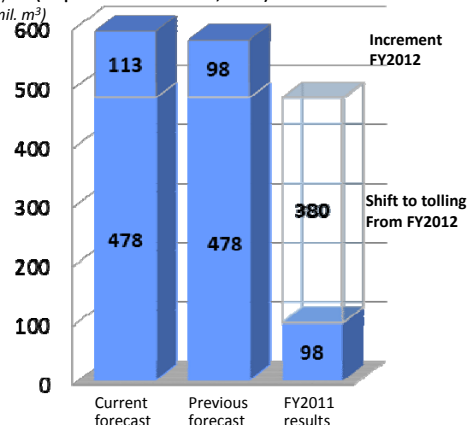
General industrial-use sales volume was slightly higher than projected in the third quarter, and we see this trend continuing in the fourth quarter. Based on information from some individual customers, we have increased our forecast by 37 million m³. There is also talk of the weaker yen leading to an economic recovery, but as we cannot confirm that effect at this time we have not included this in our forecast.

FY2012 Full Year Forecast

Gas sales volume including portion used in-house under tolling arrangement (Unit: million m3)

	Current Forecast	Previous Forecast	Change	FY2011 Results	Change
Gas sales volume (financial accounting basis)	15,400	15,135	+265 (+1.8%)	15,190	+210 (+1.4%)
Gas volume used in-house under tolling arrangement	591	576	+15 (+2.6%)	98	+493 (+504.0%)
Total	15,991	15,711	+280 (+1.8%)	15,288	+703 (+4.6%)

Gas volume used in-house under tolling arrangement **[591] [576] [98]**
 mil. m³, 45MJ/m³ (vs. previous forecast +15,+2.6%)
 (rounded at mil. m³)



Gas sales volume for industrial-use (Unit: million m3)

	Kashima area	Other	Total
Power generation	251	3,495	3,746
General industrial (excl. power generation)	153	3,155	3,308
Total	404	6,650	7,054

Note: Tolling: A contract under which the seller of electricity delivers the gas required as fuel for power generation to the power plant, where the power generator processes the fuel into electricity, which it returns to the seller of electricity in exchange for a processing fee.

Next, please turn to Slide 10.

With a tight supply-demand balance continuing, we have raised our forecast for gas usage under the tolling arrangement by 15 million m3, as facilities strive to raise capacity utilization. As a result, we have raised our forecast for total gas usage volume – the sum of gas sales volume and gas usage volume under the tolling arrangement – by 280 million m3, or 1.8%.

Please refer to the slide for the breakdown of our forecast for industrial-use gas sales volume.

Highlights

(Unit: billion yen)

	Net Sales					Operating Income				
	Current Forecast as of Jan. 31			Previous Forecast as of Oct. 30	FY2011 Result	Current Forecast as of Jan. 31			Previous Forecast as of Oct. 30	FY2011 Result
	Price	Vs. Previous Forecast	%			Price	Vs. Previous Forecast	%		
City gas	1,400.9	34.8	2.5	1,366.1	1,306.2	137.7	-15.0	-9.8	152.7	97.4
Gas appliances and installation work	202.8	3.3	1.7	199.5	187.6	3.4	0.7	25.9	2.7	3.1
Other energy	333.6	5.4	1.6	328.2	302.5	26.4	-0.1	-0.4	26.5	10.9
(Electric power)	125.8	3.0	2.4	122.8	101.8	19.9	0.3	1.5	19.6	7.9
Real estate rental	30.6	0.0	0.0	30.6	29.6	5.6	0.6	12.0	5.0	3.3
Others	199.3	6.6	3.4	192.7	181.8	12.8	3.6	39.1	9.2	7.0
(Investment abroad)	13.0	3.0	30.0	10.0	3.2	3.1	1.2	63.2	1.9	-1.3
Adjustment	-233.2	-6.1	-	-227.1	-253.7	-43.9	0.2	-	-44.1	-44.7
Consolidated	1,934.0	44.0	2.3	1,890.0	1,754.2	142.0	-10.0	-6.6	152.0	77.0

- Notes:
- Net sales by business segment include internal transactions.
 - "Other energy" includes energy-service, electric power, LPG and industrial gas, etc.
 - "Others" includes construction, information processing, shipping, investment abroad, credit and leasing, etc.
 - The "Adjustment" to operating income is primarily companywide expenses not allocated to individual segments.

Slide 11 shows our full year forecast for operating income by segment.

The forecast for the other energy segment has not changed significantly in total, but includes a reduction for the LNG sales business from the effect of the weaker yen along with an increase for the energy-service business on higher capacity utilization from the temperature effect.

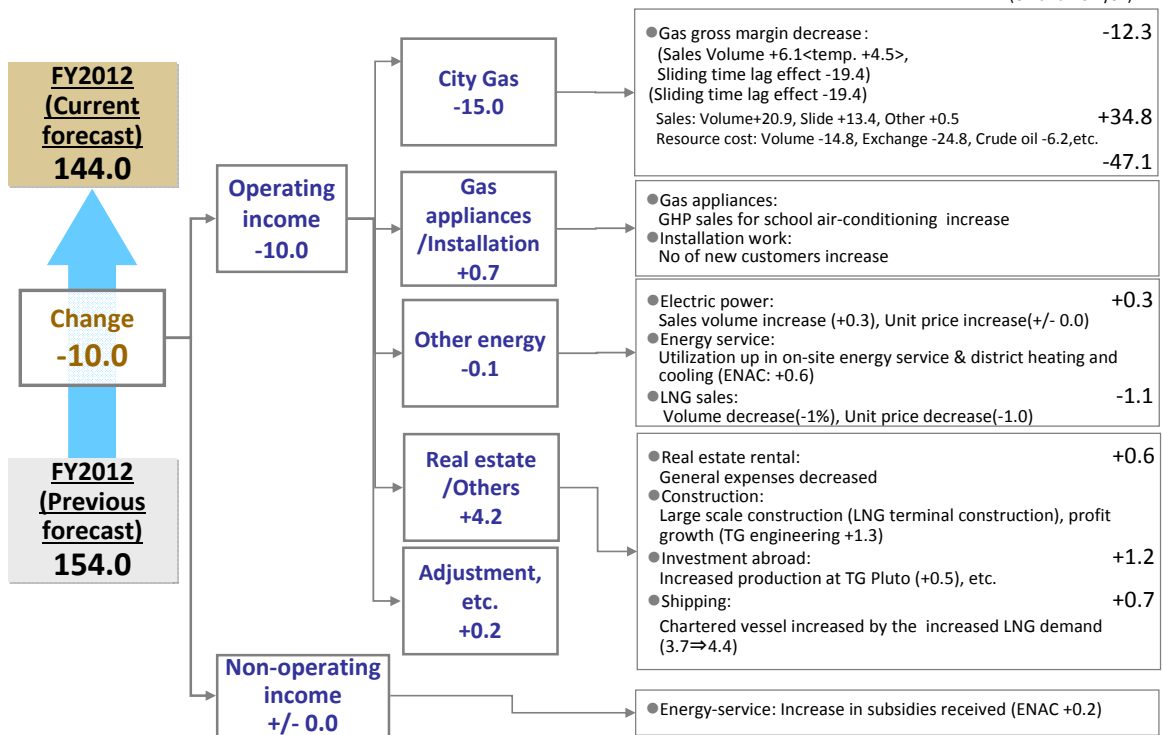
The ¥3.6 billion increase at the others segment reflects the inclusion in the full year forecast of the profit from additional LNG terminal construction that I mentioned with the 3Q results, as well as increased production at the Pluto project in investments abroad, and increased income from chartered vessels associated with increased demand for LNG.

Please refer to Slides 12 and 13 for detailed comparisons of the revised forecast on ordinary income with the previous full year forecast and with FY2011 results.

FY2012 Full Year Ordinary Income Analysis <vs. Previous Forecasts (Oct. 30 Release)>



(Unit: billion yen)

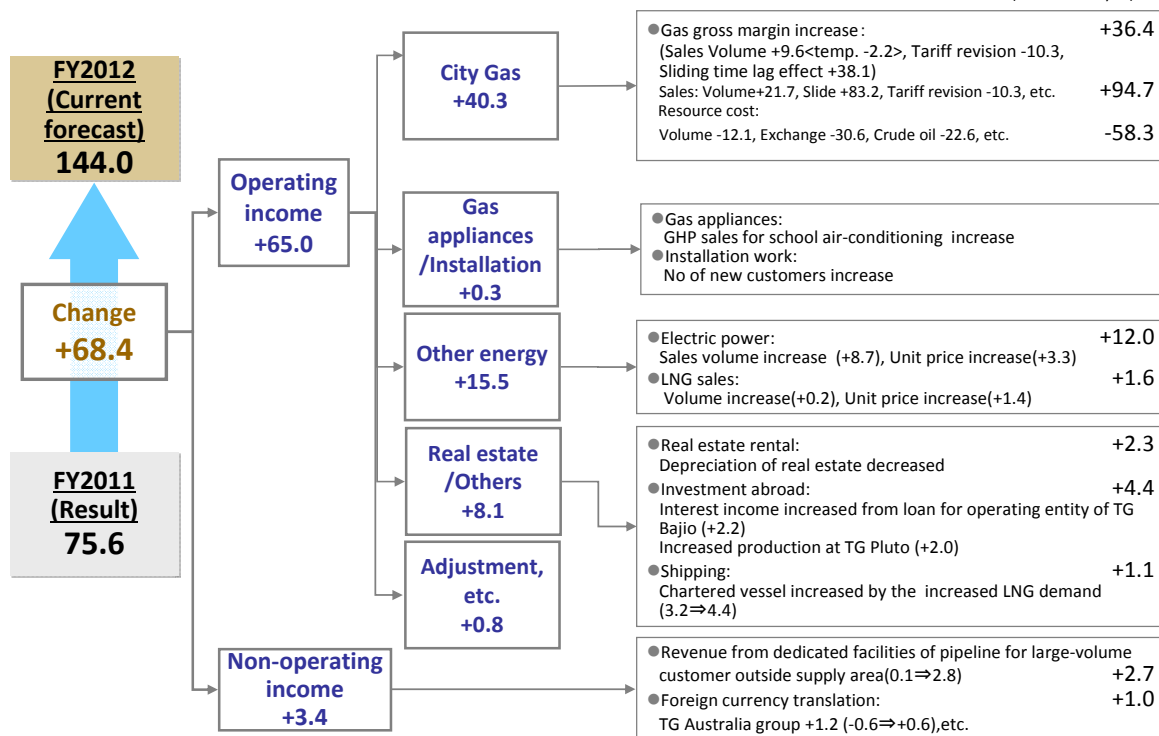


Note: (+) & (-) refer to contributions to income.

FY2012 Full Year Ordinary Income Analysis <vs. FY2011>



(Unit: billion yen)



Note: (+) & (-) refer to contributions to income.

Capital expenditure

(Unit: billion yen)

Capex	Main items	Ref: Initial plan
Tokyo Gas: 134.0 (+20.1, +17.6%)	Production facilities : 25.9 (+7.2) Hitachi LNG terminal construction(12.5), etc.	Tokyo Gas: 139.0 (+25.1, +22.0%)
	Distribution facilities : 88.9 (+14.5) Trunk line installation(19.2), New demand-side pipes and pipelines(42.0), etc.	
	Service and maintenance facilities, etc. : 19.1 (-1.6) Systems-related investment(9.1), Tamachi development-related, etc.	
Total of Consolidated Subsidiaries: 54.0 (+21.5, +66.3%)	Overseas business (Total of Australian subsidiaries 29.6) Renovation of district heating and cooling system, installation of co-generation, etc. 12.1 (ENAC)	Total of Consolidated Subsidiaries: 52.0 (+19.5, +60.0%)
Total 188.0 (+41.6, +28.4% after internal eliminations)		Total 191.0 (+44.6, +30.5% after internal eliminations)

*Numbers in parentheses refer to comparisons with FY2011.

Investments and loans

3.9 (overseas businesses, etc. 15.8, collections on loans -11.9) (vs. FY2011 -2.6)

*Initial plan 27.9 (overseas businesses, etc. 33.1, collections on loans -5.2) (vs. FY2011 +21.4)

Returns to shareholders

28.2 (Maintaining 60% total payout ratio) (vs. FY2011 -29.4)

(Total of FY2011 year-end dividends, FY2012 interim dividends, and FY2012 treasury stock purchases)

*Ref. Expected amount for share buyback in FY2013

Based on consolidated net income of FY2012 (93 billion yen), expected amount for shareholders return: 55.8 billion yen

Based on the annual dividend 9 yen/share in FY2012, expected amount for share buyback in FY2013: 32.7 billion yen

Next I would like to discuss our use of cash flow in FY2012. Capex is proceeding on track under our initial plan, including construction of the Hitachi LNG terminal and the Ibaraki-Tochigi Line, and investment abroad in Australia, and we expect expenditures to increase ¥41.6 billion from FY2011.

On the other hand, we have reduced our initial plan for ¥27.9 billion of investments and loans by ¥24.0 billion. The initial estimate for FY2012's investments and loans at overseas businesses was reduced by ¥17.3 billion because of development has been postponed beyond the current year, and collections on loans are seen coming in ¥6.7 billion above our initial estimate.

We plan to return ¥28.2 billion to shareholders, comprising ¥11.6 billion paid as a year-end dividend for FY2011, ¥11.5 billion paid as an interim dividend for FY2012, and ¥5.0 billion for treasury stock purchases.

If FY2012 earnings come in as projected, we intend to return ¥55.8 billion to shareholders, equivalent to 60% of profit. We would expect this to be in the form of a full-year dividend of ¥9 per share, for total dividend payments of ¥23.1 billion, and ¥32.7 billion of treasury stock purchases during FY2013.

Required funds and source of funds

[Full year forecast]			(Unit: billion yen)			
Required Funds		vs. Initial plan	Source of Funds		vs. Initial Plan	
Capex	188.0	-3.0	Internal funding	Depreciation	139.0	-1.0
Other investment & financing*	3.9	-24.0		Ordinary income	144.0	+48.0
Dividends & tax	51.9	+3.2		Others	-67.0	-42.4
Share buybacks	5.0	-		Total	216.0	4.6
Repayment (Non-consolidated)	47.0 (33.0)	(-) (-)	Outside funding (Non-consolidated)	79.8 (75.0)	-28.4 (-35.0)	
Total	295.8	-23.8	Total	295.8	-23.8	

Interest-bearing debt

End of FY2011: 625.8 billion yen
 End of FY2012 as initially forecasted: 687.0 billion yen
 End of FY2012 forecast as currently forecasted: 665.0 billion yen
 (Includes marking to market of foreign currency-denominated borrowings, etc.)

* Other investment & financing is the net amount of investment outlays and loan repayments.
 The above does not include CP to be issued and redeemed within FY2012 as seasonal working capital.

Slide 15 shows our funding plan for the year. We expect interest-bearing debt as of the current fiscal year-end to grow by ¥39.2 billion from the end of FY2011, to ¥665.0 billion.

Key Indicators

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 TOKYO GAS
(Unit: billion yen)

	FY2012 Forecast	FY2012 Full year	FY 2012 1-3Q	FY2011 1-3Q
Total assets (a)	1,964.0	1,863.8	1,877.2	1,818.0
Shareholders' equity (b)	902.0	839.1	873.5	789.4
Shareholders' equity ratio (b)/(a)	45.9%	45.0%	46.5%	43.4%
Interest-bearing debt (c)	665.0	625.8	638.7	687.1
D/E ratio (c)/(b)	0.74	0.75	0.73	0.87
Net income (d)	93.0	46.0	64.0	-1.0
Depreciation and amortization (e)	139.0	148.5	102.0	109.5
Operating cash flow (d) + (e)	232.0	194.5	166.1	108.4
Capex	1,880	146.4	117.9	89.7
ROA: (d) / (a)	4.9%	2.5%	-	-
ROE: (d) / (b)	10.7%	5.4%	-	-
TEP (NOPAT-Capital Cost)	54.3	9.1	-	-
WACC	3.1%	3.1%	-	-
Total payout ratio	60%e	61.4%	-	-

Notes: Shareholders' equity = Net assets - Minority interests
 ROA = Net income / Total assets (average of the amounts as of the end of the previous period and end of the current period)
 ROE = Net income / Shareholders' equity (average of the amounts as of the end of the previous period and end of the current period)
 Balance sheet figures are as of the corresponding term-end
 Operating cash flow = Net income + Depreciation and amortization (including amortization of long-term prepaid expenses)
 Total payout ratio = (FYn dividends + (FYn+1) treasury stock purchased) / FYn consolidated net income
 Total number of issued stock: 2,577,715,295 (as of September 30, 2012)
 TEP: (Tokyo Gas Economic Profit): Profit after taxes and before interest payments - Cost of capital (invested capital × WACC)
 Items for TEP calculation:
 Cost of interest bearing debt: interest(1.73%)
 Cost rate for shareholders' equity(average interest rate of 10-year JGBs for past 10 years : 1.367%), Risk premium: 4.0%; β 0.75
 Shareholders' equity used to calculate WACC is the average market cap

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Please refer to Slide 16 for our forecasts for key financial indicators as of the end of FY2012.

That is all for our presentation. Thank you very much for your kind attention.

Reference Materials



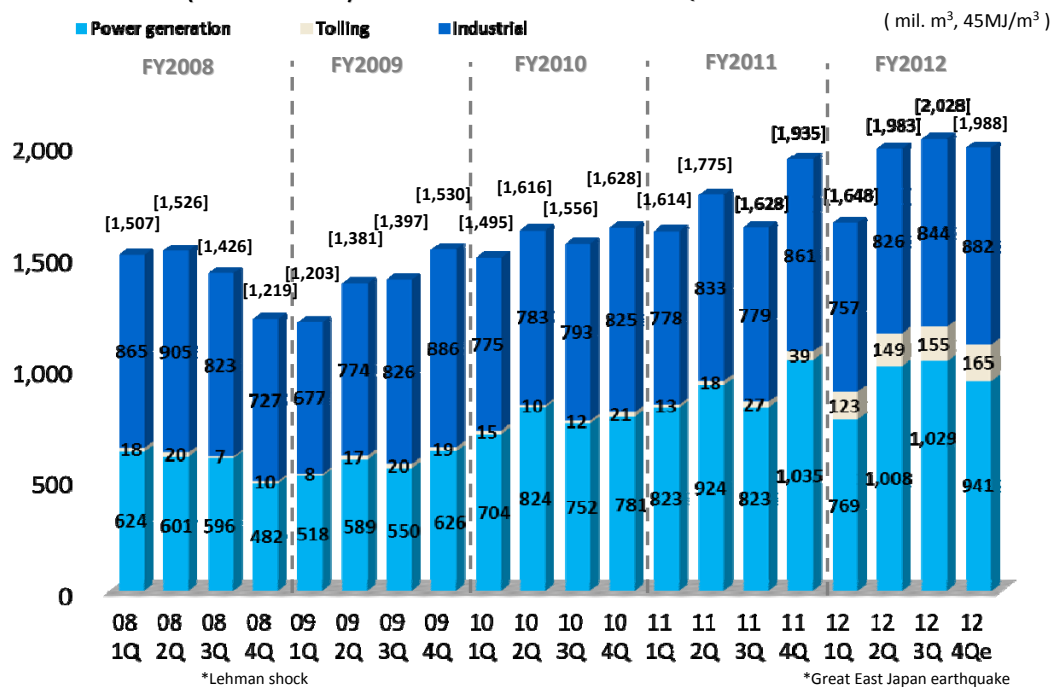
Transition of Industrial-use Gas Sales Volume (Quarterly, including Portion Used for Tolling)

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Consolidated

- Solid recovery in FY2012, with contributions from Chiba-Kashima Line (from March 2012) and Kashima Waterfront Line (from June 2012). Set to exceed 2.0 billion m³ in 3Q.



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< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, 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, 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.

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