

FINANCIAL HIGHLIGHTS

Tokyo Gas Co., Ltd. and consolidated subsidiaries
Years ended March 31

| FOR THE YEARS | Millions of yen (except otherwise stated) | | | | | Thousands of U.S. dollars*1 (except otherwise stated) |
|--|--|------------|------------|------------|------------|---|
| | 2010 | 2009 | 2008 | 2007 | 2006 | 2010 |
| Net sales | ¥1,415,718 | ¥1,660,162 | ¥1,487,496 | ¥1,376,958 | ¥1,266,501 | \$15,222,774 |
| Operating income | 85,229 | 65,204 | 70,048 | 162,315 | 112,345 | 916,440 |
| Net income | 53,781 | 41,708 | 42,487 | 100,699 | 62,114 | 578,290 |
| Depreciation | 146,117 | 141,083 | 142,421 | 133,142 | 136,376 | 1,571,150 |
| Capital expenditures | 148,186 | 145,929 | 138,006 | 124,556 | 119,435 | 1,593,397 |
| Amounts per share of common stock (¥ / \$) | | | | | | |
| Net income | 19.86 | 15.63 | 15.94 | 37.50 | 23.48 | 0.21 |
| Diluted net income*2 | — | 15.37 | 15.50 | 35.69 | 21.70 | — |
| Net assets | 301.58 | 284.72 | 289.49 | 293.11 | 270.46 | 3.24 |
| Cash dividends applicable to the year | 9.00 | 8.00 | 8.00 | 8.00 | 7.00 | 0.09 |
| Total payout ratio*3 (%) | 60.11 | 63.35 | 73.56 | 60.14 | 84.29 | — |
| Payout ratio (%) | 45.32 | 51.18 | 50.19 | 21.33 | 29.81 | — |
| AT YEAR-END | | | | | | |
| Total assets | ¥1,840,972 | ¥1,764,185 | ¥1,703,651 | ¥1,692,635 | ¥1,693,898 | \$19,795,397 |
| Interest-bearing debt | 555,919 | 593,230 | 558,716 | 525,467 | 559,911 | 5,977,623 |
| Total net assets | 826,291 | 784,616 | 780,455 | 806,045 | 738,486 | 8,884,849 |
| RATIOS | | | | | | |
| Operating cash flow*4 | ¥ 199,898 | ¥ 182,791 | ¥ 184,908 | ¥ 233,841 | ¥ 198,490 | \$ 2,149,440 |
| Operating income to net sales (%) | 6.0 | 3.9 | 4.7 | 11.8 | 8.9 | — |
| Net income to net sales (%) | 3.8 | 2.5 | 2.9 | 7.3 | 4.9 | — |
| TEP*5 (Billions of yen / Millions of U.S. dollars) | 18.6 | -4.8 | 1.7 | 53.8 | 22.9 | 200 |
| ROE*6 (%) | 6.8 | 5.4 | 5.4 | 13.2 | 9.0 | — |
| ROA*7 (%) | 3.0 | 2.4 | 2.5 | 5.9 | 3.7 | — |
| Equity ratio (%) | 44.2 | 43.8 | 45.1 | 47.0 | 43.0 | — |
| D/E ratio*8 (times) | 0.68 | 0.77 | 0.73 | 0.66 | 0.77 | — |
| OPERATIONAL DATA | | | | | | |
| Gas sales volume (million m ³) | 13,666 | 13,942 | 14,215 | 13,315 | 13,098 | — |
| Number of customers (thousands) | 10,637 | 10,513 | 10,380 | 10,207 | 10,016 | — |
| LNG imports (thousand tons) (non-consolidated) | 10,052 | 11,162 | 10,874 | 10,191 | 9,745 | — |

*1 U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥93 = U.S.\$1, the prevailing exchange rate on March 31, 2010.

*2 From the fiscal year ended March 31, 2010, diluted net income per share is not presented in the above table because there are no residual securities from the beginning of the fiscal year.

*3 Total payout ratio for fiscal year n = ((income distributed as dividends funded by net income in FY n) + (share repurchasing in FY n+1)) / (net income in FY n).

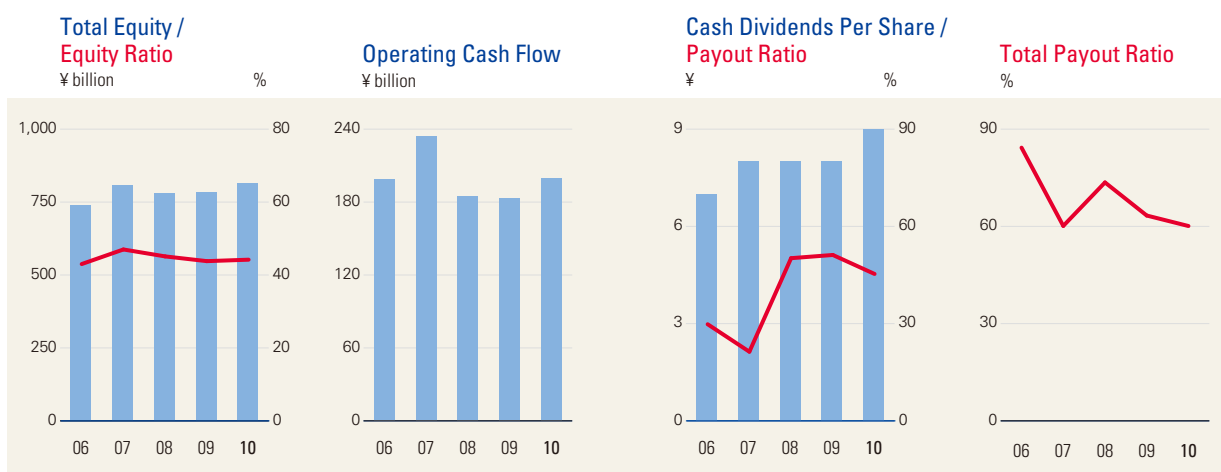
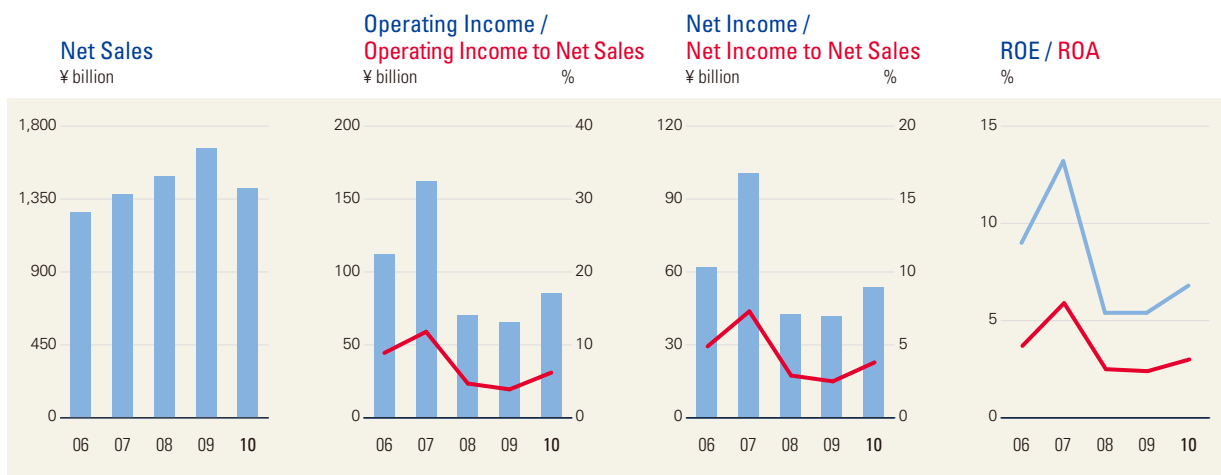
*4 Operating cash flow = net income + depreciation (including amortization of long-term prepayments)

*5 TEP (Tokyo Gas Economic Profit) = net operating profit after tax prior to interest payments – cost of capital (invested capital x WACC)
WACC: Fiscal 2008 results: 3.4% / Fiscal 2009 results: 3.2% / Fiscal 2013 outlook: 3.8%

*6 ROE = net income / total equity (average of positions at start and end of fiscal year)

*7 ROA = net income / total assets (average of positions at start and end of fiscal year)

*8 D/E ratio = interest-bearing debt (year-end) / total shareholders' equity (year-end)



FINANCIAL STRATEGY AND KEY INDICATORS IN THE MEDIUM-TERM MANAGEMENT PLAN (FY 2009 to FY 2013)

- Through the steady implementation of the key policies in the medium-term management plan, over the five-year period of the plan we will aim to generate cash flow*1 of about ¥1,070 billion. We intend to use this cash flow for aggressive investment in such areas as upstream/overseas projects, infrastructural improvement, and demand development.
- In making investment decisions, we will give due consideration for capital costs and will work to maintain and improve investment efficiency, aiming for ROA of 3.7% in the final year of the plan.
- We will strive to increase dividends over the long term and will maintain the target of 60% for the total payout ratio*2. We will work to make effective use of shareholder capital and will target ROE of 7.7% in the final year of the plan.

*1 Cash flow = operating cash flow + other cash flow

*2 Total payout ratio = ratio of shareholder return (income distributed as dividends funded by net income) + (share repurchases) to net income

Major Management Indicators

| Consolidated | Fiscal 2008 (Result) | Fiscal 2009 (Result) | Fiscal 2013 (Plan) |
|-------------------------------|----------------------|----------------------|--------------------|
| Operating cash flow ¥ billion | 182.7 | 199.8 | 1,060.0 |
| | | | Over 5 years |
| ROA % | 2.4 | 3.0 | 3.7 |
| ROE % | 5.4 | 6.8 | 7.7 |
| TEP ¥ billion | -4.8 | 18.6 | 18.0 |