

Presentation of 1Q financial results

FY2004 (Year ending March 31, 2005)

July 28, 2004

Tokyo Gas Co., Ltd.

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.

FY2004 1Q Financial Results: Key Points

◆ Increase in Revenue and Income

(compared with FY2003 1Q)

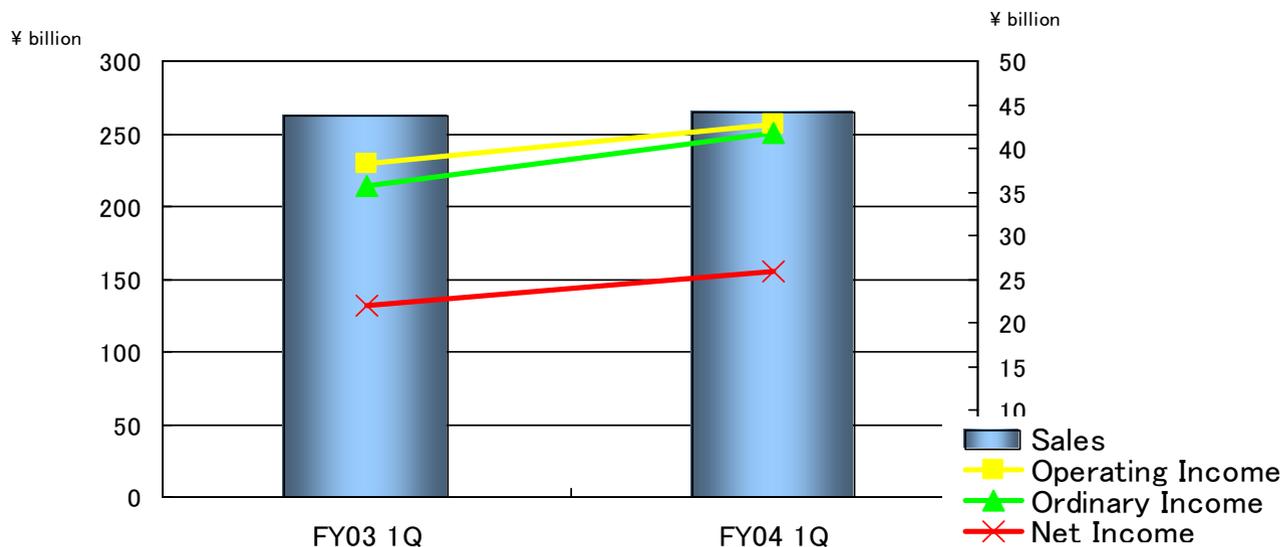
- More cost down in fixed cost than decrease in gas sales caused by higher temperature
- Increase in number of consolidated subsidiaries
(18 subsidiaries & 1 affiliate by equity method
→ 51 subsidiaries & 1 affiliate by equity method)

Summary of consolidated financial results

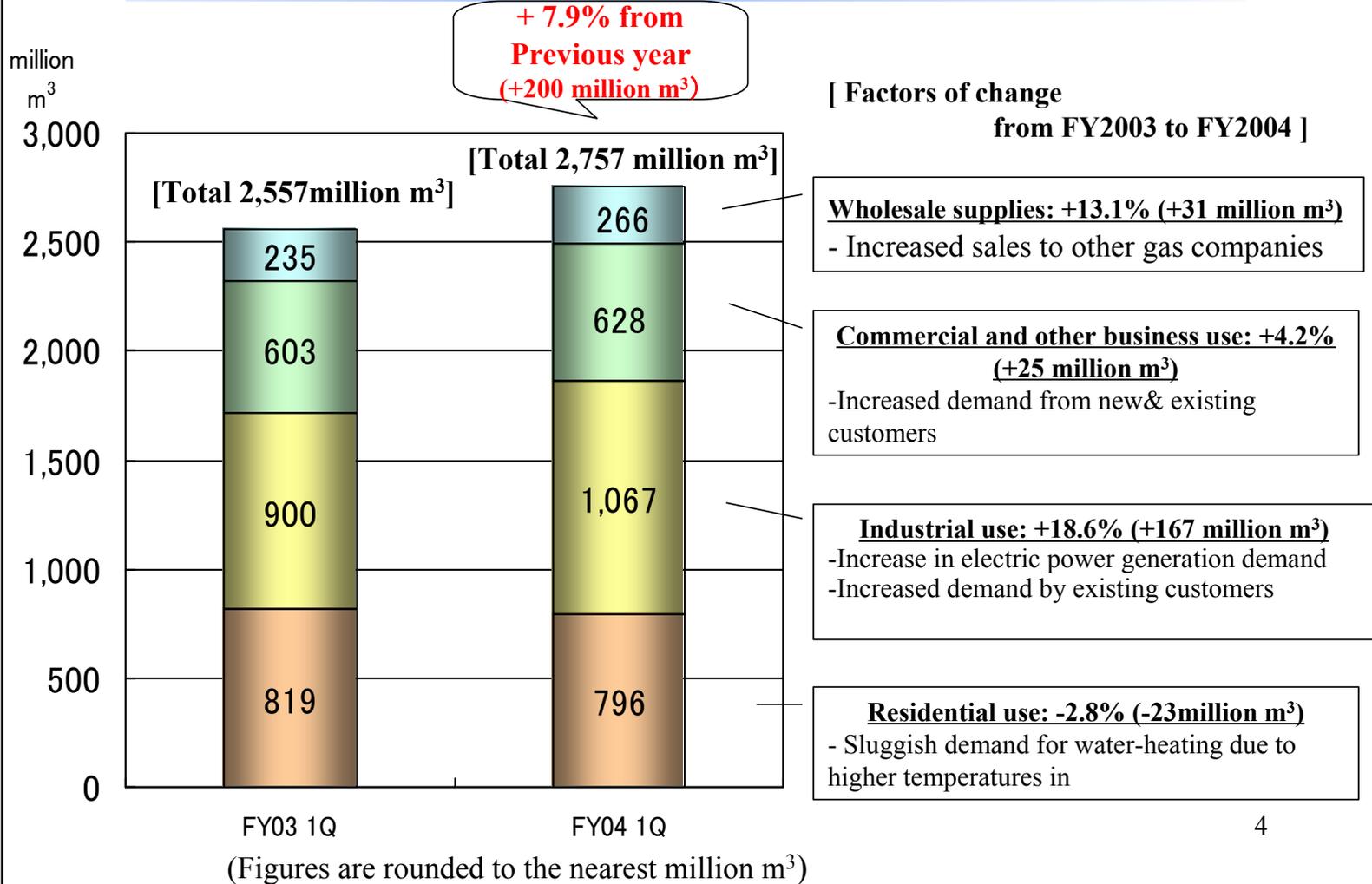
(Rounded down to nearest ¥0.1 billion)

	FY03 1Q	FY04 1Q	Change from previous year	Effect of increase in # of consolidated subsidiaries*
Sales	¥262.2 billion	¥ 264.5 billion	+¥2.3 billion (+ 0.9 %)	+¥5.6 billion
Operating Income	¥38.3 billion	¥ 42.8 billion	+¥4.5 billion (+11 .8 %)	+¥0.2 billion
Ordinary Income	¥35.7 billion	¥ 41.7 billion	+¥6.0 billion (+16.8 %)	+¥0.1 billion
Net Income	¥22.0 billion	¥ 25.9 billion	+¥3.9 billion (+17.4 %)	-¥0.07 billion

*Comparison with financial results without increase in number of consolidated subsidiaries



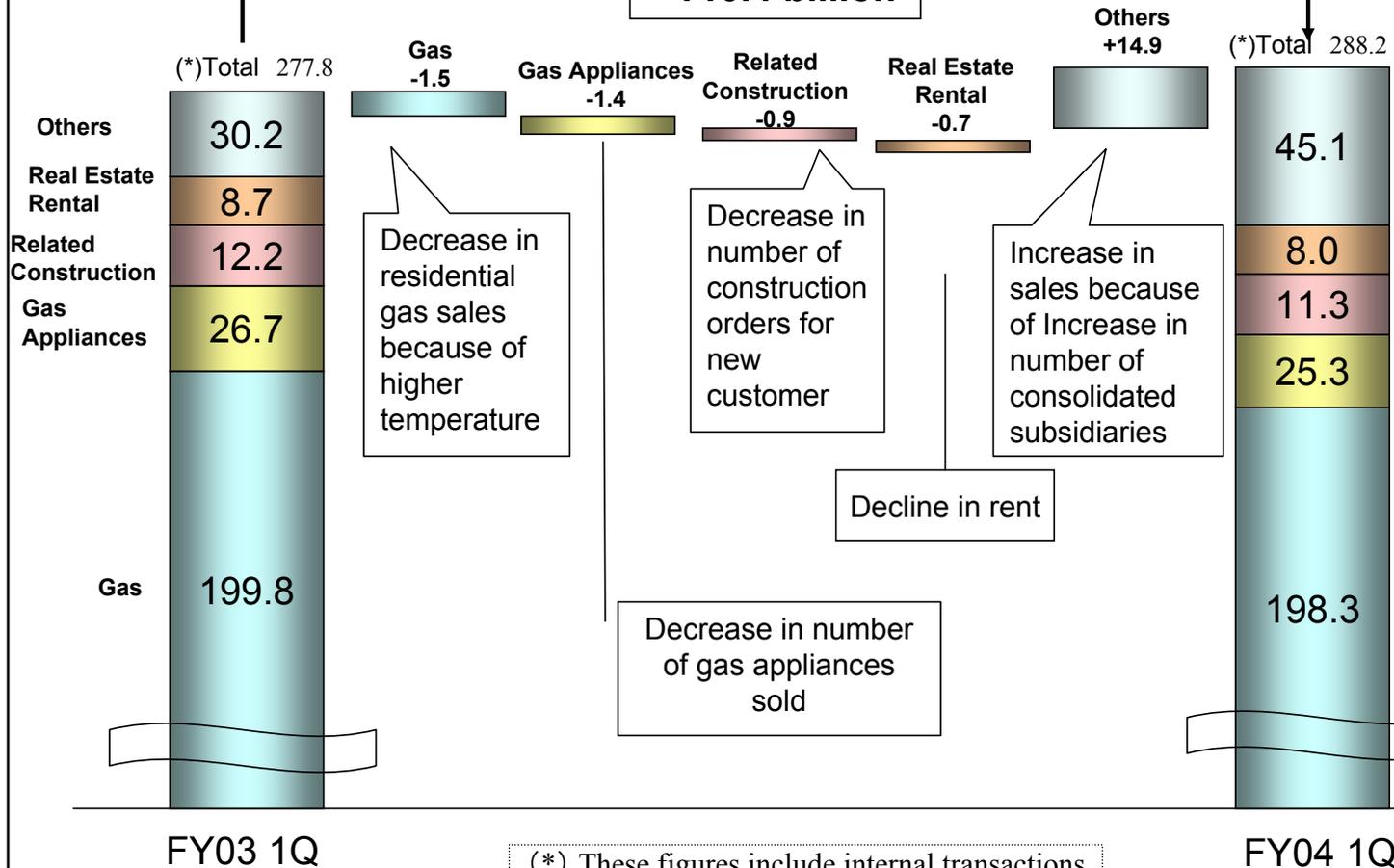
Results of 1Q gas sales volume (consolidated)



Reasons for Changes in Sales

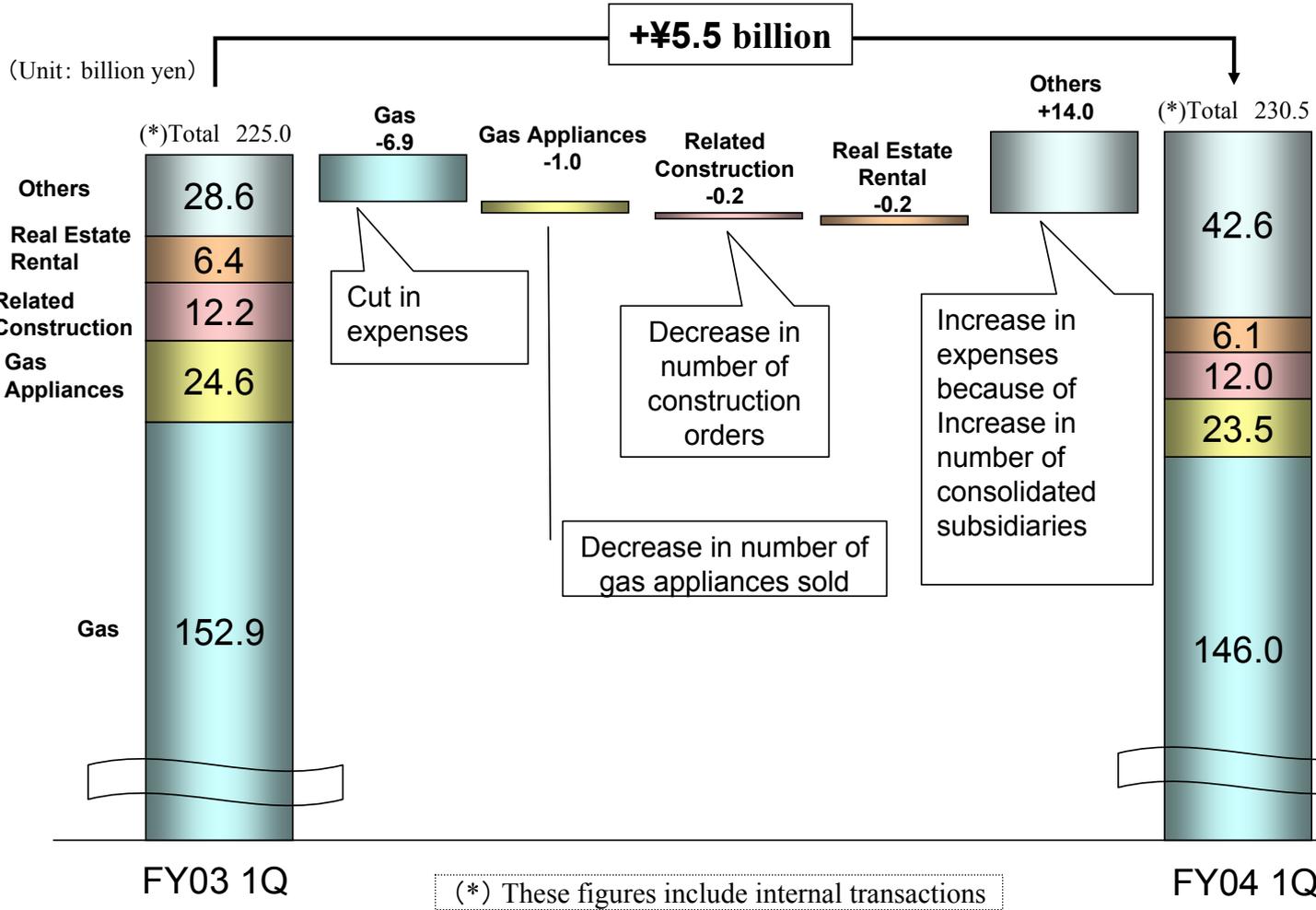
(Unit: billion yen)

+¥10.4 billion

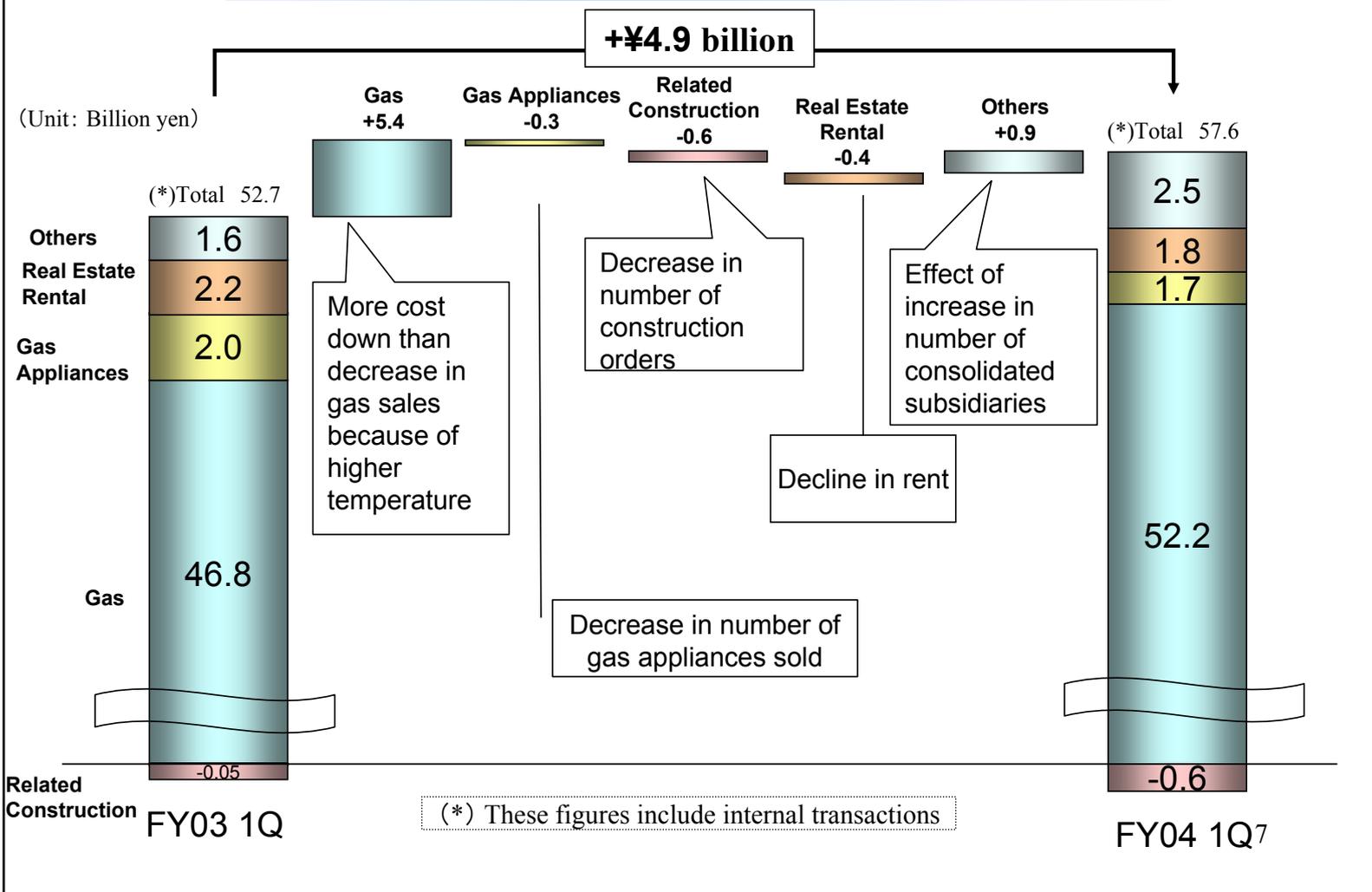


(* These figures include internal transactions)

Reasons for Changes in Expenses



Reasons for Changes in Operating Income



1st half of FY 2004 Performance Forecast

(Unit: Billion yen)

(Rounded down to nearest ¥0.1 billion)

	1 st half of FY03	1 st half of FY04 (Previous Forecast (as of April 28))	1 st half of FY04 (Revised Forecast)	Change from FY 2003	Change from Previous Forecast
Sales	505.1	516.0	511.0	+5.9(+1.2%)	-5.0(-1.0%)
Gas Sales	368.7	362.9	359.9	-8.8(-2.3%)	-3.0 (-0.8%)
Operating Income	43.8	42.0	41.0	-2.8(-6.4%)	-1.0(-2.4%)
Ordinary Income	36.4	36.0	36.0	-0.4(-1.1%)	±0(±0%)
Net Income	22.2	24.0	24.0	+1.8(+8.1%)	±0(±0%)
Gas Sales Volume (million m3)	5,093	5,298	5,375	+282(+5.5%)	+77 (1.5 %)
Exchange Rate (¥/US\$)	118.08	110.00	109.88	-8.20	-0.12
Crude Oil Price (\$/bbl)	28.42	30.00	34.49	+6.07	+4.49
Average Temp. (°C)	21.7	22.7	23.4	+1.7	+0.7

Note: Starting from FY 2004, the number of consolidated subsidiaries has been increased from 18 to 51

FY 2004 Performance Forecast

(Unit: Billion yen)

(Rounded down to nearest ¥0.1 billion)

	FY 03 Actual	FY 04 Forecast (Previous Forecast (as of April 28))	FY 04 Revised Forecast	Change from FY 2003	Change from Previous Forecast
Sales	1,151.8	1,197.0	1,204.0	+52.2(+4.5%)	+7.0(+0.6%)
Gas Sales	831.1	826.0	834.0	+2.9(+0.3%)	+8.0(+1.0%)
Operating Income	152.2	145.0	143.0	-9.2(-6.0%)	-2.0(-1.4%)
Ordinary Income	131.0	131.0	131.0	-0.0(-0.1%)	±0.0(±0%)
Net Income	44.7	86.0	86.0	+41.3(+92.4%)	±0.0(±0%)
Gas Sales Volume (million m3)	11,218	11,505	11,637	+419 (+3.7%)	+132 (1.1%)
Exchange Rate (¥/US\$)	113.19	110.00	109.94	-3.25	-0.06
Crude Oil Price (\$/bbl)	29.42	30.00	33.24	+3.82	+3.24
Average Temp. (°C)	16.3	16.8	17.2	+0.9	+0.4

Note: Starting from FY 2004, the number of consolidated subsidiaries has been increased from 18 to 51