



Presentation of 1Q-3Q financial results

FY2005 (Year ending March 31, 2006)

Feb. 1, 2006

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.



Summary of FY2005 1Q-3Q Results

Key Points of 1Q-3Q Financial Results

◆ Increase in Sales, Decrease in Income (compared with FY2004 1Q-3Q)

[Positive factors]

- Increase in gas sales volume in all sectors
- Cost cut

[Negative factors]

- Increase in raw material cost due to high rise in oil price
- Decrease in revenue because of rate reduction since Jan.2005

■ Reasons for change of 3Q ordinary income (non-consolidated) from previous year

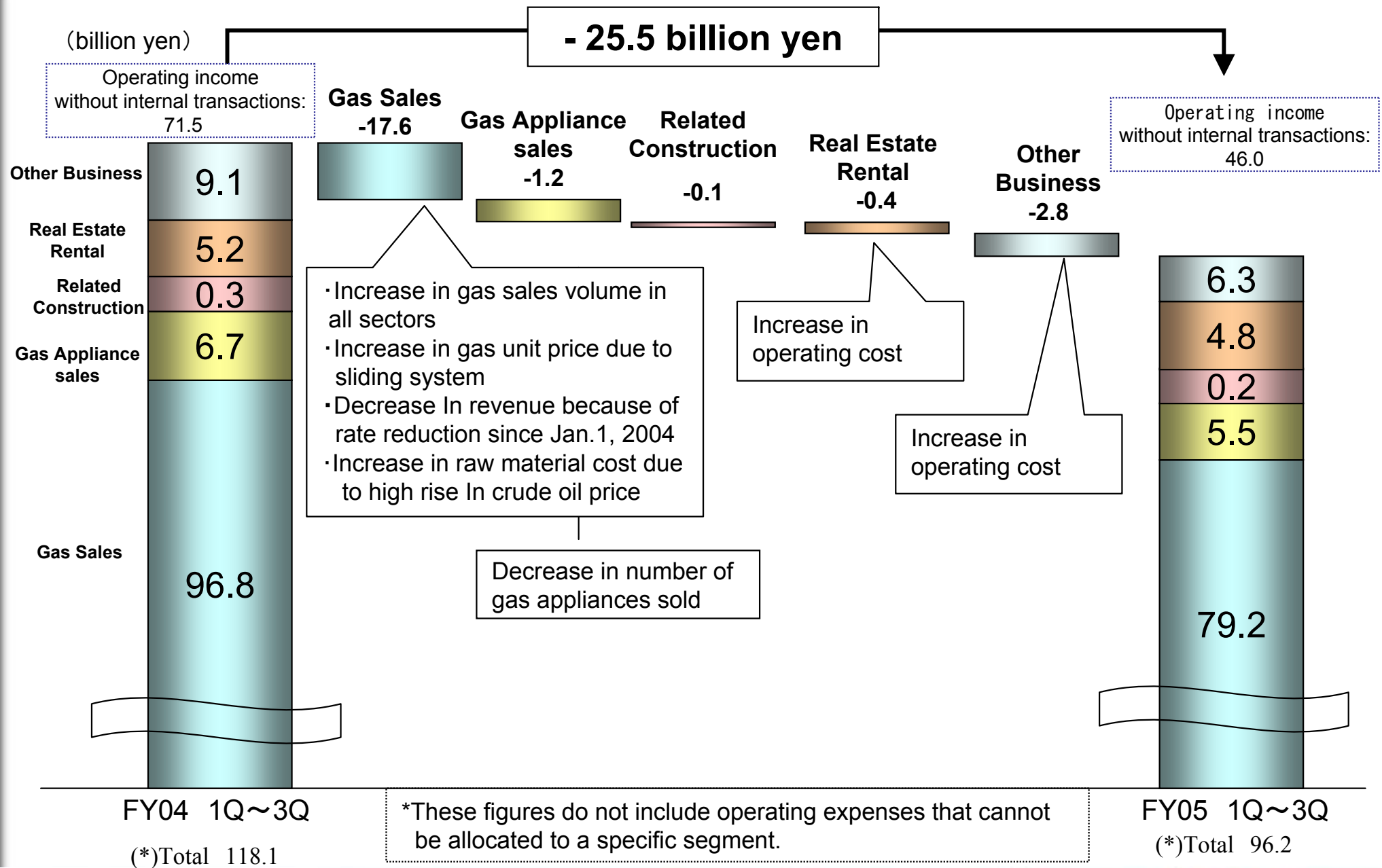
Increase in gas sales	+36.5 billion yen
High rise in raw material cost	-60.0 billion yen
Cost cut	+2.2 billion yen
Decrease in profit of gas appliances sales and related construction	-1.2 billion yen
Non-operating profit and loss (derivatives, etc.)	-1.1 billion yen

Ordinary income -23.8 billion yen
(55.7 billion yen → 31.9 billion yen)
(billion yen)

	FY05 1Q-3Q Results	FY04 1Q-3Q Results	Change from Previous year
Sales	836.8	796.2	+40.6(+5.1%)
Operating Income	46.0	71.5	-25.5(-35.7%)
Ordinary Income	40.2	66.9	-26.7(-39.9%)
Net Income	27.4	43.4	-16.0(-36.7%)
Exchange rate(¥/US\$)	112.11	108.52	+3.59
Crude oil price(\$/bbl)	54.51	38.10	+16.41

Reasons for changes in Operating Income

(compared with previous year)

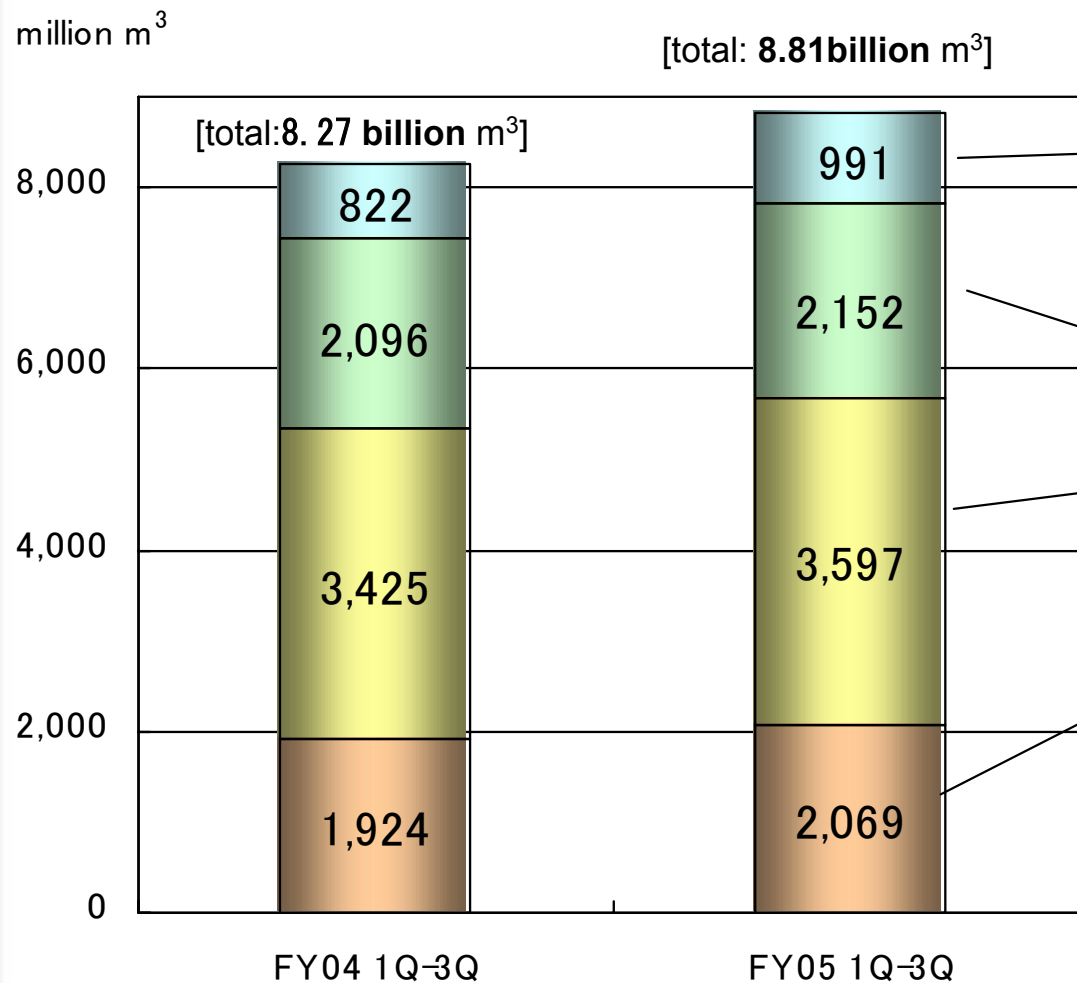


Gas Sales Volume Projections

(Change from Previous Year)

**6.5% increase from the previous year
(+ 542 million m³)**

<Reasons for Changes in Gas Sales Volumes from FY2004 1Q-3Q to FY2005 1Q-3Q >



Wholesale Supply: + 20.5% (+169 mil. m³)

- Increase in sales to other gas utilities through developing new demand for those utilities

Commercial & Other Use: +2.6% (+56mil. m³)

- Increased demand by new customers acquisition

Industrial Use: +5.0% (+172 mil. m³)

-Increased demand from new & existing customer
-Decreased demand for electric power generation

Residential Use: +7.5% (+ 145mil. m³)

- Increase in hot water & space heating demand due to low temperature

(Rounded off to nearest million m³)



Projection for FY2005 (April 2005 – March 2006)

Revision in FY05 projection

◆ Increase in Sales, Decrease in Income (compared with projection as of Oct.31)

[Positive factors]

- Increase in gas sales volume for residential sector due to low temperature in November & December

[Negative factors]

- Increase in raw material cost due to high rise in crude oil price
- Increase in operating expense due to weather derivatives

Extraordinary loss by abandonment of a system development project : 5 billion yen

■ Reasons for change of ordinary income (non-consolidated) from projection as of 10/31

Increase gas sales	+19.0 billion yen
High rise in raw material cost	-30.4 billion yen
Cost cut	+2.3 billion yen
Non-operating profit and loss (weather derivatives)	-6.0 billion yen

Ordinary profit -15.0 billion yen
(89.0 billion yen→74.0 billion yen)

(Rounded off to nearest billion yen)

	FY05 projection as of Feb. 1	FY04 Results	FY05 projection as of Oct. 31	Change from FY04 Results	Change from projection as of Oct.31
Sales	1,268.0	1,190.7	1,248.0	+77.3(+6.5%)	+20.0(+1.6%)
Operating Income	98.0	145.3	106.0	-47.3(-32.6%)	-8.0(-7.5%)
Ordinary Income	85.0	132.8	99.0	-47.8(-36.0%)	-14.0(-14.1%)
Net Income	54.0	84.0	67.0	-30.0(-35.7%)	-13.0(-19.4%)
Exchange rate(¥/US\$)	112.83	107.55	109.74	+5.28	+3.09
Crude oil price(\$/bbl)	55.04	38.77	53.94	+16.27	+1.10
Average Temperature(°C)	16.2	17.1	16.7	-0.9	-0.5

(Note) Change in our forecast for Jan. - Mar. :Crude Oil Price \$57/bbl, Exchange Rate ¥115/US\$

Reasons for Changes in Operating Income

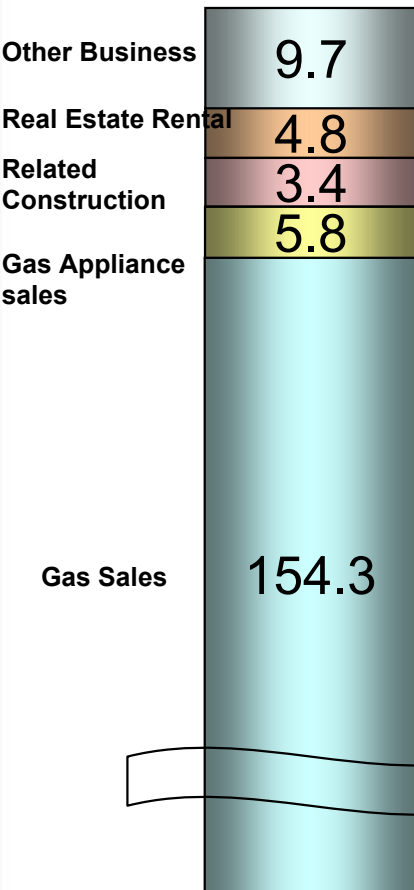
(billion yen)

- 8 billion yen

Operating income without internal transactions: 106.0

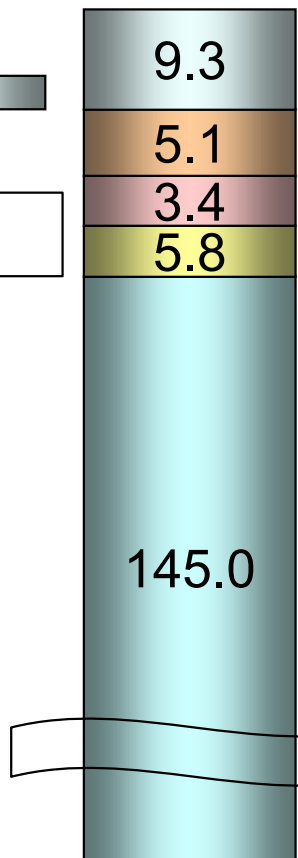
Operating income without internal transactions: 98.0

Gas Sales -9.3
Gas Appliance sales 0
Related Construction 0
Real Estate Rental +0.3
Other Business -0.4



- Increase in gas sales volume in all sectors
 (Gas sales : +19.2 billion yen)
 -Increase in raw material cost due to high rise in crude oil price
 (-30.2 billion yen)

-Increase in operating cost



FY05 projection as of Oct.31
 (*)Total 178.0

*These figures do not include operating expenses that cannot be allocated to a specific segment.

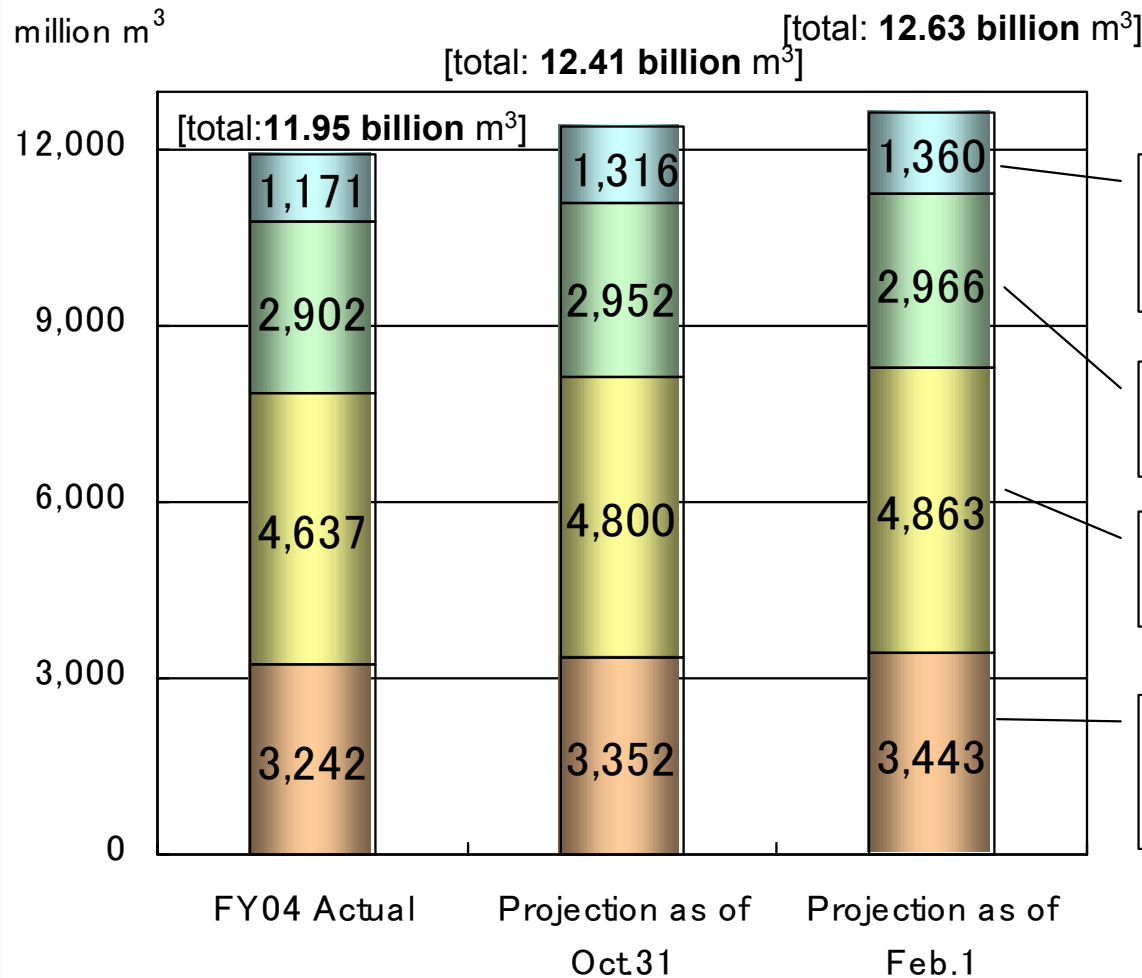
FY05 projection as of Feb.1
 (*)Total 168.6

Gas Sales Volume Projections

(Change from previous year and past projections)

1.7% increase from projection
as of Oct.31
(+213 million m³)

<Reasons for Changes in Gas Sales Volume Projection from projection as of Oct.31>



Wholesale Supply: +3.3% (+44 mil. m³)
- Increase in sales to other gas utilities through developing new demand for those utilities

Commercial & Other Use: +0.5% (+14 mil. m³)
- Increased demand from existing customers

Industrial Use: +1.3% (+63 mil. m³)
- Increased demand from existing customer

Residential Use: +2.7% (+91 mil. m³)
- Increase in hot water & space heating demand due to low temperature during winter

(Rounded off to nearest million m³)

References

Performance Indicators (FY2005 projection-1)

(billion yen)

	FY05 projection	FY04 Results	Projection as of Oct. 31	Change from FY04	Change from projection as of Oct. 31
Sales	1,268.0	1,190.7	1,248.0	+77.3 (+6.5%)	+20.0 (+1.6%)
Operating Income	98.0	145.3	106.0	-47.3 (-32.6%)	-8.0 (-7.5%)
Ordinary Income	85.0	132.8	99.0	-47.8 (-36.0%)	-14.0 (-14.1%)
Net Income	54.0	84.0	67.0	-30.0 (-35.7%)	-13.0 (-19.4%)
EPS(¥)	20.47	31.47	25.41	-11.00 (-35.0%)	-4.94 (-19.4%)
TEP	14.6	50.1	23.8	-35.5 (-70.9%)	-9.2 (-38.7%)
Gas sales volume (million m3)	12,632	11,952	12,419	+67.8 (+5.7%)	+213 (+1.7%)
FX rate (yen/US\$)	112.83	107.55	109.74	+5.28	+3.09
Crude oil price (\$/bbl)	55.04	38.77	53.94	+16.27	+1.10
Average Temperature(°C)	16.2	17.1	16.7	-0.9	-0.5

Performance Indicators (FY2005 projection-2)

(billion yen)

	FY05 projection	FY04 Results	Projection as of Oct.31	Change from FY04	Change from projection as of Oct.31
Total Assets(a)	1,660.0	1,668.7	1,665.0	-8.7 (-0.5%)	-5.0 (-0.3%)
Shareholders' Equity (b)	689.0	648.7	696.0	+40.3(+6.2%)	-7.0 (-1.0%)
Equity Ratio: (b)/(a)	41.5%	38.9%	41.8%	+2.6%	-0.3%
Outstanding Debt	600.0	624.1	600.0	-24.1	0
Cash Flow from Operating Activities (c)	54.0	84.0	67.0	-30.0 (-35.8%)	-13.0 (-19.4%)
Cash Flow from Investing Activities (d) = (f) - (e)	5.0	32.7	2.0	-27.7 (-84.7%)	+3.0 (+150%)
CAPEX (e)	131.0	107.5	134.0	+23.5(+21.8%)	-3.0(-2.2%)
Depreciation (f)	136.0	140.2	136.0	-4.2(-3.0%)	0
Free Cash Flow : (c) + (d)	59.0	116.7	69.0	-57.7(-49.5%)	-10.0 (-14.5%)
ROA: (c) / (a)	3.2%	5.0%	4.0%	-1.8%	-0.8%
ROE: (c) / (b)	8.1%	13.5%	10.0%	-5.4%	-1.9%

(*) ROA=Net Income/Average Total Assets, ROE=Net Income/Average Shareholders' Equity

EPS: earnings per average number of shares issued and outstanding

Free Cash Flow =Cash flows from operating activities (Net Income) +Cash flows from investment activities (Depreciation-Capex)