



Presentation of 1Q financial results

FY2006 (Year ending March 31, 2007)

July 28, 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.

FY2006 1Q Financial Results: Key Points

◆ Increase in Revenue & Income

(compared with FY2005 1Q)

[Positive factors]

- Increase in gas sales volume in all sectors
- Increase in gas unit price due to sliding system
- Decrease in fixed expense by effort for cost cut and decreasing labor cost by one-off expense in actuarial differences

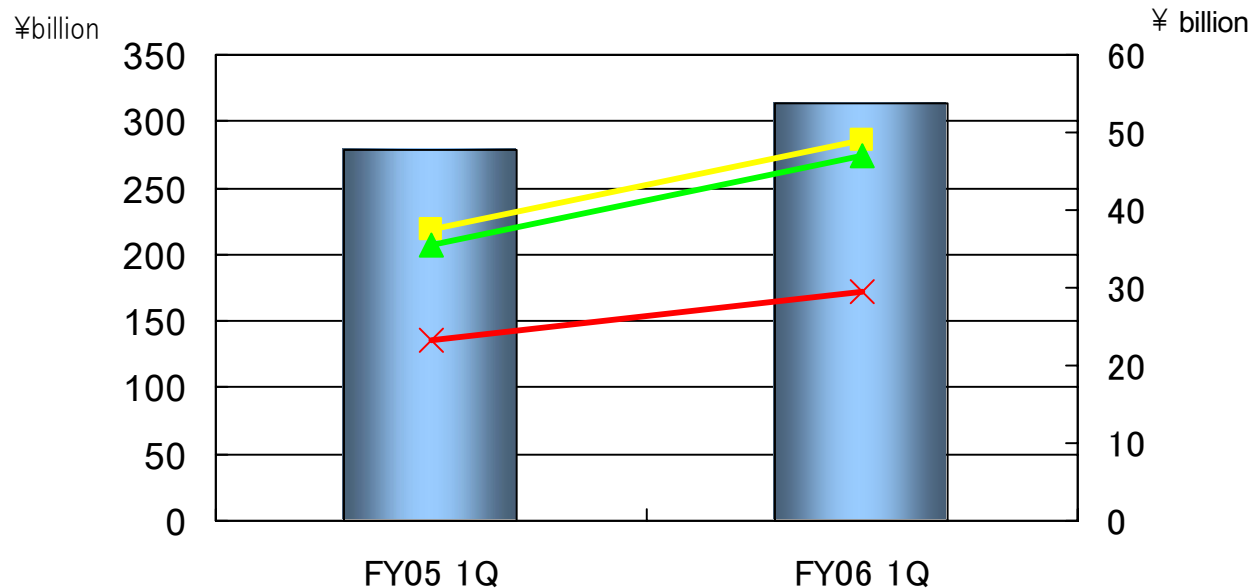
[Negative factors]

- Increase in raw material cost due to high rise in oil price

Summary of consolidated financial results

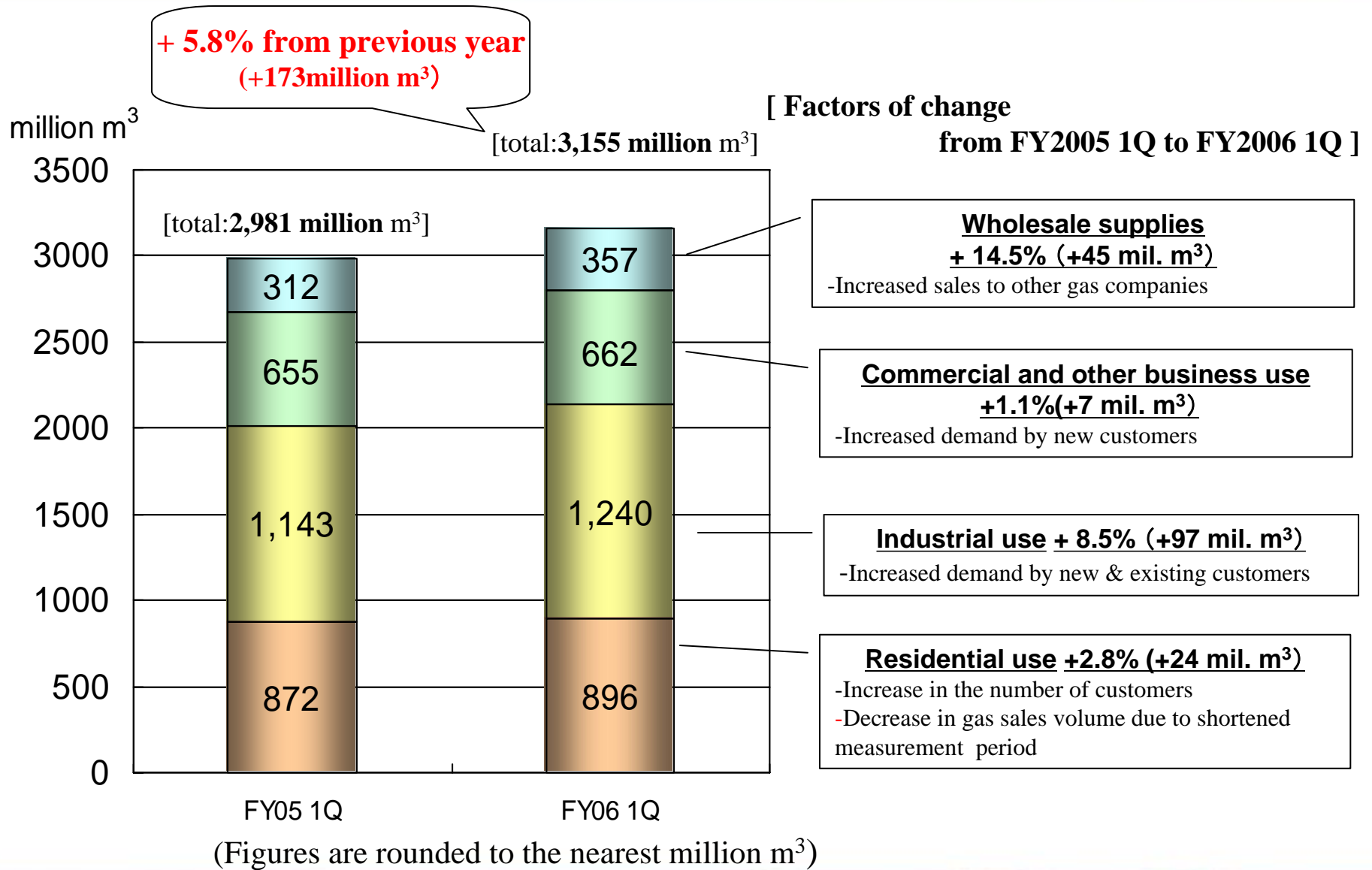
(Rounded down to nearest ¥0.1 billion)

	FY05 1Q	FY06 1Q	Change
Sales	278.5	312.9	+34.4 (+12.3%)
Operating Income	37.4	48.9	+11.5(+30.5%)
Ordinary Income	35.6	47.1	+11.5(+32.2%)
Net Income	23.3	29.5	+6.2(+26.4%)



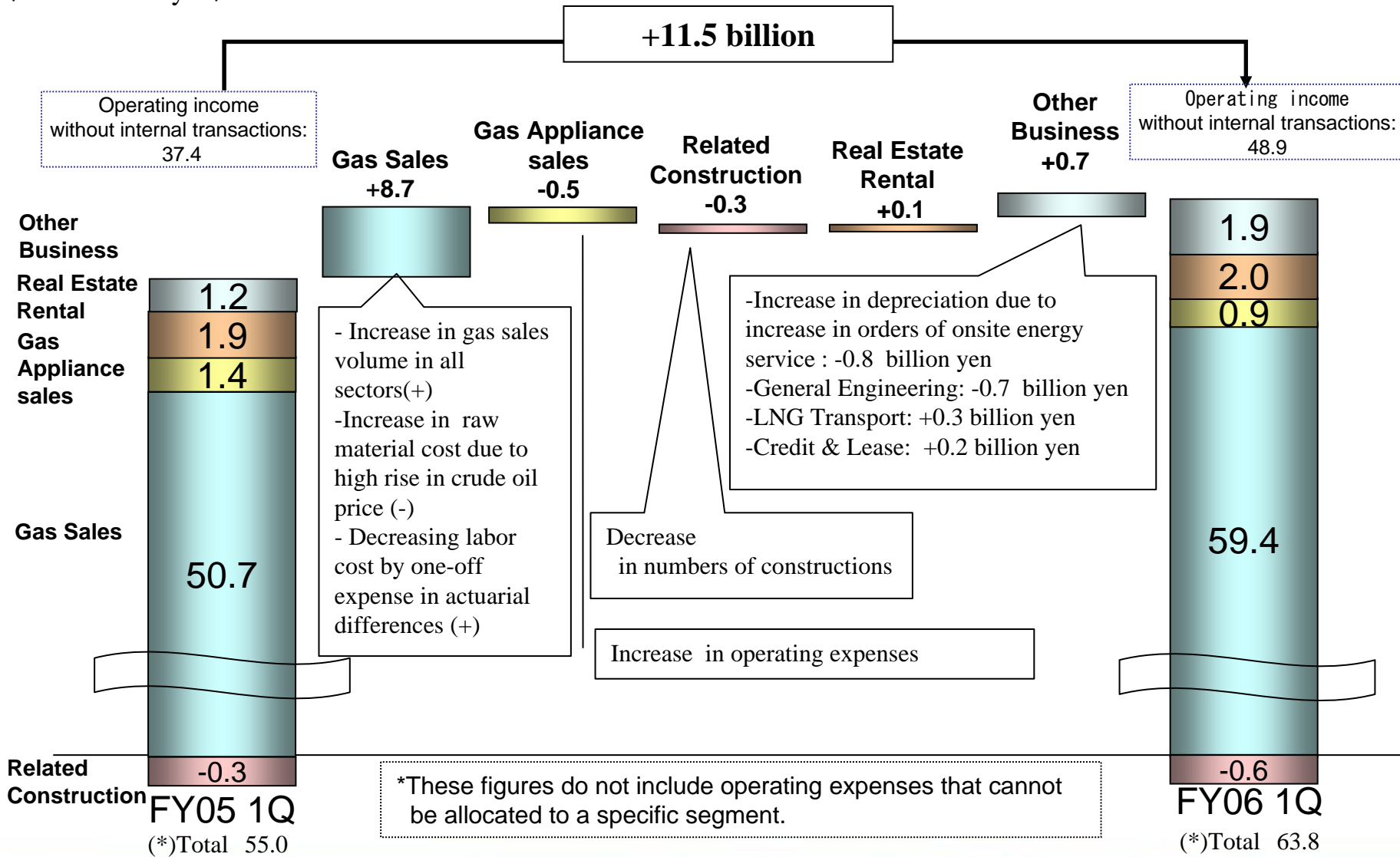
Sales
 Operating Income
 Ordinary Income
 Net Income

1Q gas sales volume



Reasons for Changes in Operating Income

(Unit: billion yen)

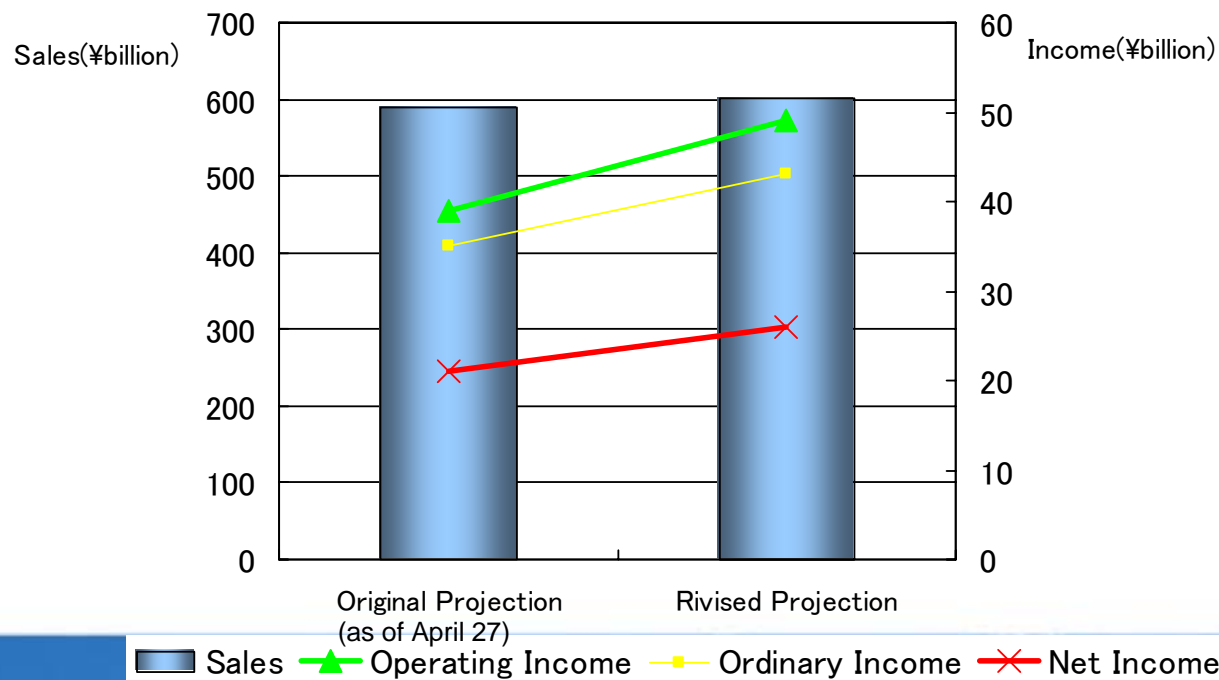


FY 2006 1st Half Performance Projection

(Rounded down to nearest ¥0.1 billion)

	Original Projection (as of April 27)	Revised Projection	Change
Sales	589.0	602.0	+13.0(+2.2%)
Operating Income	39.0	49.0	+10.0(+25.6%)
Ordinary Income	35.0	43.0	+8.0(+22.9%)
Net Income	21.0	26.0	+5.0(+23.8%)
Crude Oil Price (\$/bbl)	60.00	67.58	+7.58
Exchange Rate (¥/US\$)	120.00	117.25	-2.75

(Note) Change in our forecast for Jul. – Sep. :Crude Oil Price \$70/bbl, Exchange Rate ¥120/US\$

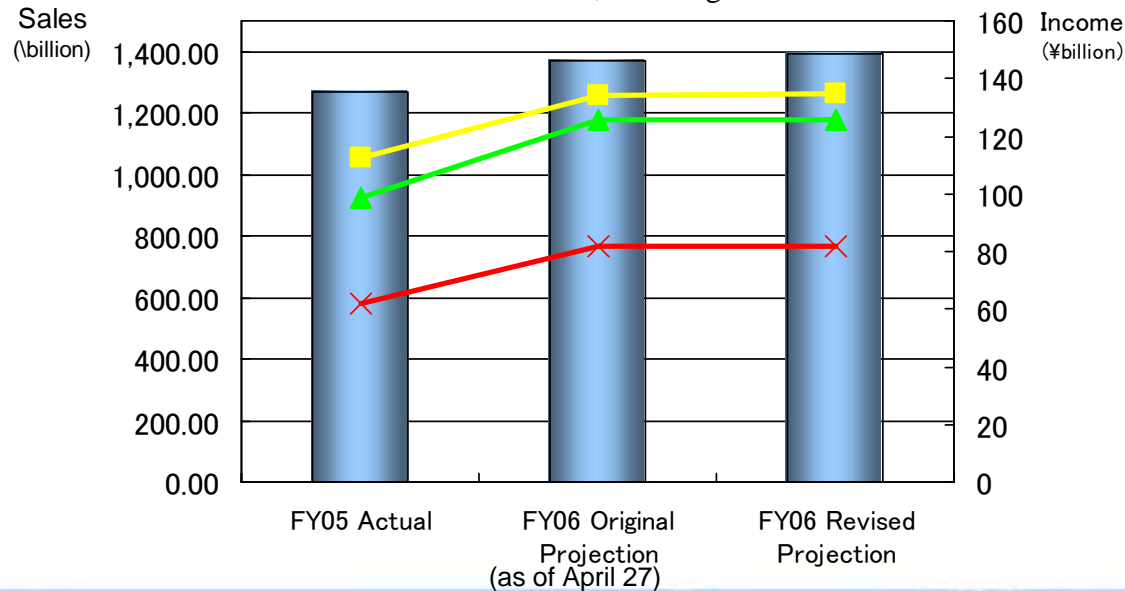


FY 2006 Performance Projection

(Rounded down to nearest ¥0.1 billion)

	FY 05 Actual	Original Projection (as of April 27)	Revised Projection	Change from FY 2005	Change from Original Projection
Sales	1,266.5	1,370.0	1,394.0	+127.5(+10.1%)	+24.0(+1.8%)
Operating Income	112.3	134.0	135.0	+22.7(+20.2%)	+1.0(+0.7%)
Ordinary Income	98.6	126.0	126.0	+27.4(+27.7%)	-
Net Income	62.1	82.0	82.0	+19.9(+32.0%)	-
Gas Sales Volume (million m ³)	13,098	13,177	13,305	+207(+1.6%)	+128(+0.9%)
Crude Oil Price (\$/bbl)	55.79	62.50	68.79	+13.00	+6.29
Exchange Rate (¥/US\$)	113.32	120.00	118.62	+5.30	-1.38
Average Temp. (°C)	16.2	16.9	16.7	+0.5	-0.2

(Note) Change in our forecast for Jul. – Mar. :Crude Oil Price \$70/bbl, Exchange Rate ¥120/US\$



■ Sales —■ Operating Income —▲ Ordinary Income —× Net Income