



Presentation of 1Q-3Q financial results

FY2007 (Year ending March 31, 2008)

Jan. 31, 2008

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 or 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 FY2007 1Q-3Q Results

Key Points of 1Q-3Q Financial Results

[vs. FY06 1Q-3Q Results :

Increase in sales and decrease in income]

Positive Factor

- Increase in gas unit price due to gas rate adjustment system
- Increase in gas sales volume mainly in industrial and wholesale sector

Negative Factor

- Increase in gas resource cost due to LNG price soaring
- Increase in labor cost by one-off expense in actuarial differences
- Increase in depreciation by tax revisions

■ Factors of change from FY06 1Q-3Q (non consolidated)

- [1] Decrease gas sales margin **-42.2¥billion**
- [2] Increase in labor cost (cost by one-off expense in actuarial differences, etc.) **-17.3¥billion**
- [3] Increase in depreciation (tax revision effect, etc.) **-6.1¥billion**
- [4] Invest on new policies (strengthen competitiveness against electricity and for safety measure), etc. **-5.8¥billion**
- [5] Increase in profit of related business **+0.9¥billion**
- [6] Improve in non-operating profit and loss **+1.5¥billion**

Ordinary Income -69.2 ¥billion
(77.2 ¥billion → 8.0¥billion)

(billion yen)

		FY07 1Q-3Q Results	FY06 1Q-3Q Results	Change from Previous year
Sales		1,000.9	938.0	+62.9 (+6.7%)
Operating Income		23.4	94.5	-71.1 (-75.2%)
Ordinary Income		22.2	88.1	-65.9 (-74.8%)
Net Income		12.7	59.5	-46.8 (-78.5%)
Exchange rate(¥/US\$)		117.35	116.19	+1.16
Crude oil price(\$/bbl)	JCC	73.33	65.50	+7.83
	TCC*	66.07	65.17	+0.90

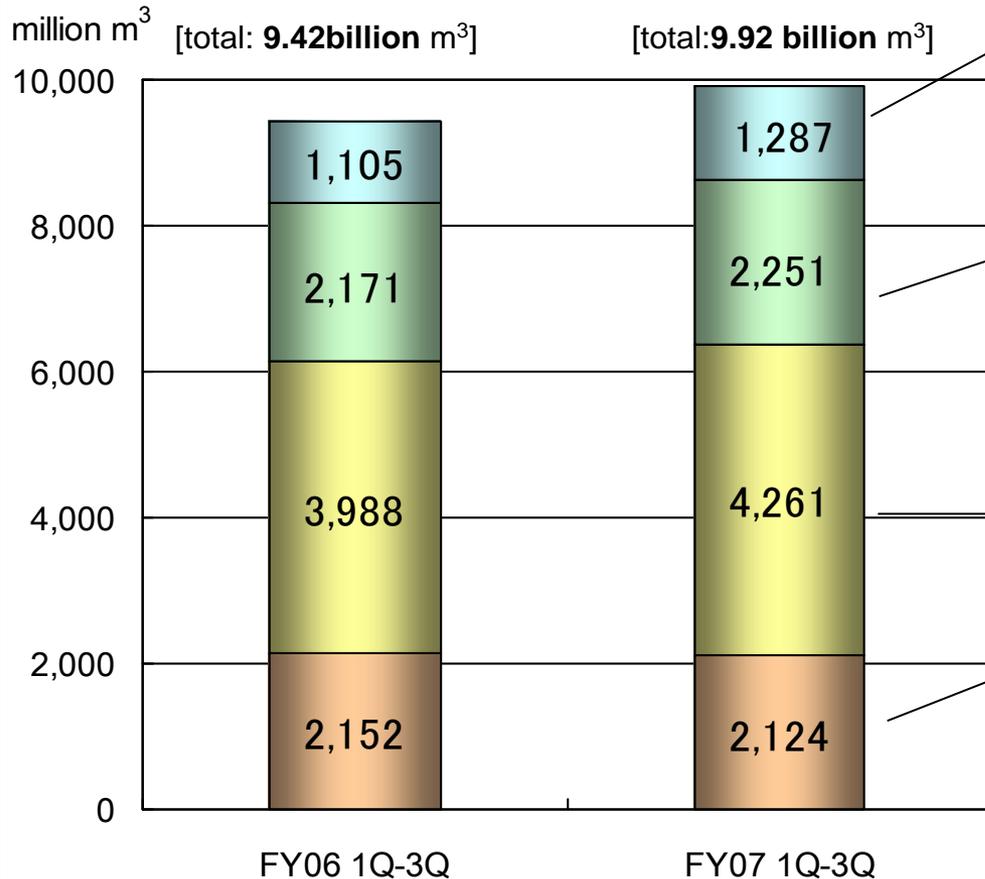
* TCC="Tokyo Gas Crude Oil Cocktail" is the basis of calculation for Tokyo Gas LNG price.
 JCC reflects on TCC a few month later.

Gas Sales Volume

(Change from Previous Year)

**5.4% increase from the previous year
(+ 507million m³)**

(45MJ/m³)



<Reasons for Changes in Gas Sales Volumes from FY2006 1Q-3Q to FY2007 1Q-3Q >

Wholesale Supply: +16.5% (+182mil. m³)

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

Commercial & Other Use: +3.7% (+80mil. m³)

- Increased demand for air-conditioning due to high temperature in August and September, and low temperature in November and December
- Increase in the number of customers

Industrial Use: +6.8% (+ 273mil. m³)

- Increased demand for customers mainly chemistry, metal machine, and food industry

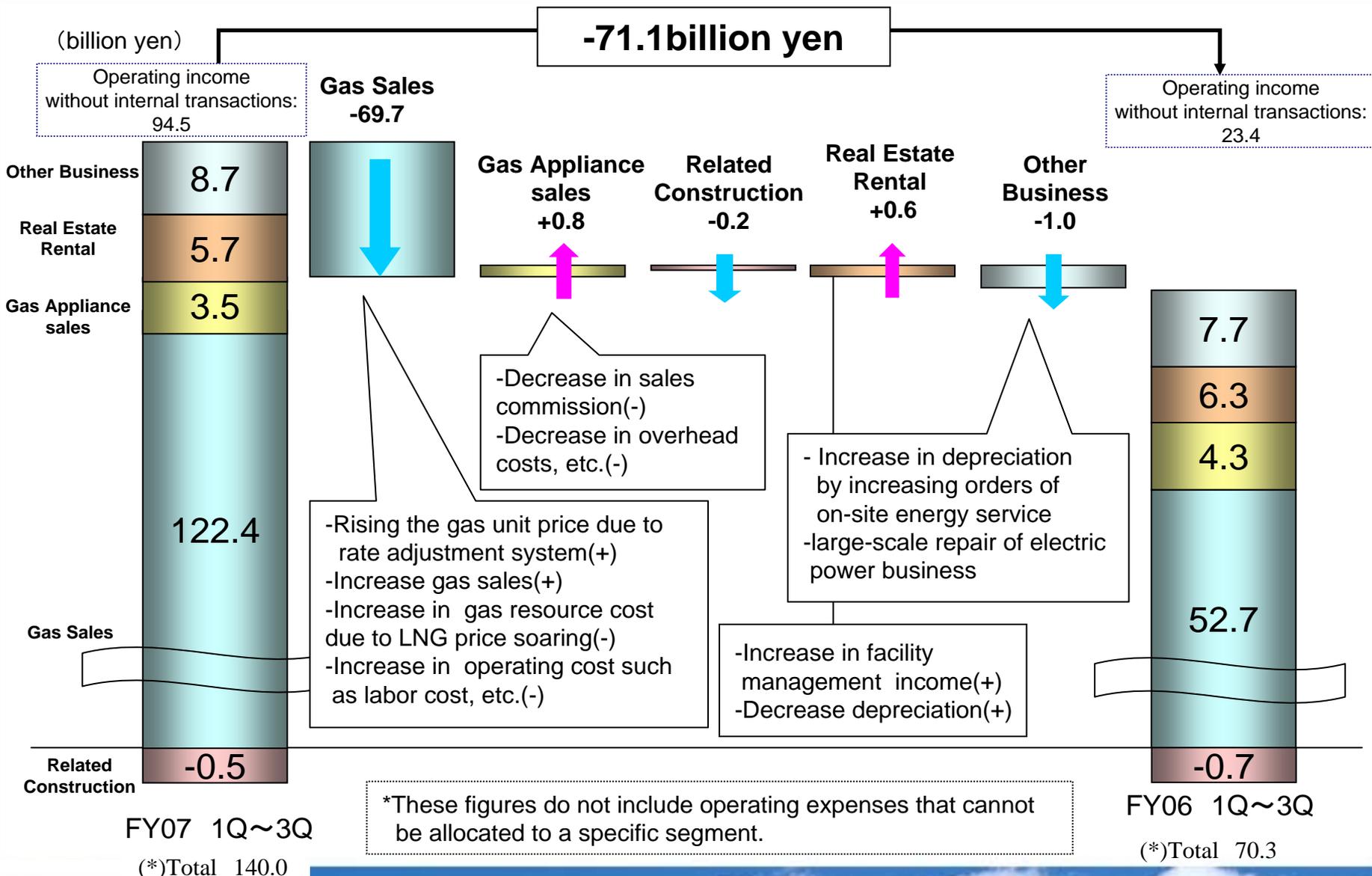
Residential Use: -1.3% (-28mil. m³)

- Increase in the number of customers
- Decreased hot water demand due to high temperature in August and September

(Rounded off to nearest million m³)

Reasons for changes in Operating Income

(compared with previous year)





Projection for FY2007 (April 2007 – March 2008)

Revision in FY2007 projection

[Increase in Sales, Decrease in income
(compared with projection as of Oct. 29)]

- Increase of sales in consolidated subsidiaries(+)
- Increase in gas resource cost due to LNG price soaring(-)

■ Factors of change in projection as of Oct. 29
(non consolidated)

[1] Increase in gas resource cost **-18.2¥billion**

[2] Decrease in profit of related business
-0.8¥billion

Ordinary Income -19.0¥billion
(58.0 ¥billion → 39.0¥billion)

		(billion yen)				
		FY07 projection as of Jan. 31	FY06 Results	FY07 projection as of Oct. 29	Change from FY06 Results	Change from projection as of Oct.29
Sales		1,469.0	1,376.9	1,463.0	+92.1 (+6.7%)	+6.0 (+0.4%)
Operating Income		62.0	162.3	81.0	-100.3 (-61.8%)	-190 (-23.4%)
Ordinary Income		57.0	156.0	76.0	-99.0 (-63.5%)	-190 (-25.0%)
Net Income		37.0	100.6	54.0	-63.6 (-63.3%)	-170 (-31.4%)
Exchange rate(¥/US\$)*		115.46	116.97	118.16	-1.51	-2.70
Crude oil price(\$/bbl)	JCC*	77.76	63.46	71.42	+14.30	+6.35
	TCC**	70.73	63.99	67.90	+6.74	+2.83
Temperature(°C)		16.7	16.8	-	-0.1	-

*Projection of 4Q of FY2007 Crude oil price (JCC)= January: \$92/bbl, February to March: \$93/bbl
Exchange rate= ¥110/\$

** TCC="Tokyo Gas Crude Oil Cocktail" is the basis of calculation for Tokyo Gas LNG price.
JCC reflects on TCC a few month later.

Gas Sales Volume Projections

(Change from previous year and past projections)

0.3% Increase from projection
as of Oct. 29
(+42 million m³)

(45MJ/m³)

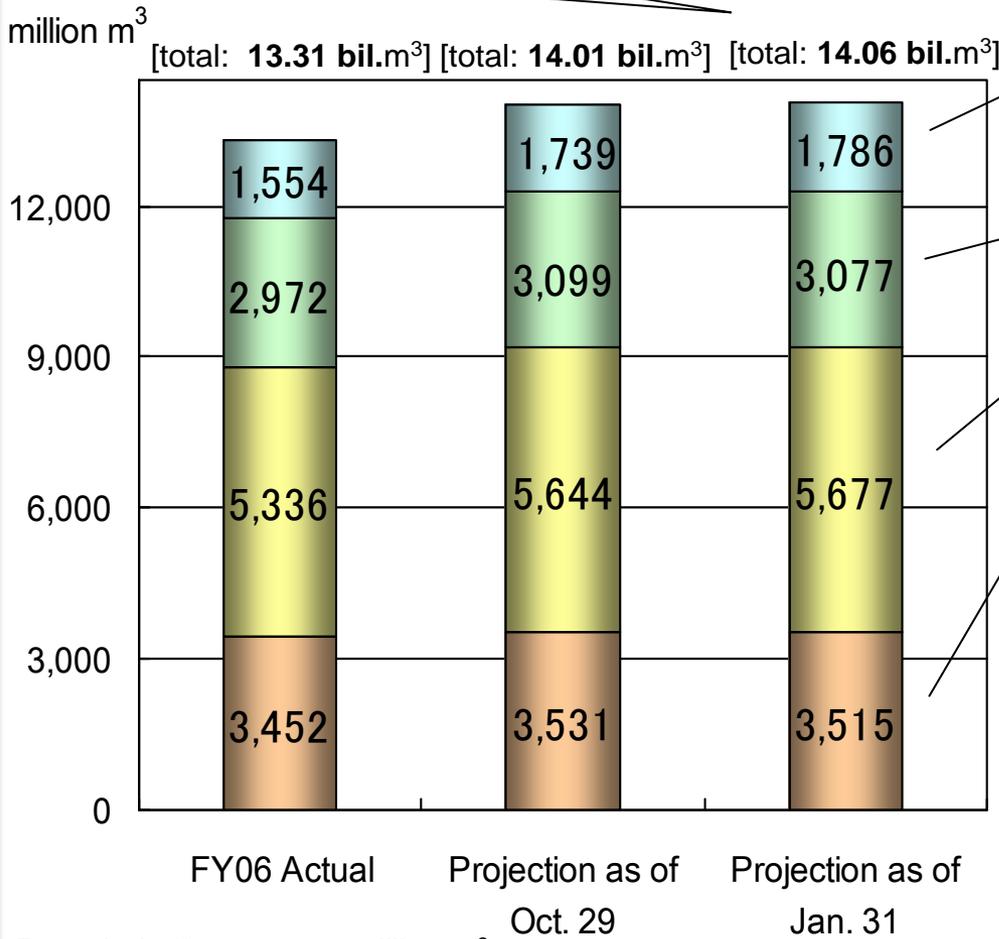
< Changes in Gas Sales Volume Projection from projection as of Oct. 29 >

Wholesale Supply: +2.7% (+48mil. m³)

Commercial & Other Use: -0.7% (-22mil. m³)

Industrial Use: +0.6% (+32 mil. m³)

Residential Use: -0.4% (-16 mil. m³)



(Reference)	projection as of 1/31	FY06 Actual	Change from FY06 Actual	
Residential	3,515	3,452	+63	+1.8%
Industrial	5,677	5,336	+340	+6.4%
Commercial & Other	3,077	2,972	+105	+3.5%
Wholesale	1,786	1,554	+232	+14.9%
Total	14,055	13,315	+740	+5.6%

(Rounded off to nearest million m³)

Reasons for Changes in Operating Income

(billion yen)

- 19.0 billion yen

Operating income
without internal transactions:
81.0

Operating income
without internal transactions:
62.0

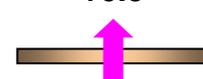
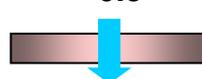
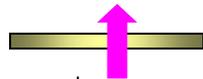
**Gas Sales
-18.2**

**Gas Appliance
sales
+0.5**

**Related
Construction
-0.8**

**Real Estate
Rental
+0.3**

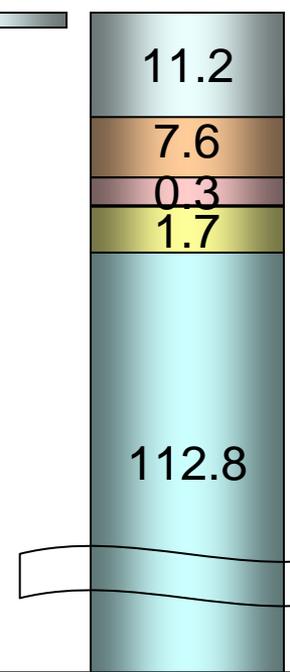
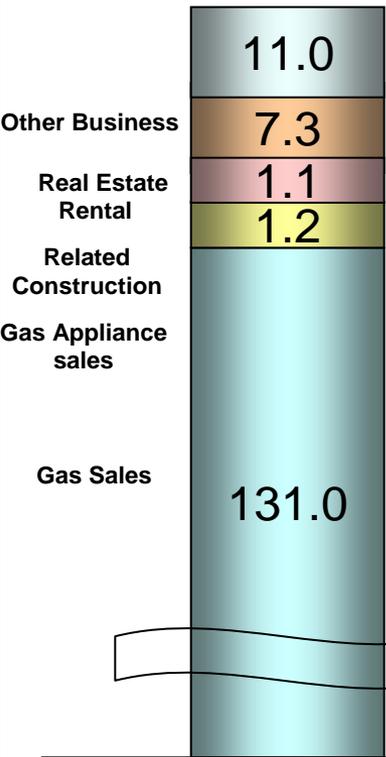
**Other
Business
+0.2**



-Increase in gas resource cost due to LNG price soaring (-)

Decrease sales(-)

-Decrease in sales commission(-)
-Decrease in overhead costs, etc.(-)



**FY07 projection
as of Oct. 29**
(*Total 151.6)

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

**FY07 projection
as of Jan. 31**
(*Total 133.6)

References



Performance Indicators (FY2007 projection-1)

(billion yen)

		FY07 projection as of Jan. 31	FY06 results	FY07 projection as of Oct.29	Change from FY06	Change from projection as of Oct.29
Sales		1,469.0	1,376.9	1,463.0	+92.1 (+6.7%)	+6.0(+0.4%)
Operating Income		62.0	162.3	81.0	-100.3(-61.8%)	-19.0(-23.4%)
Ordinary Income		57.0	156.0	76.0	-99.0(-63.5%)	-19.0(-25.0%)
Net Income		37.0	100.6	54.0	-63.6(-63.3%)	-17.0(-31.5%)
EPS (¥)		13.93	37.50	20.33	-23.57(-62.9%)	-6.40(-31.5%)
BPS(¥)		298.92	293.11	298.92	-0.59(-0.2%)	-6.40(-2.1%)
TEP(EVA Tokyo Gas Version)		-5.0	53.8	6.2	-58.8(-109.3%)	-11.2(-180.6%)
Gas sales volume (million m ³)		14,055	13,315	14,013	+740(+5.6%)	+42(+0.3%)
Exchange rate(¥/US\$)*		115.46	116.97	118.16	-1.51	-2.70
Crude oil price(\$/bbl)	JCC*	77.76	63.46	71.42	+14.30	+6.35
	TCC**	70.73	63.99	67.90	+6.74	+2.83
Temperature(°C)		16.7	16.8	—	-0.1	—

*Projection of 4Q of FY2007 Crude oil price (JCC)= January: \$92/bbl, February to March: \$93/bbl
Exchange rate= ¥110/\$

** TCC="Tokyo Gas Crude Oil Cocktail" is the basis of calculation for Tokyo Gas LNG price.
JCC reflects on TCC a few month later.

Performance Indicators (FY2007 projection-2)

(billion yen)

	FY07 projection as of Jan. 31	FY06 results	Projection as of Oct.29	Change from FY06	Change from projection as of Oct.29
Total Assets(a)	1,761.0	1,692.6	1,761.0	+68.4(+4.0%)	-
Shareholders' Equity (b)	777.0	795.1	794.0	-18.1(-2.3%)	-17.0(-2.1%)
Equity Ratio: (b)/(a)	44.1%	47.0%	45.1%	-2.9%	-1.0%
Interest Bearing Debt	620.0	525.4	615.0	+94.6(+18.0%)	+5.0(+0.8%)
Cash Flow from Operating Activities (c) + (d)	181.0	233.8	198.0	-52.8(-22.6%)	-17.0(-8.6%)
Net Income (c)	37.0	100.6	54.0	-63.6(-63.3%)	-17.0(-31.5%)
Depreciation (d)	144.0	133.1	144.0	+10.9(+8.2%)	-
CAPEX	132.0	124.5	134.0	+7.5(+6.0%)	-2.0(-1.5%)
ROA: (c) / (a)	2.1%	5.9%	3.1%	-3.8%	-1.0%
ROE: (c) / (b)	4.7%	13.2%	6.8%	-8.5%	-2.1%