April 28, 2009
Tokyo Gas Co., Ltd.

Major Questions and Answers
concerning the Financial Results for FY 2008

Q1: How do you see the industrial-use gas demand outlook for FY2009?

A1: We assume that the declining trend in industrial-use gas sales volume posted during the January-March quarter of calendar year 2009 will continue into FY2009. Looking at recent gas sales volume trends by industry, sales volumes bottomed out in certain industries in February, and there are some eases in production adjustments and other signs of a future recovery. In general, we are able to expect business conditions to pick up during the second half of the fiscal year. However, based on the viewpoint that industrial-use gas sales volume remains low throughout FY2009, we project that for the full year FY2009 the gas sales volume for industrial demand will decline 1.9% to 5,623 million cubic meters.

Q2: What is your view on the gas resource procurement trends for FY2009?

A2: If the gas sales volume does decline, the Tokyo Gas Group can exercise the downward quantity tolerance in our long-term procurement contracts, and we can also respond without problems through flexible operations. Long-term LNG sales contacts typically include periodic price reviews, and our negotiations are advancing smoothly, even under the market environment of wildly fluctuating crude oil prices in recent years. Because of differences in price-revision schedules, the procurement prices paid by individual companies that purchase LNG may differ from the Japan LNG Cocktail price over the short term. Over the longer term, however, the purchase prices tend to converge to a uniform level. Moreover, the Tokyo Gas Group is the second largest LNG buyer in Japan, and the LNG that we procure is by no means inferior to that obtained by other companies.

Q3: What measures is Tokyo Gas taking in response to all-electric housing?

A3: During FY2008 while the number of construction projects declined, the number of construction starts for large-scale all-electric projects were as projected, resulting in an (estimated) all-electric market share of 12% in the new construction market, rising one percentage point from the previous year. During FY2009 we aim to keep that share within 11% by advancing gasification sales to developers, housing contractors, and other construction and real estate dealers. In the existing housings market, door-to-door and other sales activities secured approximately 9,000 all-electric homes last year. This year, the Tokyo Gas Group will make effective use of our contacts with customers, especially at the LIFEVAL regional energy companies, to keep that number within 9,000.