



**FY2011 2Q Financial Results
ended September 30, 2011**



October 31, 2011

FY2011 2Q Consolidated Financial Results ended September 30



FY2011 2Q Consolidated Financial Results (Apr. 1 – Sep. 30, 2011)

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Financial Highlights (vs. FY10 2Q) Sales growth, profit decline (+/- indicates profit impact, billion yen)

- Net sales** : + City gas sales grew (+32.6; Portion from rise in unit sales prices on sliding time lag effect (non-consolidated basis) +32.0)
 + Electricity sales grew with Ohgishima Power Stn. Unit 2 commencement (July 2010) (+13.5)
- Operating income** : - City gas resource costs rose with increase in resource prices (-62.0)
 - Increase in amortization of actuarial differences in pension accounting (-11.2 (-1.3 ← +9.9))
- Ordinary income** : + Foreign exchange gain at overseas subsidiaries (+3.2 (+1.2 ← -2.0))
 - Gains from weather derivatives (-1.2 (+0.1 ← +1.3))
- Net income** : - Loss on valuation of investment securities (-2.5 (-4.8 ← -2.3)) *Pretax basis

(Unit: billion yen)

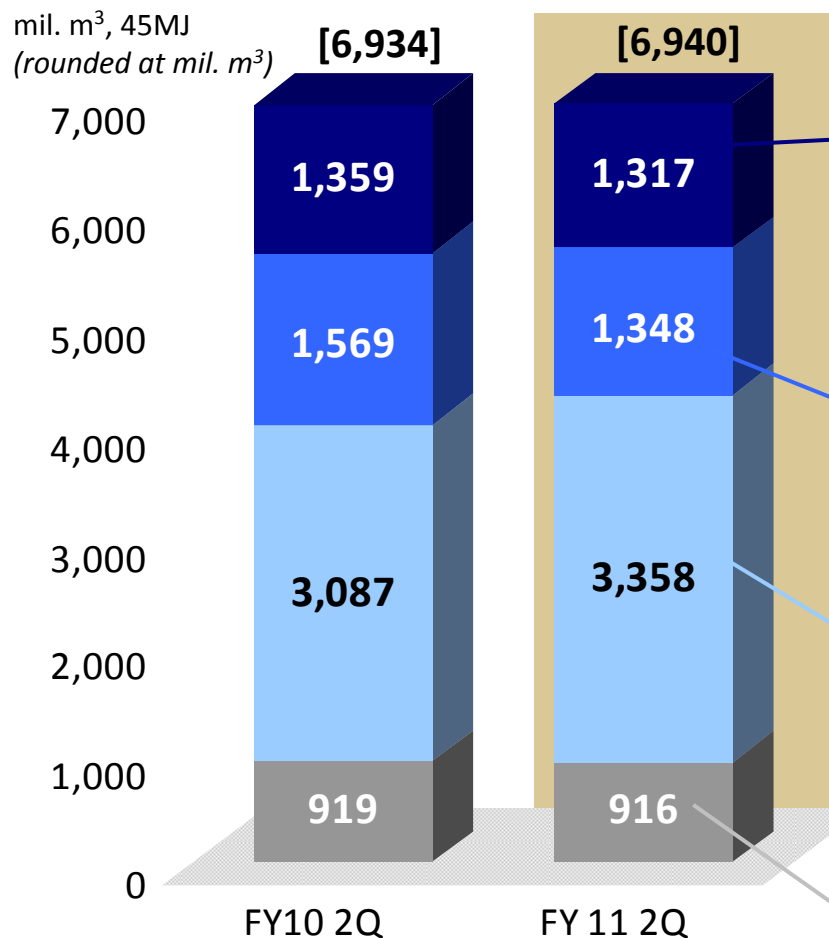
	FY11 2Q	FY10 2Q	Change	%
Gas sales volume (mil. m3 , 45MJ)	6,940	6,934	6	+0.1
Net sales	748.3	701.3	47.0	+6.7
Operating expenses	746.6	653.2	93.4	+14.3
Operating income	1.7	48.0	-46.3	-96.4
Ordinary income	1.9	45.8	-43.9	-95.8
Net income	-4.9	25.5	-30.4	-
<i>Sliding time lag effect (non-consolidated basis)</i>	-40.4	-14.7	-25.7	-
<i>Amortization of actuarial differences (non-consolidated basis)</i>	-1.3	9.9	-11.2	-

Economic conditions	JCC (\$/bbl)	Ex. rate (¥/\$)	Avg. temperature
FY11 2Q	113.91	79.75	22.6
FY10 2Q	78.37	88.91	23.0
Change	+35.54	-9.16	-0.4

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Consolidated Gas Sales Volume (Apr. 1 – Sep. 30, 2011) (vs. FY2010 2Q)

FY10 2Q → FY11 2Q



+6 mil. m³ (+0.1%)
 [incl. large-volume customers' demand + 166 mil. m³ (+4.3%)]
 [incl. temperature effect -60 mil. m³ (-0.8%)]

Residential	-42 mil. m³ (-3.1%)
• Low early-spring temperatures in previous year	- 20 mil. m ³
• Increased in number of customers	+ 10 mil. m ³
• No. of days	+ 1 mil. m ³
• Others (-2.5% (non-consolidated basis) decrease in usage per household after standardization)	-33 mil. m ³
Commercial	-221 mil. m³ (-14.1%)
• High summer temperatures in previous year	-42 mil. m ³
• Increased in number of customers	+15 mil. m ³
• Others (Reduced electric consumption following earthquake and energy conservation, etc.)	-194 mil. m ³
Industrial	+271 mil. m³ (+8.8%)
• Industrial:	+51 mil. m ³
Increased utilization of existing demand (In-house power generation equipment)	
• Power generation:	+220 mil. m ³
Ohgishima power station unit 2 commencement (July 2010)	
Increased utilization following earthquake	
Wholesale	-3 mil. m³ (-0.3%)
• Increased in general wholesale demand	+1 mil. m ³
(Incl. temperature effect +2)	
• Decreased in large-volume wholesale demand	-3 mil. m ³

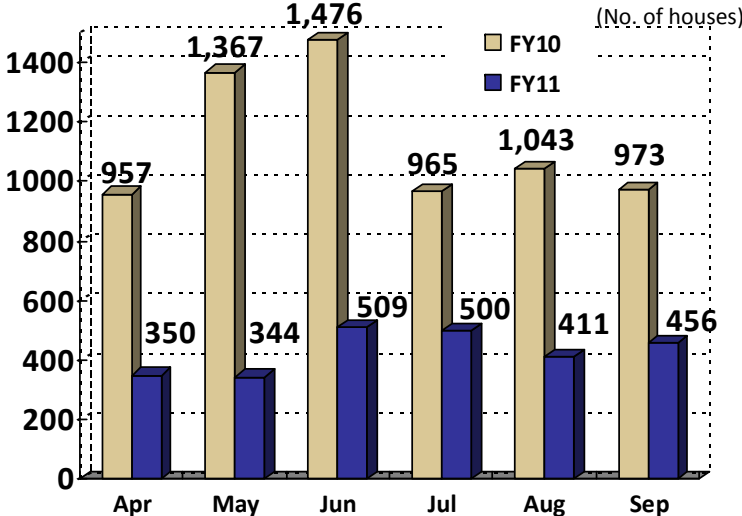
Average temperature (23.0°C) (22.6°C)

Number of customers (Unit: 10 thousand)		
FY11 2Q-end	FY10 2Q-end	Change
1,077.7	1,067.3	+10.4

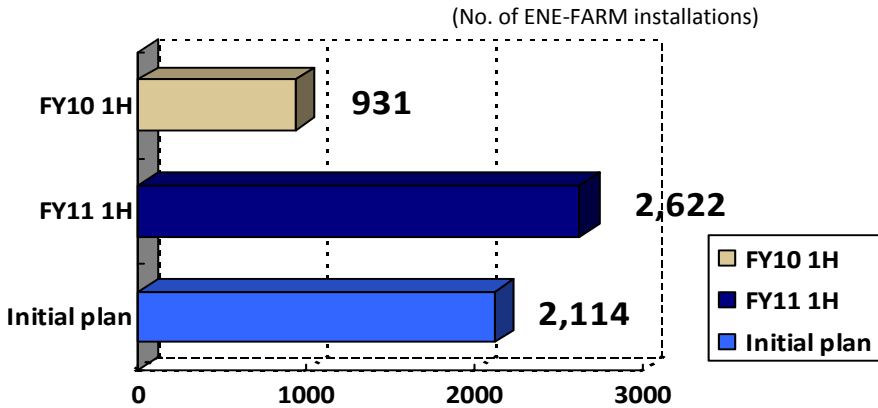
■ Overview

Usage	Specific Details (Figures: Left – FY10; Right – FY11)
Residential	<p>[New houses built] Slightly below previous year’s level, but decline stopped in 2Q. (Non-consolidated): 1Q: 35 thousand → 30 thousand (-5 thousand; -15.6%) 2Q: 42 thousand → 42 thousand (+/- 0 thousand; +/- 0%)</p> <p>[Gas sales volume per household after standardization] Gradual decline from decrease in persons/household, spread of energy-saving equipment, energy conservation (FY11 1H (non-consolidated): 149.8 m3 → 146.1 m3 (-3.7 m3; -2.5%))</p> <p>[No. of all-electric housing] No. of existing houses shifting to all-electric decreased (1H: 6,781 → 2,570 (-4,211; -62%))</p> <p>[ENE-FARM] Increased interest in energy security following earthquake led to large YoY increase in installations (1H: 931 → 2,622)</p>

■ Existing houses shifting to all-electric



■ ENE-FARM installations (1H)



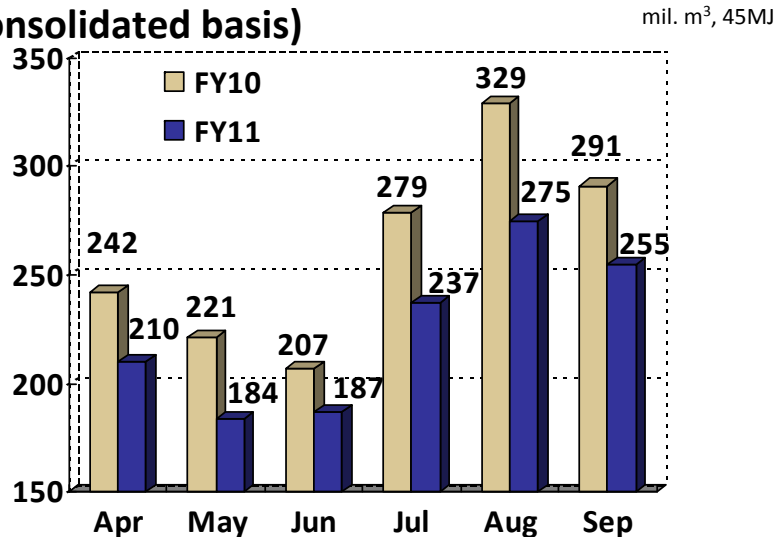
Usage Topics (Apr.1 – Sep. 30, 2011)



Overview

Usage	Specific Details
Commercial	<ul style="list-style-type: none"> Weak commercial gas demand (-221 mil. m3 YoY (-14.1%)) Declines by principal industry (non consolidated basis; including temperature effects; unit: mil. m3) Companies, offices: 202 → 161 (-41; -20.6%) Department stores, supermarkets: 122 → 100 (-22; -18.1%) Inns, hotels: 83 → 69 (-14; -16.6%) Schools: 98 → 74 (-24; -24.8%) <p><Reasons for weak demand></p> <ul style="list-style-type: none"> Decrease from temperature effect including low summer temperatures (-42 mil. m3) Decrease from energy conservation efforts following earthquake(-194 mil. m3) <p>* Earthquake effects: Tokyo Gas analysis based on sample survey of customers (April-September) Gas sales volume declined on changes in behavior by customers for air conditioning (-21.7%), including: changes in thermostat setting (-5.4%); Reduction in hours used (-5.5%); Cooling load of lighting (-2.7%); Reduction in days used (-0.6%); Others (-7.5%)</p>

Transition of commercial-use gas sales volume (consolidated basis)



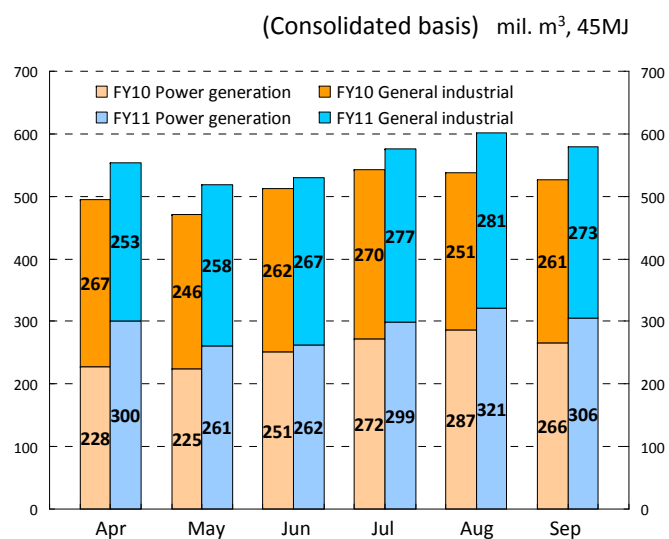
Monthly temperatures (°C)

	FY11	FY10	Change
Apr	14.5	12.4	+2.1
May	18.5	19.0	-0.5
Jun	22.8	23.6	-0.8
Jul	27.3	28.0	-0.7
Aug	27.5	29.6	-2.1
Sep	25.1	25.1	0.0
Average	22.6	23.0	-0.4

Overview

Usage	Specific Details
Industrial	<p>[General industrial] Weak demand from earthquake effect and stagnant economy, but increased cogeneration utilization led to year-on-year increase of 51 mil. m³ (1,611←1,560, +3.3%; consolidated).</p> <p>[Power generation] Commencement of operations of Ohgishima Power Stn. Unit 2 (July 2010) and increased utilization following earthquake led to increase of 220 mil. m³ (1,748 ← 1,528, +14.3%; consolidated).</p>
Wholesale	Decline in demand from existing wholesale customers.

Transition of industrial-use gas sales volume



(Non-consolidated basis)(Unit: mil. m³)

	FY09			FY10			FY11						
	2nd half	vs. 1st half	(%)	1st half	vs. 2nd half, FY09	(%)	2nd half	vs. 1st half	(%)	1st half	vs. 2nd half, FY10	(%)	
General industrial	Food	245	-9	-3.5	242	-3	-1.2	241	-1	-0.4	250	9	3.7
	Textile	19	3	18.8	19	0	0.0	20	1	5.3	18	-2	-10.0
	Paper & pulp	105	0	0.0	90	-15	-14.3	81	-9	-10.0	90	9	10.0
	Chemicals	369	44	13.5	330	-39	-10.6	325	-5	-1.5	333	8	2.5
	Glass & ceramics	86	8	10.3	87	1	1.2	89	2	2.3	93	4	4.5
	Steel	314	136	76.4	226	-88	-28.0	274	48	21.2	262	-12	-4.4
	Non-ferrous metal	76	7	10.1	81	5	6.6	79	-2	-2.5	77	-2	-2.5
	Metal machinery	219	25	12.9	199	-20	-9.1	190	-9	-4.5	175	-15	-7.9
	Others	190	32	20.3	192	2	1.1	221	29	15.1	220	-1	-0.5
Sub-total	1,622	245	17.8	1,465	-157	-9.7	1,521	56	3.8	1,519	-2	-0.1	
Power generation	1,001	49	5.1	1,038	37	3.7	939	-99	-9.5	1,165	226	24.1	
Total	2,623	294	12.6	2,503	-120	-4.6	2,460	-43	-1.7	2,684	224	9.1	

FY2011 2Q Net Sales and Operating Income/Loss by Business Segment

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<vs. FY2010 2Q>

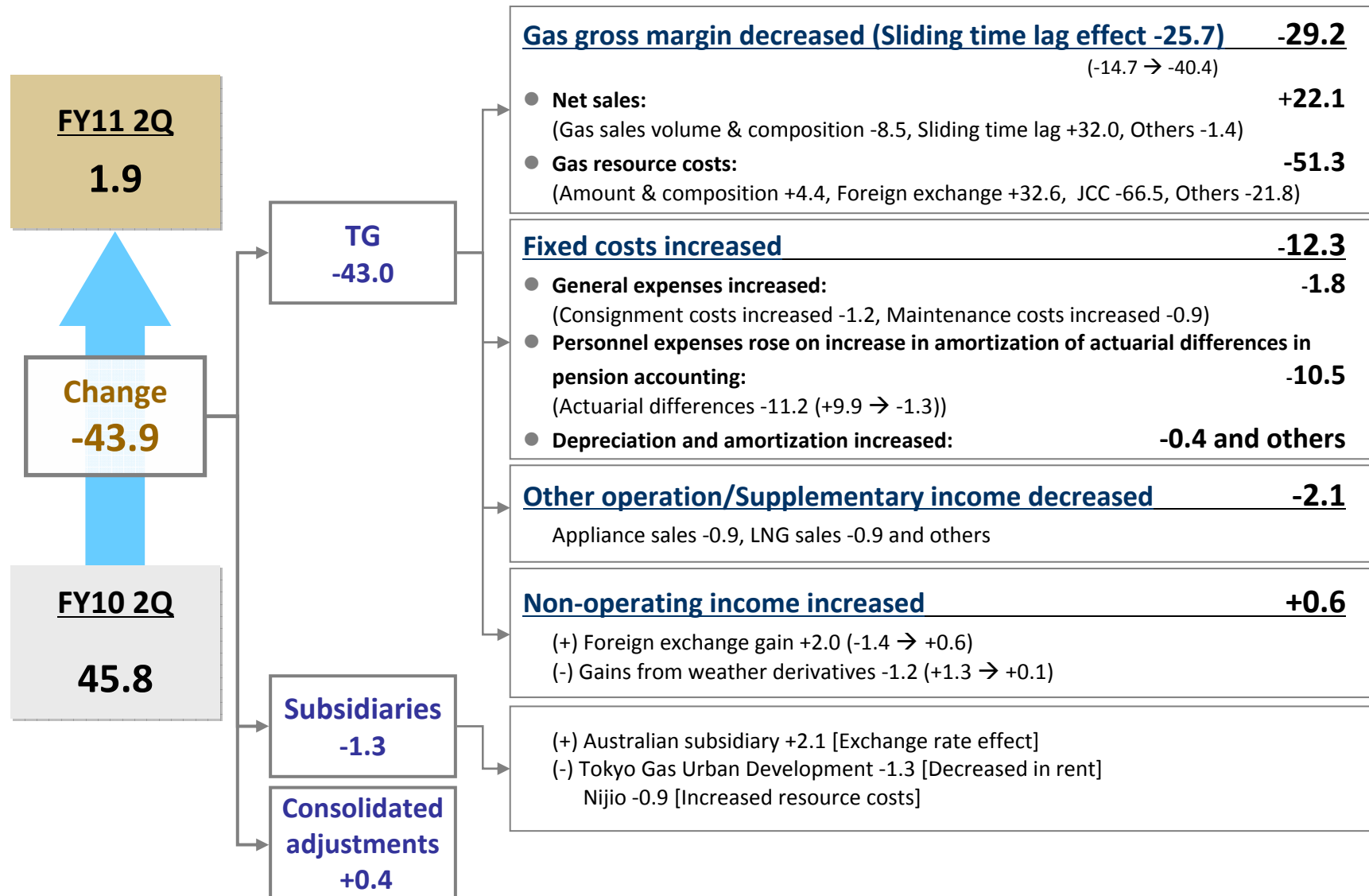
(Unit: billion yen)

	Net sales			Operating income/loss				
	FY11 2Q		FY10 2Q	FY11 2Q			FY10 2Q	
	Result	YoY	%	Result	Result	YoY	%	Result
City gas	554.4	32.6	6.2	521.8	14.2	-40.8	-74.1	55.0
Gas appliances and installation work	77.6	2.8	3.8	74.8	0.5	-0.3	-36.7	0.8
Other energy	134.2	28.8	27.3	105.4	3.2	-1.9	-37.4	5.1
(Electric power)	45.4	13.5	42.3	31.9	1.7	-0.3	-13.6	2.0
Real estate	14.7	-1.8	-10.5	16.5	2.6	-1.3	-33.9	3.9
Others	73.4	2.3	3.3	71.1	1.5	-1.2	-45.9	2.7
Adjustments	-106.1	-17.7	-	-88.4	-20.3	-0.8	-	-19.5
Consolidated	748.3	47.0	6.7	701.3	1.7	-46.3	-96.4	48.0

- Notes:
- Net sales by business segment include internal transactions.
 - Other energy includes Energy-service (including LNG sales), Electric power, LPG, Industrial gas, etc.
 - "Others" includes Facilities, Information processing, Shipping, Credit & leasing, etc.
 - Adjustments under operating income are primarily companywide expenses that cannot be allocated to individual segments.

FY2011 2Q Ordinary Income Analysis <vs. FY2010 2Q>

(Unit: billion yen)



Note: (+) & (-) refer to contributions to income.

FY2011 2Q Consolidated Financial Results Forecast



FY2011 Full Year Forecast (Apr. 1, 2011 – Mar. 31 2012)

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Highlights <vs. Previous Forecast (Jul. 29)>

(+/- indicates profit impact, billion yen)

- Net sales** : + Sales growth at “Other energy” segment (+13.0) including increased electricity sales (+7.5)
- Operating income** : No change
Gas gross margin declined on higher resource costs (-7.4; non-consolidated)
Expenses increased at Other Energy segment (-7.1; including -2.6 for electric power)
- Ordinary income** : No change
- Net income** : - Larger extraordinary loss (loss on valuation of investment securities) (-4.8 pretax basis)

(Unit: billion yen)

	FY11	Previous Forecast (Jul. 29)	Change	%	FY10	Change	%
Gas sales volume (mil. m3 , 45MJ)	14,727	14,626	+101	+0.7	14,745	-18	-0.1
Net sales	1,714.0	1,705.0	+9.0	+0.5	1,535.2	+178.8	+11.6
Operating expenses	1,653.0	1,644.0	+9.0	+0.5	1,412.7	+240.3	+17.0
Operating income	61.0	61.0	0.0	0.0	122.4	-61.4	-50.2
Ordinary income	58.0	58.0	0.0	0.0	121.5	-63.5	-52.3
Net income	32.0	37.0	-5.0	-13.5	95.4	-63.4	-66.5
<i>Sliding time lag effect (non-consolidated basis)</i>	-47.9	-47.3	-0.6	-	-29.2	-18.7	-
<i>Amortization of actuarial differences (non-consolidated basis)</i>	-2.7	-2.7	0.0	-	19.9	-22.6	-

(Unit: billion yen)

Gross Margin Sensitivity to Changes in Oil Price and Exchange Rate (Full year/ Non-consolidated basis)

	1Q	2Q	3Q	4Q	Full year
Impact of rising JCC by \$1/bbl	-	-	-0.8	-0.3	-1.1
Impact of yen depreciation by ¥1/\$	-	-	-0.2	-1.3	-1.5

Economic Conditions (Full year)	JCC (\$/bbl)			Ex. rate (¥/\$)	Avg. temp. (°C)
	1-2Q	3-4Q	Avg.		
Current forecast	113.91	110.00	111.96	79.88	16.7
Previous forecast	112.48	110.00	111.24	80.43	16.6

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Gross Margin Sensitivity to Changes in Oil Price and Exchange Rate (Non-consolidated basis)

Impact of rising JCC by \$1/bbl

(unit: billion yen)

	Impact on 3Q earnings	Impact on 4Q earnings	Full Year
Rise in 3Q	-0.3	-0.5	-0.8
Rise in 4Q		-0.3	-0.3
Total	-0.3	-0.8	-1.1

Impact of yen depreciation by ¥1/\$

(unit: billion yen)

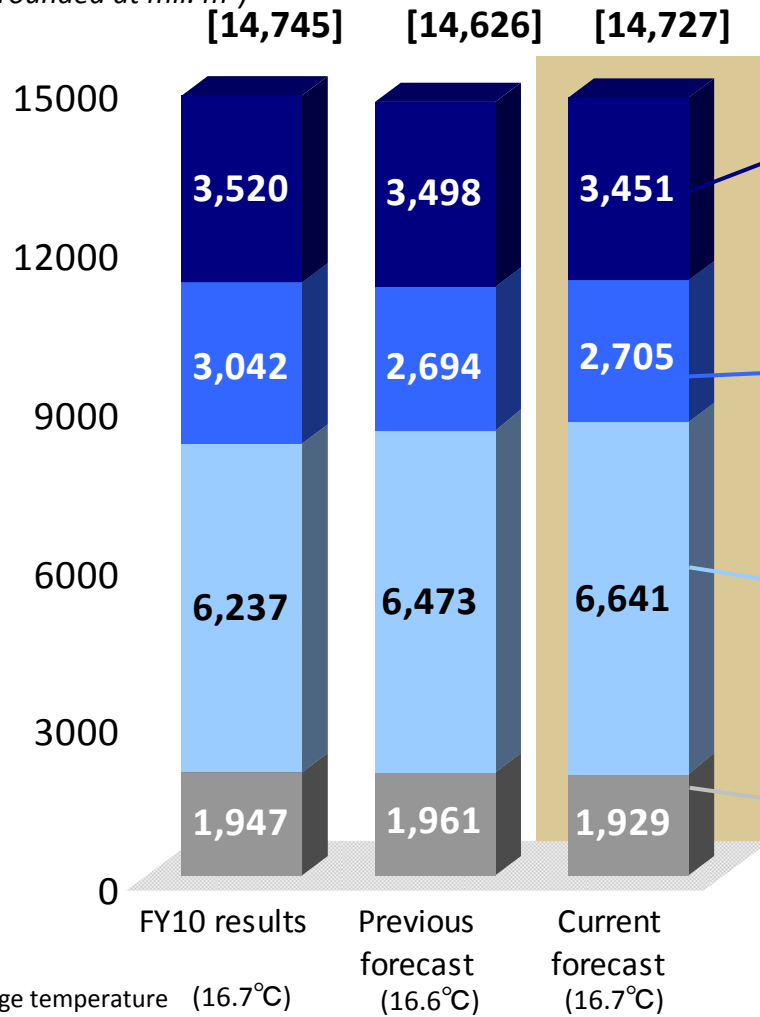
	Impact on 3Q earnings	Impact on 4Q earnings	Full Year
Weak in 3Q	-1.2	+1.0	-0.2
Weak in 4Q		-1.3	-1.3
Total	-1.2	-0.3	-1.5

Consolidated Gas Sales Volume Forecast Full Year (Apr. 1, 2011-Mar. 31, 2012)



<Previous Forecast → Current Forecast>

mil. m³, 45MJ
(rounded at mil. m³)



+101 mil. m³ (+0.7%)
[incl. temperature effect -9 mil. m³ (-0.1%)]

Residential	-47 mil. m³ (-1.3%)
• Temperature effect	-21 mil. m ³
• No. of days	0 mil. m ³
• No. of customers	0 mil. m ³
• Others	-26 mil. m ³
Commercial	11 mil. m³ (+0.4%)
• Temperature effect	15 mil. m ³
• No. of days	0 mil. m ³
• Others	-4 mil. m ³
Industrial	168 mil. m³ (+2.6%)
• General industrial (excl. power generation)	-26 mil. m ³
• Power generation	+194 mil. m ³
Wholesale	-32 mil. m³ (-1.6%)
• Decrease in general wholesale sales (incl. temperature effect -3)	-39 mil. m ³
• Increase in large-volume wholesale sales volume	+7 mil. m ³

FY2011 Forecast: Net Sales and Operating Income/Loss by Business Segment

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<vs. Previous Forecast >

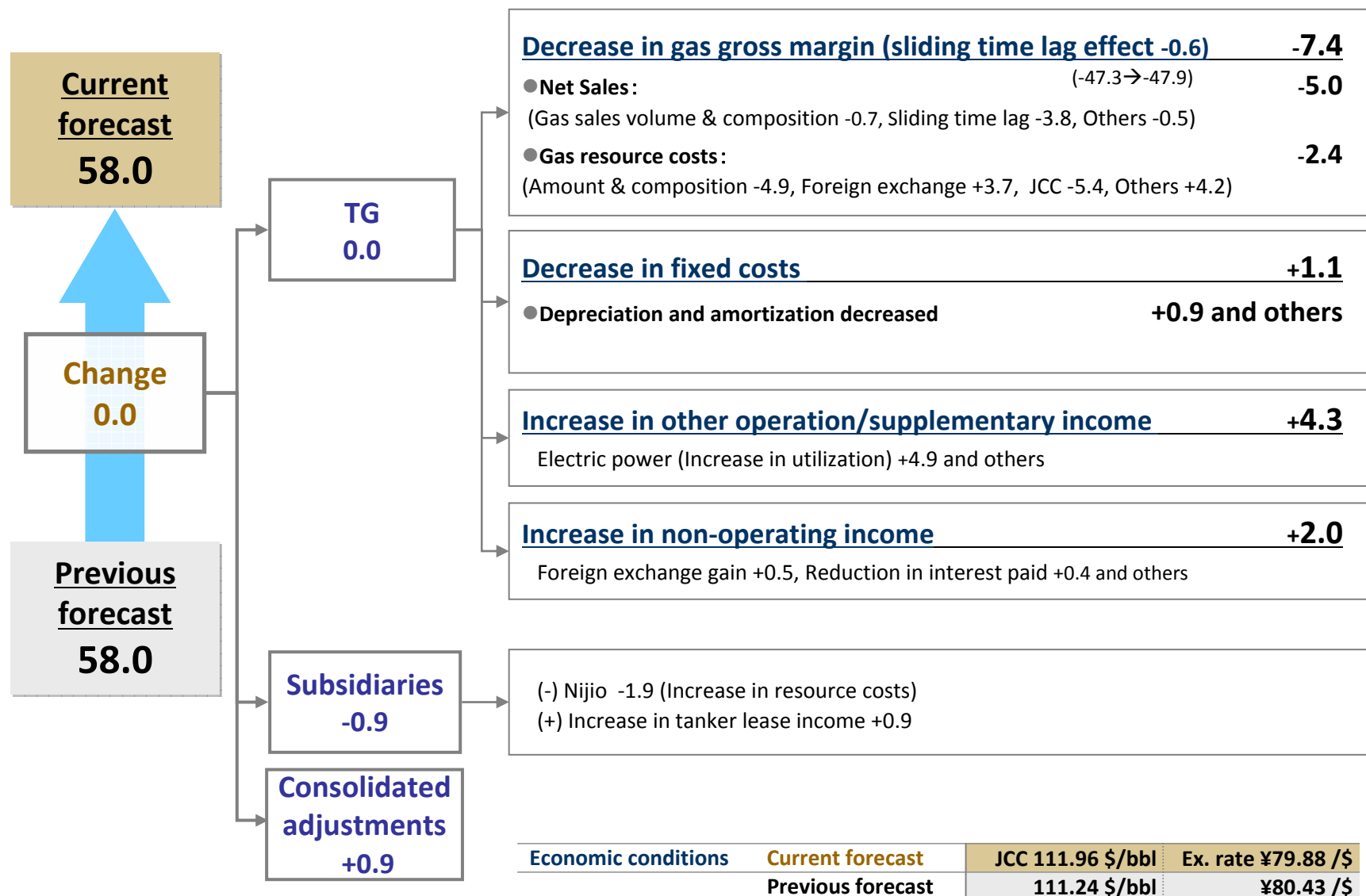
(Unit: billion yen)

	Net sales				Operating income/loss			
	FY11			Previous forecast	FY11			Previous forecast
	Forecast	YoY	%		Forecast	YoY	%	
City gas	1,274.2	-2.7	-0.2	1,276.9	90.2	-9.6	-9.6	99.8
Gas appliances and installation work	183.4	3.1	1.7	180.3	-1.0	-1.0	-	0.0
Other energy	285.9	13.0	4.8	272.9	5.8	5.9	-	-0.1
(Electric power)	91.9	7.5	8.9	84.4	3.2	4.9	-	-1.7
Real estate	29.6	0.0	0.0	29.6	3.8	0.5	15.2	3.3
Others	174.6	5.3	3.1	169.3	6.7	1.7	34.0	5.0
Adjustments	-233.7	-9.7	-	-224.0	-44.5	2.5	-	-47.0
Consolidated	1,714.0	9.0	0.5	1,705.0	61.0	0.0	0.0	61.0

- Notes:
- Net sales by business segment include internal transactions.
 - Other energy includes Energy-service (including LNG sales), Electric power, LPG, Industrial gas, etc.
 - "Others" includes Construction, Information processing, Shipping, Credit & leasing, etc.
 - Adjustments under operating income are primarily companywide expenses that cannot be allocated to individual segments.

FY2011 Forecast: Ordinary Income Analysis <vs. Previous Forecast >

(Unit: billion yen)



Note: (+) & (-) refer to contributions to income.

Capital expenditure

(Unit: billion yen)

Capex	Main items
Tokyo Gas: 122.3 (+/- 0.0, +/- 0.0%)	Production facilities: 24.2 (-1.2) Hitachi LNG terminal construction, LNG tank at Ohgishima Power Stn., etc.
	Distribution facilities: 74.6 (+2.9) Demand-side pipes and pipelines, New supply-side pipes, Replacement of existing gas pipes, etc.
	Service and maintenance facilities, etc.: 23.5 (-1.7) Systems-related expenses, Replacement of obsolete facilities, etc.
Total of Consolidated Subsidiaries: 38.8 (-0.1, -0.3%)	Overseas business (Total of Australian subsidiary 12.1) Renovation of district heating and cooling system, etc. 8.1 (ENAC)
Total 158.0 (-2.0, -1.3% after internal eliminations)	

* Increase/decrease amounts in parentheses are vs. previous forecast

Investments and loans

17.4 (overseas businesses, etc. 19.1, recoveries of loans -1.7) (vs. FY10 -5.8)

Returns to shareholders

57.6 (vs. FY10 +24.1)

(Total of FY10 year-end dividends, FY11 interim dividends, and FY11 treasury stock purchases)

Key Indices

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 TOKYO GAS
(Unit: billion yen)

	FY10 1st half	FY11 1st half	FY10 Full year	FY11 Full year forecast
Total assets (a)	1,798.5	1,779.0	1,829.6	1,899.0
Shareholders' equity (b)	803.8	804.3	858.9	830.0
Shareholders' equity ratio (b)/(a)	44.7%	45.2%	46.9%	43.7%
Interest-bearing debt (c)	650.0	639.8	584.1	652.0
D/E ratio (c)/(b)	0.81	0.80	0.68	0.79
Net income (d)	25.5	-4.9	95.4	32.0
Depreciation and amortization (e)	71.9	72.2	149.3	149.0
Operating cash flow (d)+(e)	97.4	67.2	244.8	181.0
Capex	66.8	58.5	150.2	158.0
ROA: (d)/(a)	1.4%	-	5.2%	1.7%
ROE: (d)/(b)	3.2%	-	11.4%	3.8%
TEP	-	-	64.0	-4.6
WACC	-	-	3.2%	3.2%
Total payout ratio	-	-	60.9%	*72.9% (planned)

Notes: Shareholders' equity = Net assets – Minority interests

ROA = Net income / Total assets (average of the amounts as of the end of the previous term and end of the current term)

ROE = Net income / Shareholders' equity (average of the amounts as of the end of the previous term and end of the current term)

Balance sheet figures are as of the corresponding term-end

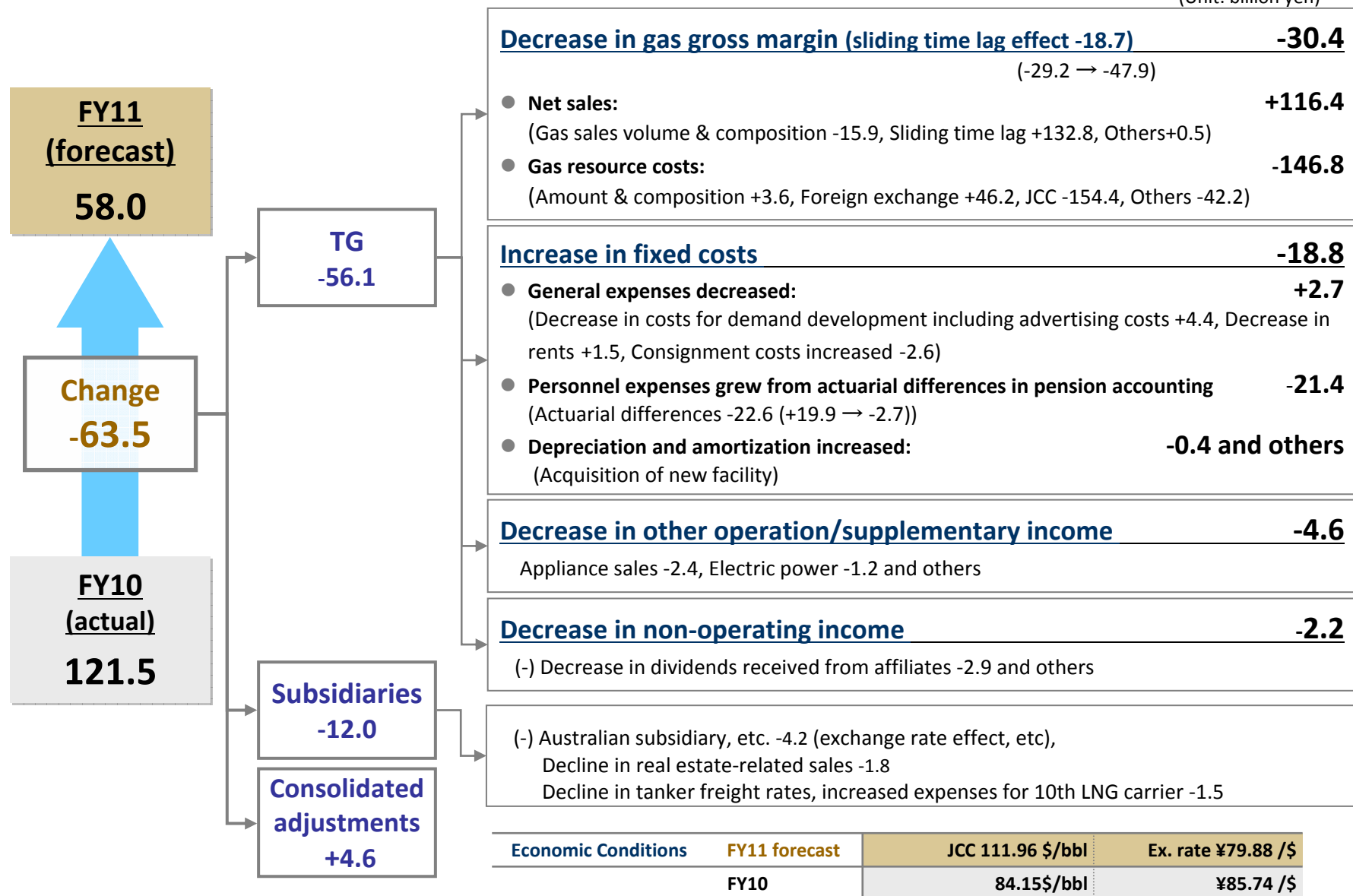
Operating cash flow = Net income + Depreciation and amortization (including amortization of long-term prepaid expenses)

Total payout ratio = (FYn dividends + (FYn+1) treasury stock purchased) / FYn consolidated net income

* Total number of shares issued: 2,590,715,295 (As of September 30, 2011)

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[Reference] FY2011 Forecast Ordinary Income Analysis <vs. FY2010>



Note: (+) & (-) refer to contributions to income.



< Cautionary Statement regarding Forward-looking Statements >

Statements made in this presentation with respect to Tokyo Gas's present plans, forecasts, 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, crude oil prices, the weather, changes in the foreign exchange rate of the yen, rapid technological innovations and the Company's responses to the progress of deregulation.

TSE:9531