

**Major Questions and Answers concerning the Fiscal Results
for the 1st Half of FY2011 ending in March 2012**

Q1: How do you view the current situation regarding all-electric housing?

A1: The shift among existing gas customers to all-electric systems has fallen to roughly 40% of the year-earlier level. Currently, electric power companies have stopped marketing all-electric systems, but have once again started supplying parts, and other players are resuming their marketing of electric systems.

Q2: What is the reasoning behind your full-year forecast for commercial gas demand?

A2: Given the shortages of electricity following the earthquake, there have been ongoing efforts by commercial customers to conserve energy by changing thermostat settings, shortening hours of air conditioning use, and other measures. We see this trend continuing through the winter, and have based new forecast on this assumption.

Q3: Is there a possibility of a further increase in demand for power generation in response to shortages of electricity this winter?

A3: We will work to contribute to the elimination of power shortages. Ohgishima Power Co., Ltd., our Group subsidiary for power generation, will respond to any requests from electric power companies by supplying power at full-scale operation to the extent technologically possible.

Q4: Given the current full-year forecast for net income (of ¥32.0 billion), the company will not be able to maintain the current dividend of ¥9 per share under a “total payout ratio of 60%.” What is your thinking regarding returns to shareholders?

A4: I cannot say anything definite regarding the disposition of profit at this time, but for now we do not intend to reduce the dividend – even at the level of our current net income forecast. If the dividend is maintained, however, the payout ratio would be more than 70% of net income (72.9%), meaning we would not be able to acquire treasury stock.

Q5: What will be contained in the long-term vision to be announced on November 15?

A5: I will explain the details at that time. The Great East Japan Earthquake presents an opportunity to mark a major turning point in terms of Japan’s energy policies, and the Tokyo Gas Group needs to clarify its management direction for the medium to long term, against the backdrop of a long-term view of our business environment, and we are currently formulating that vision.