

**Major Questions and Answers concerning the Fiscal Results
for the 1st Quarter of FY2012**

Q1: Income level estimates for full-year forecast of FY2012 are upwardly revised. Please give us background information.

A1: There are two major reasons to raise various income estimates for full-year forecast of FY2012. The first one is the major improvement in sliding time lag effect, due to decline in the crude oil price and yen appreciation. In addition to the improvement in sliding time lag effect, increased gas sales volume also contributes to the upward revision of gas gross margin by 31.5 billion yen, compared to the initial plan. The second one is the improved business conditions for electric power business and LNG liquid sales business, which leads to the increase in operating profit for miscellaneous business and supplementary business segment by 7.1 billion yen. With these factors into consideration, ordinary income forecast is revised upward by 42 billion yen.

Q2: How do you see the gas sales volume from the 2nd quarter onward? How do you analyze the effect of energy conservation and energy saving activities after the Great East Japan Earthquake?

A2: As for the gas sales volume for residential and commercial segment, we take into consideration the increased gas sales volume in the 1st quarter to be added to the initial plan. Therefore, we don't change the initial plan for the 2nd quarter onward. The reason behind this is that we can't foresee with confidence how energy conservation and energy-saving activities turns out in future. As for the gas sales volume for industrial segment, we revised downward the outlook for general industrial demand by clearing off the better economic conditions assumed in the initial plan. As for the gas sales volume for power generation, we revised upward the initial plan from the 2nd quarter onward, based upon the current market conditions.

Q3: How do you foresee the electric power business?

A3: Operating income for the 1st quarter in electric power business exceeded the initial plan target, due to the increased sales volume and higher unit price. We revised the outlook for the 1st half upward, assuming that the current market condition lasts for the time being. On the other hand, we keep the initial plan from the 3rd quarter onward unchanged, because of the difficulty to foresee the future market conditions in detail.

Q4: Could you explain in detail what the dividend from overseas subsidiaries is?

A4: As for the dividend received by Tokyo Gas from overseas subsidiaries, the dividend distributed between a parent company and its subsidiary is to be eliminated in consolidated accounting to begin with. In the consolidated accounting, 3.5 billion extraordinary income registered in the 1st quarter results, the 1st half forecast and the full-year forecast is solely appropriated in the consolidated statements of income after elimination of intra-company transactions, and all the other items are basically eliminated.