

**FY2005 ending March 2006
Interim Consolidated Results Bulletin
(Half-Year Ended September 30, 2005)**

October 31, 2005

Tokyo Gas Co., Ltd.

Code No.: 9531
(URL <http://www.tokyo-gas.co.jp>)
Representative: Mr. Norio Ichino, President
Contact: Mr. Toshikatsu Kanno, Manager
Consolidated Tax Group
Tel: +81-3-5400-7736

Stocks listed on:
Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya
Stock Exchange
Location of head office (prefecture): Tokyo

Meeting of board of directors to approve half-year financial results: October 30, 2005
Application of U.S. accounting standards (yes/no): No

I. Summary

1. Interim consolidated results (April 1, 2005 - September 30, 2005)

(1) Consolidated business results (Rounded down to the nearest million yen)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
Half-year ended Sept. 2005	534,461	4.0	35,764	-24.2	32,494	-26.8
Half-year ended Sept. 2004	514,132	1.8	47,192	7.7	44,403	21.8
Year ended Mar. 2005	1,190,783		145,349		132,856	

	Net income		Net earnings per share	Net earnings per share adjusted for latent shares
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
Half-year ended Sept. 2005	22,152	-19.3	8.39	7.74
Half-year ended Sept. 2004	27,441	23.6	10.22	7.39
Year ended Mar. 2005	84,047		31.47	28.24

- Notes: 1. Profit or loss on investment accounted for by equity method: Half-year ended September 2005: ¥246 million
Half-year ended September 2004: ¥121 million Year ended March 2005: ¥258million
2. Average number of outstanding shares (consolidated basis) during the term:
Half-year ended September 2005: 2,639,710,091 shares Half-year ended September 2004: 2,686,079,742 shares
Year ended March 2005: 2,668,495,540 shares
3. Changes in accounting methods: None
4. Percentage figures on sales, operating income, ordinary income and net income indicate the percentage change on the interim results for the previous year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
Half-year ended Sept. 2005	1,645,497	666,154	40.5	252.92
Half-year ended Sept. 2004	1,665,517	602,375	36.2	227.20
Year ended Mar. 2005	1,668,734	648,766	38.9	244.73

Note: Number of outstanding shares (consolidated basis) as of:
Half-year ended September 2005: 2,633,869,485 shares
Half-year ended September 2004: 2,651,270,003 shares Year ended March 2005: 2,650,734,212 shares

(3) Consolidated cash flow

(Unit: million yen)

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Balance of cash and cash equivalents as of end of term
Half-year ended Sept. 2005	37,210	-57,831	-15,822	26,770
Half-year ended Sept. 2004	48,943	-52,646	2,327	49,786
Year ended Mar. 2005	215,037	-107,375	-108,160	50,664

(4) Scope of subsidiaries and affiliates and application of equity method

Consolidated subsidiaries: 54

Non-consolidated subsidiaries accounted for by equity method: None

Affiliates accounted for by equity method: 1

(5) Changes in scope of consolidated subsidiaries and affiliates and application of equity method

Consolidated subsidiaries

• Newly added: 3

• Excluded: 1

By equity method

• Newly added: None

• Excluded: None

2. Results projection for the year ending March 2006 (April 1, 2005 - March 31, 2006)

(Unit: million yen)

	Sales	Ordinary income	Net income
Annual results	1,248,000	99,000	67,000

References: 1. Projection of net income per share (full year): ¥25.41

2. Projection of operating income (full year): ¥106,000 million

* The above projection was based on information available at the time of the release of this document. Due to various factors, the actual result may vary from the projection data.

II. Profile of the Tokyo Gas Group

Tokyo Gas group is composed of Tokyo Gas Co., Ltd., and 110 affiliated companies (65 subsidiaries and 45 affiliates). Fifty-four of these companies (newly added: 3, excluded: 1) are consolidated subsidiaries and one is an equity method affiliate. The Group is engaged in business in the segments of gas, gas appliances, contracted construction work, real estate rentals (see Note), and other business.

The following is the main fields of business of Tokyo Gas and the consolidated companies, and their position in the business in question, in each segment.

Gas business

Tokyo Gas Co., Ltd. manufactures, supplies, and sells gas, and also engages in the wholesale supply of gas and sale of LNG to city gas suppliers such as Chiba Gas Co., Ltd. and Tsukuba Gakuen Gas Co., Ltd.

Gas Malaysia Sdn. Bhd. (an affiliate accounted for by the equity method) supplies and sells gas in Malaysia.

Gas appliances business

Tokyo Gas Co., Ltd. sells gas appliances through companies such as Kanpai Co., Ltd., Kanpai Living Service Co., Ltd., Toyoko Engineering Co., Ltd, Enesta and Enefit. Gastar Co., Ltd. sells gas appliances to Tokyo Gas Co., Ltd on a wholesale basis.

Contracted construction work business

Gas-related construction work is performed by Tokyo Gas Co., Ltd. Kanpai Co., Ltd. and Toyoko Engineering Co., Ltd perform gas pipe laying work ordered by Tokyo Gas Co., Ltd.

Real Estate rental business

Tokyo Gas Urban Development Co., Ltd. and Tokyo Gas Toyosu Development Co., Ltd. lease real estate to Tokyo Gas Co., Ltd. and others.

Other business

-Tokyo Gas Co., Ltd. sells LPG through Tokyo Gas Energy Co., Ltd., as an associated business.

-Energy Advance Co., Ltd. receives gas supplies from Tokyo Gas Co., Ltd. and other companies and carries out district supply of cold and hot water and vapor.

-Using LNG cryogenic energy sold by Tokyo Gas Co., Ltd., Tokyo Oxygen and Nitrogen Co., Ltd. manufactures and sells products such as liquefied nitrogen.

-Tokyo Gas Engineering Co. Ltd. builds gas-related facilities, etc. ordered by Tokyo Gas Co., Ltd.

-TG IT Service Co., Ltd., supplies data processing services using computers to Tokyo Gas Co., Ltd. and other companies.

- TG Information Network Co., Ltd. operates a system integration business.

-Tokyo LNG Tanker Co., Ltd. hires out LNG tankers and LPG tankers and operates an ocean freight business.

-Tokyo Gas Customer Service Co., Ltd. is commissioned by Tokyo Gas Co., Ltd. for regular safety inspections, meter reading and rate collecting operations.

-Tokyo Gas Chemicals Co., Ltd., sells industrial gas, etc.

-TG Credit Service Co., Ltd. provides various lease and credit services for payment for gas appliances sold by companies such as Enesta and Enefit.

-TG Enterprise Co., Ltd. provides financial services for affiliates.

-Park Tower Hotel Co., Ltd. is a hotel operator.

List of consolidated companies

Segment by business category	Consolidated companies
Gas	Tokyo Gas Co., Ltd., Nagano City Gas Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Washimiya Gas Co., Ltd., Tochigi Gas Co., Ltd.
Gas appliances	Tokyo Gas Co., Ltd., Gastar Co., Ltd., Kanpai Co., Ltd., Tokyo Gas Energy Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., Kanpai Living Service Co., Ltd., Toyoko Engineering Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Washimiya Gas Co., Ltd., Tochigi Gas Co., Ltd., Toyoko Living Co., Ltd., Tokyo Kiko Co., Ltd.
Contracted construction work	Tokyo Gas Co., Ltd., Kanpai Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., Toyoko Engineering Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Washimiya Gas Co., Ltd., Tochigi Gas Co., Ltd.
Real estate rental	Tokyo Gas Urban Development Co., Ltd., Tokyo Gas Toyosu Development Co., Ltd., Gastar Co., Ltd., Kanpai Co., Ltd., TG Enterprise Co., Ltd.,
Other businesses	Tokyo Gas Co., Ltd., Energy Advance Co., Ltd., Kanpai Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Park Tower Hotel Co., Ltd., Chiba Gas Co., Ltd., TG Credit Service Co., Ltd., Tokyo Oxygen and Nitrogen Co., Ltd., TG Information Network Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., TG Enterprise Co., Ltd., Tokyo Gas Engineering Co., Ltd., Tokyo Gas Customer Service Co., Ltd., TG IT Service Co., Ltd., Tokyo Gas Yokosuka Power Co., Ltd., Dining Art Systems Co., Ltd., Living Design Center Co., Ltd., Tokyo Gas Bay power Co., Ltd., TG Showa Co., Ltd., Toyoko Engineering Co., Ltd., East Japan Housing Evaluation Center Co., Ltd., Tokyo Carbonic Co., Ltd., Japan Super Freeze Co., Ltd., TG Telemarketing Co., Ltd., Green Tech Tokyo Co., Ltd., Miho Gas Co., Ltd., Tokyo Gas Sports., Co., Ltd., Tokyo Gas Auto Service Co., Ltd., Tokyo gas Remodeling Co., Ltd., Urban Communications, Inc., Tochigi Gas Co., Ltd., Tokyo Gas Techno-Service Co., Ltd., Tokyo Gas Building Service Co., Ltd., Toeki Service Center Co., Ltd., Showa Bussan Co., Ltd., Tosetz Co., Ltd., Chiba Gas Urban Service Co., Ltd., Kanpai Customer Service C., Ltd., Toyoko Customer Service Co., Ltd., Showa Unyu Co., Ltd., Tokyo Plant Service Co., Ltd., Tokyo Rare Gases Company Limited, Tokyo Auto Gas Co., Ltd. Kanpai Tech Co., Ltd.

Note: 1) Some companies belong to more than one segment.

2) Tokyo Gas Auto Service Co., Ltd changed its name from TG Auto Service Co., Ltd on April 1, 2005.

3) Changes in consolidated companies during the 1st half of FY2005 are as follows:

Newly added: 3

(Nagano City Gas., Co., Ltd., Tachikawa Toshi Center Co., Ltd., Tokyo Gas LPG Terminal Co., Ltd.)

Excluded: 1 (TG Sports Co., Ltd.)

III. Business performance and financial position

(1) Business performance

The Japanese economy has gradually recovered from the recession due to the factors including the improvement of the corporate profit and the increase of private capital investment. On the other hand, those factors including the prolonged high price of oil are still leaving the economic outlook uncertain.

Under these economic circumstances, consolidated sales in the first half of FY 2005 were ¥534.4 billion, up 4.0% compared with the same period in FY 2004 due to steady increase in gas sales as a result of strenuous efforts in marketing to popularize and expand city gas.

On the other hand, Tokyo Gas made utmost efforts to hold down expenses, achieving further advances in the promotion of management efficiency. However, raw material expenses increased due to rise in crude oil prices.

As a result, operating income decreased 24.2% to ¥35.7 billion, and ordinary income was down 26.8% to ¥32.4 billion. Moreover, during the period under review, we recorded extraordinary income of ¥2.7 billion in sales of investment securities and ¥0.4 billion in sale of a consolidated subsidiary. As a result, net income decreased 19.3% to ¥22.1 billion.

[Situation in each segment during the term]

1) Gas business

In the first half of FY2005, the gas sales volume rose 5.7% compared with same period in the previous year to 5,771 million m³. Residential demand increased 7.3% to 1,294 million m³ compared with same period in the previous year because of increased demand for hot water due to lower temperatures throughout the period.

On the other hand, as for commercial and other business sector, air conditioning demand was sluggish because of lower temperature although there were acquisition of new customers and increase in demand by existing customers. As a result, commercial demand was up 1.4% to 1,035 million m³ and other business demand was down 0.5% to 456 million m³, making a combined total of 1,492 million m³, up 0.8% compared with same period in the previous year.

Industrial demand was up 5.4% to 2,370 million m³ compared with the same period in the previous year due to acquisition of new customers and increased operation of existing customers.

Wholesale supplies to other gas utilities rose 17.1% to 615 million m³ because of acquisition of new customers in those gas utilities.

Gas sales was up by ¥6.4 billion or 1.7% compared with the same period in the previous year to ¥362.3 billion as a result of factors that included the increase in sales volume and rate unit price adjustments based on the raw material expenses adjustment system although we executed rate reduction starting from January 1, 2005

Operating expenses overall increase by ¥26.7 billion yen or 9.0% because of increase in raw material cost as a result of increase in gas sales volume and rise in crude oil price.

Operating income was down by ¥5.9 billion or 9.1% over the same period in the previous year to ¥58.6 billion.

2) Gas appliances business

Sales fell by ¥0.8 billion or 1.3% compared to the same period in the previous year to ¥56.2 billion. As a result of a ¥0.6 billion or 1.1% decline in operating expenses, operating income fell ¥0.1 billion or 3.6% to ¥3.1 billion.

3) Contracted construction work business

Sales declined by ¥3.2 billion or 11.8% compared with the same period in the previous year to ¥23.6 billion. As a result of a ¥3.2 billion or 11.9% decrease in operating expenses, operating loss decreased by ¥0.1 billion and became almost zero.

4) Real estate rental business

Sales increased by ¥0.4 billion or 2.1% compared with the same period in the previous year to ¥17.2 billion. As a result of a ¥0.4 billion or 2.6% increase in operating expenses, operating income increased 0.1 billion or 0.3% to ¥3.5 billion.

5) Other business

Sales of other business rose by ¥7.0 billion or 6.8% compared with the same period in the previous year to ¥109.0 billion due to increase in industrial gas sales and other reasons. As a result of a ¥9.2 billion or 9.6% increase in operating expenses, operating income fell by 2.3 billion or 36.0% to ¥4.0 billion.

<Summary by segment>

(Unit: billion yen)

		Gas	Gas appliances	Contracted construction work	Real estate rental	Others
Sales	FY2005 Interim (% of total)	383.2 (65.0%)	56.2 (9.6%)	2.36 (4.0%)	17.2 (2.9%)	109.0 (18.5%)
	FY2004 Interim (% of total)	362.3 (64.1%)	57.0 (9.6%)	26.8 (4.7%)	16.8 (3.0%)	102.0 (18.1%)
	Amount of change	20.9	-0.8	-3.2	0.4	7.0
	Rate of change	5.8%	-1.3%	-11.8%	2.1%	6.8%
Operating expenses	FY2005 Interim (% of total)	324.5 (62.4%)	53.1 (10.2%)	23.7 (4.6%)	13.7 (2.6%)	104.9 (20.2%)
	FY2004 Interim (% of total)	297.8 (61.2%)	53.7 (11.0%)	26.9 (5.5%)	13.3 (2.7%)	95.7 (19.6%)
	Amount of change	26.7	-0.6	-3.2	0.4	9.2
	Rate of change	9.0%	-1.1%	-11.9%	2.6%	9.6%
Operating income	FY2005 Interim (% of total)	58.6 (84.7%)	3.1 (4.5%)	0 (-0.1%)	3.5 (5.1%)	4.0 (5.8%)
	FY2004 Interim (% of total)	64.5 (83.4%)	3.2 (4.2%)	-0.1 (-0.2%)	3.4 (4.5%)	6.3 (8.1%)
	Amount of change	-5.9	-0.1	0.1	0.1	-2.3
	Rate of change	-9.1%	-3.6%	-	0.3%	-36.0%

Note: Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments.

<Ratio of consolidated income to parent's income>

	Sales	Operating income	Ordinary income	Current net income
FY2005 Interim	1.18	1.34	1.20	1.11
FY2004 Interim	1.17	1.31	1.18	1.11

<Comparison of projection of FY2005 with results of FY2004 >

(Unit: billion yen)

	Sales	Operating income	Ordinary income	Net income
FY2005 (projection)	1,248.0	106.0	99.0	67.0
FY2004 (actual)	1,221.0	144.0	134.0	88.0
Change	57.3	-39.3	-33.8	-17.0
Rate of change	4.8%	-27.1%	-25.5%	-20.3%

We projection that gas sales volume in FY2005 will grow 3.9% compared with FY2004 to 12.419 billion m³ due to our efforts to acquire new customers and to popularize and expand gas appliances. We expect gas sales to rise by ¥47.9 billion or 5.7% to ¥882.5 billion in response to this. Although gas appliance sales and other business sales will decrease, we expect increase in other business sales. Consolidated sales will rise by ¥57.3 billion or 4.8% to ¥ 1.248 trillion.

Because of f increase in operating expenses such as gas operating ones, the projection envisions as follows:

Operating income: down ¥39.3 billion (-27.1%) to ¥106.0 billion
 Ordinary income: down ¥33.8 billion (-25.5%) to ¥99.0 billion
 Net income: down ¥17.0 billion (-20.3%) to ¥67.0 billion

The ratios of consolidated income to parent company's income are as follows:

	Sales	Operating income	Ordinary income	Net income
FY2005 projection	1.19	1.19	1.11	1.08

(2) Financial position

1) Cash flow

(Unit: billion yen)

	FY2005 Interim	FY2004 Interim	FY2004
Cash flow from operating activities	37.2	48.9	215.0
Cash flow from investing activities	-57.8	-52.6	-107.3
Cash flow from financing activities	-15.8	2.3	-108.1
Cash and cash equivalents during FY2004	-36.4	-1.3	-0.5
Cash and cash equivalents at beginning of year	50.6	43.9	43.9
Cash and cash equivalents due to expansion of consolidation	12.5	7.2	7.2
Cash and cash equivalents at end of year	26.7	49.7	50.6

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities amounted to ¥37.2 billion. This derived mainly from interim net income and depreciation of fixed assets (¥63.1 billion) although we paid corporate tax (¥34.9 billion).

b) Cash flow from investing activities

Cash and cash equivalents decreased as a result of investing activities amounted to ¥57.8 billion. This derived mainly from the acquisition of tangible fixed assets such as gas supply facilities (expenditure: ¥56.2 billion).

c) Cash flow from financing activities

Cash and cash equivalents decreased as a result of financing activities amounted to ¥15.8 billion. Although there were inflow of funds because of increase in commercial paper (¥40.0 billion), for, the overall cash flow decreased because of acquisition of treasury stock (¥20.1 billion), bond redemption (¥18.3 billion), payment of dividend (¥9.2 billion), decrease in long-term debt (¥6.6 billion)

2) Indicators

	FY2000	FY2001	FY2002	FY2004	FY2005 Interim
Equity ratio	33.1%	34.6%	35.9%	38.9%	40.5%
Equity ratio based on market value	52.5%	61.0%	63.8%	68.6%	73.8%
Number of years for debt repayment	4.0	3.4	3.1	2.9	-
Interest coverage ratio	9.9	12.2	14.5	16.5	-

Equity ratio: Equity capital / total assets

Equity ratio based on market value: total market price of shares / total assets

Number of years for debt repayment: Interest bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payments

-All calculations are based on consolidated financial figures.

-Operating cash flow is used for cash flow. Interest bearing debt covers bonds, convertible bonds, long-term borrowings (all including debts due within one year), short term borrowings and commercial papers out of the interest bearing debt recorded on the balance sheet.

-Tokyo Gas Group

<Consolidated Statements>

1. Interim consolidated balance sheet

(Unit: million yen)

Account	FY2005 Interim (ended on Sep. 30, 2005)	FY2004 (ended on Mar. 31, 2005)	Change	FY2004 Interim (ended on Sept. 30, 2004)
(Assets)				
Fixed assets	1,381,861	1,382,066	-205	1,389,578
Tangible fixed assets	1,148,081	1,159,517	-11,436	1,178,878
Production facilities	223,087	228,886	-5,799	236,800
Distribution facilities	505,927	510,727	-4,800	523,037
Business facilities	59,951	59,733	218	61,215
Other facilities	303,931	311,857	-7,926	305,041
Construction in progress	55,184	48,311	6,873	52,783
Intangible fixed assets	24,279	22,779	1,500	22,930
Consolidation adjustment account	2,703	2,902	-199	3,101
Other intangible fixed assets	21,576	19,877	1,699	19,829
Investments, etc.	209,499	199,769	9,730	187,768
Investment securities	119,355	100,601	18,754	90,577
Long-term loans receivable	3,771	4,047	-276	2,553
Deferred tax assets	43,654	51,329	-7,675	50,774
Miscellaneous investments	44,345	45,503	-1,158	45,747
Allowances for doubtful accounts	-1,627	-1,711	84	-1,884
Current assets	263,635	286,667	-23,032	275,939
Cash and deposits	29,252	53,246	-23,994	30,840
Notes and accounts receivable	110,764	139,722	-28,958	102,250
Inventories	34,141	25,436	8,705	33,845
Deferred tax assets	10,159	12,075	-1,916	9,997
Other current assets	80,068	57,149	22,919	99,877
Allowances for doubtful accounts	-750	-962	212	-872
Total assets	1,645,497	1,668,734	-23,237	1,665,517

(Unit: million yen)

Account	FY2005 Interim (ended on Sep. 30, 2005)	FY2004 (ended on Mar. 31, 2005)	Change	FY2004 Interim (ended on Sept. 30, 2004)
(Liabilities)				
Fixed liabilities	714,857	718,878	-4,021	735,485
Straight bonds	305,500	305,500	-	295,500
Convertible bonds	78,973	89,885	-10,912	99,925
Long-term bank loans payable	162,032	151,753	10,279	161,290
Deferred tax liabilities	3,740	2,599	1,141	2,385
Retirement benefit reserve	135,895	141,480	-5,585	149,832
Allowances for repairs of gas holders	3,489	3,463	26	3,407
Other fixed liabilities	25,225	24,196	1,029	23,145
Current liabilities	254,441	292,458	-38,017	319,379
Fixed liabilities due within one year	26,263	51,969	-25,706	137,169
Notes and accounts payable	51,631	60,563	-8,932	42,470
Short-term bank loans payable	25,019	25,123	-104	28,455
Corporation tax payable, etc.	16,155	41,690	-25,535	15,893
Deferred tax liabilities	194	167	27	4
Other current liabilities	135,175	112,944	22,231	95,386
Total liabilities	969,298	1,011,337	-42,039	1,054,865
Minority interest	10,043	8,630	1,413	8,276
(Shareholders' equity)				
Common stock	141,844	141,844	-	141,844
Capital surplus	2,065	2,067	-2	2,067
Retained earnings	544,299	532,810	11,439	485,483
Unrealized gains on other securities	45,261	31,500	13,761	32,141
Translation adjustment account	-269	-311	42	-248
Treasury stock	-67,045	-59,145	-7,900	-58,913
Total shareholders' equity	666,154	648,766	17,388	602,375
Total of liabilities, minority interest, and shareholders' equity	1,645,497	1,668,734	-23,237	1,665,517

2. Interim consolidated statement of income

(Unit: million yen)

Account	FY2005 Interim (Apr. - Sept. 2005)	FY2004 Interim (Apr. - Sept. 2005)	Change	FY2004 (Apr. 2004 - Mar. 2005)
Sales	534,461	514,132	20,329	1,190,783
Cost of sales	294,047	266,304	27,743	624,722
(Gross income)	(240,414)	(247,828)	(-7,414)	(566,060)
Supply and sales expenses	167,791	166,882	909	346,617
General and administrative expenses	36,858	33,752	3,106	74,094
(Operating income)	(35,764)	(47,192)	(-11,428)	(145,349)
Non-operating income	6,154	7,279	-1,125	12,114
Interest income	25	123	-98	144
Dividend income	970	677	293	941
Return on investment accounted for by equity method	246	121	125	258
Balance on commodity derivatives	2,033	-	2,033	-
Balance on weather derivatives	-	1,944	-1,994	2,740
Contribution for gas pipeline construction for wholesale supply	-	998	-998	1,507
Miscellaneous revenues	2,878	3,363	-485	6,522
Non-operating expenses	9,424	10,069	-645	24,607
Interest paid	5,747	6,595	-848	13,134
Balance on commissioned construction	1,433	1,702	-269	4,042
Loss from debenture redemption	-	-	-	2,879
Miscellaneous expenditures	2,243	1,771	472	4,551
(Ordinary income)	(32,494)	(44,403)	(-11,909)	(132,856)
Extraordinary income	3,253	-	3,253	5,734
Gain on sales of fixed assets	78	-	78	472
Gain on sales of investment securities	2,760	-	2,760	5,262
Gain on sales of subsidiary	414	-	414	-
Extraordinary losses	4	274	-270	5,268
Loss from sale of fixed assets	4	57	-53	500
Losses on compression of fixed assets	-	-	-	82
Losses on impairment of fixed assets	-	216	-216	1,198
Special retirement pay	-	-	-	3,486
Net income before adjustment for tax, etc.	35,743	44,128	-8,385	133,322
Corporate tax, residence tax and Business tax	9,783	10,421	-638	45,073
Adjustment for corporate taxes, etc.	3,609	5,966	-2,357	3,534
Minority shareholder income (loss)	197	299	-102	667
Net income	22,152	27,441	-5,289	84,047

3. Interim statement of consolidated retained earnings

(Unit: million yen)

Account	FY2005 Interim (Apr. - Sept. 2005)		FY2004 (Apr. 2004 - Mar.2005)		FY2004 Interim (Apr. -Sept. 2004)	
(Capital surplus)						
Initial balance of capital surplus		2,067		2,065		2,065
Increase in capital surplus						
Net gain on disposal of treasury stock	-	-	1	1	1	1
Decrease in capital surplus						
Net loss on disposal of treasury stock	1	1	-	-	-	-
Balance of capital surplus at end of period		2,065		2,067		2,067
(Retained earnings)						
Initial balance of retained earnings		532,810		457,924		457,924
Increase in retained earnings						
Net Income	22,152		84,047		27,441	
Increase due to expansion in the scope of consolidation	4	22,156	10,988	95,035	10,988	38,429
Decrease in retained earnings						
Dividends	9,277		20,084		10,804	
Directors' bonus	65		65		65	
Net loss on disposal of treasury stock	1,324	10,667	-	20,149	-	10,869
Balance of consolidated retained earnings at end of period		544,299		532,810		485,483

4. Interim consolidated statement of cash flows

(Unit: million yen)

Account	FY2005 Interim (Apr. - Sept. 2005)	Fy2004 Interim (Apr. - Sept. 2004)	FY2004 (Apr. 2004 - Mar. 2005)
I. Cash flow from operating activities			
Net income before adjustment for tax, etc.	35,743	44,128	133,322
Depreciation	63,181	66,834	136,420
Amortization of long-term prepaid expenses	2,001	1,930	3,850
Impairment losses	-	-	1,198
Loss on retirement of tangible fixed assets	1,477	1,147	3,388
Gain/loss on sale of investment securities	-2,760	-	-5,262
Loss from debenture redemption	-	-	2,879
Profit/loss on allowance for doubtful accounts	-	-1,209	-1,292
Change in provision for retirement benefits	-5,515	-9,103	-17,455
Interest and dividends earned	-996	-801	-1,085
Interest paid	5,747	6,595	13,134
Change in accounts receivable	34,409	36,668	-7,596
Change in inventories	-8,715	-9,188	-778
Change in accounts payable	-23,742	-28,019	6,057
Change in consumption tax payable	-928	-1,832	-1,139
Change in prepaid expenses	-8,364	-8,697	-
Other	-14,268	-9,978	4,945
Sub-total	77,270	88,473	270,585
Proceeds from interest and dividends	995	772	1,057
Payment of interest	-6,114	-6,622	-13,003
Payment of corporate tax, etc.	-34,941	-33,679	-43,601
Cash flow from operating activities	37,210	48,943	215,037
II. Cash flow from investing activities			
Purchases of investment securities	-	-2,303	-14,118
Proceeds from sale of investment securities, etc.	2,924	-	6,263
Purchases of tangible fixed assets	-56,275	-50,177	-94,083
Purchases of intangible fixed assets	-4,367	-5,659	-12,786
Spending on long-term prepaid expenses	-913	-732	-2,332
Proceeds from sale of fixed assets	1,210	693	4,028
Proceeds from sale of consolidated subsidisry	678	-	-
Expenditures based on lending for long-term loans	-790	-	-1,610
Proceeds from recovery of long-term loans receivable	-	4,399	4,427
Other	-297	1,133	2,836
Cash flow from investing activities	-57,831	-52,646	-107,375

Account	FY2005 Interim (Apr. - Sept. 2005)	FY2004 Interim (Apr. - Sept. 2004)	FY2004 (Apr. 2004 - Mar. 2005)
III. Cash flow from financing activities			
Net change in short-term debt	-1,335	640	-2,690
Net change in commercial paper	40,000	-	-
Proceeds from long-term debt	14,902	18,006	20,565
Repayments for long-term debt	-21,548	-12,541	-26,945
Proceeds from bond issues	-	30,000	40,000
Payments for redemption of bonds	-18,333	-3,000	-98,756
Dividend payments	-9,275	-10,786	-20,068
Payment of dividends to minority shareholders	-93	-75	-75
Proceeds from issuance of stocks to minority shareholders	-	190	190
Proceeds from sale of treasury stock	16	25	63
Payments for acquiring treasury stock	-20,156	-20,132	-20,441
Cash flow from financing activities	-15,822	2,327	-108,160
IV. Difference from conversion of cash and cash equivalents	1	-3	-2
V. Change in cash and cash equivalents	-36,442	-1,378	-500
VI. Cash and cash equivalents at beginning of year	50,664	43,960	43,960
VII. Increase in cash and cash equivalents due to new consolidation	12,547	7,204	7,204
VIII. Cash and cash equivalents at end of the period	26,770	49,786	50,664

5. Segment information

(1) Segment information by category of business

(Unit: million yen)

		Gas	Gas appliance sales	Related construction	Real estate rental	Other	Total	Elimination or corporate	Consolidation
FY2005 Interim	Sales								
	(1) External sales	378,046	55,189	21,864	5,586	73,774	534,461	-	534,461
	(2) Inside group	5,165	1,110	1,773	11,651	35,228	54,930	(54,930)	-
	Total	383,212	56,299	23,638	17,237	109,003	589,392	(54,930)	534,461
	Operating expenses	324,552	53,168	23,725	13,732	104,963	520,142	(21,445)	498,696
	Operating income (loss)	58,659	3,131	-86	3,504	4,040	69,250	(33,485)	35,764
FY2004 Interim	Sales								
	(1) External sales	358,322	55,842	24,939	6,832	68,195	514,132	-	514,132
	(2) Inside group	4,020	1,170	1,873	10,044	33,886	50,995	(50,995)	-
	Total	362,343	57,012	26,813	16,876	102,082	565,128	(50,995)	514,132
	Operating expenses	297,817	53,763	26,932	13,382	95,773	487,669	(20,730)	466,939
	Operating income (loss)	64,525	3,249	-119	3,494	6,308	77,458	(30,265)	47,192
FY2004	Sales								
	(1) External sales	826,583	132,373	60,830	14,004	156,990	1,190,783	-	1,190,783
	(2) Inside group	8,074	2,734	3,964	20,696	77,729	113,200	(113,200)	-
	Total	834,658	135,108	64,794	34,701	234,720	1,303,983	(113,200)	1,190,783
	Operating expenses	651,973	128,054	61,220	28,197	221,305	1,090,751	(45,318)	1,045,433
	Operating income (loss)	182,684	7,053	3,574	6,503	13,415	213,231	(67,882)	145,349

Note: 1. Classification of business categories and main products in each category of business.

Business categories are classified by aggregate sale category in accordance with the Gas Business Accounting Regulations.

Business categories	Main products
Gas	Gas
Gas appliance sales	Gas appliances
Related construction	Gas construction work
Real estate rental	Rental and management of buildings, etc.
Other	District heating and cooling, coke, LPG, industrial gas, credit leases, system integration, general engineering

Note: 3. Main operating expenses that cannot be allocated to specific segment included under "Elimination or corporate" are general expenses relating to the administration department of the company submitting the interim consolidated financial statements.

FY2005 Interim: ¥ million (FY2004 Interim: ¥ million)

(2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries.

(3) Overseas sales

Not included due to insignificance of overseas sales as a proportion of consolidated sales.

6. Market value of securities

(1) Marketable bonds securities being held to maturity

(Unit: million yen)

Category	FY2005 Interim (Sep. 30, 2005)			FY2004 (Mar. 31, 2005)			FY2004 Interim (Sep. 30, 2004)		
	Book value	Market value	Difference	Book value	Market value	Difference	Book value	Market value	Difference
Government and municipal bonds, etc.	54	55	1	44	46	1	44	46	1
Total	54	55	1	44	46	1	44	46	1

(2) Other marketable securities

(Unit: million yen)

Category	FY2005 Interim (Sep. 30, 2005)			FY2004 (Mar. 31, 2005)			FY2004 Interim (Sep. 30, 2004)		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
Stocks	14,672	86,383	71,710	14,777	64,703	49,926	10,550	61,467	50,917
Total	14,672	86,383	71,710	14,777	64,703	49,926	10,550	61,467	50,917

(3) Book values of main non-marketable securities

(Unit: million yen)

Category	FY2005 Interim (Sep. 30, 2005)	FY2004 (Mar. 31, 2005)	FY2004 Interim (Sep. 30, 2004)
	Book value	Book value	Book value
Stocks of subsidiaries and affiliates	21,036	23,831	17,288
Other securities			
Unlisted stocks	11,868	12,007	11,736

7. Derivative transactions

[FY2005 Interim]

(Unit: million yen)

Object		Contract amount	Market value	Recognized gains/losses
Currency	Currency swap contracts	42	12	12
Commodity	LNG swap contracts	14,871	3,193	3,193
Weather	Weather derivatives	9,849	-	-
Total		-	-	3,206

1. Market value is calculated based on the information presented by the financial institution.
2. The contract amounts are nominal and the amounts do not indicate the degree of market risk or credit risk regarding the derivative transactions.
3. Contract amounts are stated at the maximum receivable amount under the contracts. Market value of weather derivatives are not stated because the calculation of the fair value is impossible.
4. Derivative transactions accounted for hedge accounting is applied are excluded.

[FY2004]

(Unit: million yen)

Object		Contract amounts	Market value	Recognized gains/losses
Currency	Currency swap contracts	105	32	32
Weather	Weather derivatives	5,625	-	-
Total		-	-	32

1. Market value is calculated based on the information presented by the financial institution.
2. The contract amounts are nominal and the amounts do not indicate the degree of market risk or credit risk regarding the derivative transactions.
3. Contract amounts are stated at the maximum receivable amount under the contracts. Market value of weather derivatives are not stated because the calculation of the fair value is impossible.
4. Derivative transactions accounted for hedge accounting is applied are excluded.