

Summary of Consolidated 1st Quarter Results

FY2007 ending March 2008

Tokyo Gas Co., Ltd.

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1. Summary of 1st Quarter Results for FY2007 ending March 2008 (April 1, 2007 - June 30, 2007)

(1) Consolidated Business Results

(Rounded down to the nearest million yen)

| | Sales | Operating Income | Ordinary Income | Net Income |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | (Unit: million yen) (%) | (Unit: million yen) (%) | (Unit: million yen) (%) | (Unit: million yen) (%) |
| 1st Quarter of FY2007 | 331,216 5.9 | 36,134 -26.2 | 36,264 -23.0 | 23,065 -21.9 |
| 1st Quarter of FY2006 | 312,900 12.3 | 48,929 30.5 | 47,105 32.2 | 29,536 26.4 |
| Reference: FY2006 (full year) | 1,376,958 | 162,315 | 156,039 | 100,699 |

| | Net Earnings per Share | Net Earnings per Share Adjusted for Latent Shares |
|----------------------------------|------------------------|---|
| | (Unit: yen) | (Unit: yen) |
| 1st Quarter of FY2007 | 8.57 | 8.30 |
| 1st Quarter of FY2006 | 10.94 | 10.34 |
| Reference: FY2006 (full year) | 37.50 | 35.69 |

(2) Changes in Consolidated Financial Position

| | Total Assets | Shareholders' Equity | Shareholders' Equity Ratio | Shareholders' Equity per Share |
|----------------------------------|---------------------|----------------------|-------------------------------|-----------------------------------|
| | (Unit: million yen) | (Unit: million yen) | (Unit: %) | (Unit: yen) |
| 1st Quarter of FY2007 | 1,671,591 | 809,210 | 47.7 | 297.47 |
| 1st Quarter of FY2006 | 1,677,113 | 755,038 | 44.4 | 275.84 |
| Reference: FY2006 (full year) | 1,692,635 | 806,045 | 47.0 | 293.11 |

(3) Consolidated Cash Flow

| | 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 |
|-----------------------------------|--|---|--|--|
| | (Unit: million yen) | (Unit: million yen) | (Unit: million yen) | (Unit: million yen) |
| 1st Quarter of FY2007 | -6,485 | -35,131 | 28,671 | 28,586 |
| 1st Quarter of FY2006 | -12,238 | -31,294 | 22,524 | 25,379 |
| Reference: FY 2006 (full year) | 190,597 | -130,922 | -65,843 | 40,231 |

2. Consolidated results forecast for the year ending March 2008 (April 1, 2007 - March 31, 2008)

(% of Interim is versus previous interim, % of Full year is versus previous fiscal year)

| | Sales | Operating Income | Ordinary Income | Net Income | Net earnings per share |
|-----------|-------------------------|-------------------------|-------------------------|--------------------------|------------------------|
| | (Unit: billion yen) (%) | (Unit: billion yen) (%) | (Unit: billion yen) (%) | (Unit: billion yen) (%) | (Unit: yen) |
| Interim | 643.0 6.5 | 32.0 -49.0 | 28.0 -49.6 | | 7.46 |
| Full year | 1,454.0 5.6 | 105.0 -35.3 | 97.0 -37.8 | 20.0 -44.5 68.0 -32.5 | 25.35 |

3. Note

(1) Changes in major consolidated subsidiaries (yes/no): *No*

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

Consolidated subsidiaries: 55

-Newly added: 4

-Excluded: 1

Equity method affiliates: 3

-Newly added: 2

-Excluded: nil

(3) Use of compendium method in accounting procedure (yes/no): *Yes*

(4) Any change in the accounting methods used here from those used in preparing consolidated accounts for the previous business year (yes/no): *No*

*Please see page 3, Note in detail.

Reference 1: Summary of Non-consolidated 1st Quarter Results (April 1, 2007 - June 30, 2007)

| | Sales | Operating Income | Ordinary Income | Net Income |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| | (Unit: million yen) | (Unit: million yen) | (Unit: million yen) | (Unit: million yen) |
| 1st Quarter of FY2007 | 286,141 | 31,272 | 32,371 | 20,801 |
| 1st Quarter of FY2006 | 273,834 | 43,958 | 43,843 | 28,044 |

| | Total Assets | Shareholders' Equity |
|-----------------------|---------------------|----------------------|
| | (Unit: million yen) | (Unit: million yen) |
| 1st Quarter of FY2007 | 1,363,647 | 696,039 |
| 1st Quarter of FY2006 | 1,370,373 | 660,021 |

Reference 2: Non-consolidated Forecast for the Year Ending March 2008 (April 1, 2007 - March 31, 2008)

| | Sales | Operating Income | Ordinary Income | Net Income | Net earnings per share |
|-----------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|
| | (Unit: billion yen) (%) | (Unit: billion yen) (%) | (Unit: billion yen) (%) | (Unit: billion yen) (%) | (Unit: yen) |
| Interim | 544.0 | 22.0 | 22.0 | | 6.34 |
| Full year | 1,252.0 | 81.0 | 80.0 | 17.0 56.0 | 20.88 |

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

< Business performance and financial position, etc.>

1. Qualitative information about consolidated business performance

An increased demand in industrial sector and wholesale market has made up for decreasing in residential use and also contributed to a steady growth of gas sales volume for the first-quarter (April - June 2007). The gas sales volume increased 3.3% compared to the first quarter of fiscal 2006 to 3,258 million m³, and gas sales increased by 4.3% to ¥ 251.1 billion. With the increase in gas sales, consolidated sales overall rose 5.9% to ¥ 331.2 billion.

On the other hand, operating expenses rose 11.8% to ¥ 295.0 billion because of the increase in gas resource costs despite our continuous efforts to control costs in order to promote even greater business efficiency.

Overall, operating income decreased 26.2 % over the same quarter of fiscal 2006 to ¥ 36.1 billion, and ordinary income was down 23.0% to ¥ 36.2 billion, and net income for the quarter decreased by 21.9% to ¥ 23.0 billion.

Since gas is characterized by clear seasonal fluctuations and accounts for a high proportion of group sales, we expect larger sales in winter.

2. Qualitative information about consolidated financial position

Despite the increase in inventory such as LNG ,etc., the decline in Cash, Deposits, and Accounts Receivable has reduced total assets, down ¥ 21.1 billion compared with the year ended March 2007 to ¥ 1,671.5 billion.

Although there were payments of dividends, net income for the quarter has been added to shareholders' equity, and the net assets increased by ¥ 23.0 billion to ¥ 809.2 billion.

Also, despite the decrease in total assets, our shareholders' equity ratio rose by 0.7 percentage points to 47.7%, resulting from an increase in net assets (the sum of Shareholders' Equity, Value Adjustment of Securities, etc.).

In addition, shareholders' equity per share rose ¥ 4.36 to ¥ 297.47

3. Qualitative information about consolidated results forecast

Based on current trends such as an increase in gas sales and current gas resource cost standards, we expect full-year sales to increase ¥ 35.0 billion to ¥ 1,454.0 billion compared with our consolidated results forecast published in our FY2007 Results Bulletin released on April 26, 2007. We forecast operating income of ¥105.0 billion (down by ¥ 8.0 billion), ordinary income of ¥ 97.0 billion (down by ¥ 8.0 billion), and net income of ¥ 68.0 billion (down by ¥ 5.0 billion).

4. Note

(1)The scope of consolidated subsidiaries and affiliates and application of the equity method

a) The scope of consolidation

-Newly included subsidiaries in scope of consolidation: 4 companies

Tokyo Gas International Holdings B.V. , Tokyo Gas Bajio B.V. ,

TOKYO GAS-MITSUI & CO.HOLDINGS SDN. BHD. ,

TK customer service Co., Ltd. (Every company is newly consolidated)

-Excluded: 1 company

TG IT Service Co., Ltd. was merged into TG Information Network Co., Ltd.

b) Equity method affiliates

-Newly included equity method affiliates: 2 companies

TOKYO TIMOR SEA RESOURCES INC. , Bajio Generating VOF (Every company is newly included)

(2) Use of compendium method in accounting procedure

-Basis of posting corporate tax, etc. : Corporate tax, etc. is equal to multiplication of net income before adjustment for tax, etc. and estimate effective tax rate at the end of FY2007.

4. Consolidated 1st Quarter financial results

(1) Balance Sheet

(Unit: million yen)

| Account | 1st Quarter of FY2007 (as of Jun. 30, 2007) | FY2006 (as of Mar. 31, 2006) | Change | 1st Quarter of FY2006 (as of Jun. 30, 2006) |
|----------------------------------|--|---------------------------------|----------------|--|
| ASSETS | | | | |
| Fixed assets | 1,372,250 | 1,371,576 | 674 | 1,388,461 |
| Tangible fixed assets | 1,118,949 | 1,130,480 | -11,531 | 1,141,508 |
| Production facilities | 205,797 | 207,751 | -1,954 | 214,102 |
| Distribution facilities | 498,349 | 503,547 | -5,198 | 510,777 |
| Business facilities | 62,249 | 64,012 | -1,763 | 65,555 |
| Other facilities | 301,310 | 301,503 | -193 | 310,722 |
| Suspended facilities | 851 | 874 | -23 | 957 |
| Construction in progress | 50,392 | 52,790 | -2,398 | 39,393 |
| Intangible fixed assets | 24,016 | 24,068 | -52 | 24,724 |
| Goodwill | 2,310 | 1,396 | 914 | 2,405 |
| Other intangible fixed assets | 21,706 | 22,671 | -965 | 22,319 |
| Investments, etc. | 229,283 | 217,027 | 12,256 | 222,228 |
| Investment securities | 152,058 | 144,666 | 7,392 | 138,230 |
| Long-term loans receivable | 9,564 | 3,778 | 5,786 | 3,062 |
| Deferred tax assets | 25,895 | 28,043 | -2,148 | 39,622 |
| Miscellaneous investments | 42,522 | 41,289 | 1,233 | 42,033 |
| Allowances for doubtful accounts | -757 | -750 | -7 | -719 |
| Current assets | | | | |
| Cash and deposits | 299,341 | 321,058 | -21,717 | 288,651 |
| Notes and accounts receivable | 30,521 | 42,616 | -12,095 | 28,063 |
| Inventories | 134,786 | 166,382 | -31,596 | 123,463 |
| Deferred tax assets | 53,962 | 36,132 | 17,830 | 52,495 |
| Other current assets | 12,511 | 11,989 | 522 | 12,193 |
| Allowances for doubtful accounts | 68,351 | 64,868 | 3,483 | 73,195 |
| | -792 | -929 | 137 | -760 |
| Total Assets | 1,671,591 | 1,692,635 | -21,044 | 1,677,113 |

(Unit: million yen)

| Account | 1st Quarter of FY2007 (as of Jun. 30, 2007) | FY2006 (as of Mar. 31, 2006) | Change | 1st Quarter of FY2006 (as of Jun. 30, 2006) |
|--|---|---------------------------------|----------------|---|
| LIABILITIES | | | | |
| Fixed liabilities | 610,810 | 601,454 | 9,356 | 638,980 |
| Straight bonds | 325,496 | 305,500 | 19,996 | 305,500 |
| Convertible bonds | 32,332 | 32,618 | -286 | 39,655 |
| Long-term bank loans payable | 122,190 | 127,778 | -5,588 | 140,408 |
| Deferred tax liabilities | 4,978 | 4,716 | 262 | 4,809 |
| Retirement benefit reserve | 89,968 | 92,947 | 2,979 | 119,306 |
| Allowances for repairs of gas holders | 3,581 | 3,437 | 144 | 3,342 |
| Reserve for safety measures | 4,982 | 5,427 | -445 | - |
| Other fixed liabilities | 27,281 | 29,029 | -1,748 | 25,958 |
| Current liabilities | 251,570 | 285,135 | -33,565 | 283,094 |
| Fixed liabilities due within one year | 40,169 | 42,742 | -2,573 | 54,173 |
| Notes and accounts payable | 45,720 | 59,728 | -14,008 | 53,145 |
| Short-term bank loans payable | 8,675 | 10,954 | -2,279 | 22,138 |
| Corporation tax payable, etc. | 16,958 | 43,854 | -26,896 | 21,148 |
| Deferred tax liabilities | 1 | 106 | -105 | 121 |
| Commercial paper | 140,044 | 127,748 | 12,296 | 132,367 |
| Other current liabilities | | | | |
| Total Liabilities | 862,380 | 886,589 | -24,209 | 922,074 |
| NET ASSETS | | | | |
| Shareholders' Equity | 742,815 | 743,997 | -1,182 | 692,759 |
| Paid in Capital | 141,844 | 141,844 | - | 141,844 |
| Capital Surplus | 2,065 | 2,065 | - | 2,065 |
| Returned earnings | 661,849 | 644,652 | 17,197 | 590,937 |
| Treasury Stock | -62,943 | -44,564 | -18,379 | -42,087 |
| Value Adjustments of Securities | 55,102 | 51,103 | 3,999 | 51,895 |
| Unrealized gains on other securities | 52,432 | 49,706 | 2,726 | 49,988 |
| Deferred loss on hedging instruments | 1,639 | 1,095 | 544 | 1,813 |
| Foreign currency translation adjustment | 1,030 | 302 | 728 | 93 |
| Shares of Minor Shareholders | 11,292 | 10,944 | 348 | 10,383 |
| Total Net Asset | 809,210 | 806,045 | 3,165 | 755,038 |
| Total Liabilities, Minority Interest and Shareholders' Equity | 1,671,591 | 1,692,635 | -21,044 | 1,677,113 |

(2)Consolidated 1st Quarter Statement of Income

(Unit: million yen)

| Account | 1st Quarter of FY2007 (Apr. - Jun. 2007) | 1st Quarter of FY2006 (Apr. - Jun. 2006) | Change | FY2006 (Apr. 2006 - Mar. 2007) |
|--|--|--|-----------|--------------------------------------|
| Sales | 331,216 | 312,900 | 18,316 | 1,376,958 |
| Cost of sales | 188,483 | 168,643 | 19,840 | 799,468 |
| (Gross profit) | (142,732) | (144,257) | (-1,525) | (577,489) |
| Supply and sales expenses | 90,084 | 78,481 | 11,603 | 343,962 |
| General and administrative expenses | 16,512 | 16,846 | -334 | 71,211 |
| (Operating income) | (36,134) | (48,929) | (-12,795) | (162,315) |
| Non-operating income | 4,573 | 3,539 | 1,034 | 13,100 |
| Interest income | 58 | 16 | 42 | 155 |
| Dividend income | 820 | 770 | 50 | 1,895 |
| Return on investment accounted for by equity method | 1,108 | 205 | 903 | 1,347 |
| Rental income | - | 421 | -421 | 1,500 |
| Balance on weather derivatives | - | - | - | 1,620 |
| Contribution for gas pipeline construction for wholesale supply | - | - | - | 1,488 |
| Miscellaneous revenues | 2,585 | 2,125 | 460 | 5,092 |
| Non-operating expenses | 4,443 | 5,363 | -920 | 19,375 |
| Interest paid | 2,519 | 2,547 | -28 | 10,369 |
| Balance on commissioned construction | - | 656 | -656 | - |
| Loss from weather derivative | - | 1,478 | -1,478 | - |
| Miscellaneous expenditure | 1,923 | 679 | 1,244 | 9,005 |
| (Ordinary income) | (36,264) | (47,105) | (-10,841) | (156,039) |
| Extraordinary income | - | - | - | 13,750 |
| Gain on sales of fixed assets | - | - | - | 7,899 |
| Gain on sales of investment securities | - | - | - | 5,851 |
| Extraordinary losses | - | - | - | 7,257 |
| Loss from sale of fixed assets | - | - | - | 29 |
| Losses on compression of fixed assets | - | - | - | 7,227 |
| Net income before adjustment for tax, etc. | 36,264 | 47,105 | -10,841 | 162,533 |
| Corporation tax, residence tax, & business tax | 12,822 | 17,286 | -4,464 | 49,335 |
| Adjustment for corporate taxes, etc. | 52 | 107 | -55 | 11,711 |
| Minority shareholder income (loss) | 323 | 175 | 148 | 786 |
| Net income | 23,065 | 29,536 | -6,471 | 100,699 |

(3) Consolidated Statements of Changes in Net Assets

1st Quarter period (From April 1 to June 30, 2007)

(Unit: million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|------------------|----------------|----------------------------|
| | Paid-in capital | Capital surplus | Retained surplus | Treasury stock | Total shareholders' equity |
| Balance at March 31, 2007 | 141,844 | 2,065 | 644,652 | -44,564 | 743,997 |
| Changes of items during the interim period | | | | | |
| Dividends from surplus | | | -12,206 | | -12,206 |
| Net income | | | 23,065 | | 23,065 |
| Repurchase of treasury stock | | | | -18,795 | -18,795 |
| Cancellation of treasury stock | | | -107 | 416 | 309 |
| Increase of subsidiaries | | | 113 | | 113 |
| Increase of equity method affiliates | | | 6,332 | | 6,332 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during 1 st Quarter period | - | - | 17,196 | -18,378 | -1,182 |
| Balance at June 30, 2007 | 141,844 | 2,065 | 661,849 | -62,943 | 742,815 |

| | Valuation and translation adjustments | | | | Minority interests | Total net assets |
|--|---|------------------------------------|-------------------------|--|--------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Translation adjustments | Total valuation and translation adjustment | | |
| Balance at March 31, 2007 | 49,706 | 1,095 | 302 | 51,103 | 10,944 | 806,045 |
| Changes of items during the interim period | | | | | | |
| Dividends from surplus | | | | | | -12,206 |
| Net income | | | | | | 23,065 |
| Repurchase of treasury stock | | | | | | -18,795 |
| Repurchase of treasury stock | | | | | | 309 |
| Increase of subsidiaries | | | | | | 113 |
| Increase of equity method affiliates | | | | | | 6,332 |
| Net changes of items other than shareholders' equity | 2,725 | 544 | 728 | 3,998 | 348 | 4,347 |
| Total changes of items during 1 st Quarter period | 2,725 | 544 | 728 | 3,998 | 348 | 3,165 |
| Balance at June 30, 2007 | 52,432 | 1,639 | -1,030 | 55,102 | 11,292 | 809,210 |

Previous 1st Quarter period (From April 1 to June 30, 2006)

(Unit: million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|------------------|----------------|----------------------------|
| | Paid-in capital | Capital surplus | Retained surplus | Treasury stock | Total shareholders' equity |
| Balance at March 31, 2006 | 141,844 | 2,065 | 572,599 | -44,840 | 671,669 |
| Changes of items during the interim period | | | | | |
| Dividends from surplus | | | -9,423 | | -9,423 |
| Directors' and corporate auditors bonuses | | | -67 | | -67 |
| Net income | | | 29,536 | | 29,536 |
| Cancellation of treasury stock | | | -304 | 2,811 | 25,06 |
| Repurchase of treasury stock | | | | -58 | -58 |
| Increase of subsidiaries | | | -1,404 | | -1,404 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during 1 st Quarter period | - | - | 18,338 | 2,752 | 21,090 |
| Balance at June 30, 2006 | 141,844 | 2,065 | 590,937 | -42,087 | 692,759 |

| | Valuation and translation adjustments | | | | Minority interests | Total net assets |
|--|---|------------------------------------|-------------------------|--|--------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Translation adjustments | Total valuation and translation adjustment | | |
| Balance at March 31, 2006 | 56,510 | - | 51 | 56,562 | 10,255 | 738,487 |
| Changes of items during the interim period | | | | | | |
| Dividends from surplus | | | | | | -9,423 |
| Directors' and corporate auditors bonuses | | | | | | -67 |
| Net income | | | | | | 29,536 |
| Cancellation of treasury stock | | | | | | 2,506 |
| Repurchase of treasury stock | | | | | | -58 |
| Increase of subsidiaries | | | | | | -1,404 |
| Net changes of items other than shareholders' equity | -6,521 | 1,813 | 41 | -4,667 | 127 | -4,539 |
| Total changes of items during 1 st Quarter period | -6,521 | 1,813 | 41 | -4,667 | 127 | 16,550 |
| Balance at June 30, 2006 | 49,988 | 1,813 | 93 | 51,895 | 10,383 | 755,038 |

(4) 1st Quarter Consolidated Statement of Cash Flows

(Unit: million yen)

| Account | 1st Quarter of FY2007 (Apr.- Jun. 2007) | 1st Quarter of FY2006 (Apr.-Jun. 2006) | FY2006 (Apr.'06-Mar.'07) |
|--|---|--|-----------------------------|
| I. Cash flow from operating activities | | | |
| Net income before adjustment for tax, etc. | 36,264 | 47,105 | 162,533 |
| Depreciation | 33,761 | 30,848 | 128,998 |
| Amortization of long-term prepaid expenses | 1,073 | 1,023 | 4,144 |
| Loss on retirement of tangible fixed assets | - | - | 3,156 |
| Gain/ Loss on sale of fixed assets | - | - | -7,903 |
| Loss on advanced depreciation deduction | - | - | 7,227 |
| Income/loss on sale of investment securities | - | - | -5,851 |
| Gain/loss on revaluation of investments in securities | - | - | 595 |
| Change in provision for retirement benefits | -2,979 | -10,915 | -37,274 |
| Change in prepaid pension expense | -1,442 | - | - |
| Increase or decrease in reserve for safety measure | - | - | 5,427 |
| Interest and dividends earned | -878 | -786 | -2,050 |
| Interest paid | 2,519 | 2,547 | 10,369 |
| Income from a company by equity method | -1,108 | - | -1,347 |
| Change in accounts receivable | 35,507 | 26,459 | -17,369 |
| Change in inventories | -17,830 | -17,898 | -1,535 |
| Change in accounts payable | -38,177 | -45,711 | -14,075 |
| Change in consumption tax payable | -2,186 | 2,218 | 4,450 |
| Change in prepaid expenses | -10,803 | -12,861 | - |
| Change in uncollected balance | 6,496 | 7,027 | - |
| Other | -8,127 | -12,184 | -1,339 |
| Sub-total | 32,089 | 16,872 | 238,156 |
| Proceeds from interest and dividends | 907 | 786 | 2,010 |
| Payment of interest | -3,828 | -3,750 | -10,243 |
| Payment of corporate tax, etc. | -35,653 | -26,147 | -39,326 |
| Cash flow from operating activities | -6,485 | -12,238 | 190,597 |
| II. Cash flow from investing activities | | | |
| Payments for a fixed deposits | -1,850 | -1,050 | -5,517 |
| Proceed from drawing fixed deposits | 2,300 | 1,850 | 6,616 |
| Purchases of investment securities | -1,407 | -2,851 | -12,625 |
| Proceeds from sale of investment securities, etc. | - | - | 9,911 |
| Purchases of tangible fixed assets | -33,102 | -30,399 | -124,173 |
| Purchases of intangible fixed assets | -852 | -1,136 | -8,611 |
| Spending on long-term prepaid expenses | -717 | - | -2,471 |
| Proceeds from sale of fixed assets | - | 2,151 | 5,985 |
| Expenditures based on lending for long-term loans | - | - | -840 |
| Other | 498 | 141 | 803 |
| Cash flow from investing activities | -35,131 | -31,294 | -130,922 |
| III. Cash flow from financing activities | | | |
| Net change in short-term debt | -2,278 | 4,660 | -6,522 |
| Net change in commercial paper | 49,000 | 31,000 | 6,000 |
| Proceeds from long-term debt | 8,450 | 364 | 14,934 |
| Payments for long-term debt | -16,575 | -4,939 | -26,790 |
| Proceeds from issue of bond | 19,996 | - | - |
| Payments for redemption of bonds | - | - | -196 |
| Payment to minority shareholders on account of capital reduction | - | - | 9 |
| Payment for share refundment to minority shareholders | - | - | -70 |
| Proceeds from sales of treasury stock | 23 | 8 | 323 |
| Payments for acquiring treasury stock | -18,795 | -58 | -34,658 |
| Dividend payments | -11,061 | -8,448 | -18,780 |
| Payment of dividends to minority shareholders | -85 | -62 | -92 |
| Cash flow from financing activities | 28,671 | 22,524 | -65,843 |
| IV. Difference due to conversion of cash and cash equivalents | - | -3 | 9 |
| V. Change in cash and cash equivalents | -12,946 | -21,011 | -6,159 |
| VI. Cash and cash equivalents at beginning of term | 40,231 | 45,633 | 45,633 |
| VII. Increase in cash and cash equivalents due to new consolidation | 1,301 | 799 | 799 |
| VIII. Decrease in cash and cash equivalents excluding subsidiaries | - | -42 | -42 |

| | | | | |
|----|--|--------|--------|--------|
| IX | Cash and cash equivalents at end of term | 28,586 | 25,379 | 40,231 |
|----|--|--------|--------|--------|

(5) Segment information by category of business

(Unit: million yen)

| | Gas | Gas appliances | Contracted construction work | Real estate leases (See Note) | Other business | Total | Corporate and eliminations | Consolidated | |
|-------------------------|-------------------------------------|----------------|------------------------------|-------------------------------|----------------|---------|----------------------------|--------------|-----------|
| 1st Quarter of FY2007 | I. Sales | 244,523 | 25,517 | 9,515 | 3,052 | 48,606 | 331,216 | - | 331,216 |
| | (1) External sales | | | | | | | | |
| | (2) Inter segment sales & transfers | 6,610 | 658 | 878 | 5,691 | 18,106 | 31,946 | (31,946) | - |
| | Total | 251,134 | 26,176 | 10,394 | 8,744 | 66,712 | 363,162 | (31,946) | 331,216 |
| | Operating expenses | 204,420 | 25,117 | 11,121 | 6,516 | 65,406 | 312,581 | (17,500) | 295,081 |
| Operating profit (loss) | 46,713 | 1,058 | (726) | 2,228 | 1,306 | 50,580 | (14,445) | 36,134 | |
| 1st Quarter of FY2006 | I. Sales | 236,092 | 25,356 | 8,891 | 2,859 | 39,701 | 312,900 | - | 312,900 |
| | (1) External sales | | | | | | | | |
| | (2) Inter segment sales & transfers | 4,641 | 570 | 847 | 5,612 | 17,853 | 29,525 | (29,525) | - |
| | Total | 240,734 | 25,926 | 9,738 | 8,472 | 57,554 | 342,426 | (29,525) | 312,900 |
| | Operating expenses | 181,239 | 24,932 | 10,383 | 6,388 | 55,598 | 278,541 | (14,570) | 263,970 |
| Operating profit (loss) | 59,494 | 994 | (644) | 2,083 | 1,956 | 63,884 | (14,954) | 48,929 | |
| FY2006 (full year) | I. Sales | 976,358 | 132,741 | 55,526 | 11,933 | 200,397 | 1,376,958 | - | 1,376,958 |
| | (1) External sales | | | | | | | | |
| | (2) Inter segment sales & transfers | 23,162 | 2,665 | 3,702 | 22,101 | 85,009 | 136,641 | (136,641) | - |
| | Total | 999,521 | 135,407 | 59,229 | 34,034 | 285,407 | 1,513,599 | (136,641) | 1,376,958 |
| | Operating expenses | 795,954 | 134,237 | 57,478 | 27,303 | 271,559 | 1,286,534 | (71,891) | 1,214,643 |
| Operating profit (loss) | 203,566 | 1,169 | 1,750 | 6,731 | 13,847 | 227,065 | (64,750) | 162,315 | |

1. Geographic Segment information

Not shown due to the amount of sales in Japan is over 90% of total.

2. Overseas sales

Not included due to insignificance of overseas sales as a proportion is below 10% of consolidated sales.

(6) Significant subsequent event

The board of directors of Tokyo Gas Co., held on April 26, 2007, resolved to acquire treasury stock pursuant to Article 156 of the Companies Law as applied mutatis mutandis to Article 165:3 of the law. However, the board of directors held on July 27, 2007, resolved to change of total number of shares to be acquired.

Details are as follows.

-Type of stock to be acquired*: Tokyo Gas common stock

-Total number of shares to be acquired: 71,000,000 shares (upper limit)

(Rate to number of shares outstanding 2.5%)

-Total value of shares to be acquired*: ¥39,000,000,000 (upper limit)

-Term of acquisition*: April 27, 2007 – March 31, 2008

*no change

(7) Non-consolidated First-quarter Results

Gas Sales Volume for 1st Quarter, FY2007

| | | 1st Quarter, FY2007 (Apr. - Jun. 2007) | 1st Quarter, FY2006 (Apr. - Jun. 2006) | Change | % Change | | |
|---------------------|---------------------|---|---|--------|----------|-------|------|
| Number of Customers | | Thousand | 9,975 | 9,838 | 137 | 1.4 | |
| Gas sales volume | Residential | | m ³ (Note 1) | 32.90 | 34.74 | -1.84 | -5.3 |
| | | | Mil. m ³ | 839 | 873 | -34 | -3.9 |
| | Business | Commercial | Mil. m ³ | 460 | 452 | 8 | 1.8 |
| | | Other (Note 2) | Mil. m ³ | 182 | 182 | - | -0.2 |
| | Industrial | | Mil. m ³ | 1,284 | 1,222 | 62 | 5.2 |
| | Bus./Ind. Sub total | | Mil. m ³ | 1,926 | 1,856 | 70 | 3.8 |
| | Wholesales supply | | Mil. m ³ | 452 | 404 | 48 | 11.9 |
| | Total | | Mil. m ³ | 3,217 | 3,133 | 84 | 2.7 |
| Average temperature | | °C | 18.9 | 18.4 | 0.5 | - | |

- Notes: 1. The upper row of figures for residential demand indicates gas sales per meter read (m³/household, month)
 2. "Other" for business demand indicates sales to public and medical institutions.

Income and Expenditure for 1st Quarter, FY2007

(Unit: billion yen)

| Income | | Change from 1st Quarter of FY 2006 | Rate (%) | Expenditure | | Change from 1st Quarter of FY2006 | Rate (%) | | |
|----------------------|-----------------------|--|----------|-------------|-----------------------------------|---|----------|-------|-------|
| Product sales | Gas sales | 245.7 | 8.9 | 3.8 | Operating expenses | Cost of sales | 120.2 | 11.3 | 10.4 |
| | | | | | Sales and administrative expenses | 95.4 | 10.5 | 12.4 | |
| | | | | | Sub total | 215.7 | 21.8 | 11.3 | |
| Other sales | Related Construction | 8.9 | 0.4 | 4.5 | Other expenses | Related construction | 9.4 | 0.6 | 6.4 |
| | Gas appliance sales. | 22.1 | -0.4 | -1.8 | Gas appliance sales | 20.6 | -0.8 | -3.9 | |
| | Associated businesses | 9.2 | 3.4 | 57.3 | Associated businesses | 9.0 | 3.4 | 60.2 | |
| | Sub total | 40.3 | 3.3 | 9.0 | Sub total | 39.0 | 3.1 | 8.7 | |
| Total sales | | 286.1 | 12.3 | 4.5 | Total expenses | | 254.8 | 25.0 | 10.9 |
| | | | | | Operating income | | 31.2 | -12.7 | -28.9 |
| Non-operating income | | 4.3 | 0.1 | 1.7 | Non-operating expenses | | 3.2 | -1.1 | -26.3 |
| | | | | | Ordinary income | | 32.3 | -11.5 | -26.2 |
| Extraordinary profit | | - | - | - | Extraordinary loss | | - | - | - |
| | | | | | Net income | | 20.8 | -7.2 | -25.8 |

- Notes: 1. Cost of sales includes gas resource cost of ¥ 113.9 billion (increased by ¥ 10.6 billion, or 10.3% from 1st Quarter of FY2006).
 2. Non-operating expenses include interest expenses of ¥ 1.8 billion (decreased by ¥ 0.1 billion, or -6.6% from 1st Quarter of FY2006).