

Summary of Consolidated 1st Quarter Results

FY2008 ending March 2009

Tokyo Gas Co., Ltd.

Code No.: 9531

Stock listings: Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange
(URL <http://www.tokyo-gas.co.jp/>)

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1. Summary of 1st Quarter Results for FY2008 ending March 2009 (April 1, 2008 - June 30, 2008)

(1) Consolidated Business Results

(Rounded down to the nearest million yen)

	Sales	Operating Income	Ordinary Income	Net Income
	(Unit: million yen) (%)			
1st Quarter of FY2008	377,198 -	17,486 -	16,045 -	16,435 -
1st Quarter of FY2007	331,216 5.9	36,134 -26.2	36,264 -23.0	23,065 -21.9

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
1st Quarter of FY2008	6.21	6.04
1st Quarter of FY2007	8.57	8.30

(2) Changes in Consolidated Financial Position

	Total Assets	Net Asset	Equity Ratio	Book-value per Share
	(Unit: million yen)	(Unit: million yen)	(Unit: %)	(Unit: yen)
1st Quarter of FY2008	1,735,533	784,202	44.5	293.52
FY2007	1,703,651	780,455	45.1	289.49

Reference: Tangible net worth 1st Quarter of FY 2008 ending June 2008: 772,726 million yen
FY 2007 ending March 2008: 769,072 million yen

2. Dividend

Record date	Dividend per share				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	End of 4 th Quarter	Full year
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2008	-	4.00	-	4.00	8.00
FY2009	-	-	-	-	-
FY 2009 (Forecast)	-	4.00	-	4.00	8.00

* Revisions to the quarter's dividend forecasts: No

3. Consolidated results forecast for the year ending March 2009 (April 1, 2008 - March 31, 2009)

(% 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: yen)			
Interim	760.0 -	-7.0 -	-9.0 -	0 -	0.00
Full year	1,802.0 21.1	-17.0 -	-23.0 -	-7.0 -	-2.66

* Revisions to the quarter's consolidated forecasts: No

4. Note

- (1) Changes in major consolidated subsidiaries (yes/no): *No*
- (2) Application of simple accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation: *Yes*
*Please see page 3, [Quantitative information and financial statements, etc.] 4. Note in detail.
- (3) Changes in accounting treatment principles, procedures and expressions related to quarterly consolidated financial statement preparation (entries of changes in material matters that are basic to preparation of quarterly consolidated financial statements)
-Changes accompanied by reform of accounting standards: *Yes*
-Other changes: *No*
*Please see page 3, [Quantitative information and financial statements, etc.] 4. Note in detail.
- (4) Number of outstanding shares
-Number of outstanding shares at year end (Treasury stocks are included):
1st Quarter of FY2008 ended June 2008 2,741,571,295shares
FY 2007 ended March 2008 2,741,571,295shares
- Number of treasury stocks at year end :
1st Quarter of FY2008 ended June 2008 108,947,264shares
FY 2007 ended March 2008 84,937,500shares
- Average number of shares outstanding :
1st Quarter of FY2008 ended June 2008 2,648,631,678shares
1st Quarter of FY2007 ended June 2007 2,691,749,076shares

* Explanations and other matters of special note in regard to appropriate use of business results forecasts

1. Consolidated business results forecasts released on April 25, 2008 are revised. The above forecasts were prepared based on information obtainable as of the date of release of this document. Going forward, due to a variety of factors actual results may differ from the estimated values. In regard to matters related to the above forecasts, refer to Page 3, [Quantitative information and financial statements, etc.] 3. Quantitative information about consolidated business results forecast.
2. Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements" (Corporate accounting standards No. 12) and "Accounting standards implementation guidance for quarterly financial statements" (Corporate accounting standards implementation guidance No. 14) are applied. Quarterly consolidated financial statements are prepared in accordance with "Quarterly consolidated financial statement rules."

***Reference: Non-consolidated Forecast for the Year Ending March 2009 (April 1, 2008 - March 31, 2009)**

	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	652.0	-14.0	-16.0		-3.80
Full year	1,548.0	-37.0	-39.0	-10.0 -22.0	-8.36

< 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 commercial sector and also contributed to a steady growth of gas sales volume for the first-quarter (April - June 2008). The gas sales volume increased 6.0% compared to the first quarter of fiscal 2007 to 3,454 million m³, and gas sales increased by 15.6% to ¥ 290.4 billion.

With the increase in gas sales, consolidated sales overall rose 13.9% to ¥ 377.1 billion.

On the other hand, operating expenses rose 21.9% to ¥ 359.7 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 51.6% over the same quarter of fiscal 2007 to ¥17.4 billion, and ordinary income was down 55.8% to ¥16.4 billion.

In addition, extraordinary profits of ¥7.8 billion were posted on the application of lease accounting standards, and ¥1.5 billion on reorganization of the health and welfare pension fund. Deduction of corporate and other taxes resulted in a quarterly net profit decline of 28.7% to ¥16.4 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

Relative to end-March 2008, there were declines in the balances of notes and accounts receivable, but with aggregate increases in the balances of LNG and other gas resources and consumable supplies, as well as that of investment securities, aggregating ¥31.9 billion, net assets totaled ¥1,735.5 billion.

Buybacks of Company stock from the market (¥9.9 billion) were a negative for net assets, but posting of a quarterly net profit of ¥16.4 billion and higher hedge profit/loss carryforwards were positives and sent net assets to ¥784.2 billion.

Relative to the rate of increase in total assets, that of equity capital (the total of shareholder capital and valuation, conversion and other amounts) was lower, resulting in a 0.6 point decline in the equity capital ratio to 44.5%.

Net assets per share increased by ¥4.03 to ¥293.52.

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 ¥ 90.0 billion to ¥ 1,802.0 billion compared with our consolidated results forecast published in our FY2007 Results Bulletin released on April 25, 2008. We forecast operating income of ¥-17.0 billion (down by ¥ 92.0 billion), ordinary income of ¥ -23.0 billion (down by ¥ 91.0 billion), and net income of ¥ -7.0 billion (down by ¥ 57.0 billion).

4. Note

(1) Changes in principal subsidiaries during the period (changes in designated subsidiaries due to changes in scope of consolidation):None applicable

(2) Application of simple accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation

1) Simple accounting treatment

Calculation of default estimate for general obligations (loans to debtors with no serious management problems)

When it is deemed that there is no material change in the default ratio and other calculations vs. the previous consolidated accounting year end, we adopt the method of computation of the general obligation default estimate using rational standards for the ratio computed in the previous consolidated fiscal year.

Valuation of inventory assets

We estimate net sale prices only when profitability clearly declines due to inventory asset book value reductions, and adopt the book value reduction method.

Calculation of corporate and other taxes, tax carryforward assets and tax carryforward liabilities

In judging the recoverability of tax carryforward assets, when it is deemed that there are no material changes in the management environment and temporary variances since the previous consolidated fiscal year end, we use the previous year's future business results forecasts and tax planning.

2) Accounting treatment peculiar to quarterly consolidated financial statement preparation

Computation of tax expenses

After application of tax effect accounting to the year's net profit before tax and other adjustments, including the first consolidated accounting quarter, we estimate the effective tax rate rationally and multiply the pretax quarterly net profit (cumulative) by that rate.

(3) Changes in accounting treatment principles, procedures and expressions related to quarterly consolidated financial statement preparation

1) Quarterly consolidated financial statements

Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements" (Corporate accounting standards No. 12, March 14, 2007) and "Accounting standards implementation guidance for quarterly financial statements" (Corporate accounting standards implementation guidance No. 14, March 14, 2007) are applied. Quarterly consolidated financial statements are prepared based on "Rules related to quarterly consolidated financial statement terminology, format and preparation methods" (hereinafter "Rules").

2) Changes in important asset valuation standards and methods

Inventory assets

Heretofore the moving average-derived cost price method has been principally used for inventory asset valuation, but beginning in this first consolidated accounting quarter, in conjunction with application of "Accounting standards for inventory asset valuation" (Corporate accounting standards No. 9, July 5, 2006), this is calculated mainly by the moving average-derived cost price method (balance sheet prices using reduced book values based on profitability declines).

This change has no effect on profit/loss.

3) Operation of "Present accounting treatment of overseas subsidiaries in consolidated financial statement preparation"

Beginning in this first quarter consolidated accounting year, "Accounting treatment of overseas subsidiaries in consolidated financial statement preparation" (Practical response report No. 18, May 17, 2006) is applied.

This change will have a minor effect of profit/loss.

4) Application of lease transaction accounting standards

In regard to non-transferable finance lease transactions, accounting treatment has heretofore followed loan transaction methods. But "Accounting standards for lease transactions" (Corporate accounting standards No. 13, June 17, 1993, amended on March 30, 2007) and "Accounting standards implementation guidance for lease transactions" (Corporate accounting standards implementation guidance No. 16, January 18, 1994, amended on March 30, 2007) have enabled their operation in quarterly consolidated financial statements for consolidated accounting years beginning on and after April 1, 2008 and following normal trading-related accounting treatment. Depreciation of lease assets related to non-transferable finance lease transactions employs the number of useful years in the lease period, with the remaining value marked to zero by the straight line method.

This change has minor effects on operating and recurring profits, but increases pretax net profit by ¥7,795 million.

5. Consolidated 1st Quarter financial results

(1) Balance Sheet

(Unit: million yen)

Account	1st Quarter of FY2008 (as of Jun. 30, 2008)	FY2007 (as of Mar. 31, 2008)
ASSETS		
Fixed assets		
Tangible fixed assets		
Production facilities	197,356	200,585
Distribution facilities	480,631	486,845
Business facilities	59,398	60,765
Other facilities	301,720	303,189
Suspended facilities	316	316
Construction in progress	68,603	72,419
Total tangible fixed assets	1,108,026	1,124,122
Intangible fixed assets		
Goodwill	1,690	1,833
Other intangible fixed assets	23,624	21,385
Total intangible fixed assets	25,315	23,219
Investments, etc.		
Investment securities	142,810	131,443
Long-term loans receivable	17,658	18,485
Deferred tax assets	29,702	31,635
Miscellaneous investments	42,482	48,072
Allowances for doubtful accounts	-834	-614
Total investments, etc.	231,820	229,022
Total fixed assets	1,365,161	1,376,365
Current assets		
Cash and deposits	45,633	46,092
Notes and accounts receivable	146,639	172,889
Leasing receivables and leasing investment assets	22,484	-
Commercial products	5,591	3,742
Work in process goods	115	64
Raw materials and inventory goods	51,578	34,718
Deferred tax assets	9,167	13,704
Other current assets	89,711	56,590
Allowances for doubtful accounts	-549	-516
Total current assets	370,371	327,286
Total Assets	1,735,533	1,703,651

(Unit: million yen)

Account	1st Quarter of FY2008 (as of Jun. 30, 2008)	FY2007 (as of Mar. 31, 2008)
LIABILITIES		
Fixed liabilities		
Straight bonds	321,489	331,489
Long-term bank loans payable	143,258	155,648
Deferred tax liabilities	3,719	3,066
Retirement benefit reserve	89,780	93,557
Allowances for repairs of gas holders	3,667	3,558
Reserve for safety measures	2,438	2,957
Other fixed liabilities	24,932	26,346
Total fixed liabilities	589,287	616,624
Current liabilities		
Fixed liabilities due within one year	91,920	63,359
Notes and accounts payable	101,170	99,352
Short-term bank loans payable	8,224	8,378
Corporation tax payable, etc.	14,964	25,150
Deferred tax liabilities	4	1
Other current liabilities	145,759	110,327
Total current liabilities	362,044	306,570
Total liabilities	951,331	923,195
NET ASSETS		
Shareholders' Equity		
Paid in Capital	141,844	141,844
Capital Surplus	2,065	2,065
Returned earnings	639,671	634,116
Treasury Stock	-52,776	-42,774
Total Shareholder's Equity	730,805	735,251
Value Adjustments of Securities		
Unrealized gains on other securities	37,137	31,917
Deferred loss on hedging instruments	8,933	424
Foreign currency translation adjustment	-4,149	1,479
Total value adjustments of securities	41,921	33,820
Shares of Minor Shareholders	11,475	11,382
Total net asset	784,202	780,455
Total liabilities, minority interest and shareholders' equity	1,735,533	1,703,651

(2)Consolidated 1st Quarter Statement of Income

(Unit: million yen)

Account	1st Quarter of FY2008 (Apr.- Jun. 2008)
Sales	377,198
Cost of sales	251,200
Gross profit on sales	125,997
Supply and sales expenses and general and administrative expenses	
Supply and sales expenses	90,881
General and administrative expenses	17,628
Total supply and sales expenses and general and administrative expenses	108,510
Operating income	17,486
Non-operating income	
Interest income	271
Dividend income	841
Return on investment accounted for by equity method	1,488
Miscellaneous revenues	2,606
Total non-operating income	5,208
Non-operating expenses	
Interest paid	2,632
Exchange loss	1,793
Miscellaneous expenditure	2,223
Total non-operating expenses	6,649
Ordinary income	16,045
Extraordinary income	
Effect of new accounting standards for lease	7,846
Gain on reorganization of the health and welfare pension fund	1,559
Total of extraordinary income	9,406
Net income before adjustment for tax, etc.	25,451
Corporate tax, residence tax & business tax	9,461
Adjustment for corporate taxes, etc.	-564
Total corporate tax, etc.	8,897
Minority shareholder income (loss)	118
Net income	16,435

(3) 1st Quarter Consolidated Statement of Cash Flows

(Unit: million yen)

Account	1st Quarter of FY2008 (Apr.- Jun. 2008)
Cash flow from operating activities	
Net income before adjustment for tax, etc.	25,451
Depreciation	31,665
Amortization of long-term prepaid expenses	1,044
Loss on retirement of tangible fixed assets	597
Change in provision for retirement benefits	-3,776
Change in prepaid pension expense	5,063
Increase or decrease in reserve for safety measure	-519
Interest and dividends earned	-1,112
Interest paid	2,632
Income from a company by equity method	-1,488
Change in accounts receivable	30,701
Change in inventories	-17,639
Change in accounts payable	-16,651
Change in consumption tax payable	2,118
Change in prepaid expenses	-13,762
Change in uncollected balance	7,604
Effect of new accounting standards for lease	-7,846
Other	-22,993
Sub-total	21,089
Proceeds from interest and dividends	1,242
Payment of interest	-4,314
Payment of corporate tax, etc.	-15,586
Cash flow from operating activities	2,431
Cash flow from investing activities	
Payments for a fixed deposits	-2,220
Proceed from drawing fixed deposits	1,260
Purchases of investment securities	-5,437
Proceeds from sale of investment securities, etc.	722
Purchases of tangible fixed assets	-39,381
Purchases of intangible fixed assets	-786
Proceed from collecting long-term loans receivable	551
Other	-263
Cash flow from investing activities	-45,554

(Unit: million yen)

Account	1st Quarter of FY2008 (Apr.- Jun. 2008)
Cash flow from financing activities	
Net change in short-term debt	-153
Net change in commercial paper	58,000
Proceeds from long-term debt	100
Payments for long-term debt	-13,452
Proceeds from issue of bond	20,000
Proceeds from sales of treasury stock	33
Payments for acquiring treasury stock	-10,046
Dividend payments	-9,616
Payment of dividends to minority shareholders	-84
Cash flow from financing activities	<u>44,780</u>
Difference due to conversion of cash and cash equivalents	<u>-3,031</u>
Change in cash and cash equivalents	<u>-1,374</u>
Cash and cash equivalents at beginning of term	43,706
Increase in cash and cash equivalents due to new consolidation	1
Decrease in cash and cash equivalents excluding subsidiaries	-45
Cash and cash equivalents at end of term	<u>42,287</u>

Beginning in this consolidated accounting year, "Accounting standards for quarterly financial statements" (Corporate accounting standards No. 12, March 14, 2007) and "Accounting standards implementation guidance for quarterly financial statements" (Corporate accounting standards implementation guidance No. 14, March 14, 2007) are applied. Quarterly consolidated financial statements are prepared in accordance with "Quarterly consolidated financial statement rules."

(4) Note of going concerns' premise: *No*

(5) Segment information

a. Segment information by category of business

First quarter consolidated total period (Apr. - Jun. 2008)

(Unit: million yen)

	Gas	Gas appliances	Contracted construction work	Real estate leases (See Note)	Other business	Total	Corporate and eliminations	Consolidated
Sales								
(1) External sales	282,261	25,879	8,983	3,236	56,837	377,198	-	377,198
(2) Inter segment sales & transfers	8,145	741	742	5,627	19,972	35,229	(35,229)	-
Total	290,406	26,621	9,726	8,864	76,810	412,428	(35,229)	377,198
Operating profit (loss)	29,185	740	(574)	2,568	1,456	33,375	(15,889)	17,486

b. Geographic Segment information

First quarter consolidated total period (Apr. - Jun. 2008)

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

c. Overseas sales (Apr. - Jun. 2008)

First quarter consolidated total period (Apr. - Jun. 2008)

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

(6) Significant change in the number of shareholders' equity

Acquisition of treasury stocks

Tokyo gas acquired treasury stocks pursuant to Article 156 of the Companies Law as applied mutatis mutandis to Article 165:3 of the law. However, Tokyo Gas finished acquiring treasury stocks by June 13, 2008, which are resolved by the board of directors held on April 25, 2008.

-Term of acquisition: June 4, 2008 – June 13, 2008 (execution base)

-Total number of shares to be acquired: 23,984 thousand shares

-Total value of shares to be acquired: ¥9,999 million

-Way of acquisition: Market purchase on the Tokyo Stock Exchange using non-designated money trust

(7) Significant subsequent event

The board of directors held on July 29, 2008 approved the cancellation of treasury stock pursuant to article 178 of the Company Law.

-Class of shares to be cancelled: Common stock

-Number of shares to be cancelled: 24,000 thousand shares

-Scheduled date of cancellation: July 30, 2008

(Reference)

Financial statements of previous year

(1) Consolidated 1st Quarter Statement of Income

Account	1st Quarter of FY2007
	(Apr. - Jun. 2007)
	(Unit: million yen)
Sales	331,216
Cost of sales	188,483
(Gross profit)	(142,732)
Supply and sales expenses	90,084
General and administrative expenses	16,512
(Operating income)	(36,134)
Non-operating income	4,573
Interest income	58
Dividend income	820
Return on investment accounted for by equity method	1,108
Miscellaneous revenues	2,585
Non-operating expenses	4,443
Interest paid	2,519
Miscellaneous expenditure	1,923
(Ordinary income)	(36,264)
Extraordinary income	-
Extraordinary losses	-
Net income before adjustment for tax, etc.	36,264
Corporation tax, residence tax, & business tax	12,822
Adjustment for corporate taxes, etc.	52
Minority shareholder income (loss)	323
Net income	23,065

(2) 1st Quarter Consolidated Statement of Cash Flows

Account	1st Quarter of FY2007
	(Apr.- Jun. 2007)
	(Unit: million yen)
I. Cash flow from operating activities	
Net income before adjustment for tax, etc.	36,264
Depreciation	33,761
Amortization of long-term prepaid expenses	1,073
Change in provision for retirement benefits	-2,979
Change in prepaid pension expense	-1,442
Interest and dividends earned	-878
Interest paid	2,519
Income from a company by equity method	-1,108
Change in accounts receivable	35,507
Change in inventories	-17,830
Change in accounts payable	-38,177
Change in consumption tax payable	-2,186
Change in prepaid expenses	-10,803
Change in uncollected balance	6,496
Other	-8,127
Sub-total	32,089
Proceeds from interest and dividends	907
Payment of interest	-3,828
Payment of corporate tax, etc.	-35,653
Cash flow from operating activities	-6,485

Account	1st Quarter of FY2007
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	(Apr.- Jun. 2007)
	(Unit: million yen)
II. Cash flow from investing activities	
Payments for a fixed deposits	-1,850
Proceed from drawing fixed deposits	2,300
Purchases of investment securities	-1,407
Purchases of tangible fixed assets	-33,102
Purchases of intangible fixed assets	-852
Spending on long-term prepaid expenses	-717
Other	498
Cash flow from investing activities	-35,131
III. Cash flow from financing activities	
Net change in short-term debt	-2,278
Net change in commercial paper	49,000
Proceeds from long-term debt	8,450
Payments for long-term debt	-16,575
Proceeds from issue of bond	19,996
Proceeds from sales of treasury stock	23
Payments for acquiring treasury stock	-18,795
Dividend payments	-11,061
Payment of dividends to minority shareholders	-85
Cash flow from financing activities	28,671
IV. Difference due to conversion of cash and cash equivalents	-
V. Change in cash and cash equivalents	-12,946
VI. Cash and cash equivalents at beginning of term	40,231
VII. Increase in cash and cash equivalents due to new consolidation	1,301
VIII. Cash and cash equivalents at end of term	28,586

(3)Segment information

a. Segment information by category of business (Apr. - Jun. 2007)

(Unit: million yen)

	Gas	Gas appliances	Contracted construction work	Real estate leases (See Note)	Other business	Total	Corporate and eliminations	Consolidated
Sales								
(1) External sales	244,523	25,517	9,515	3,052	48,606	331,216	-	331,216
(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 profit (loss)	46,713	1,058	(726)	2,228	1,306	50,580	(14,445)	36,134

b. Geographic Segment information

First quarter consolidated total period (Apr. - Jun. 2007)

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

c. Overseas sales

First quarter consolidated total period (Apr. - Jun. 2007)

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

Non-consolidated First-quarter Results
(Gas Sales Volume for 1st Quarter, FY2008)

			1st Quarter, FY2008 (Apr. - Jun. 2008)	1st Quarter, FY2007 (Apr. - Jun. 2007)	Change	% Change	
Number of Customers		Thousand	10,141	9,975	166	1.7	
Gas sales volume	Residential		m ³ (Note 1)	32.70	32.90	-0.20	-0.6
			Mil. m ³	848	839	9	1.1
	Business	Commercial	Mil. m ³	443	460	-17	-3.7
		Other	Mil. m ³	175	182	-7	-3.8
	Industrial		Mil. m ³	1,422	1,284	138	10.7
	Bus./ Ind. Sub total		Mil. m ³	2,040	1,926	114	5.9
	Wholesales supply		Mil. m ³	493	452	41	9.2
	Total		Mil. m ³	3,381	3,217	164	5.1
Average temperature		°C	18.2	18.9	-0.7	-	

- 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, FY2008)

(Unit: billion yen)

Income			Change from 1st Quarter of FY 2007	Rate (%)	Expenditure		Change from 1st Quarter of FY2007	Rate (%)	
Product sales	Gas sales	283.4	37.7	15.3	Operating expenses	Cost of sales	173.8	53.6	44.5
						Sales and administrative expenses	98.0	2.6	2.7
						Sub total	271.8	56.1	26.0
Other sales	Related Construction	8.5	-0.4	-5.1	Other expenses	Related construction	8.9	-0.5	-5.0
	Gas appliance sales.	22.9	0.8	3.5		Gas appliance sales	21.0	0.4	1.9
	Associated businesses	20.3	11.1	120.1		Associated businesses	20.3	11.3	124.5
	Sub total	51.7	11.4	28.3		Sub total	50.2	11.2	28.6
Total sales		335.2	49.1	17.2	Total expenses		322.1	67.3	26.4
					Operating income		13.0	-18.2	-58.2
Non-operating income		4.2	-0.1	-2.3	Non-operating expenses		5.6	2.4	76.5
					Ordinary income		11.6	-20.7	-64.1
Extraordinary profit		-	-	-	Extraordinary loss		-	-	-
					Net income		7.8	-13.0	-62.3

- Notes: 1. Cost of sales includes gas resource cost of ¥ 167.4billion (increased by ¥ 53.5 billion, or 46.9% from 1st Quarter of FY2007).
2. Non-operating expenses include interest expenses of ¥ 2.1 billion (increased by ¥ 0.3 billion, or 15.4% from 1st Quarter of FY2007).