

# Summary of Consolidated 2<sup>nd</sup> 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/>)

Representative: Mr. Mitsunori TORIHARA, President

Contact: Mr. Makoto IKEGAMI, General Manager, Consolidated Tax Group

Tel.: +81-3-5400-7736

## 1. Summary of 2<sup>nd</sup> Quarter Results for FY2008 ending March 2009 (April 1, 2008 – Sept. 30, 2008)

### (1) Consolidated Business Results

(Rounded down to the nearest million yen)

	Sales	Operating Income	Ordinary Income	Net Income
	(Unit: million yen) (%)			
2nd Quarter of FY2008	740,057 -	-9,555 -	-11,462 -	-1,675 -
2nd Quarter of FY2007	636,911 5.5	33,191 -47.1	31,712 -43.0	19,828 -45.0

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: yen)	(Unit: yen)
2nd Quarter of FY2008	-0.63	-
2nd Quarter of FY2007	7.41	7.20

### (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)
2nd Quarter of FY2008	1,767,265	749,004	41.7	278.91
FY2007	1,703,651	780,455	45.1	289.49

Reference: Tangible net worth 2<sup>nd</sup> Quarter of FY2008 ending September 2008: 737,335 million yen  
FY 2007 ending March 2008: 769,072 million yen

## 2. Dividend

Record date	Dividend per share				
	End of 1 <sup>st</sup> Quarter	End of 2 <sup>nd</sup> Quarter	End of 3 <sup>rd</sup> Quarter	End of 4 <sup>th</sup> Quarter	Full year
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2008	-	4.00	-	4.00	8.00
FY2009	-	4.00	-	-	-
FY 2009 (Forecast)	-	-	-	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 Full year is versus previous fiscal year)

	Sales	Operating Income	Ordinary Income	Net Income	Net earnings per share
	(Unit: billion yen) (%)	(Unit: yen)			
Full year	1,781.0 19.7	10.0 -85.7	4.0 -94.0	9.0 -78.8	3.40

\* Revisions to the quarter's consolidated forecasts: Yes

#### 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: *Yes*

\*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):

2nd Quarter of FY2008 ended Sept. 2008 2,717,571,295shares

FY 2007 ended March 2008 2,741,571,295shares

- Number of treasury stocks at year end :

2nd Quarter of FY2008 ended Sept. 2008 73,967,307shares

FY 2007 ended March 2008 84,937,500shares

- Average number of shares outstanding :

2nd Quarter of FY2008 ended Sept. 2008 2,646,424,434shares

2nd Quarter of FY2007 ended Sept. 2007 2,675,697,962shares

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

1. Consolidated business results forecasts released on July 29, 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)
Full year	1,530.0	-11.0	-13.0	-6.0	-2.27

## < 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 second-quarter (April - September 2008). The gas sales volume increased 4.1% compared to the second quarter of fiscal 2007 to 6,730 million m3, and gas sales increased by 18.4% to ¥ 553.7 billion.

With the increase in gas sales, consolidated sales overall rose 16.2% to ¥ 740.0 billion.

On the other hand, operating expenses rose 24.2% to ¥ 749.6 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 ¥42.6 billion over the same quarter of fiscal 2007 to -¥9.5 billion, and ordinary income was down ¥43.1 billion to -¥11.4 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 ¥21.4 billion to -¥1.6 billion.

Since gas is characterized by clear seasonal fluctuations and accounts for a high proportion of group sales, temperature, etc. affects our seasonal sales.

### 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, other gas resources and consumable supplies, as well as that of deferred income tax asset, aggregating ¥63.6 billion, net assets totaled ¥1.7672 trillion.

Dividend of surplus (¥10.6 billion), buybacks of Company stock from the market (¥9.9 billion) and other marketable securities valuation difference (-¥6.3 billion) were negative effects for net assets which resulted to ¥749.0 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) decreased, resulting in a 3.4 point decline in the equity capital ratio to 41.7%.

Net assets per share decreased by ¥10.58 to ¥278.91.

### 3. Qualitative information about consolidated results forecast

Compared with our consolidated results forecast published in our FY 2008, 1<sup>st</sup> Quarter Results Bulletin released on July 29, 2008. we have changed the economic framework, that is, the projected crude oil price to be 112.32\$/bbl (Average 105\$/bbl from October 2008). As for currency rate, we have not changed from previous projection, which is ¥105/\$ from October onwards, thus the average currency rate will be ¥105.55/\$ for FY2008.

As a result, reflecting mainly the changes in financial results of Tokyo Gas Co., Ltd., we forecast total sales of ¥1.7,810 trillion (down by ¥210 billion) but improvement from the previous projection in operating income of ¥10 billion (increase by ¥27 billion), ordinary income of ¥ 4 billion (increase by ¥ 27 billion), and net income of ¥9 billion (increase by ¥ 16 billion) respectively.

As for the con-consolidated results, we have changed our forecast published in our FY2008, 1<sup>st</sup> Quarter Results Bulletin released on July 29, 2008. The total sales will decline by ¥18 billion to ¥1.53 trillion due to decline in gas sales by ¥13 billion, reflecting the gas rate based on the gas cost slide time lag which includes adjustment of gas cost of regulated tariff to be conducted in January 2009 – March 2009 as well as lower gas sales volume(-0.1%). Whereas, the gas cost will decline by ¥41.1 billion, resulting in decrease in total cost by ¥44 billion.

As a result, we forecast increase in operating income of ¥-11 billion (increase by ¥26 billion), ordinary income of -¥13 billion (increase by ¥26 billion) and net income of ¥16 billion(-¥6 billion) respectively.

### 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 carry forward assets and tax carry forward liabilities

In judging the recoverability of tax carry forward 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 and we have made appropriate amendments.

### 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 ¥8,258 million.

## 5. Consolidated 1st Quarter financial results

### (1) Balance Sheet

(Unit: million yen)

Account	2nd Quarter of FY2008 (as of Sept. 30, 2008)	FY2007 (as of Mar. 31, 2008)
<b>ASSETS</b>		
Fixed assets		
Tangible fixed assets		
Production facilities	194,204	200,585
Distribution facilities	475,022	486,845
Business facilities	59,191	60,765
Other facilities	301,018	303,189
Suspended facilities	316	316
Construction in progress	77,845	72,419
Total tangible fixed assets	1,107,598	1,124,122
Intangible fixed assets		
Goodwill	1,538	1,833
Other intangible fixed assets	23,023	21,385
Total intangible fixed assets	24,562	23,219
Investments, etc.		
Investment securities	131,673	131,443
Long-term loans receivable	24,580	18,485
Deferred tax assets	35,131	31,635
Miscellaneous investments	37,662	48,072
Allowances for doubtful accounts	-929	-614
Total investments, etc.	228,119	229,022
Total fixed assets	1,360,280	1,376,365
Current assets		
Cash and deposits	51,682	46,092
Notes and accounts receivable	150,229	172,889
Leasing receivables and leasing investment assets	23,197	-
Commercial products	5,848	3,742
Work in process goods	132	64
Raw materials and inventory goods	72,654	34,718
Deferred tax assets	24,092	13,704
Other current assets	79,683	56,590
Allowances for doubtful accounts	-536	-516
Total current assets	406,984	327,286
Total Assets	1,767,265	1,703,651

(Unit: million yen)

Account	2nd Quarter of FY2008 (as of Sept. 30, 2008)	FY2007 (as of Mar. 31, 2008)
<b>LIABILITIES</b>		
Fixed liabilities		
Straight bonds	321,489	331,489
Long-term bank loans payable	181,358	155,648
Deferred tax liabilities	2,827	3,066
Retirement benefit reserve	91,748	93,557
Allowances for repairs of gas holders	3,507	3,558
Reserve for safety measures	2,020	2,957
Other fixed liabilities	25,274	26,346
	<hr/>	<hr/>
Total fixed liabilities	628,226	616,624
Current liabilities		
Fixed liabilities due within one year	83,180	63,359
Notes and accounts payable	96,724	99,352
Short-term bank loans payable	6,669	8,378
Corporation tax payable, etc.	17,358	25,150
Deferred tax liabilities	1	1
Other current liabilities	186,099	110,327
	<hr/>	<hr/>
Total current liabilities	390,033	306,570
	<hr/>	<hr/>
Total liabilities	1,018,260	923,195
<b>NET ASSETS</b>		
Shareholders' Equity		
Paid in Capital	141,844	141,844
Capital Surplus	2,065	2,065
Returned earnings	608,296	634,116
Treasury Stock	-35,814	-42,774
	<hr/>	<hr/>
Total Shareholder's Equity	716,392	735,251
Value Adjustments of Securities		
Unrealized gains on other securities	25,667	31,917
Deferred loss on hedging instruments	-3,396	424
Foreign currency translation adjustment	-1,326	1,479
	<hr/>	<hr/>
Total value adjustments of securities	20,943	33,820
	<hr/>	<hr/>
Shares of Minor Shareholders	11,669	11,382
	<hr/>	<hr/>
Total net asset	749,004	780,455
	<hr/>	<hr/>
Total liabilities, minority interest and shareholders' equity	1,767,265	1,703,651

**(2)Consolidated 1st Quarter Statement of Income**

(Unit: million yen)

Account	2nd Quarter of FY2008 (Apr.- Sept. 2008)
Sales	740,057
Cost of sales	531,721
Gross profit on sales	208,335
Supply and sales expenses and general and administrative expenses	
Supply and sales expenses	182,558
General and administrative expenses	35,333
Total supply and sales expenses and general and administrative expenses	217,891
Operating income	-9,555
Non-operating income	
Interest income	574
Dividend income	911
Return on investment accounted for by equity method	3,164
Miscellaneous revenues	4,354
Total non-operating income	-9,005
Non-operating expenses	
Interest paid	5,391
Miscellaneous expenditure	5,520
Total non-operating expenses	10,912
Ordinary income	-11,462
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.	-2,056
Corporate tax, residence tax & business tax	-578
Adjustment for corporate taxes, etc.	-281
Total corporate tax, etc.	-860
Minority shareholder income (loss)	479
Net income	-1,675

### (3) 1st Quarter Consolidated Statement of Cash Flows

(Unit: million yen)

Account	2nd Quarter of FY2008 (Apr.- Sept. 2008)
Cash flow from operating activities	
Net income before adjustment for tax, etc.	-2,056
Depreciation	64,775
Amortization of long-term prepaid expenses	2,094
Loss on retirement of tangible fixed assets	920
Change in provision for retirement benefits	-1,808
Change in prepaid pension expense	9,027
Increase or decrease in reserve for safety measure	-936
Interest and dividends earned	-1,486
Interest paid	5,391
Income from a company by equity method	-3,164
Change in accounts receivable	28,708
Change in inventories	-38,990
Change in accounts payable	-17,489
Change in consumption tax payable	-1,206
Change in prepaid expenses	-9,229
Change in uncollected balance	4,976
Change in lease asset	-1,037
Effect of new accounting standards for lease	-7,846
Other	-22,254
Sub-total	8,387
Proceeds from interest and dividends	2,211
Payment of interest	-5,365
Payment of corporate tax, etc.	-14,791
Cash flow from operating activities	-9,558
Cash flow from investing activities	
Payments for a fixed deposits	-3,110
Proceed from drawing fixed deposits	2,500
Purchases of investment securities	-10,172
Proceeds from sale of investment securities, etc.	952
Purchases of tangible fixed assets	-66,577
Purchases of intangible fixed assets	-1,904
Purchases of long-term prepaid expenses	-594
Payments for long-term loans receivable	-6,745
Proceed from collecting long-term loans receivable	645
Other	229
Cash flow from investing activities	-84,776

(Unit: million yen)

Account	2nd Quarter of FY2008 (Apr.- Sept. 2008)
Cash flow from financing activities	
Net change in short-term debt	-1,709
Net change in commercial paper	84,000
Payments for lease debt	-1
Proceeds from long-term debt	40,300
Payments for long-term debt	-20,673
Proceeds from issue of bond	20,000
Proceeds from sales of treasury stock	127
Payments for acquiring treasury stock	-10,248
Dividend payments	-10,621
Payment of dividends to minority shareholders	-243
Cash flow from financing activities	100,929
Difference due to conversion of cash and cash equivalents	-1,569
Change in cash and cash equivalents	5,024
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	48,686

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."

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

**(5) Segment information**

a. Segment information by category of business

Second quarter consolidated total period (Apr. - Sept. 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	534,817	55,858	19,280	6,452	123,649	740,057	-	740,057
(2) Inter segment sales & transfers	18,973	1,505	1,488	11,389	44,850	78,207	(78,207)	-
Total	553,790	57,364	20,768	17,841	168,499	818,265	(78,207)	740,057
Operating profit (loss)	11,808	1,879	(930)	4,880	4,604	22,243	(31,799)	(9,555)

b. Geographic segment information

Second quarter consolidated total period (Apr. - Sept. 2008)

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

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

Second quarter consolidated total period (Apr. - Sept. 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



**(2) 2nd Quarter Consolidated Statement of Cash Flows**

Account	2nd Quarter of FY2007
	(Apr.- Sept. 2007)
	(Unit: million yen)
I. Cash flow from operating activities	
Net income before adjustment for tax, etc.	31,712
Depreciation	67,632
Amortization of long-term prepaid expenses	2,153
Change in provision for retirement benefits	-754
Change in prepaid pension expense	-3,986
Increase or decrease in reserve for safety measure	-1,611
Interest and dividends earned	-1,109
Interest paid	5,106
Income from a company by equity method	-1,490
Change in accounts receivable	35,652
Change in inventories	-23,329
Change in accounts payable	-28,644
Change in consumption tax payable	-3,586
Change in prepaid expenses	-9,008
Change in uncollected balance	6,060
Other	-7,580
Sub-total	67,215
Proceeds from interest and dividends	1,215
Payment of interest	-4,976
Payment of corporate tax, etc.	-36,309
Cash flow from operating activities	27,145

Account	2nd Quarter of FY2007
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	(Apr.- Sept. 2007)
	(Unit: million yen)
II. Cash flow from investing activities	
Payments for a fixed deposits	-2,740
Proceed from drawing fixed deposits	3,040
Purchases of investment securities	-5,449
Purchases of tangible fixed assets	-61,410
Purchases of intangible fixed assets	-2,065
Spending on long-term prepaid expenses	-1,191
Proceeds from sale of fixes asset	841
Expenditures based on lending for long-term loans	-5,391
Proceeds from long-term loans receivable	1,111
Other	232
Cash flow from investing activities	-73,023
III. Cash flow from financing activities	
Net change in short-term debt	-1,585
Net change in commercial paper	95,000
Proceeds from long-term debt	18,150
Payments for long-term debt	-36,674
Proceeds from issue of bond	19,996
Proceeds from sales of treasury stock	137
Payments for acquiring treasury stock	-39,346
Dividend payments	-12,195
Payment of dividends to minority shareholders	-277
Cash flow from financing activities	43,205
IV. Difference due to conversion of cash and cash equivalents	115
V. Change in cash and cash equivalents	-2,557
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	38,975

### (3)Segment information

a. Segment information by category of business (Apr. – Sept. 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	453,376	53,588	21,179	6,193	102,573	636,911	-	636,911
(2) Inter segment sales & transfers	14,543	1,293	1,675	11,395	37,367	66,276	(66,276)	-
Total	467,920	54,881	22,855	17,589	139,941	703,187	(66,276)	636,911
Operating profit (loss)	54,550	1,821	(870)	4,344	3,587	63,432	(30,240)	33,191

b. Geographic Segment information

Second quarter consolidated total period (Apr. - Sept. 2007)

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

c. Overseas sales

Second quarter consolidated total period (Apr. - Sept. 2007)

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

## 6. Other Information

### (1) Non-consolidated Second-quarter Results

#### (Gas Sales Volume for 2nd Quarter, FY2008)

		2nd Quarter, FY2008 (Apr. - Sept. 2008)	2nd Quarter, FY2007 (Apr. - Sept. 2007)	Change	% Change		
Number of Customers		Thousand	10,166	10,010	156	1.6	
Gas sales volume	Residential		m <sup>3</sup> (Note 1)	25.05	25.24	-0.19	-0.8
			Mil. m <sup>3</sup>	1,300	1,288	12	0.9
	Business	Commercial	Mil. m <sup>3</sup>	1,009	1,045	-36	-3.5
		Other	Mil. m <sup>3</sup>	436	447	-11	-2.4
	Industrial		Mil. m <sup>3</sup>	2,837	2,699	138	5.1
	Bus./ Ind. Sub total		Mil. m <sup>3</sup>	4,282	4,191	91	2.2
	Wholesales supply		Mil. m <sup>3</sup>	987	911	76	8.3
	Total		Mil. m <sup>3</sup>	6,569	6,390	179	2.8
Average temperature		°C	22.1	22.6	-0.5	-	

- Notes: 1. The upper row of figures for residential demand indicates gas sales volume per meter read (m<sup>3</sup>/household,month)  
 2. "Other" for business demand indicates sales volume to public and medical institutions.

#### (Income and Expenditure for 2nd Quarter, FY2008)

(Unit: billion yen)

Income		Change from 2nd Quarter of FY 2007	Rate (%)	Expenditure		Change from 2nd Quarter of FY2007	Rate (%)		
Product sales	Gas sales	540	81.6	17.8	Operating expenses	Cost of sales	365.0	119.7	48.8
						Sales and administrative expenses	196.9	5.1	2.6
						Sub total	561.9	124.8	28.5
Other sales	Related Construction	17.9	-1.6	-8.1	Other expenses	Related construction	18.7	-1.4	-6.9
	Gas appliance sales.	49.1	2.9	6.2		Gas appliance sales	45.7	2.1	4.9
	Associated businesses	42.1	24.1	133.4		Associated businesses	41.7	24.2	138.2
	Sub total	109.2	25.4	30.3		Sub total	106.2	25.0	30.7
Total sales		649.3	107.1	19.7	Total expenses		668.2	149.8	28.9
					Operating income		-18.8	-42.5	-
Non-operating income		6.7	-0.5	-6.7	Non-operating expenses		9.0	2.9	47.6
					Ordinary income		-21.1	-46.0	-
Extraordinary profit		-	-	-	Extraordinary loss		-	-	-
					Net income		-13.3	-29.6	-

- Notes: 1. Cost of sales includes gas resource cost of ¥ 352.1billion (increased by ¥ 119.9 billion, or 51.6% from 2nd Quarter of FY2007).  
 2. Non-operating expenses include interest expenses of ¥ 4.4billion (increased by ¥ 0.6billion, or 15.7% from 2nd Quarter of FY2007).

Crude-oil price (\$/bbl)	2nd Quarter, FY2008	2nd Quarter, FY2007	Change	¥/\$ rate	2nd Quarter, FY2008	2nd Quarter, FY2007	Change
	119.64	67.93	51.71			106.12	119.40

**(2) Consolidated results forecast for the year ending March 2009 (April 1, 2008 - March 31, 2009)  
(Comparing with Consolidated results of FY2007)**

① Consolidated results

(Unit: billion yen)

	Sales			Operating Income	Ordinary Income	Net Income
		Gas Sales	Other Sales			
Forecast of FY2008	1,781.0	1,325.7	455.3	10.0	4.0	9.0
Results of FY2007	1,487.4	1,087.0	400.4	70.0	66.8	42.4
Change	293.6	238.7	54.9	-60.0	-62.8	-33.4
% Change	19.7	22.0	13.7	-85.7	-94.0	-78.8

② Non-consolidated results

(Unit: billion yen)

	Sales			Operating Income	Ordinary Income	Net Income
		Gas Sales	Other Sales			
Forecast of FY2008	1,530.0	1,292.0	238.0	-11.0	-13.0	-6.0
Results of FY2007	1,268.0	1,065.8	202.2	42.8	44.3	29.9
Change	262.0	226.2	35.8	-53.8	-57.3	-35.9
% Change	20.7	21.2	17.7	-	-	-

			Forecast of FY2008	Results of FY2007	Change	% Change	
Number of Customers		Thousand	10,249	10,124	125	1.2	
Gas sales volume	Residential		Mil. m <sup>3</sup>	3,450	3,427	23	0.7
	Business	Commercial	Mil. m <sup>3</sup>	1,992	2,047	-55	-2.7
		Other	Mil. m <sup>3</sup>	894	928	-34	-3.7
		Industrial	Mil. m <sup>3</sup>	5,625	5,593	32	0.6
	Bus./ Ind. Sub total		Mil. m <sup>3</sup>	8,511	8,568	-57	-0.7
	Wholesales supply		Mil. m <sup>3</sup>	2,157	2,058	99	4.8
	Total		Mil. m <sup>3</sup>	14,188	14,053	65	0.5
Crude-oil price		\$/bbl	112.32	78.71	33.61	42.7	
Exchange rate		¥/US\$	105.55	114.44	-8.89	-7.8	