

**Consolidated Financial Results Bulletin for 3rd Quarter Ended December 31, 2010****(J-GAAP)****Tokyo Gas Co., Ltd.**

Securities code: 9531

(URL <http://www.tokyo-gas.co.jp/index-e.html>)

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Consolidated Settlements Group**Stock listings:**Tokyo Stock Exchange, Osaka Securities Exchange,  
Nagoya Stock Exchange

Location of head office: Tokyo

Scheduled date of the filing of quarterly report: February 14, 2011

Scheduled date of the start of dividend payments: —

Preparation of 3Q earnings presentation material (yes/no): **Yes**Holding of 3Q earnings announcement (yes/no): **Yes** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Performance for 3rd Quarter (from April 1, 2010 to December 31, 2010)**

(Unit: million yen)

(1) Consolidated Business Performance (% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended Dec. 31, 2010	1,068,500	10.7%	68,298	57.0%	68,180	43.8%	41,270	30.4%
Nine months ended Dec. 31, 2009	965,373	(16.9%)	43,508	—	47,397	—	31,657	—

	Net income per share	Diluted net income per share
Nine months ended Dec. 31, 2010	15.40 yen	—
Nine months ended Dec. 31, 2009	11.68 yen	—

**(2) Consolidated Financial Position**

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Dec. 31, 2010	1,803,356	822,065	44.8%	301.32 yen
As of Mar. 31, 2010	1,840,972	826,291	44.2%	301.58 yen

Notes: Shareholders' equity (Minority interests are excluded)

As of Dec. 31, 2010: 807,064 million yen

As of Mar. 31, 2010: 813,886 million yen

**2. Dividend**

	Dividend per Share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full- year
FY2009 ended Mar. 31, 2010	—	4.00	—	5.00	9.00
FY2010 ending Mar. 31, 2011	—	4.50	—		
FY2010 ending Mar. 31, 2011 (Forecast)				4.50	9.00

\*Revisions to the quarter's dividend forecast: *No***3. Consolidated Results Forecast for FY2010 ending March 31, 2011 (April 1, 2010 - March 31, 2011)**

(Unit: million yen)

(% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Full-year	1,524,000	7.6%	114,000	33.8%	113,000	35.3%	71,000	32.0%	26.51 yen

\*Revisions to the consolidated results forecast: **Yes**

#### 4. Notes

(Please refer to the section “Other information” in the attached “Reference” for details.)

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

\*This refers to changes in specified subsidiaries resulting in change of scope of consolidation during the quarter.

(2) Application of simplified accounting treatment and special accounting treatment (yes/no): *Yes*

\*This refers to simplified accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation.

(3) Changes in accounting treatment principles, procedures and expressions

1) Changes accompanied by reform of accounting standards: *Yes*

2) Other changes: *Yes*

\*This refers to 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)

(4) Number of issued shares (common stock)

	(Unit: share)			
1) Number of issued shares at end of period (including treasury stock):	December 31, 2010	2,684,193,295	March 31, 2010	2,703,761,295
2) Number of shares of treasury stock at end of period:	December 31, 2010	5,773,438	March 31, 2010	5,062,893
3) Average number of shares during period	Apr. – Dec. 2010	2,679,619,457	Apr. – Dec. 2009	2,711,003,806

\* Presentation of implementation status for quarterly review procedures

The quarterly review procedure based on the Financial Instruments and Exchange Act does not apply to this Consolidated Results Bulletin, and the quarterly review procedure based on the Financial Instruments and Exchange Act had not been completed as of the release of this Consolidated Financial Results Bulletin.

\* Explanation related to appropriate use of results forecasts and other items warranting special mention

The consolidated forecast results were revised as announced by Tokyo Gas Co., Ltd. (the “Company”) on October 29, 2010. The above forecasts are based on the information available as of the date of the release of this document, and a variety of factors in the future may cause actual results to differ from these forecasts. Please refer to the section (3) Qualitative information on consolidated results forecast of “Qualitative information on 3rd Quarter Results” in the attached “Reference” for information related to the above forecasts.

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## 1. Qualitative Information on 3rd Quarter Results

### (1) Qualitative information on consolidated business performance

Gas sales volume for the nine months of FY2010 (April 1 – December 31, 2010) grew 10.2% compared with the nine months of FY2009 (April 1 – December 31, 2009; “year on year”), to 10,392 million m<sup>3</sup>, reflecting increased demand for water-heating, primarily in the residential sector, because of lower temperatures early in the fiscal year compared with the year-earlier period, growth in demand for air conditioning, primarily in the business sector, because of higher summer temperatures year on year, and increased industrial demand resulting from gradual recovery of economy. As a result, net sales in the city gas segment rose 11.6% year on year, to ¥785.9 billion.

As a result of this increase in city gas sales and other factors, consolidated net sales rose 10.7% year on year, to ¥1,068.5 billion.

Progress was made in further improving management efficiency and maximum efforts were made to control expenses. Costs from actuarial differences in retirement benefit accounting decreased as well. Nevertheless, operating expenses grew 8.5% year on year, to ¥1,000.2 billion, on an increase in gas resource costs because of the higher price of crude oil.

As a result, operating income rose 57.0% year on year, to ¥68.2 billion, ordinary income grew 43.8%, to ¥68.1 billion, and after recording income taxes and other items, net income rose 30.4%, to ¥41.2 billion.

Since city gas business accounts for the majority of consolidated net sales, the business experiences significant seasonal fluctuations from factors including average temperatures.

### <Consolidated Gas Sales Volume for Nine Months Ended December 31, 2010>

		Apr. – Dec. 2010	Apr. – Dec. 2009	Change	% change	
No. of customers	Thousand	10,700	10,593	107	1.0	
Gas sales volume	Residential	m <sup>3</sup>	26.25	25.72	0.53	2.0
		Mil. m <sup>3</sup>	2,133	2,075	58	2.8
	Business	Mil. m <sup>3</sup>	2,209	2,109	100	4.7
	Industrial	Mil. m <sup>3</sup>	4,631	3,935	696	17.7
	Subtotal	Mil. m <sup>3</sup>	6,840	6,044	796	13.2
	Supplies to other utilities	Mil. m <sup>3</sup>	1,419	1,315	104	7.9
Total	Mil. m <sup>3</sup>	10,392	9,434	958	10.2	
Average temperature	°C	20.0	19.5	0.5	—	

Notes:

1. The upper row of figures for residential demand indicates gas sales per meter read (m<sup>3</sup>/household, month).
2. “Business” indicates sales to commercial, public and medical institutions.
3. Gas sales volumes are on the basis of 45MJ/ m<sup>3</sup>.

The aforementioned notes also apply to the relevant tables.

### (Crude Oil Price and Foreign Exchange Rate)

Crude oil price (\$/bbl)	Apr. – Dec. 2010	Apr. – Dec. 2009	Change	¥/\$ rate	Apr. – Dec. 2010	Apr. – Dec. 2009	Change
	79.67	66.48	13.19		86.85	93.61	(6.76)

### (2) Qualitative information on consolidated financial position

Total assets as of December 31, 2010, amounted to ¥1,803.3 billion, for a decrease of ¥37.6 billion compared with those as of March 31, 2010. Although the balance of property, plant and equipment increased as a result of the addition of Ohgishima Power Co., Ltd. to the scope of consolidation, a decline in cash and deposits resulted in an overall decline.

Net assets totaled ¥822.0 billion. This was attributed to such factors as an increase resulting from net income [¥41.2 billion] and decreases resulting from dividends from surplus [¥25.5 billion], purchase of treasury stock [¥8.2 billion], and a decline in the balance of valuation difference on available-for-sale securities [¥5.1 billion].

The margin of decline in shareholders’ equity (measured as the total of shareholders’ equity and valuation and translation adjustments) was less than the margin of decline in total assets, and as a result the equity ratio rose 0.6 percentage points, to 44.8%.

Net assets per share decreased ¥0.26, to ¥301.32.

### (3) Qualitative information on consolidated results forecast

With regard to the economic assumptions framing our consolidated results forecast for FY2010, included with the Consolidated Financial Results Bulletin for 2nd Quarter Ended September 30, 2010, released on October 29, 2010, we have changed the full-year assumption for the crude oil price to \$82.25/bbl (assuming an average price of \$90.00/bbl from January), reflecting the current market conditions. We have left our foreign exchange rate assumption from January unchanged at ¥85/\$, and accordingly adjusted our full-year assumption to ¥86.39/\$.

As a result, we have revised our forecasts for consolidated business results, and lowered the net sales forecast by ¥1.0 billion, to ¥1,524.0 billion, and operating income by ¥2.0 billion, to ¥114.0 billion. At the same time, we have raised our profit forecasts: by ¥1.0 billion, to ¥113.0 billion, for ordinary income; and by ¥3.0 billion, to ¥71.0 billion, for net income.

We have similarly revised the non-consolidated results forecast included with the Consolidated Financial Results Bulletin for 2nd Quarter Ended September 30, 2010. We have reduced our forecast for gas sales volume to reflect factors including lower capacity utilization at existing facilities in the industrial sector, and as a result lowered the net sales forecast by ¥4.0 billion, to ¥1,315.0 billion. We have also lowered our forecast for operating income by ¥3.0 billion, to ¥82.0 billion, to reflect lower gross profit from the decline in gas sales volume. On the other hand, based on improvements in non-operating items, we have raised our forecasts for ordinary income by ¥1.0 billion, to ¥93.0 billion, and for net income by ¥4.0 billion, to ¥67.0 billion.

#### 1) Consolidated Business Results

##### a. Gas sales volume forecast for FY2010

			FY2010 (Forecast)	FY2009 (Actual)	Change	% change
Gas sales volume	Residential	Mil. m <sup>3</sup>	3,492	3,437	55	1.6
	Business	Mil. m <sup>3</sup>	3,043	2,943	100	3.4
	Industrial	Mil. m <sup>3</sup>	6,106	5,446	660	12.1
	Subtotal	Mil. m <sup>3</sup>	9,149	8,389	760	9.1
	Supplies to other utilities	Mil. m <sup>3</sup>	1,944	1,841	103	5.6
	Total	Mil. m <sup>3</sup>	14,584	13,666	918	6.7
Average temperature		°C	17.0	16.5	0.5	—

##### b. Forecast for FY2010

(Unit: hundred million yen)

	Net sales		Operating income	Ordinary income	Net income
	Gas sales	Other sales			
FY2010 (forecast)	15,240	11,277	1,140	1,130	710
FY2009 (results)	14,157	10,459	852	835	537
Change	1,083	818	288	295	173
% change	7.6%	7.8%	33.8%	35.3%	32.0%

Note: Internal sales between segments are adjusted in the “Other sales” column.

2) Non-consolidated Business Results  
a. Gas sales volume forecast for FY2010

			FY2010 (Forecast)	FY2009 (Actual)	Change	% change
Gas sales volume	Residential	Mil. m <sup>3</sup>	3,384	3,332	52	1.5
	Business	Mil. m <sup>3</sup>	2,872	2,792	80	2.8
	Industrial	Mil. m <sup>3</sup>	4,885	4,952	(67)	(1.4)
	Subtotal	Mil. m <sup>3</sup>	7,757	7,745	12	0.2
	Supplies to other utilities	Mil. m <sup>3</sup>	2,191	2,073	118	5.7
	Total	Mil. m <sup>3</sup>	13,331	13,150	181	1.4

b. Forecast for FY2010

(Unit: hundred million yen)

	Net sales		Operating income	Ordinary income	Net income	Net income per share
	Gas sales	Other sales				
FY2010 (forecast)	13,150	10,640	820	930	670	25.01
FY2009 (results)	12,106	10,108	591	589	388	14.36
Change	1,044	532	229	341	282	10.65
% change	8.6%	5.3%	38.7%	57.8%	72.3%	—

(Crude Oil Price and Foreign Exchange Rate)

Crude oil price (\$/bbl)	Forecast for FY2010	Results of FY2009	Change		Forecast for FY2010	Results of FY2009	Change
		82.25	69.40	12.85	¥/\$ rate	86.39	92.89

## **2. Other Information**

### **(1) Changes in significant subsidiaries during the period**

None applicable

### **(2) Application of simplified accounting treatment and special accounting treatment**

#### 1) Simplified accounting treatment

- a. 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 from the end of previous fiscal year, we adopt the method of computation of the general obligation default estimate using rational standards for the ratio computed in the previous fiscal year.
- b. Valuation of inventory assets  
We estimate net sale prices and adopt the book value reduction method only when profitability clearly declines.
- c. Calculation of corporate and other taxes, deferred tax assets and deferred tax liabilities  
In judging the recoverability of deferred tax assets, when it is deemed that there are no material changes in the management environment and temporary variances since the end of previous fiscal year, 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 income before income taxes for the fiscal year, which includes the third quarter under review, we estimate the effective tax rate rationally and multiply income before income taxes (cumulative) by that rate.

**(3) Overview of changes in accounting treatment principles and procedures, and methods of presentation**

1) Application of Accounting Standard and Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

The Accounting Standard for Equity Method of Accounting for Investments (Accounting Standards Board of Japan Statement No.16; March 10, 2008), and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (Practical Issues Task Force No.24; March 10, 2008) are being applied from the first quarter, with consolidated results adjusted as necessary.

This change had no impact on profit and loss.

2) Application of accounting standard for asset retirement obligations

The Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan Statement No.18; March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan Guidance No.21; March 31, 2008) are being applied from the first quarter.

The impact of this change on profit and loss was negligible. The change in the amount of asset retirement obligations resulting from the application of this accounting standard is ¥3,091 million.

3) Application of accounting standards for business combinations

The Accounting Standard for Business Combinations (Accounting Standards Board of Japan Statement No.21; December 26, 2008), the Accounting Standard for Consolidated Financial Statements (Accounting Standards Board of Japan Statement No.22; December 26, 2008), the Partial amendments to Accounting Standard for Research and Development Costs (Accounting Standards Board of Japan Statement No.23; December 26, 2008), the Revised Accounting Standard for Business Divestitures (Accounting Standards Board of Japan Statement No.7; December 26, 2008), the Revised Accounting Standard for Equity Method of Accounting for Investments (Accounting Standards Board of Japan Statement No.16; December 26, 2008), and the Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (Accounting Standards Board of Japan Guidance No.10; December 26, 2008) are being applied from the first quarter.

4) Changes in depreciation method for significant depreciable assets

Previously, the declining balance method was used for the depreciation of ships owned by consolidated subsidiary Tokyo LNG Tanker Co., Ltd., but from the first quarter the straight-line method is being applied.

Tokyo LNG Tanker's earnings structure consists primarily of long-term, stable earnings backed by transportation contracts with shippers, and this is seen becoming increasingly the case from the current fiscal year. Therefore, the change to the straight-line method of depreciation is deemed to more rationally reflect the relationship between revenue and expenses in Tokyo LNG Tanker's long-term, stable earnings structure.

As a result of this change, the cost of sales for the third quarter was ¥2,214 million less than would have been the case under the previous method, and gross profit, operating income, ordinary income, and income before income taxes were greater by the same amount.



### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: million yen)

Account	3rd Quarter of FY2010 (as of Dec. 31, 2010)	FY2009 (as of Mar. 31, 2010)
<b>ASSETS</b>		
Noncurrent assets		
Property, plant and equipment		
Production facilities	182,651	186,467
Distribution facilities	460,353	475,932
Service and maintenance facilities	60,313	59,169
Other facilities	327,141	295,494
Inactive facilities	579	742
Construction in progress	87,291	91,037
Total property, plant and equipment	1,118,331	1,108,843
Intangible assets		
Goodwill	1,327	1,460
Other	36,726	26,517
Total intangible assets	38,054	27,977
Investments and other assets		
Investment securities	142,657	139,052
Long-term loans receivable	20,429	40,996
Deferred tax assets	54,232	53,087
Other	32,276	36,350
Allowances for doubtful accounts	(720)	(1,130)
Total investments and other assets	248,875	268,357
Total noncurrent assets	1,405,260	1,405,178
Current assets		
Cash and deposits	74,063	107,391
Notes and accounts receivable-trade	158,179	156,398
Lease receivables and investment assets	26,257	25,888
Merchandise and finished goods	3,803	3,291
Work in process	22,303	16,388
Raw materials and supplies	47,627	37,412
Deferred tax assets	18,412	16,606
Other	48,066	73,034
Allowances for doubtful accounts	(618)	(619)
Total current assets	398,095	435,794
Total assets	1,803,356	1,840,972

(Unit: million yen)

Account	3rd Quarter of FY2010 (as of Dec. 31, 2010)	FY2009 (as of Mar. 31, 2010)
<b>LIABILITIES</b>		
Noncurrent liabilities		
Bonds payable	311,492	301,491
Long-term loans payable	191,123	186,681
Deferred tax liabilities	2,491	4,448
Provision for retirement benefits	104,524	130,903
Provision for gas holders repairs	3,523	3,597
Provision for safety measures	—	184
Asset retirement obligations	3,347	—
Other	27,857	27,012
Total noncurrent liabilities	644,360	654,319
Current liabilities		
Current portion of noncurrent liabilities	48,203	53,456
Notes and accounts payable-trade	69,807	134,946
Short-term loans payable	24,823	11,348
Income taxes payable	28,426	34,945
Deferred tax liabilities	2	8
Other	165,665	125,656
Total current liabilities	336,930	360,362
Total liabilities	981,291	1,014,681
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	141,844	141,844
Legal capital surplus	2,065	2,065
Retained earnings	664,243	657,387
Treasury stock	(2,310)	(1,986)
Total shareholders' equity	805,842	799,310
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	15,001	20,175
Deferred gains or losses on hedges	(227)	1,690
Foreign currency translation adjustment	(13,552)	(7,290)
Total valuation and translation adjustments	1,221	14,575
Minority interests	15,001	12,404
Total net assets	822,065	826,291
Total liabilities and net assets	1,803,356	1,840,972

**(2) Consolidated Statements of Income**

(Unit: million yen)

Account	Nine Months of FY2009 (Apr. - Dec. 2009)	Nine Months of FY2010 (Apr. - Dec. 2010)
Net Sales	965,373	1,068,500
Cost of sales	577,634	684,700
Gross profit	387,738	383,800
Selling, general and administrative expenses		
Supply and sales expenses	291,939	270,395
General and administrative expenses	52,290	45,105
Total selling, general and administrative expenses	344,229	315,501
Operating income	43,508	68,298
Non-operating income		
Interest income	811	952
Dividends income	996	1,446
Equity in earnings of affiliates	2,735	3,278
Foreign exchange gains	6,358	—
Miscellaneous income	5,618	8,444
Total non-operating income	16,521	14,121
Non-operating expenses		
Interest expenses	7,849	7,249
Miscellaneous expenses	4,782	6,989
Total non-operating expenses	12,632	14,239
Ordinary income	47,397	68,180
Income before income taxes	47,397	68,180
Income taxes-current	14,038	26,855
Income taxes-deferred	1,108	(287)
Total income taxes	15,147	26,567
Income before minority interests	—	41,612
Minority interests in income	593	342
Net income	31,657	41,270

**(3) Consolidated Statements of Cash Flows**

(Unit: million yen)

Account	Nine Months of FY2009 (Apr. - Dec. 2009)	Nine Months of FY2010 (Apr. - Dec. 2010)
Net cash provided by (used in) operating activities		
Income before income taxes	47,397	68,180
Depreciation and amortization	103,665	106,811
Amortization of long-term prepaid expenses	3,042	2,957
Loss on retirement of property, plant and equipment	1,590	1,686
Increase (decrease) in provision for retirement benefits	21,124	(26,449)
Increase (decrease) in provision for safety measures	(991)	—
Interest and dividends income	(1,807)	(2,398)
Interest expenses	7,849	7,249
Equity in (earnings) losses of affiliates	(2,735)	(3,278)
Decrease (increase) in notes and accounts receivable-trade	32,360	2,057
Decrease (increase) in inventories	6,231	(16,571)
Increase (decrease) in notes and accounts payable-trade	(21,615)	(76,918)
Increase (decrease) in accrued consumption tax	4,421	(5,484)
Decrease (increase) in prepaid expenses	(2,989)	(3,345)
Decrease (increase) in accounts receivable-other	16,558	24,630
Net decrease (increase) in lease receivables and investment assets	(624)	—
Other, net	(6,277)	(16,010)
Subtotal	207,200	63,118
Interest and dividends income received	2,882	6,686
Interest expenses paid	(9,519)	(8,514)
Income taxes paid	(39,090)	(30,654)
Net cash provided by (used in) operating activities	161,472	30,634
Net cash provided by (used in) investment activities		
Payments into time deposits	(6,353)	(4,119)
Proceeds from withdrawal of time deposits	5,010	5,090
Purchase of investment securities	(11,956)	(21,812)
Proceeds from sales and redemption of investment securities	659	1,336
Purchase of property, plant and equipment	(100,838)	(98,618)
Purchase of intangible assets	(4,716)	(7,806)
Proceeds from transfer of business	1,435	—
Purchase of long-term prepaid expenses	(1,119)	(2,330)
Payment of long-term loans receivable	(15,102)	(1,677)
Collection of long-term loans receivable	1,343	1,339
Net decrease (increase) in short-term loans receivable	938	—
Other, net	166	706
Net cash provided by (used in) investment activities	(130,532)	(127,892)

(Unit: million yen)

Account	Nine Months of FY2009 (Apr. - Dec. 2009)	Nine Months of FY2010 (Apr. - Dec. 2010)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	8,847	15,913
Increase (decrease) in commercial papers	36,000	71,000
Repayments of lease obligations	(497)	(504)
Proceeds from long-term loans payable	9,928	15,139
Payments for long-term loans payable	(18,183)	(29,833)
Proceeds from issuance of bonds	30,000	40,000
Redemption of bonds	(60,050)	(20,000)
Proceeds from stock issuance to minority shareholders	758	—
Repayments to minority shareholders	(907)	—
Proceeds from sales of treasury stock	76	16
Purchase of treasury stock	(5,117)	(8,262)
Cash dividends paid	(21,621)	(25,449)
Cash dividends paid to minority shareholders	(344)	(345)
Net cash provided by (used in) financing activities	(21,110)	57,675
Effect of exchange rate change on cash and cash equivalents	391	(2,842)
Net increase (decrease) in cash and cash equivalents	10,220	(42,425)
Cash and cash equivalents at beginning of period	64,009	112,868
Increase in cash and cash equivalents from newly consolidated subsidiary	349	68
Cash and cash equivalents at end of period	74,580	70,512

**(4) Note on going concerns' premise:**

Not applicable

**(5) Segment information**

i. Segment information by category of business

Nine months ended December 31, 2009 (from Apr. 1 - Dec. 31, 2009)

(Unit: million yen)

	Gas	Gas appliances	Installation work	Real estate rental	Other business	Total	Corporate or eliminations	Consolidated
Net sales								
(1) External sales	683,883	83,875	27,244	9,388	160,981	965,373	—	965,373
(2) Intersegment sales & transfers	20,039	5,248	2,140	15,934	59,728	103,091	(103,091)	—
Total	703,922	89,123	29,385	25,323	220,710	1,068,465	(103,091)	965,373
Operating income (loss)	73,152	3,197	(1,226)	5,931	9,447	90,501	(46,992)	43,508

ii. Geographic segment information

Nine months ended December 31, 2009 (from Apr. 1 - Dec. 31, 2009)

Omitted because the amount of sales in Japan is over 90% of sales in the all geographic segments.

iii. Overseas sales

Nine months ended December 31, 2009 (from Apr. 1 - Dec. 31, 2009)

Omitted because overseas sales are below 10% of consolidated net sales.

iv. Segment information

1) Overview of reporting segments

The Group's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Group is pursuing integrated energy business with natural gas at its core into wider geographical areas. The Group's main products and services are "city gas" and "other energy," representing energy created using natural gas as the raw material, and "gas appliances and installation work."

In addition, businesses involving the efficient utilization of the Group's real estate holdings represent another earnings base, and the Group therefore uses the four reporting segments of "city gas," "gas appliances and installation work," "other energy," and "real estate."

The main products and services of each reporting segment are as follows:

City gas:	City gas
Gas appliances and installation work:	Gas appliances and installation work
Other energy:	Energy services, liquefied petroleum gas, electric power, industrial gases, etc.
Real estate:	Leasing, management, etc. of land and buildings

2) Information related to net sales and profit and loss amounts by reporting segment  
 Nine months ended December 31, 2010 (from Apr. 1 - Dec. 31, 2010)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated income statement (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	740,507	113,142	151,487	9,081	1,014,219	54,280	1,068,500	—	1,068,500
Intersegment sales & transfers	45,395	8,695	9,262	15,745	79,098	59,491	138,589	(138,589)	—
Total	785,902	121,838	160,749	24,826	1,093,317	113,772	1,207,089	(138,589)	1,068,500
Segment income	77,758	2,038	8,035	5,040	92,873	5,636	98,510	(30,211)	68,298

Notes:

1. The “Others” segment indicates businesses not included in the reporting segments, including construction, information processing, shipping, and credit and leasing.
2. The -¥30,211 million segment income adjustment includes ¥1,334 million in eliminations for intersegment transactions and -¥31,545 million of companywide expenses not allocated to the respective reporting segments. Companywide expenses are primarily, general and administrative expenses that are not assignable to a reporting segment.
3. Segment income is adjusted to reflect operating income as recorded on the Consolidated Statements of Income.

(Additional information)

The Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Accounting Standards Board of Japan Statement No.17; March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Accounting Standards Board of Japan Guidance No.20; March 21, 2008) are being applied from the first quarter.

**(6) Significant changes in shareholders' equity**

1) Acquisition of treasury stock

- a. The Company absorbed and merged its wholly owned subsidiary T.G. Enterprise Co., Ltd. by means of a simplified merger effective April 1, 2010.

Shareholders who opposed this acquisition requested that their shares of the Company be purchased as per Article 797 (1) of the Companies Act, and the Company accordingly repurchased its own shares as follows:

- Number of dissenting shareholders 9 shareholders
  - Period during which purchase requests were received March 29-31, 2010
  - Number of shares for which purchase requests were made 16.537 million shares of common stock
  - Number of shares purchased 14.037 million shares of common stock
- \* The difference of 2.500 million shares between the number of shares for which purchase requests were received and the number of shares purchased is because a dissenting shareholder withdrew their request.
- Acquisition amount ¥5,783 million
  - Acquisition period April 16-21, 2010
  - Acquisition method Off-market transactions

- b. The Company purchased treasury stock from the market as per the provisions of Article 156 of the Companies Act that is applied in an alternative interpretation of Article 165, Section 3 of the Companies Act as follows:

The acquisition of treasury stock as per the resolution passed by the Board of Directors on April 28, 2010, was completed with the purchases made on May 13, 2010.

- Purchase period May 7-13, 2010 (contract basis)
- Number of shares purchased 5.531 million shares
- Total amount of purchase ¥2,199 million
- Purchase method Market purchases at the Tokyo Stock Exchange by specified fund trusts

2) Retirement of treasury stock

The Company retired treasury stock as follows, based on a resolution of the Board of directors passed on May 21, 2010, as per Article 178 of the Companies Act:

- Type of shares canceled Tokyo Gas Common Stock
- Number of shares canceled 19.568 million shares
- Effective date of cancellation June 7, 2010



#### 4. (Reference) Non-Consolidated 3rd Quarter Business Performance

##### <Gas Sales Volume for Nine Months Ended December 31, 2010>

		Apr. – Dec. 2010	Apr. – Dec. 2009	Change	% change	
No. of customers	Thousand	10,403	10,297	106	1.0	
Gas sales volume	Residential	m <sup>3</sup>	26.13	25.59	0.54	2.1
		Mil. m <sup>3</sup>	2,065	2,011	54	2.7
	Business	Mil. m <sup>3</sup>	2,091	2,008	83	4.2
	Industrial	Mil. m <sup>3</sup>	3,740	3,584	156	4.4
	Subtotal	Mil. m <sup>3</sup>	5,831	5,592	239	4.3
	Supplies to other utilities	Mil. m <sup>3</sup>	1,592	1,476	116	7.8
	Total	Mil. m <sup>3</sup>	9,488	9,078	410	4.5
Average temperature	°C	20.0	19.5	0.5	—	

##### <Balance of Payments for Nine Months Ended December 31, 2010>

(Unit: hundred million yen)

Income			Change from 3rd Quarter of FY2009	Rate (%)	Expenses			Change from 3rd Quarter of FY2009	Rate (%)
Product sales	Gas sales	7,399	589	8.6	Operating expenses	Cost of sales	4,219	756	21.8
						Sales and administrative expenses	2,840	(297)	(9.5)
						Subtotal	7,060	460	7.0
Other sales	Installation work	243	(4)	(1.5)	Other expenses	Installation work	254	(6)	(2.2)
	Gas appliances, etc.	750	48	6.9		Gas appliances	681	30	4.6
	Incidental businesses	804	347	75.7		Incidental businesses	773	336	76.5
	Subtotal	1,798	391	27.8		Subtotal	1,709	359	26.6
Total net sales		9,197	979	11.9	Total expenses		8,770	819	10.3
					Operating income		427	161	60.4
Non-operating income		189	76	67.6	Non-operating expenses		100	5	5.3
					Ordinary income		516	232	81.8
Extraordinary income		36	36	—	Extraordinary loss		—	—	—
					Net income		383	194	101.8

Notes:

- 1 Cost of sales includes gas resource cost of ¥402.8 billion (increased by ¥ 77.5 billion, or 23.8%, year on year).
- 2 Non-operating expenses include interest expenses of ¥6.1 billion (decreased by ¥ 0.2 billion, or 2.6%, year on year).