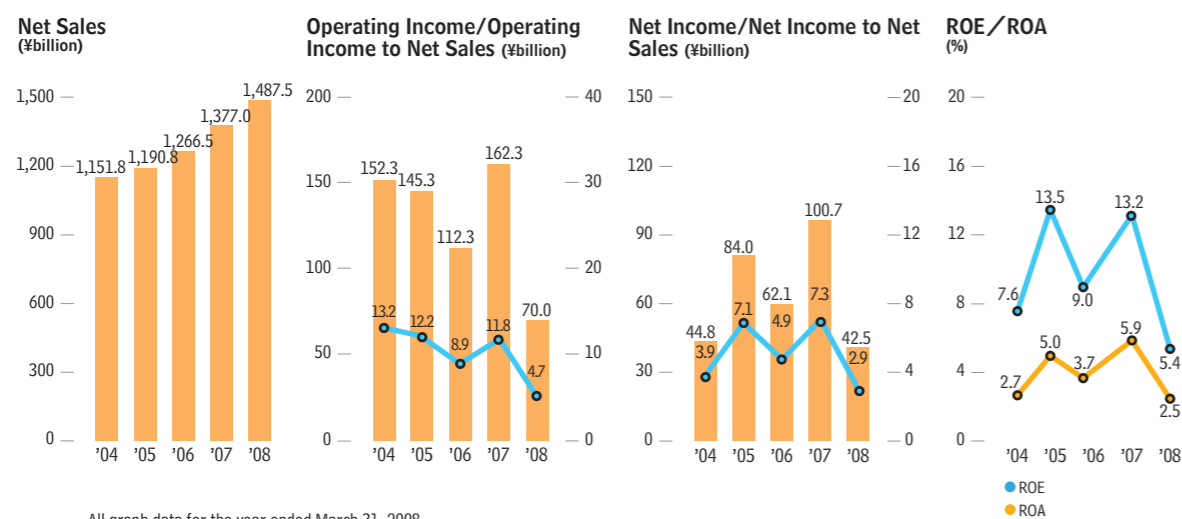


# Financial Highlights

For the Years ended March 31	Millions of yen except per share amounts			Thousands of U.S. dollars except per share amounts
	2008	2007	2006	2008
Net sales	1,487,497	1,376,958	1,266,502	14,874,970
Operating income	70,049	162,315	112,346	700,485
Net income	42,487	100,700	62,115	424,875
Amounts per share of common stock				
Net income	15.94	37.50	23.48	0.16
Net income (Diluted)	15.50	35.69	21.70	0.16
Net assets	289.49	293.11	270.46	2.89
Cash dividends applicable to the year	8.00	8.00	7.00	0.08
At Year-end (March 31)				
Total assets	1,703,651	1,692,635	1,693,899	17,036,512
Long-term debt due after one year	487,138	465,896	496,740	4,871,380
Net assets	780,455	806,046	728,232	7,804,553
Ratios				
Operating cash flow	184,909	233,842	198,492	1,849,088
Operating income to net sales	4.7%	11.8%	8.9%	4.7%
Net income to net sales	2.9%	7.3%	4.9%	2.9%
ROE	5.4%	13.2%	9.0%	5.4%
ROA	2.5%	5.9%	3.7%	2.5%
Equity Ratio	45.1%	47.0%	43.0%	45.1%
D/E ratio	0.73	0.66	0.77	0.73

- Notes: 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥100=U.S.\$1, the Tokyo foreign exchange market rate as of March 31, 2008.  
 2. Operating cash flow = net income + depreciation\* \*including amortization of long-term prepayments  
 3. ROE = net income/total equity (average of positions at start and end of fiscal year)  
 4. ROA = net income/total assets (average of positions at start and end of fiscal year)  
 5. D/E ratio = interest-bearing debt (year-end)/total equity (year-end)

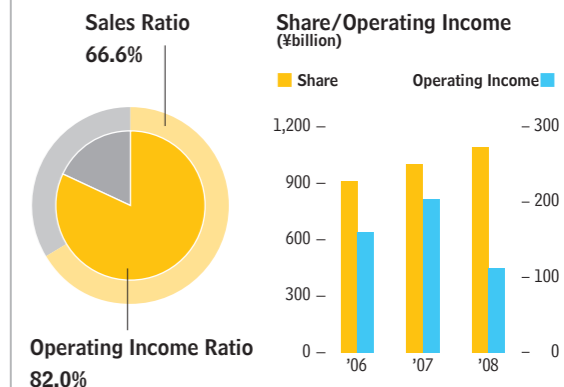


# Overview by Segment

## Gas Sales

Tokyo Gas uses its three LNG terminals along the shores of Tokyo Bay to gasify LNG, its main gas resource. It sells city gas to more than 10 million customers, primarily in the Kanto region, through a pipeline network of more than 50,000 km. In future, we will continue to ensure the reliability of supply and aim to capture new demand by extending our pipeline effectively with a strong focus on achieving a good return from our investment. (External sales ratio: 97.2%)

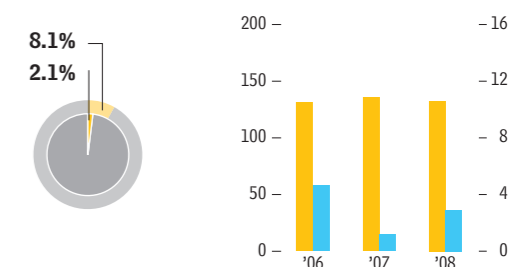
- The gas sales volume increased by 6.8% over the previous fiscal year to 14,215 million m<sup>3</sup>.
- Gas sales volume increased in all sectors, with 2.3% growth in the residential sector, 7.4% in the industrial sector, 5.2% in the commercial, public and medical sectors, and 17.6% in wholesaling to other gas companies.
- Due to higher unit prices under the gas rate adjustment system and the increase in the sales volume, sales increased by 8.8% over the previous fiscal year to ¥1,087.0 billion.
- Operating income declined by 45.1% to ¥111.7 billion due to a large rise in gas resource costs resulting from the rise in crude oil prices.



## Gas Appliance Sales

We sell gas cooktops, water heaters, the TES system (a gas air conditioning system using hot water) and other products that we procure from gas appliance manufacturers. The sales are mainly handled by the service network of Tokyo Gas, LIFEVAL, Enesta and Enefit. (External sales ratio: 97.6%)

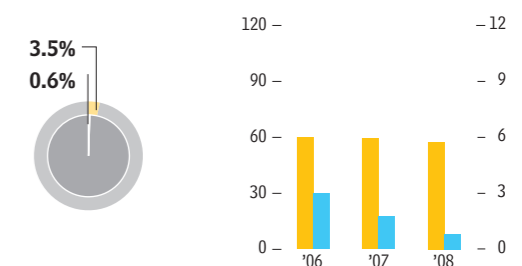
- Although sales of high value-added products were firm, overall sales declined by 2.3% to ¥132.3 billion due to the impact of lower sales of kitchen water heaters, caused by our switch to more efficient water heaters.
- Operating income increased by 148.8% to ¥2.9 billion due to the decline in operating expenses and other factors.



## Related Construction

This segment carries out new construction (e.g., the installation of gas pipes/valves on the sites of customers who use gas within our service area) and expansion work in existing buildings, for example, to increase the number of gas valves. (External sales ratio: 93.4%)

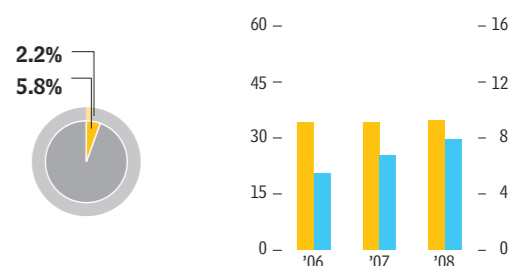
- There was a reduction in the number of new installations. Sales fell by 3.2% over the previous fiscal year to ¥57.3 billion and operating income declined by ¥900 million to ¥800 million.



## Real Estate Rental

This segment is mainly involved in leasing, management and the like for the Shinjuku Park Tower and other office buildings conducted by our consolidated subsidiary, Tokyo Gas Urban Development Co., Ltd. In addition, it owns land mainly in Toyosu, Tamachi, Ginza and Gofukubashi. (External sales ratio: 35.1%)

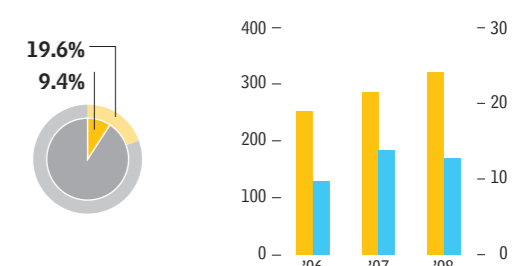
- Sales increased by 3.3% over the previous fiscal year to ¥35.2 billion due to the growth in revenues from facility management. Operating expenses were at about the same level as in the previous period, so operating income grew by 18.3% to ¥8.0 billion.



## Other Business

This segment includes district heating and cooling, energy services, LPG sales, industry gas sales, credit and leases, system integration services and comprehensive engineering services. (External sales ratio: 73.7%)

- Sales in this segment increased by 12.2% over the previous fiscal year to ¥320.4 billion. Reasons for the higher results include the sustained expansion of the on-site energy service business and the higher sales in the LPG division, caused by a combination of rising LPG prices and a higher LPG sales volume.
- Operating income declined by 7.8% to ¥12.8 billion due to a number of factors, including the increased initial depreciation burden characteristic of the on-site energy service business and rising LPG prices.



Segment sales include intra-group transactions.  
 All graph data for the year ended March 31, 2008