

Consolidated Results for the FY20041Q-3Q (April 1 - Dec. 31, 2004)

Tokyo Gas Co., Ltd.

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

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1. Items Used to Compile Financial Information for the Quarter

1) Adoption of simplified methods in accounting practices (yes/no): *Yes*

(Details)

•Basis for the calculation of corporation tax, etc.:	Calculated by multiplying quarterly income before tax, etc., by the estimated effective consolidated tax rate at the end of the fiscal year.
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2) Any differences between the accounting practices used here and those used in preparing consolidated accounts for the previous business year (yes/no): *No*

3) Changes in the scope of consolidation and interests accounted for by the equity method (yes/no): *Yes*

(Changes)

Newly included in scope of consolidation:	35 companies
Excluded:	0 companies
Newly accounted for by equity method:	0 companies
Excluded:	0 companies

This was cited as one of the pillars in the building of the group management structure in our medium term management plan "Frontier 2007," formulated in October 2002. Based on this, we implemented the strategic business unit system on April 1, 2004. We used this as the opportunity to expand the scope of consolidation within the group, increasing the number of consolidated subsidiaries from 18 in FY2003 ended March 2004 to 53 in FY2004 ending March 2005.

The 35 new consolidated subsidiaries are as below.

Tokyo Gas Toyosu Development Co., Ltd., Tokyo Gas Yokosuka Power Co., Ltd., Dining Art Systems Co., Ltd., Living Design Center Co., Ltd., Tokyo Gas Baypower Co., Ltd., TG Showa Co., Ltd., Toyoko Engineering Co., Ltd., East Japan Housing Evaluation Center Co., Ltd., Tokyo Carbonic Co., Ltd., Japan Super Freeze Co., Ltd., TG Telemarketing Co., Ltd., Green Tech Tokyo Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Tokyo Gas Sports Co., Ltd., TG Auto Service Co., Ltd., Tokyo Gas Remodeling Co., Ltd., Washimiya Gas Co., Ltd., Urban Communications, Inc., Tochigi Gas Co., Ltd., Tokyo Gas Techno-Service Co., Ltd., Tokyo Gas Building Service Co., Ltd., Toeki Service Center Co., Ltd., Showa Bussan KK, TOSETZ, Chiba Gas Urban Service Co., Ltd., TOYOKO LIVING Co., Ltd., Kanpai Customer Service C., Ltd., Toyoko Customer Service Co., Ltd., Showa Unyu Co., Ltd., Tokyo Plant Service Co., Ltd., Tokyo Rare Gases Company Limited, Tokyo Auto Gas Co., Ltd., Tokyo Kiko Co., Ltd.

Kanpai Tech Co., Ltd.

2. Consolidated Results for the Nine Months (April 1, 2004 - December 31, 2004)

(1) Consolidated Business Results

(Rounded down to the nearest million yen)

	Sales		Operating Income		Ordinary Income		Net Income	
	(Unit: ¥ million)	(%)	(Unit: ¥ million)	(%)	(Unit: ¥ million)	(%)	(Unit: ¥ million)	(%)
April 1- December 31 2004	796,298	2.2	71,579	1.5	66,960	12.5	43,454	20.1
April 1- December 31 2003	779,063	-	70,530	-	59,506	-	36,176	-
Reference: FY2003 (full year)	1,151,824		152,287		131,093		44,787	

	Net Earnings per Share	Net Earnings per Share Adjusted for Latent Shares
	(Unit: ¥)	(Unit: ¥)
April 1- December 31 2004	16.25	14.66
April 1- December 31 2003	13.26	12.06
Reference: FY2003 (full year)	16.44	14.98

Note: Figures in the percent columns indicate percentage changes in (quarterly) Sales, Operating Income, Ordinary Income, and Net Income compared with the same period of the previous year.

Qualitative Data Concerning our Consolidated Business Performance

Although gas sales volume for the nine months (April - December) achieved steady growth, up 6.4% compared to the same period of last year to 8,267 million m³, gas sales fell by 1.1% to ¥557.2 billion. This was due to such factors as a decrease in residential demand and an adjustment in unit prices based on the raw material cost adjustment system. In contrast, consolidated sales overall rose by 2.2% to ¥796.2 billion with the expansion in the scope of consolidation from the current year increasing the number of consolidated subsidiaries from 18 last year to 53 this year.

Meanwhile, in terms of costs, operating expenses increased by 2.3% to ¥724.7 billion, because of expansion in the scope of consolidation and the increase in gas raw material costs, despite the utmost efforts to control costs in order to promote even greater business efficiency. As a result, operating income rose 1.5% over the same period of last year to ¥71.5 billion while ordinary income was up 12.5% to ¥66.9 billion and net income for the nine months increased by 20.1% to ¥ 43.4 billion.

Since gas, which is characterized by clear seasonal fluctuations, accounts for a high proportion of group sales, we expect a large proportion of sales during winter.

For this reason, the forecast of financial results exceeds 4/3 of the results of nine months (April - December 2004).

Moreover, comparing nine months results (April - December 2004) based on the expanded scope of consolidation with results based on the previous scope of consolidation, sales, operating income and ordinary income increased by ¥27.1 billion, ¥ 900million, and ¥500 million respectively while net income for the nine months declined by ¥400 million.

(2) Changes in Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: %)	(Unit: ¥)
April 1- December 31 2004	1,671,851	608,953	36.4	229.72
April 1- December 31 2003	1,651,984	585,116	35.4	216.61
Reference: FY2003 (full year)	1,666,828	598,453	35.9	221.53

Qualitative Data Concerning Changes in our Consolidated Financial Position

Despite the decline in Investment, etc., total assets increased to ¥1,671.8 billion, up ¥5.0 billion compared with the year ended March 2004, due to increase in current assets.

Net income for the quarter increased shareholders' equity by ¥10.5 billion to ¥ 608.9 billion despite purchase of treasury stocks.

As a result of the higher rate of increase in shareholders' equity in comparison with the rate of increase in total assets, our shareholders' equity ratio rose 0.5 points to 36.4%.

In addition, shareholders' equity per share rose ¥8.19 to ¥229.72.

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Balance of cash and cash equivalents as of end of term
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
3rd Quarter of FY2004	66,381	-72,675	-10,611	34,255
3rd Quarter of FY2003	75,830	-96,671	-5,346	25,946
Reference: FY 2003 (full year)	217,608	-126,038	-99,744	43,960

Reference 1: Summary of Non-consolidated 3rd Quarter Results (April 1, 2004 – Dec. 31, 2004)

	Sales	Operating Income	Ordinary Income	Net Income
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
3rd Quarter of FY2004	681,205	54,595	55,727	38,007
3rd Quarter of FY2003	689,436	52,810	48,822	31,837

	Total Assets	Shareholders' Equity
	(Unit: ¥ million)	(Unit: ¥ million)
3rd Quarter of FY2004	1,369,138	534,155
3rd Quarter of FY2003	1,379,166	527,609

3. Consolidated results forecast for the year ending March 2005 (April 1, 2004 - March 31, 2005)

	Sales	Ordinary Income	Net Income
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
Full year	1,209,000	125,000	83,000

- Notes: 1) Forecast Net Income per Share (full year): ¥31.29
2) Forecast Operating Income (full year): ¥137,000 million

Qualitative Data Concerning Results Forecasts

Based on current trends such as rate reduction (average: 5.18%) starting from Jan. 1, 2005, we expect decrease in sales by ¥12.0 billion to ¥1,209.0 billion, one in operating income by ¥7 billion to ¥137 billion, one in ordinary income by ¥9 billion to ¥125 billion, and one in net income by ¥5 billion to ¥83 billion compared with our previous forecast on October 28, 2004.

Reference 2: Non-consolidated Forecast for the Year Ending March 2005 (April 1, 2004 - March 31, 2005)

	Sales	Ordinary Income	Net Income
	(Unit: ¥ million)	(Unit: ¥ million)	(Unit: ¥ million)
Full year	1,006,000	110,000	74,000

- Notes: 1) Forecast Net Income per Share (full year): ¥29.22
2) Forecast Ordinary Income (full year): ¥123,000 million

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

<Appendix>

1. Corporate Group Status

The group is composed of Tokyo Gas Co., Ltd., and 117 affiliated companies (68 subsidiaries and 49 affiliates). Fifty-three of these companies are consolidated subsidiaries and one is an equity method affiliate. Business segments are composed of Gas, Gas appliances, Contracted construction work, Real estate leases (see Note), and Other business.

The main business lines operated by Tokyo Gas and the companies included in consolidated accounts and a demarcation into companies that were consolidated previously and companies that have been consolidated since the current first quarter are as below by business category.

Note: As a result of a review of business lines, we changed the name of the former Building leases segment to the Real estate leases segment from the current quarter to more accurately express actual business circumstances. This change does not affect results.

Segment by business category	Previously consolidated companies	Companies newly consolidated since the current 3rd quarter
Gas	Tokyo Gas Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd.	Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Washimiya Gas Co., Ltd., Tochigi Gas Co., Ltd.
Gas appliances	Tokyo Gas Co., Ltd., Gastar Co., Ltd., Kanpai Co., Ltd., Tokyo Gas Energy Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., Kanpai Living Service Co., Ltd.	Toyoko Engineering Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Washimiya Gas Co., Ltd., Tochigi Gas Co., Ltd., Toyoko Living Co., Ltd., Tokyo Kiko Co., Ltd.
Contracted construction work	Tokyo Gas Co., Ltd., Kanpai Co., Ltd., Chiba Gas Co., Ltd., Tsukuba Gakuen Gas Co., Ltd.	Toyoko Engineering Co., Ltd., Miho Gas Co., Ltd., Shoei Gas Co., Ltd., Washimiya Gas Co., Ltd., Tochigi Gas Co., Ltd.
Real estate leases	Tokyo Gas Urban Development Co., Ltd., Gastar Co., Ltd., Kanpai Co., Ltd., TG Enterprise Co., Ltd.	Tokyo Gas Toyosu Development Co., Ltd.
Other businesses	Tokyo Gas Co., Ltd., Energy Advance Co., Ltd., Kanpai Co., Ltd., Tokyo LNG Tanker Co., Ltd., Tokyo Gas Energy Co., Ltd., Tokyo Gas Chemicals Co., Ltd., Park Tower Hotel Co., Ltd., Chiba Gas Co., Ltd., TG Credit Service Co., Ltd., Tokyo Oxygen and Nitrogen Co., Ltd., TG Information Network Co., Ltd., Tsukuba Gakuen Gas Co., Ltd., TG Enterprise Co., Ltd., Tokyo Gas Engineering Co., Ltd., Tokyo Gas Customer Service Co., Ltd., TG IT Service Co., Ltd.	Tokyo Gas Yokosuka Power Co., Ltd., Dining Art Systems Co., Ltd., Living Design Center Co., Ltd., Tokyo Gas Baypower Co., Ltd., TG Showa Co., Ltd., Toyoko Engineering Co., Ltd., East Japan Housing Evaluation Center Co., Ltd., Tokyo Carbonic Co., Ltd., Japan Super Freeze Co., Ltd., TG Telemarketing Co., Ltd., Green Tech Tokyo Co., Ltd., Miho Gas Co., Ltd., Tokyo Gas Sports., Co., Ltd., TG Auto Service Co., Ltd., Tokyo gas Remodeling Co., Ltd., Urban Communications, Inc., Tochigi Gas Co., Ltd., Tokyo Gas Techno-Service Co., Ltd., Tokyo Gas Building Service Co., Ltd., Toeki Service Center Co., Ltd., Showa Bussan Co., Ltd., Tosetz Co., Ltd., Chiba Gas Urban Service Co., Ltd., Kanpai Customer Service Co., Ltd., Toyoko Customer Service Co., Ltd., Showa Unyu Co., Ltd., Tokyo Plant Service Co., Ltd., Tokyo Rare Gases Co.,Ltd., Tokyo Auto Gas Co., Ltd. Kanpai Tech Co., Ltd.

2. Consolidated Balance Sheet as of 3rd. Quarter

(Unit: ¥ million)

Account	3rd. Quarter of FY2004 (ended Dec. 31, 2004)	FY2003 (ended Mar. 31, 2004)	Change	3rd. Quarter of FY2003 (ended Dec. 31, 2003)
ASSETS				
Fixed assets	1,378,593	1,407,725	-29,132	1,393,746
Tangible fixed assets	1,166,581	1,170,428	-3,847	1,180,861
Production facilities	232,845	245,284	-12,439	251,084
Distribution facilities	515,641	533,407	-17,766	522,072
Business facilities	60,899	61,488	-589	67,960
Other facilities	300,996	291,752	9,244	292,484
Construction in progress	56,198	38,496	17,702	47,259
Intangible fixed assets	22,881	18,856	4,025	17,591
Consolidation adjustment account	3,001	-	3,001	-
Other intangible fixed assets	19,879	18,856	1,023	17,591
Investments, etc.	189,129	218,440	-29,311	195,293
Investment securities	92,522	108,485	-15,963	98,883
Long-term loans receivable	2,544	13,230	-10,686	13,330
Deferred tax assets	50,773	51,251	-478	36,936
Miscellaneous investments	45,164	47,131	-1,967	48,264
Allowances for doubtful accounts	-1,875	-1,658	-217	-2,120
Current assets	293,258	259,102	34,156	258,237
Cash and deposits	38,744	48,605	-9,861	29,940
Notes and accounts receivable	125,282	125,244	38	117,813
Inventories	37,608	22,826	14,782	29,486
Deferred tax assets	10,410	11,587	-1,177	9,794
Other current assets	82,052	52,053	29,999	72,518
Allowances for doubtful accounts	-840	-1,215	375	-1,314
Total Assets	1,671,851	1,666,828	5,023	1,651,984

(Unit: ¥ million)

Account	3rd Quarter of FY2004 (ended Dec. 30, 2004)	FY2003 (ended Mar. 31, 2004)	Change	3rd Quarter of FY2003 (ended Dec. 30, 2003)
LIABILITIES				
Fixed liabilities	726,131	734,345	-8,214	798,942
Straight bonds	295,500	283,833	11,667	303,533
Convertible bonds	99,922	99,928	-6	182,809
Long-term bank loans payable	157,041	162,083	-5,042	168,648
Deferred tax liabilities	2,583	2,395	188	2,008
Retirement benefit reserve	144,199	157,808	-13,609	111,548
Allowances for repairs of gas holders	3,368	3,444	-76	3,399
Other fixed liabilities	23,516	24,853	-1,337	26,995
Current liabilities	328,296	329,770	-1,474	263,761
Fixed liabilities due within one year	138,706	107,020	31,686	23,108
Notes and accounts payable	46,999	35,747	11,252	36,485
Short-term bank loans payable	24,421	30,029	-5,608	28,938
Corporation tax payable, etc.	14,174	39,000	-24,826	12,012
Deferred tax liabilities	123	-	123	-
Other current liabilities	103,870	117,973	-14,103	163,217
Total Liabilities	1,054,427	1,064,116	-9,689	1,062,703
Minority Interest	8,470	4,258	4,212	4,164
SHAREHOLDER'S EQUITY				
Common stock	141,844	141,844	-	141,844
Capital surplus	2,069	2,065	4	2,065
Retained earnings	492,217	457,924	34,293	449,312
Unrealized gains on other securities	32,132	35,654	-3,522	30,744
Translation adjustment account	-209	-227	18	-85
Treasury stock	-59,102	-38,808	-20,294	-38,764
Total shareholders' Equity	608,953	598,453	10,500	585,116
Total Liabilities, Minority Interest, and Shareholders' Equity	1,671,851	1,666,828	5,023	1,651,984

3. Consolidated Statement of Income as of 3rd. Quarter

(Unit: ¥ million)

Account	3rd. Quarter of FY2004 (Apr. - Dec. 2004)	3rd. Quarter of FY2003 (Apr. - Dec. 2003)	Change	FY2003 (Apr. 2003-Mar. 2004)
Sales	796,298	779,063	17,235	1,151,824
Cost of sales	419,757	398,340	21,417	578,529
Gross Income	376,540	380,722	-4,182	573,294
Supply and sales expenses	252,449	256,528	-4,079	345,572
General and administrative expenses	52,511	53,663	-1,152	75,434
Operating Income	71,579	70,530	1,049	152,287
Non-operating Income	9,953	5,858	4,095	9,131
Interest income	127	238	-111	346
Dividend income	844	1,019	-175	1,051
Return on investment accounted for by equity method	244	140	104	236
Income from rents	-	776	-	1,006
Balance on environmental conditioning costs	-	-	-	1,650
Adjustment gains on weather derivatives	3,313	-	3,313	-
Contribution for gas pipeline construction for wholesale supply	998	-	998	-
Miscellaneous revenues	4,426	3,683	743	4,840
Non-operating expenses	14,572	16,882	-2,310	30,324
Interest paid	9,893	11,195	-1,302	14,822
Balance on commissioned construction	2,714	2,699	15	4,144
Loss from debenture redemption	-	-	-	6,574
Miscellaneous expenditures	1,964	2,987	-1,023	4,782
Ordinary Income	66,960	59,506	7,454	131,093
Extraordinary profits	3,930	1,032	-269	8,413
Gain on sales of fixed assets	213	436	-223	2,159
Gain on sales of investment securities	3,716	595	3,121	589
Gain on breakdown of rerelement benefit reserve accompanying changes to corporate pension system	-	-	-	5,664
Extraordinary losses	314	1,116	-802	66,375
Loss from sale of fixed assets	97	1,116	-1,019	2,490
Losses on compression of fixed assets	-	-	-	1,607
Losses on impairment of fixed assets	216	-	216	3,321
One-off write-off of retirement benefit actuarial differences	-	-	-	58,956
Net Income before adjustment for tax, etc.	75,577	59,422	11,155	73,131
Corporate tax, residence tax and business tax	20,518	19,985	533	44,266
Adjustment for corporate taxes, etc.	6,095	2,900	3,195	-16,366
Minority shareholder profit (loss)	508	359	149	444
Net Income	43,454	36,176	7,278	44,787

4. 3rd. Quarter Statement of Consolidated Retained Earnings

(Unit: ¥ million)

Account	FY2004 1Q-3Q (Apr. - Dec. 2004)		FY2003 (Apr. 2003 - Mar. 2004)		FY2003 1Q-3Q (Apr. - Dec. 2003)	
Capital Surplus						
Initial balance of capital surplus		2,065		2,065		2,065
Increase in capital surplus						
Gains on disposal of treasury stock	4	4	-	-	-	-
End of the term balance of capital surplus		2,069		2,065		2,065
Retained Earnings						
Initial balance of retained earnings		457,924		429,652		429,652
Increase in retained earnings						
Net Income	43,454		44,787		36,176	
Increase in surplus due to increase in consolidated subsidiaries	10,988	54,442	-	44,787	-	36,176
Decrease in retained earnings						
Dividends	20,804		16,438		16,438	
Directors' bonuses	65		76		76	
Net loss on disposal of treasury stock	-	20,149	-	16,515	1	16,516
End of the term balance of retained earnings		492,217		457,924		449,312

5. 3rd Quarter Consolidated Statement of Cash Flows

(Unit: ¥ million)

Account	FY2004 1Q-3Q (Apr. - Dec. 2004)	FY2003 1Q-3Q (Apr. -Dec. 2003)	FY2003 (Apr. 03-Mar. 04)
I. Cash flow from operating activities			
Net Income before adjustment for tax, etc.	70,577	59,422	73,131
Depreciation	100,982	108,731	143,128
Impairment losses	-	-	3,321
Amortization of long-term prepaid expenses	2,899	2,756	3,766
Loss on retirement of tangible fixed assets	1,839	2,258	3,790
Gain/loss on sale of fixed assets	-	681	672
Loss on compression of fixed assets	-	-	1,607
Profit/loss on sale of investment securities	-3,716	-595	-588
Profit/loss on valuation of investment securities	-	-	526
Loss from debenture redemption	-	-	6,574
Change in provision for possible loan loss	-1,251	-	-
Change in provision for retirement benefits	-14,736	-9,347	36,912
Interest and dividends earned	-971	-1,257	-1,398
Interest paid	9,893	11,195	14,822
Change in accounts receivable	18,923	22,981	5,156
Change in inventories	-12,950	-8,360	-1,701
Change in accounts payable	-20,669	-17,486	-
Change in consumption tax payable	-1,833	-5,138	-1,551
Change in prepaid expenses	-3,815	-3,604	-
Other	-25,637	-29,378	-10,375
Sub-total	119,533	132,856	277,797
Proceeds from interest and dividends	942	1,200	1,380
Payment of interest	-10,682	-11,981	-15,053
Payment of corporate tax, etc.	-43,412	-46,245	-46,516
Cash flow from operating activities	66,381	75,830	217,608
II. Cash flow from investing activities			
Purchases of investment securities	-4,502	-13,400	-15,371
Proceeds from sale of investment securities, etc.	4,257	7,657	7,683
Purchases of tangible fixed assets	-69,181	-80,457	-101,011
Purchases of intangible fixed assets	-8,699	-5,583	-12,211
Spending on long-term prepaid expenses	-993	-1,578	-2,103
Proceeds from sale of fixed assets	1,115	961	1,234
Expenditures based on lending for long-term loans	-	-3,846	-3,886
Proceeds from recovery of long-term loans receivables	4,408	755	894
Net change in short-term loans	-	-967	-520
Others	889	-212	-747
Cash flow from investing activities	-72,675	-96,671	-126,038
III. Cash flow from financing activities			
Net change in short-term debt	-3,392	-12,961	-11,870
Net change in commercial paper	3,000	63,000	-
Proceeds from long-term debt	19,256	31,277	37,789
Payments for long-term debt	-16,502	-40,167	-52,228
Proceeds from bond issues	30,000	50,000	50,000
Payments for redemption of bonds	-3,000	-52,875	-78,813
Dividend payments	-19,792	-15,469	-16,425
Payment of dividends to minority shareholders	-75	-56	-56
Payment to minority shareholders on account of Capital reduction	190	-	-
Proceeds from sale of treasury stock	-	-184	-184
Purchase of treasury stock	56	75	82
Purchase of treasury stock	-20,351	-27,983	-28,037
Cash flow from financing activities	10,661	-5,346	-99,744
IV. Difference due to conversion of cash and cash equivalents	-	3	5
V. Change in cash and cash equivalents	-16,909	-26,183	-8,169
VI. Cash and cash equivalents at beginning of term	43,960	52,129	52,129
VII. Increase in cash and cash equivalents due to new consolidation	7,204	-	-
VII. Cash and cash equivalents at end of term	34,255	25,946	43,960

6. Segment Information

(1) Segment information by category of business

(Unit: ¥ million)

		Gas	Gas appliances	Contracted construction work	Real estate leases (See Note)	Other business	Total	Corporate and eliminations	Consolidated
3rd Quarter of FY2004	I. Sales								
	(1) External sales	551,414	91,005	38,057	9,728	106,093	796,298	-	796,298
	(2) Intersegment sales and transfers	5,811	1,897	2,870	15,467	53,659	79,706	(79,706)	-
	Total	557,225	92,903	40,928	25,195	159,752	876,005	(79,706)	796,298
	Operating expenses	460,422	86,200	40,627	19,985	150,622	757,858	(33,139)	724,719
	Operating income (loss)	96,802	6,702	(301)	5,209	9,129	118,146	(46,567)	71,579
3rd Quarter of FY2003	I. Sales								
	(1) External sales	560,161	93,931	41,344	10,698	72,928	779,063	-	779,063
	(2) Intersegment sales and transfers	3,250	774	2,636	16,001	37,086	59,749	(59,749)	-
	Total	563,412	94,706	43,981	26,699	110,014	838,813	(59,749)	779,063
	Operating expenses	467,461	87,661	42,337	20,074	103,150	720,686	(12,153)	708,532
	Operating income (loss)	95,950	7,044	(1,643)	6,624	6,863	118,127	(47,596)	70,530
FY2003 (full year)	I. Sales								
	(1) External sales	826,566	132,254	64,944	14,150	113,909	1,151,824	-	1,151,824
	(2) Intersegment sales and transfers	4,547	1,619	3,089	21,292	58,251	88,800	(88,800)	-
	Total	831,114	133,873	68,033	35,443	172,160	1,240,625	(88,800)	1,151,824
	Operating expenses	641,748	125,969	63,578	27,561	160,889	1,019,746	(20,209)	999,537
	Operating income (loss)	189,365	7,904	4,455	7,882	11,270	220,878	(68,591)	152,287

Note: As a result of a review of business lines, we changed the name of the former Building leases segment to the Real estate leases segment from the current quarter to more accurately express actual business circumstances. The change does not affect results.

(2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries.

(3) Overseas sales

Not included due to insignificance of overseas sales as a proportion of consolidated sales.

7. Non-consolidated FY2004 1Q-3Q Results

Gas Sales Volume for FY2004 1Q-3Q

			FY2004 1Q-3Q (Apr. - Dec. 2004)	FY2003 1Q-3Q (Apr. -Dec. 2003)	Change	% Change	
No. of Customers		Thousand	9,557	9,366	191	2.0	
Gas sales volume	Residential		m ³ (Note 1)	25.92	27.89	-1.97	-7.1
			Mil. m ³	1,889	2,001	-112	-5.6
	Business	Commercial	Mil. m ³	1,413	1,313	100	7.6
		Other (Note 2)	Mil. m ³	611	554	57	10.5
	Industrial		Mil. m ³	3,392	3,051	341	11.1
	Bus./Ind. Sub total		Mil. m ³	5,416	4,918	498	10.1
	Wholesales supply		Mil. m ³	951	845	106	12.6
	Total		Mil. m ³	8,256	7,764	492	6.3
Average temperature		°C	20.4	19.1	1.3	-	

- 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 Expenses for FY2004 1Q-3Q

(Unit: ¥ billion)

Income			Change from FY 2003 1Q-3Q	Change (%)	Expenses		Change from FY 2003 1Q-3Q	Change (%)	
Product sales	Gas sales	551.0	-7.4	-1.3	Operating expenses	Cost of sales	225.0	3.7	1.7
						Sales and administrative expenses	278.9	-13.8	-4.7
						Sub total	504.0	-10.0	-2.0
Other sales	Related Construction	36.6	-3.4	-8.6	Other expenses	Related construction	35.9	-3.0	-7.9
	Gas appliance sales.	80.4	0.6	0.8		Gas appliance sales	73.9	0.7	0.9
	Associated businesses	13.0	1.9	17.7		Associated businesses	12.7	2.4	23.7
	Sub total	130.1	-0.9	-0.6		Sub total	122.5	0.0	0.0
Total sales		681.2	-8.2	-1.2	Total expenses		626.6	-10.0	-1.6
					Operating income		54.5	1.7	3.4
Non-operating income		13.2	3.6	36.9	Non-operating expenses		12.0	-1.6	-11.5
					Ordinary income		55.7	6.9	14.1
Extraordinary income		3.6	3.0	448.9	Extraordinary loss		-	-	-
					Net income		38.0	6.2	19.4

- Notes: 1. Cost of sales includes the cost of raw materials of ¥201.8 billion (increase by 13.4 billion yen or 7.1% from 3rd Quarter of FY2003).
 2. Non-operating expenses include interest expenses of ¥7.6 billion (decreased by ¥0.7 billion or -8.1%, from 3rd Quarter of FY2003).