

**FY2004 ended March 2005
Consolidated Results Bulletin
Tokyo Gas Co., Ltd.**

Code No.: 9531

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

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Meeting of board of directors to approve end of year accounts: April 27, 2005

Application of U.S. accounting standards (yes/no): No

Shares listed on:

Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange

Location of head office (prefecture): Tokyo

I. Summary**1. Consolidated results for FY2004 ended March 2005 (April 1, 2004 - March 31, 2005)****(a) Consolidated business results**

(Rounded down to the nearest million yen)

	Sales		Operating income		Ordinary income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2004 ended Mar. 2005	1,190,783	3.4	145,349	-4.6	132,856	1.3
FY2003 ended Mar. 2004	1,151,824	2.1	152,287	23.5	131,093	42.6

	Net income		Net earnings per share	Net earnings per share adjusted for latent shares	Net rate of return on shareholders' equity	Ratio of current income to total capital	Ratio of current income to sales
	(million yen)	(%)	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2004 ended Mar. 2005	84,047	87.7	31.47	28.24	13.5	8.0	11.2
FY2003 ended Mar. 2004	44,787	-24.3	16.44	14.98	7.6	7.8	11.4

Note: 1. Income or loss on investment accounted for by equity method:

FY2004 ended March 2005 ¥258million

FY2003 ended March 2004 ¥236 million

2. Average number of shares outstanding during the term

FY2004 ended March 2005 2,668,495,540shares

FY2003 ended March 2004 2,721,032,069shares

3. Changes in accounting methods: Yes

4. Percentage figures on sales, operating income, ordinary income and net income indicate the percentage change on the previous year.

(b) Consolidated financial position

	Total assets		Shareholders' equity	Ratio to shareholders' equity	Shareholders' equity per share
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2004 ended Mar. 2005	1,668,734	648,766	38.9	244.73	
FY2003 ended Mar. 2004	1,666,828	598,453	35.9	221.53	

Note: Number of outstanding shares (consolidated basis) at year end:

FY2004 ended March 2005 2,650,734,212 shares

FY2003 ended March 2004 2,701,145,351 shares

(c) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Balance of cash and cash equivalents at year end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2004 ended Mar. 2005	215,037	-107,375	-108,106	50,664
FY2003 ended Mar. 2004	217,608	-126,038	-99,744	43,960

- (d) Scope of subsidiaries and affiliates and application of equity method
 Consolidated subsidiaries: 52
 Non-consolidated subsidiaries accounted for by equity method: -
 Affiliates accounted for by equity method: 1
- (e) Changes in scope of consolidated subsidiaries and affiliates and application of equity method
 Consolidated subsidiaries
 -Newly added: 34
 -Excluded: -
 By equity method
 -Newly added: -
 -Excluded: -

2. Forecast for FY2005 ending March 2006 (April 1, 2005 - March 31, 2006)

(Unit: million yen)

	Sales	Ordinary income	Net income
Mid-term	527,000	23,000	16,000
Full term	1,204,000	104,000	68,000

- (Reference) 1. Forecast net income per share (full year): ¥25.63
 2. Forecast operating income (full year): ¥114,000 million

* The forecast above was prepared 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 these forecast data.

II. Profile of the Tokyo Gas Group

Tokyo Gas group is composed of Tokyo Gas Co., Ltd., and 114 affiliated companies (66 subsidiaries and 48 affiliates). 52 (increase by 34) of these companies are consolidated subsidiaries and one is an equity method affiliate. The Group is engaged in business in the segments of gas, gas appliances, contracted construction work, real estate rentals (see Note), and other business.

The following is the main fields of business of Tokyo Gas and the consolidated companies, and their position in the business in question, in each segment.

Note: As a result of a review of business lines, we changed the name of the former Building rental segment to the Real estate rental segment from this fiscal year to more accurately express actual business circumstances.

Gas business

Tokyo Gas Co., Ltd. manufactures, supplies, and sells gas, and also engages in the wholesale supply of gas and sale of LNG to city gas suppliers such as Chiba Gas Co., Ltd. and Tsukuba Gakuen Gas Co., Ltd.

Gas Malaysia Sdn. Bhd. (an affiliate accounted for by the equity method) supplies and sells gas in Malaysia.

Gas appliances business

Tokyo Gas Co., Ltd. sells gas appliances through companies such as Kanpai Co., Ltd., Kanpai Living Service Co., Ltd., Toyoko Engineering Co., Ltd, Enesta and Enefit. Gastar Co., Ltd. sells gas appliances to Tokyo Gas Co., Ltd on a wholesale basis.

Contracted construction work business

Gas-related construction work is performed by Tokyo Gas Co., Ltd. Kanpai Co., Ltd. and Toyoko Engineering Co., Ltd perform gas pipe laying work ordered by Tokyo Gas Co., Ltd.

Building rental business

Tokyo Gas Urban Development Co., Ltd. and Tokyo Gas Toyosu Development Co., Ltd. lease buildings to Tokyo Gas Co., Ltd. and others.

Other business

-Tokyo Gas Co., Ltd. sells LPG through Tokyo Gas Energy Co., Ltd., as an associated business.

-Energy Advance Co., Ltd. receives gas supplies from Tokyo Gas Co., Ltd. and other companies and carries out district supply of cold and hot water and vapor.

-Using LNG cryogenic energy sold by Tokyo Gas Co., Ltd., Tokyo Oxygen and Nitrogen Co., Ltd. manufactures and sells products such as liquefied nitrogen.

-Tokyo Gas Engineering Co. Ltd. builds gas-related facilities, etc. ordered by Tokyo Gas Co., Ltd.

-TG IT Service Co., Ltd., supplies data processing services using computers to Tokyo Gas Co., Ltd. and other companies.

- TG Information Network Co., Ltd. operates a system integration business.

-Tokyo LNG Tanker Co., Ltd. hires out LNG tankers and LPG tankers and operates an ocean freight business.

-Tokyo Gas Customer Service Co., Ltd. is commissioned by Tokyo Gas Co., Ltd. for regular safety inspections, meter reading and rate collecting operations.

-Tokyo Gas Chemicals Co., Ltd., sells industrial gas, etc.

-TG Credit Service Co., Ltd. provides various lease and credit services for payment for gas appliances sold by companies such as Enesta and Enefit.

-TG Enterprise Co., Ltd. provides financial services for affiliates.

-Park Tower Hotel Co., Ltd. is a hotel operator.

List of consolidated companies

Segment by business category	Previously consolidated companies	Companies newly consolidated in FY2004 (34)
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 rental	Tokyo Gas Urban Development 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 Bay power 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 Company Limited, Tokyo Auto Gas Co., Ltd. Kanpai Tech Co., Ltd.

Note: Some companies belong to more than one segment.

III. Business performance and financial position

(1) Business performance

Although Japanese economy is recovering slowly as improvement in companies' performance makes more capital expenditure in addition to increase in export and production during FY2004, consumer spending was not still powerful, meaning that recovery in the Japanese economy is not in full-swing yet.

Under these economic circumstances, the Tokyo Gas group has made strenuous efforts in marketing to popularize and expand city gas. As a result, consolidated sales were ¥1.1907 trillion, up 3.4% year on year due to the expansion in the scope of consolidation.

On the other hand, Tokyo Gas made utmost efforts to hold down expenses, achieving further advances in the promotion of management efficiency although raw material expenses increased with the growth in sales volume in addition to increase in operational expenses due to the expansion in the scope of consolidation.

As a result, operating income fell 4.6% to ¥145.3 billion, and ordinary income was up 1.3% to ¥132.8 billion. Moreover, during the period under review, we recorded extraordinary income of ¥5.2 billion in gain on sales of investment securities and extraordinary losses of ¥3.4 billion in special retirement money at a consolidated company and of ¥1.1 billion in fixed assets impairment. As a result, net income rose 87.7% to ¥84.0 billion. This is because the company recorded extraordinary income of ¥5.6 billion in gains from the breakdown of the retirement benefit reserve and extraordinary losses of ¥58.9 billion for the one-off write-off of unrecognized actuarial differences in pension benefits in FY 2003.

Building a group management system was cited as one of the pillars of our medium term management plan "Frontier 2007" formulated in October 2002. Based on this, the company implemented the strategic business unit system on April 1, 2004. Tokyo Gas has made this an opportunity for changing the scope of consolidation within the group and has increased the number of consolidated subsidiaries from the 18 companies in FY2003 to 52 companies.

As a result, the result figures for FY2004 have all been calculated based on the new scope of consolidation. The effects of the expansion in the scope of consolidation are as below.

(Unit: billion yen)

	Sales	Operating income	Ordinary income	Net income
Increase	43.1	2.5	1.6	-0.4

<Situation in each segment during the term>

1) Gas business

In FY2004, the gas sales volume rose 6.5% compared with the previous year to 11.952 billion m³. Residential demand fell 1.5% year on year to 3,242 million m³ because demand for hot water was sluggish as a result of hot summer although demand for hot water and heating rose due to low temperatures during winter.

Moreover, commercial and other business demand was up 6.9% to 1.979 billion m³ and 9.2% to 923 million m³ respectively, making a combined total of 2.902 billion m³, up 7.7% year on year. This was because of higher temperature in summer and lower temperature in winter in addition to increased demand by new customers.

Industrial demand was up 10.4% year on year to 4.637 billion m³ compared with the previous year due to increased operation of both existing and new customers.

Wholesale Supplies to other gas utilities rose 13.8% year on year to 1.171 billion m³ because of an increase in delivery volume to forward customers.

Moreover, gas sales was up to ¥834.6 billion by ¥3.5 billion or 0.4% compared with the previous year with increase in gas sales volume although gas rate reduction was executed starting from Jan. 1, 2005.

Operating expenses overall rose by ¥10.2 billion yen or 1.6% because of the increase in raw material expenses that accompanied the growth in gas sales volume.

Operating income was down by ¥6.7 billion or 3.5% over the previous year to ¥182.6 billion.

2) Gas appliances business

Sales rose by ¥1.3 billion or 0.9% compared to the previous year to ¥135.1 billion. As a result of a ¥2.1 billion or 1.7% increase in operating expenses, operating income fell ¥0.9 billion or 10.8% year on year to ¥7.0 billion.

3) Contracted construction work business

Sales declined by ¥3.3 billion or 4.8% compared with the previous year to ¥64.7 billion. As a result of a ¥2.3 billion or 3.7% decline in operating expenses, operating income fell ¥0.9 billion or 19.8% to ¥3.5 billion.

4) Real estate lease business

Sales declined by ¥0.7 billion or 2.1% compared with the previous year to ¥34.7 billion. As a result of a ¥0.6 billion or 2.3% increase in operating expenses, operating income fell ¥1.3 billion or 17.5% to ¥6.5 billion.

5) Other business

Sales in other business rose by ¥62.6 billion or 36.3% compared with the previous year to ¥234.7 billion due to the expansion in the scope of consolidation and other reasons. As a result of a ¥60.5 billion or 37.6% increase in operating expenses, operating income rose by 2.2 billion or 19.0% to ¥13.4 billion.

<Summary by segment>

(Unit: billion yen)

		Gas	Gas appliances	Contracted construction work	Real estate lease	Others
Sales	FY2004 (% of total)	834.6 (63.9%)	135.1 (10.4%)	64.7 (5.5%)	34.7 (2.7%)	234.7 (18.0%)
	FY2003 (% of total)	831.1 (66.9%)	133.8 (10.8%)	68.0 (5.5%)	35.4 (2.9%)	172.1 (13.9%)
	Amount of change	3.5	1.3	-3.3	-0.7	62.6
	Rate of change	0.4%	0.9%	-4.8%	-2.1%	36.3%
Operating expenses	FY2004 (% of total)	651.9 (59.8%)	128.0 (11.7%)	61.2 (5.6%)	28.1 (2.6%)	221.3 (20.3%)
	FY2003 (% of total)	641.7 (62.9%)	125.9 (12.4%)	63.5 (6.2%)	27.5 (2.7%)	160.8 (15.8%)
	Amount of change	10.2	2.1	-2.3	0.6	60.5
	Rate of change	1.6%	1.7%	-3.7%	2.3%	37.6%
Operating income	FY2004 (% of total)	182.6 (85.7%)	7.0 (3.3%)	3.5 (1.7%)	6.5 (3.0%)	13.4 (6.3%)
	FY2003 (% of total)	189.3 (85.7%)	7.9 (3.6%)	4.4 (2.0%)	7.8 (3.6%)	11.2 (5.1%)
	Amount of change	-6.7	-0.9	-0.9	-1.3	2.2
	Rate of change	-3.5%	-10.8%	-19.8%	-17.5%	19.0%

Note: Figures for sales include internal transactions. Figures for operating expenses do not include expenses that cannot be allocated to specific segments.

<Ratio of consolidated income to parent's income>

The ratio of consolidated income to parent company's income for FY2004 and FY2003 was as follows.

	Sales	Operating income	Ordinary income	Net income
FY2004	1.17	1.21	1.13	1.07
FY2003	1.14	1.20	1.13	1.11

<Comparison of forecast for FY2005 and results of FY2004 >

(Unit: billion yen)

	Sales	Operating income	Ordinary income	Net income
FY2005 (forecast)	1,204.0	114.0	104.0	68.0
FY2004 (actual)	11,90.7	145.37	132.8	84.0
Change	13.3	-31.3	-28.8	-16.0
Rate of change	1.1%	-21.6%	-21.7%	-19.1%

We forecast that gas sales volume in FY2005 will grow 1.0% compared with FY2003 to 12,075 million m³ due to our efforts to acquire new customers and to popularize and sell gas appliances. We expect gas sales to increase by ¥1.4 billion or 0.2% to ¥836.1 billion in response to this while sales in both gas appliance and contracted construction work will decline. However as we expect sales in other business to increase, we expect consolidated sales to rise by ¥13.3 billion or 1.1% to ¥1.204 trillion.

Meanwhile, we expect operating income to decline 21.6% to JPY 114.0 billion, ordinary income to decline 21.7% to JPY 104.0 billion and net income to fall 19.1% to JPY 68.0 billion due to increase in operating expenses and other factors.

Because of factors such as the increase in operating expenses, the projection envisions as follows:

Operating income:	down ¥31.3 billion (-21.6%)
Ordinary income:	down ¥28.8 billion (-21.7%)
Net income:	down ¥16.0 billion (-19.1%)

The ratios of consolidated income to parent company's income are shown below.

	Sales	Operating income	Ordinary income	Net income
FY2005	1.20	1.16	1.08	1.05

(2) Financial position

1) Cash flow

(Unit: billion yen)

	FY2004	FY2003	Change
Cash flow from operating activities	215.0	217.6	-2.6
Cash flow from investing activities	-107.3	-126.0	18.7
Cash flow from financing activities	-1.08.1	-99.7	-8.4
Cash and cash equivalents during FY2004	-0.5	-8.1	7.6
Cash and cash equivalents at beginning of year	43.9	52.1	-8.2
Cash and cash equivalents due to expansion of consolidation	7.2	-	7.2
Cash and cash equivalents at end of year	50.6	43.9	6.7

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities amounted to ¥215.0 billion. This derived mainly from the progress of depreciation of fixed assets (amortization in FY2004 came to ¥136.4 billion).

b) Cash flow from investing activities

Cash and cash equivalents obtained as a result of investing activities amounted to ¥107.3 billion. This derived mainly from the acquisition of tangible fixed assets such as gas supply facilities (expenditure: ¥94.0 billion).

c) Cash flow from financing activities

Cash and cash equivalents obtained as a result of financing activities amounted to ¥108.1 billion. A total of ¥40 billion was raised through bond issuance, but the overall cash flow decreased due to the outflow of funds for the redemption of bonds (¥98.7 billion), expenditure for the acquisition of treasury stock (¥20.4 billion), payment of dividend (¥20.0 billion), and decrease in long-term debt (¥6.3 billion).

2) Indicators

	FY2000	FY2001	FY2002	FY2003	FY2004
Equity ratio	30.8%	33.1%	34.6%	35.9%	38.9%
Equity ratio based on market value	53.5%	52.5%	61.0%	63.8%	68.6%
Number of years for debt repayment	4.6	4.0	3.4	3.1	2.9
Interest coverage ratio	8.2	9.9	12.2	14.5	16.5

Equity ratio: Equity capital / total assets

Equity ratio based on market value: total market price of shares / total assets

Number of years for debt repayment: Interest bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / interest payments

- All calculation based on consolidated financial figures.
- Operating cash flow used for cash flow. Interest bearing debt covers bonds, convertible bonds, long-term borrowings (all including debts due within one year), short term borrowings and commercial papers out of the interest bearing debt recorded on the balance sheet.

<Consolidated Statements>

1. Consolidated balance sheet

(Unit: million yen)

Account	FY2004 (Mar. 31, 2005)	FY2003 (Mar. 31, 2004)	Change
(Assets)			
Fixed assets	1,382,066	1,407,725	-25,659
Tangible fixed assets	1,159,517	1,170,428	-10,911
Production facilities	228,886	245,284	-16,398
Distribution facilities	510,727	533,407	-22,680
Business facilities	59,733	61,488	-1,755
Other facilities	311,857	291,752	20,105
Construction in progress	48,311	38,496	9,815
Intangible fixed assets	22,779	18,856	3,923
Other intangible fixed assets	2,902	-	2,902
Investments, etc.	19,877	18,856	1,021
Investment securities	199,769	218,440	-18,671
Long-term loans receivable	100,601	108,485	-7,884
Deferred tax assets	4,047	13,230	-9,183
Miscellaneous investments	51,329	51,251	78
Allowances for doubtful accounts	45,503	47,131	-1,628
Allowances for doubtful accounts	-1,711	-1,658	-53
Current assets	286,667	259,102	27,565
Cash and deposits	53,246	48,605	4,641
Notes and accounts receivable	139,722	125,244	14,478
Inventories	25,436	22,826	2,610
Deferred tax assets	12,075	11,587	488
Other current assets	57,149	52,053	5,096
Allowances for doubtful accounts	-962	-1,215	253
Total assets	1,668,734	1,666,828	1,906

(Unit: million yen)

Account	FY2004 (Mar. 31, 2004)	FY2003 (Mar. 31, 2003)	Change
(Liabilities)			
Fixed liabilities	718,878	734,345	-15,467
Straight bonds	305,500	283,833	21,667
Convertible bonds	89,885	99,928	-10,043
Long-term bank loans payable	151,753	162,083	-10,330
Deferred tax liabilities	2,599	2,395	204
Estimated retirement benefits	141,480	157,808	-16,328
Allowances for repairs of gas holders	3,463	3,444	19
Other fixed liabilities	24,196	24,853	-657
Current liabilities	292,458	329,770	-37,312
Fixed liabilities due within one year	51,969	107,020	-55,051
Notes and accounts payable	60,563	35,747	24,816
Short-term bank loans payable	25,123	30,029	-4,906
Corporation tax payable, etc.	41,690	39,000	2,690
Deferred tax liabilities	167	-	167
Other current liabilities	112,944	117,973	-5,029
Total liabilities	1,011,337	1,064,116	-52,779
Minority interest	8,630	4,258	4,372
(Shareholders' equity)			
Common stock	141,844	141,844	-
Capital reserve	2,067	2,065	2
Consolidated retained earnings	532,810	457,924	74,886
Mark-up from revaluation of securities	31,500	35,654	-4,154
Translation adjustment account	-311	-227	-84
Treasury stock	-59,145	-38,808	-20,337
Total shareholders' equity	648,766	598,453	50,313
Total liabilities, minority interest and shareholders' equity	1,668,734	1,666,828	1,906

2. Consolidated statement of income

(Unit: million yen)

Account	FY2004 (Apr. 2004 to Mar. 2005)	FY2003 (Apr. 2003 to Mar. 2004)	Change
Sales	1,190,783	1,151,824	38,959
Cost of sales	624,722	578,529	46,193
(Gross profit)	(566,060)	(573,294)	(-7,234)
Supply and sales expenses	346,617	345,572	1,045
General and administrative expenses	74,094	75,434	-1,340
(Operating income)	(145,349)	(152,287)	(-6,938)
Non-operating income	12,114	9,131	2,983
Interest income	144	346	-202
Dividend income	941	1,051	-110
Return on investment accounted for by equity method	258	236	22
	2,740		2,740
Income from rents	-	1,006	-1,006
	1,507		1,507
Environmental conditioning costs	-	1,650	-1,650
Miscellaneous revenues	6,522	4,840	1,682
Non-operating expenses	24,607	30,324	-5,717
Interest paid	13,134	14,822	-1,688
Balance on commissioned construction	4,042	4,144	-102
Loss from debenture redemption	2,879	6,574	-3,695
Miscellaneous expenditures	4,551	4,782	-231
(Ordinary income)	(132,856)	(131,093)	(1,763)
Extraordinary income	5,734	8,413	-2,679
Gain on sales of fixed assets	472	2,159	-1,687
Gain on sales of investment securities	5,262	589	4,673
Gain on breakdown of retirement benefit reserve accompanying changes to corporate pension system	-	5,664	-5,664
Extraordinary losses	5,268	66,375	-61,107
Loss from sale of fixed assets	500	2,490	-1,990
Losses on compression of fixed assets	82	1,607	-1,525
Losses on impairment of fixed assets	1,198	3,321	-2,123
One-off write-off of retirement benefit actuarial Differences	-	58,956	-58,956
	3,486	-	3,486
Net income before adjustment for tax, etc.	133,322	73,131	60,191
Corporation tax, residence tax and business tax	45,073	44,266	807
Adjustment for corporate taxes, etc.	3,534	-16,366	19,900
Minority shareholder income (loss)	667	444	223
Net income	84,047	44,787	39,260

3. Statement of consolidated retained earnings

(Unit: million yen)

Account	FY2004 (Apr. 2004 - Mar.2005)		FY2003 (Apr. 2003 - Mar.2004)		Change	
(Capital surplus)						
Initial balance of capital surplus		2,065		2,065		-
Increase in capital surplus		-				
Net gain on disposal of treasury stock		1	-	-	1	1
Balance of capital surplus at end of period		2,067		2,065		2
(Retained earnings)						
Initial balance of retained earnings		457,924		429,652		28,272
Increase in retained earnings						
Net Income	84,047		44,787		39,260	
Increase due to expansion in the scope of consolidation	10,988	95,039	-	44,787	10,988	50,248
Decrease in retained earnings						
Dividends	20,084		16,438		3,646	
Directors' bonuses	65		76		-11	
Net loss on disposal of treasury stock	-	20,149	-	16,515	-	3,634
Balance of consolidated retained earnings at end of period		532,810		457,924		74,886

4. Consolidated statement of cash flows

(Unit: million yen)

Account	FY2004 (Apr. 2004 to Mar. 2003)	FY2003 (Apr. 2003 to Mar. 2004)	Change
I. Cash flow from operating activities			
Net income before adjustment for tax, etc.	133,322	73,131	60,191
Depreciation	136,420	143,128	-6,708
Impairment losses	3,850	3,766	84
Amortization of long-term prepaid expenses	1,198	3,321	-2,123
Loss on retirement of tangible fixed assets	3,388	3,790	-402
Gain/loss on sale of fixed assets	-	672	-672
Loss on compression of fixed assets	-	1,607	-1,607
Income/loss on sale of investment securities	-5,262	-588	-4,674
Income/loss on valuation of investment securities	-	526	-526
Loss from debenture redemption	2,879	6,574	-3,695
Change in allowances for doubtful accounts	-1,292	-	-1,292
Change in provision for retirement benefits	-17,455	36,912	-54,367
Interest and dividends earned	-1,085	-1,398	313
Interest paid	13,134	14,822	-1,688
Change in accounts receivable	-7,596	5,156	-12,752
Change in inventories	-778	-1,701	923
Change in accounts payable	6,057	-	6,057
Change in consumption tax payable	-1,139	-1,551	412
Other	4,945	-10,375	15,320
Sub-total	270,585	277,797	-7,212
Proceeds from interest and dividends	1,057	1,380	-323
Payment of interest	-13,003	-15,053	2,050
Payment of corporation tax, etc.	-43,601	-46,516	2,915
Cash flow from operating activities	215,037	217,608	-2,571
II. Cash flow from investing activities			
Purchases of investment securities	-14,118	-15,371	1,253
Proceeds from sale of investment securities, etc.	6,263	7,683	-1,420
Purchases of tangible fixed assets	-94,083	-101,011	6,928
Purchases of intangible fixed assets	-12,786	-12,211	-575
Spending on long-term prepaid expenses	-2,332	-2,103	-229
Proceeds from sale of fixed assets	4,028	1,234	2,794
Expenditures based on lending for long-term loans	-1,610	-3,886	2,276
Proceeds from recovery of long-term loans receivable	4,427	894	3,533
Net change in short-term loans	-	-520	520
Other	2,836	-747	3,583
Cash flow from investing activities	-107,375	-126,038	18,663
III. Cash flow from financing activities			
Net decrease in short-term debt	2,690	-11,870	9,180
Proceeds from long-term debt	20,565	37,789	-17,224
Payments for long-term debt	-26,946	-52,228	25,282
Proceeds from bond issues	40,000	50,000	-10,000
Payments for redemption of bonds	-98,756	-78,813	-19,943
Dividend payments	-20,068	-16,425	-3,643
Payment of dividends to minority shareholders	-75	-56	-19
Payment to minority shareholders on account of capital reduction	190	-	190
Proceeds from sale of treasury stock	-	-184	184
Payments for acquiring treasury stock	63	82	-19
Payments for acquiring treasury stock	-20,441	-28,037	7,596
Cash flow from financing activities	-108,160	-99,744	-8,416
IV. Difference due to conversion of cash and cash equivalents	2	5	-7
V. Change in cash and cash equivalents	-500	-8,169	7,669
VI. Cash and cash equivalents at beginning of year	43,960	52,129	-8,169
	7,204	-	7,204
VII. Cash and cash equivalents at end of year	50,664	43,960	6,704

5. Segment information

(1) Segment information by category of business

(Unit: million yen)

		Gas	Gas appliances	Contracted construction work	Building lease	Other business	Total	Corporate and eliminations	Consolidated
Current year	I. Sales and operating income (loss)								
	Sales								
	(1) External sales	826,583	132,373	60,830	14,004	156,990	1,190,783	-	1,190,783
	(2) Intersegment sales and transfers	8,074	2,734	3,964	20,696	77,729	113,200	(113,200)	-
	Total	834,658	135,108	64,794	34,701	234,720	1,303,983	(113,200)	1,190,783
	Operating expenses	651,973	128,054	61,220	28,197	221,305	1,090,751	(45,318)	1,045,433
	Operating income (loss)	182,684	7,053	3,574	6,503	13,415	213,231	(67,882)	145,349
Previous year	II. Assets, depreciation expenses and capital expenditures								
	Assets	1,006,672	42,681	21,425	205,078	222,241	1,498,099	170,634	1,668,734
	Depreciation expenses	107,081	514	184	12,358	18,142	138,281	(1,861)	136,420
	Capital expenditures	74,979	534	297	3,217	29,621	108,650	(3,452)	105,197
	I. Sales and operating income (loss)								
	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	
II. Assets, depreciation expenses and capital expenditures									
Assets	1,027,775	45,444	23,136	208,212	184,816	1,489,386	177,441	1,666,828	
Depreciation expenses	117,149	505	136	13,369	13,516	144,677	(1,549)	143,128	
Capital expenditures	85,872	549	302	2,832	18,066	107,624	(2,286)	105,338	

Notes

1. As a result of a review of business lines, we changed the name of the former Building rentals segment to the Real estate rentals segment from FY2004 to more accurately express actual business circumstances. This change does not affect results

2. Classification of business categories and main products in each category of business

Business categories are classified by aggregate sale category in accordance with the Gas Business Accounting Regulations.

Business categories	Main products
Gas	Gas
Gas appliances	Gas appliances
Contracted construction work	Gas construction work
Building lease	Lease and management of buildings, etc.
Other businesses	District heating and cooling, coke, LPG, petroleum products, credit leases, system integration, general engineering

3. The main unapportionable operating expenses included under "corporate and eliminations" are general expenses relating to the administration department of the company submitting the consolidated financial statements.

FY2004: ¥66,944 million (FY2003: ¥69,466 million)

4. In the category of assets, the main company-wide assets included under "corporate and eliminations" are surplus operating funds (cash and cash equivalents), deferred tax assets, and long-term investment capital (investment securities).

FY2004: ¥218,385 million (FY2003: ¥225,856 million)

(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.

6. Market value of securities

(1) Marketable debt securities being held to maturity

(Unit: million yen)

Category	FY2004 (Mar. 31, 2005)			FY2003 (Mar. 31, 2004)		
	Book value	Market value	Net unrealized gain (loss)	Book value	Market value	Net unrealized gain (loss)
Market value in excess of the book value						
Government and municipal bonds, etc.	44	46	1	34	36	1
Total	44	46	1	34	36	1
Market value not in excess of the book value						
Government and municipal bonds, etc.	-	-	-	9	9	-
Total	-	-	-	9	9	-
Grand total	44	46	1	44	46	1

(2) Other marketable securities

(Unit: million yen)

Category	FY2004 (Mar. 31, 2003)			FY2003 (Mar. 31, 2004)		
	Acquisition cost	Book value	Net unrealized gain (loss)	Acquisition cost	Book value	Net unrealized gain (loss)
Book value in excess of the acquisition cost						
(1) Stocks	12,454	62,578	50,124	9,907	66,362	56,454
(2) Bonds	-	-	-	5	6	-
Total	12,454	62,578	50,124	9,913	66,368	56,455
Book value not in excess of the acquisition cost						
Stocks	2,323	2,125	-198	615	582	-32
Total	2,323	2,125	-198	615	582	-32
Grand total	14,777	64,703	49,926	10,528	66,951	56,422

(3) Book values of main non-marketable securities

(Unit: million yen)

Category	FY2004 (Mar. 31, 2005)	FY2003 (Mar. 31, 2004)
	Book value	Book value
Stocks in subsidiaries and affiliates	23,831	29,715
Other securities		
Unlisted stocks (excluding over-the-counter stocks)	12,007	11,732

10. Derivative transactions

<FY2004>

- (1) Interest-rate swaps
Because hedge accounting is applied, they are excluded from disclosure.
- (2) Currency swaps
Because hedge accounting is applied, they are excluded from disclosure.
- (3) Others
Because hedge accounting is applied, they are excluded from disclosure.

<FY2003>

- (1) Interest-rate swaps
As the income (loss) from valuation of assets, etc. underlying derivatives transactions was small and insignificant in FY2002, market values of such assets, etc. and income (loss) from valuation are omitted.
Contract values and notional amounts are also insignificant and therefore omitted.
- (2) Currency swaps
Because hedge accounting is applied, they are excluded from disclosure.
- (3) Others
Because hedge accounting is applied, they are excluded from disclosure.

11. Retirement benefits

(1) Outline of the retirement benefit program

For the most part, defined benefit type systems consist of the tax qualified pension system, the welfare pension system and the lump sum retirement benefit system. With the establishment of the Defined-Benefit Corporate Pension Law, Tokyo Gas has carried out reforms to its pension system, shifting from a tax qualified pension system to a contract type corporate pension system and introducing a cash balance plan. Therefore, retirement benefit liabilities for the year under review are calculated assuming the new system..

- (2) Retirement benefit reserve: (as of the end of FY2004) ¥141,480 million
(as of the end of FY2003) ¥157,808 million

(3) Items related to retirement benefit expenses (FY2004)

(Unit: million yen)

Item	FY2004 (Apr. 1, 2004 to Mar. 31, 2005)	FY2003 (Apr. 1, 2003 to Mar. 31, 2004)
1) Service expenses	9,711	9,658
2) Interest expenses	7,475	8,182
3) Expected earning from fund management	-3,402	-3,056
4) Disposal of expenses associated with difference due to mathematical calculation	3,049	59,446
5) Disposal of expenses associated with past service debt	-154	-3,761
6) Others	1,037	101
7) Retirement benefit expenses ((1)+2)+3)+4)+5)+6)+7))	17,715	70,570

Note: Retirement benefit expenses of consolidated subsidiaries applying the simplified method are posted under Item 1) "Service expenses".

(4) Items related to the basis of calculation of retirement benefit debt, etc.

(Unit: million yen)

Item	FY2004 (Apr. 1, 2004 to Mar. 31, 2005)	FY2003 (Apr. 1, 2003 to Mar. 31, 2004)
Method of term allocation of projected retirement benefit payments	Term fixed-amount standard	Term fixed-amount standard
Discount rate	Mainly 2.1%	Mainly 2.3%
Rate of expected earning from fund management	Mainly 2.0%	Mainly 2.0%
Number of years for disposal of the amount of past service debt	Mainly 1 year	Mainly 1 year
Number of years for disposal of the difference due to mathematical calculation	Mainly 1 year	Mainly 1 year