April 27, 2012

Consolidated Financial Results Bulletin for the Fiscal Year Ended March 31, 2012 (J-GAAP)
Tokyo Gas Co., Ltd.

Securities code: 9531
(URL http://www.tokyo-gas.co.jp/index-e.html)
Representative: Mr. Tsuyoshi OKAMOTO, President
Contact: Mr. Masato AIZAWA, General Manager, Consolidated Settlements Sect

Stock listings:
Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange

Location of head office: Tokyo

General shareholders' meeting schedule: June 28, 2012
Scheduled date of the filing of securities report: June 28, 2012
Scheduled date of the start of dividend payments: June 29, 2012
Preparation of earnings presentation material (yes/no): ***Yes***
Holding of earnings announcement (yes/no): ***Yes*** (for institutional investors)

(Amounts are rounded down to the nearest million yen)

1. Consolidated Performance for FY2011 ended March 2012 (April 1, 2011 - March 31, 2012)

(Unit: million yen)

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

	Net sales		Operating income		Ordinary income		Net income	
FY2011 ended Mar. 31, 2012	1,754,257	14.3%	77,075	-37.1%	75,620	-37.8%	46,060	-51.8%
FY2010 ended Mar. 31, 2011	1,535,242	8.4%	122,451	43.7%	121,548	45.5%	95,467	77.5%

Note: Total comprehensive income
FY2011 ended March 2012: 39,237million yen (-51.2%) FY2010 ended March 2011: 80,440million yen (15.7%)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
FY2011 ended Mar. 31, 2012	17.70 yen	—	5.4%	4.1%	4.4%
FY2010 ended Mar. 31, 2011	35.63 yen	—	11.4%	6.6%	8.0%

Note: Income or loss on investment accounted for by equity method:
FY2011 ended March 2012: 4,989 million yen FY2010 ended March 2011: 3,605 million yen

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2012	1,863,885	855,100	45.0%	324.67 yen
As of Mar. 31, 2011	1,829,661	874,094	46.9%	320.70 yen

Note: Shareholders' equity
As of Mar. 31, 2012: 839,166 million yen As of Mar. 31, 2011: 858,920 million yen

(3) Consolidated Cash Flows

(Unit: million yen)

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of year
FY2011 ended Mar. 31, 2012	149,818	(101,810)	(16,454)	122,083
FY2010 ended Mar. 31, 2011	162,345	(172,305)	(7,212)	92,048

2. Dividends

	Dividend per share (Unit: yen)					Total dividend payments (Full-year)	Payout ratio (Consolidated)	Dividend on equity
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full- year			
FY2010 ended Mar. 31, 2011	—	4.50	—	4.50	9.00	24,108 yen	25.3%	2.9%
FY2011 ended Mar. 31, 2012	—	4.50	—	4.50	9.00	23,262 yen	50.8%	2.8%
FY2012 ending Mar. 31, 2013 (Forecast)	—	4.50	—	4.50	9.00	[redacted]	36.9%	[redacted]

3. Consolidated Results Forecast for FY2012 ending March 31, 2013 (April 1, 2012 - March 31, 2013)

(1) Consolidated Business Performance

(Unit: million yen)
(% of change from the corresponding period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Half-year	859,000	14.8%	30,000	—	29,000	—	19,000	—	7.35 yen
Full-year	1,914,000	9.1%	99,000	28.4%	96,000	26.9%	63,000	36.8%	24.37 yen

	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Full-year	7.4%	5.0%	5.2%

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
Full-year	1,948,000	891,000	44.9%	338.14 yen

Note: Shareholders' equity 874,000 million yen

4. Notes

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

(Reference) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 66 (Increased by 4 companies and decreased by 1company)

Number of subsidiaries and affiliates accounted for by equity method: 5 (No change)

(2) Change in accounting policies or estimates and retrospective restatements

1) Change in accounting policies in accordance with revision of accounting standards: ***No***
2) Change in accounting policies other than item 1) above: ***No***
3) Change in accounting estimates: ***No***
4) Retrospective restatements: ***No***

(3) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	March 31, 2012	2,590,715,295	March 31, 2011	2,684,193,295
2) Number of shares of treasury stock at end of period:	March 31, 2012	6,005,359	March 31, 2011	5,899,491

3) Average number of shares during period	March 31, 2012	2,603,014,578	March 31, 2011	2,679,294,182

(Reference)

1. Non-Consolidated Business Results for FY2011 ended March 2012 (April 1, 2011 - March 31, 2012)

(Unit: million yen)

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

	Net sales		Operating income		Ordinary income		Net income	
FY2011 ended Mar. 31, 2012	1,550,343	16.6%	51,403	-42.1%	59,943	-39.5%	35,700	-47.1%
FY2010 ended Mar. 31, 2011	1,329,834	9.8%	88,845	50.3%	99,107	68.2%	67,491	73.6%

	Net income per share	Diluted net income per share
FY2011 ended Mar. 31, 2012	13.72 yen	—
FY2010 ended Mar. 31, 2011	25.19 yen	—

(2) Non-Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2012	1,543,598	690,732	44.7%	267.24 yen
As of Mar. 31, 2011	1,501,164	713,980	47.6%	266.58 yen

Note: Shareholders' equity
As of Mar. 31, 2012: 690,732 million yen As of Mar. 31, 2011: 713,980 million yen

2. Non-Consolidated Results Forecast for FY2012 ending March 2013 (April 1, 2012 - March 31, 2013)

(Unit: million yen)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Half-year	756,000	16.7%	18,000	—	21,000	—	15,000	—	5.80 yen
Full-year	1,695,000	9.3%	72,000	40.1%	75,000	25.1%	52,000	45.7%	20.12 yen

* Presentation of implementation status for auditing procedures

The auditing procedure based on the Financial Instruments and Exchange Act does not apply to this Consolidated Results Bulletin, and the auditing 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

1. 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. Please see page 5, "I. Business performance and financial position: (1)Analysis on business performance: <Forecast for FY2012>" for details.
2. The information related to this Financial Results will be posted on TDnet on the same date of this disclosure, and subsequently on the Web site of Tokyo Gas Co., Ltd. ("the Company").

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I. Business Performance and Financial Position

(1) Analysis on business performance

<Results of FY2011>

Although the Japanese economy was severely affected by the Great East Japan Earthquake that struck on March 11, 2011, it has sustained a moderate recovery driven primarily by domestic demand. Since the earthquake, Japan's energy market has sought to address near-term shortages of electrical power in the Tokyo metropolitan area, and with the country reviewing its energy policies from a medium- to long-term perspective, society's expectations for natural gas have increased, based on the economy, stability of supply, convenience, and environmental-friendliness of natural gas.

Against the backdrop of this economic situation and operating environment, the Tokyo Gas Group formulated "The Tokyo Gas Group's Vision for Energy and the Future-Challenge 2020 Vision-" (the "Challenge 2020 Vision"), under which the Group is "Enhancing the LNG Value Chain" by enhancing added value and expanding area coverage.

Thanks to these intense efforts, gas sales volume grew year-on-year, and gas unit price adjustments under the gas rate adjustment system led to higher sales of city gas, and as a result consolidated net sales rose 14.3% from the previous year, to ¥1,754.2 billion.

In terms of operating expenses, the Group strove to further raise management efficiency and made maximum efforts to contain expenses, but nevertheless gas resource costs rose on high crude oil prices, and combined with an increase in costs from actuarial differences in retirement benefit accounting, operating expenses rose 18.7%, to ¥1,677.1 billion.

As a result, operating income declined 37.1%, to ¥77.0 billion, and ordinary income was 37.8% lower, at ¥75.6 billion. With extraordinary items including a ¥3.0 billion gain on sales of noncurrent assets and a ¥3.9 billion loss on reduction of noncurrent assets, and after the recording of income taxes, net income declined 51.8%, to ¥46.0 billion.

<Segment summary>

1) City gas

Gas sales volume for the term grew 3.0% from the previous year, to 15,190 million m^3. Of this amount, residential demand increased 0.5%, to 3,538 million m^3. Although demand for hot water declined in the early spring because of high temperatures, cold weather resulted in increased demand for hot water and heating during the winter months.

Commercial demand declined 7.1%, to 2,827 million m^3, on decreased demand for air conditioning during the relatively cool summer and from lower utilization rates at existing facilities from the effects of the earthquake and energy conservation efforts.

Industrial demand grew 9.9%, to 6,856 million m^3, on higher utilization rates at existing facilities, combined with increased demand for power generation associated with the effects of the earthquake and the full-year contribution from operations at Ohgishima Power Station Unit 2.

Wholesale supplies to other gas utilities rose 1.2%, to 1,970 million m^3, on increased customer demand due to cold winter temperatures.

Reflecting the increase in gas sales volume and gas unit price adjustments under the gas rate adjustment system, city gas sales grew ¥169.2 billion, or 14.9%, to ¥1,306.2 billion.

With a rise in LNG prices from high crude oil prices, higher resource costs from the increase in gas sales volume, and an increase in costs from actuarial differences in retirement benefit accounting, total operating expenses rose 20.8%, by ¥208.0 billion.

As a result, segment profit declined ¥38.7 billion, or 28.5%, to ¥97.4 billion.

<Consolidated Gas Sales Volume for FY2011 Ended March 31, 2012>

			FY2011	FY2010	Change	% change
No. of customers		Thousand	10,855	10,739	116	1.1
Gas sales volume	Residential	m^3	32.39	32.48	-0.09	-0.3
		Mil. m^3	3,538	3,520	18	0.5
	Business	Mil. m^3	2,827	3,042	-215	-7.1
	Industrial	Mil. m^3	6,856	6,237	619	9.9
	Subtotal	Mil. m^3	9,682	9,278	404	4.4
	Supplies to other utilities	Mil. m^3	1,970	1,947	23	1.2
	Total	Mil. m^3	15,190	14,745	445	3.0
Average temperature		°C	16.4	16.7	-0.3	—

Notes:

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

The aforementioned notes also apply to the relevant tables.

(Crude Oil Price and Foreign Exchange Rate)

Crude oil price ($/bbl)	FY2011	FY2010	Change		FY2011	FY2010	Change
	114.16	84.15	30.01	¥/$ rate	79.08	85.74	(6.66)

2) Gas appliances and installation work

Sales increased by ¥10.2 billion or 5.7% compared to the previous year to ¥187.6 billion. Operating expenses increased by ¥8.8 billion or 5.1%. As a result, segment income increased by ¥1.3 billion or 67.2% to ¥3.1 billion.

3) Other energy

Sales increased by ¥81.3 billion or 36.7% compared to the previous year to ¥302.5 billion. Operating expenses increased by ¥81.5 billion or 38.8%. As a result, segment income fell by ¥0.2 billion or 2.2% to ¥10.9 billion.

4) Real estate rental

Sales declined by ¥3.1 billion or 9.5% compared to the previous year to ¥29.6 billion. Operating expenses declined by ¥0.7 billion or 2.6%. As a result, segment income fell ¥2.4 billion or 42.2% to ¥3.3 billion.

5) Other business

Sales at other business grew ¥19.5 billion or 12.1% to ¥181.8 billion. Operating expenses grew ¥22.5 billion or 14.7%. As a result, segment profit fell ¥2.9 billion or 28.7% to ¥7.0 billion.

<Summary by segment> (Unit: billion yen)

		City Gas	Gas appliances and installation work	Other energy	Real estate rental	Other business
Sales	FY2011 (% of total)	1,306.2 (65.0%)	187.6 (9.3%)	302.5 (15.1%)	29.6 (1.5%)	181.8 (9.1%)
	FY2010 (% of total)	1,137.0 (65.6%)	177.4 (10.3%)	221.2 (12.8%)	32.7 (1.9%)	162.3 (9.4%)
	Amount of change (Rate of change)	169.2 (14.9%)	10.2 (5.7%)	81.3 (36.7%)	-3.1 (-9.5%)	19.5 (12.1%)
Operating expenses	FY2011 (% of total)	1,208.8 (64.0%)	184.4 (9.8%)	291.6 (15.5%)	26.3 (1.4%)	174.8 (9.3%)
	FY2010 (% of total)	1,000.8 (64.0%)	175.6 (11.2%)	210.1 (13.4%)	27.0 (1.7%)	152.3 (9.7%)
	Amount of change (Rate of change)	208.0 (20.8%)	8.8 (5.1%)	81.5 (38.8%)	-0.7 (-2.6%)	22.5 (14.7%)
Segment income	FY2011 (% of total)	97.4 (79.9%)	3.1 (2.6%)	10.9 (9.0%)	3.3 (2.7%)	7.0 (5.8%)
	FY2010 (% of total)	136.1 (82.6%)	1.8 (1.1%)	11.1 (6.8%)	5.7 (3.5%)	9.9 (6.0%)
	Amount of change (Rate of change)	-38.7 (-28.5%)	1.3 (67.2%)	-0.2 (-2.2%)	-2.4 (-42.2%)	-2.9 (-28.7%)

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

<Forecast for FY2012>

We are forecasting a 2.0% decline from the previous year in consolidated gas sales volume for FY2012, to 14,886 million m3, as a result of a partial review of gas sales channes at subsidiaries, We are projecting a ¥159.8 billion, or 9.1%, increase in consolidated net sales to ¥1,914.0 billion, with a ¥22.0 billion, or 28.4%, increase in operating income to ¥99.0 billion, a ¥20.4 billion, or 26.9% increase in ordinary income to ¥96.0 billion, and a ¥17.0 billion, or 36.8%, increase in net income to ¥63.0 billion.

On a non-consolidated basis, although we expect less of a positive temperature-related effect that was seen in FY2011, we are forecasting a 0.8% increase in gas sales volume, to 13,871 million m3, on a contribution from growth in industrial demand. Although city gas sales are set to be negatively impacted by rate reductions, we are forecasting a ¥119.5 billion, or 9.8%, increase in city gas sales, to ¥1,336.0 billion, from gas unit price adjustments under the gas rate adjustment system. In terms of operating expenses, we expect gas resource costs to rise on higher crude oil prices and a weaker yen, but on the other hand the effect of tax code revisions is set to reduce expenses for depreciation and amortization. Also taking into account other operations and supplementary income, we are forecasting a ¥20.6 billion, or 40.1%, increase in operating income to ¥72.0 billion, a ¥15.1 billion, or 25.1%, increase in ordinary income to ¥75.0 billion, and a ¥16.3 billion, or 45.7%, increase in net income, to ¥52.0 billion.

The economic frame assumed for FY2012 is $120.00/bbl for crude oil price and ¥85.0/$ for foreign exchange rate.

1) Consolidated Business Results

a. Gas sales volume forecast for FY2012

			FY2012 (Forecast)	FY2011 (Actual)	Change	% change
Gas sales volume	Residential	Mil. m^3	3,464	3,538	-74	-2.1
	Business	Mil. m^3	2,763	2,827	-64	-2.3
	Industrial	Mil. m^3	6,694	6,856	-162	-2.4
	Subtotal	Mil. m^3	9,457	9,682	-225	-2.3
	Supplies to other utilities	Mil. m^3	1,965	1,970	-5	-0.3
	Total	Mil. m^3	14,886	15,190	-304	-2.0
Average temperature		°C	16.7	16.4	0.3	—

b. Forecast for FY2012

(Unit: hundred million yen)

	Net sales			Operating income	Ordinary income	Net income
		City gas sales	Other sales			
FY2012 (forecast)	19,140	14,107	5,033	990	960	630
FY2011 (results)	17,542	13,062	4,479	770	756	460
Change	1,598	1,045	554	220	204	170
% change	9.1%	8.0%	12.3%	28.4%	26.9%	36.8%

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

2) Non-consolidated Business Results

a. Gas sales volume forecast for FY2012

			FY2012 (Forecast)	FY2011 (Actual)	Change	% change
Gas sales volume	Residential	Mil. m^3	3,358	3,429	-71	-2.1
	Business	Mil. m^3	2,620	2,672	-52	-2.0
	Industrial	Mil. m^3	5,684	5,446	238	4.4
	Subtotal	Mil. m^3	8,304	8,118	186	2.3
	Supplies to other utilities	Mil. m^3	2,209	2,212	-3	-0.1
	Total	Mil. m^3	13,871	13,759	112	0.8

b. Forecast for FY2012 (Unit: hundred million yen)

	Net sales			Operating income	Ordinary income	Net income
		Gas sales	Other sales			
FY2012 (forecast)	16,950	13,360	3,590	720	750	520
FY2011 (results)	15,503	12,165	3,338	514	599	357
Change	1,447	1,195	252	206	151	163
% change	9.3%	9.8%	7.5%	40.1%	25.1%	45.7%

(Crude Oil Price and Foreign Exchange Rate)

Crude oil price ($/bbl)	Forecast for FY2012	Results of FY2011	Change		Forecast for FY2012	Results of FY2011	Change
	120.00	114.16	5.84	¥/$ rate	85.00	79.08	5.92

(2) Analysis on financial position

<Analysis on assets, debt, shareholders' equity and cash flows>

1) Situation of Assets, debt and shareholders' equity

Assets as of March 31, 2012, totaled ¥1,863.8 billion, for a ¥34.2 billion increase from March 31, 2011, with an increase in notes and accounts receivable-trade (¥51.8 billion) absorbing a decrease in property, plant and equipment as a result of depreciation (-¥14.7 billion).

Liabilities increased ¥53.2 billion, to ¥1,008.7 billion, with increases in interest-bearing debt (¥41.7 billion) and notes and accounts payable-trade (¥16.5 billion) more than offsetting a decrease in the provision for retirement benefits (-¥11.3 billion).

Net assets decreased ¥18.9 billion, to ¥855.1 billion. Despite the recording of positive net income (¥46.0 billion), purchases of treasury stock in the market (-¥33.9 billion) and the payment of dividends from surplus (-¥23.6 billion) resulted in an overall decrease.

Our shareholders' equity ratio declined by 1.9 percentage points from the end of March 2011, to 45.0%, as a result of the decline in shareholders' equity (calculated as the total of shareholders' equity and accumulated amount of other comprehensive income) relative to the decline in total assets.

2) Situation of cash flow

(Unit: billion yen)

	FY2011	FY2010	Change
Cash flow from operating activities	149.8	162.3	-12.5
Cash flow from investing activities	-101.8	-172.3	70.5
Cash flow from financing activities	-16.4	-7.2	-9.2
Exchange difference of cash and cash equivalents	-1.5	-3.7	2.2
Cash and cash equivalents during FY2008	-30.0	-20.8	50.8
Cash and cash equivalents at beginning of year	92.0	112.8	-20.8
Cash and cash equivalents at end of year	122.0	92.0	30.0

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities totaled ¥149.8 billion. This was derived mainly from net income before adjustment for tax and etc. [¥74.6 billion] and depreciation of noncurrent assets [¥144.4 billion], despite an increase in notes and accounts receivable-trade [-¥52.3 billion].

b) Cash flow from investing activities

Cash and cash equivalents as a result of investing activities totaled ¥101.8 billion. Despite proceeds from sales of noncurrent assets [¥46.4 billion], outlays for the purchase of gas supply facilities and other property, plant and equipment [-¥124.0 billion] resulted in an overall decrease.

c) Cash flow from financing activities

Cash and cash equivalents as a result of financing activities totaled ¥16.4 billion. Despite proceeds from long-term loans payable [¥68.2 billion] and the issuance of bonds [¥40.0 billion], outlays for the purchase of treasury stock [-¥34.0 billion], redemption of bonds [-¥30.0 billion], and cash dividends paid [-¥23.6 billion] resulted in an overall decrease.

<Cash Flow Indicators>

	FY2007	FY2008	FY2009	FY2010	FY2011
Equity ratio	45.1%	43.8%	44.2%	46.9%	45.0%
Equity ratio based on market value	62.8%	53.0%	60.4%	55.6%	54.1%
Rate of cash flow to interest-bearing debt	3.1	3.7	1.9	3.6	4.2
Interest coverage ratio	17.9	14.0	27.3	16.4	14.6

Equity ratio: Equity capital / total assets
Equity ratio based on market value: total market capitalization / total assets
Ratio of cash flow to interest-bearing debt: interest-bearing debt / cash flow
Interest coverage ratio: cash flow / interest payments

Notes:
1. All calculation based on consolidated financial figures.
2. Total market capitalization is calculated based on the number of shares as of the end of fiscal year (excluding treasury stocks).
3. Cash flow means cash flow from operating activities.
4. Interest bearing debt covers bonds, convertible bonds, long-term bank loan payable (all including debts due within one year), short-term bank loan payable and commercial papers out of the interest bearing debt recorded on the balance sheet.

(3) Basic policy on the corporate profit allocation and dividend

Cash flow generated under the Challenge 2020 Vision will be invested for LNG enhancement that will lead to new growth, while at the same time the successful results of our operations will be distributed to shareholders in an appropriate and timely manner.

More specificaly, the Company emphasizes the acquisition of treasury stock with the intention of its retirement as a form of returns to shareholders in addition to dividends, and we have set a target for the total payout ratio to shareholders (dividends plus treasury stock acquisition as a percentage of consolidated net income) of roughly 60% in each year to fiscal 2020.

With regard to distributions to shareholders, the Campany will maintain a stable dividend while carrying out a gradual increase in dividends in accordance with the growth of the Campany by taking into comprehensive consideration medium- to long-term profit levels.

Total payout ratio of year n = [(total annual dividends in year n) +
(amount of treasury stocks acquired in year n + 1)] / (consolidated net income in year n)

Based on the total payout policy outlined above, the Company intends to pay a dividend of ¥9 per share for the term, the same amount as in the previous term. In addition, considering the current share price level, the Board of Directors resolved at its meeting held on April 27, 2012, to carry out a stock repurchase of up to 14 million shares or ¥5.0 billion.

The Company intends to maintain a stable and continuous dividend going forward, and plans to pay a dividend of ¥9 per share for FY2012.

(4) Risks of businesses

Of the items related to business results and financial position in the financial results, the following ones could possibly exert a major influence on decisions by investors. It should be noted that statements concerning the future in this document are judgments made by the Company based on information available at the end of the term.

A Risks associated with accidents, disasters, etc.

(a) Gas resource procurement difficulties

The Group depends on import from other countries for most of natural gas and other gas resources used to produce city gas. The supply of city gas therefore could possibly be impaired in the event of inability to procure gas resources for a long period of time owing to country risks at import sources, troubles affecting gas fields or LNG liquefaction terminals, difficulties in the process of LNG carrier transport, or restriction on entry into port at Tokyo Bay. It is making efforts to spread procurement risks to achieve stable and flexible procurement of LNG through such activities as diversifying suppliers by importing LNG from six countries and 10 projects and allocating ships flexibly using its own LNG ships.

(b) Natural disasters

The Group is an equipment-intensive industry whose business activities are grounded in facilities for the production and supply of city gas. It therefore is enforcing countermeasures to keep the aftermath of natural disasters minimal. Some examples of the countermeasures include a, provision to produce and supply city gas even in the event of large-scale earthquakes with a magnitude of the Great Hanshin-Awaji Earthquake, preparation of countermeasures against earthquake, contingency plan to prevent second disasters, and a BCP (Business Continuity Plan) prepared for such large-scale earthquakes as the Cabinet Office assumes and improvement of contingency plan and execution of regular drills for natural disasters including earthquakes, typhoons and tsunamis. Despite all this, however, the supply of city gas could possibly be impaired in the event of large-scale natural disasters due to damage inflicted on its plants or other production facilities and pipelines or other supply facilities. In such a case, the cost required for resumption of normal production and supply could possibly affect the Group's profitability.

(c) Accidents accompanying gas manufacture and supply, and supply impairments

The production and supply of city gas and electricity that is essential to the life of customers and industries is at the foundation of the Group's business activities. For this reason, it is implementing measures to prevent accidents and supply impairments through systematic implementation of BCP to prepare for significant troubles which may shut off gas supply, various security measures, preparation of business contingency plan and execution of regular drills. However, in the event of large-scale leakage, explosions, or supply difficulties in the process of city gas production or supply, it could possibly result in tangible and intangible loss in aspects including social responsibility, in addition to the direct loss. In the event supply impairment occurs to power supply, it may result in additional loss to fix the problem.

(d) Unforeseen, large-scale power outages

The Company's plants receive electricity from highly reliable grids, and the possibility of an interruption in the supply of electricity to plants is deemed low. Nevertheless, we have prepared for the possibility of an unforeseen, large-scale power outage in the Kanto area by formulating a BCP and other measures designed to minimize the effect of the outage. In addition, if the supply of electricity from the grid source were to be interrupted, demand for gas would be expected to decline because of the outage. At the same time, it would be possible to operate production equipment using the Company's own generators and supply a certain amount of gas even in the event of a power outage.However, the production and supply of gas could be impeded depending on the amount of demand for gas and the status of production and supply equipment.

However, even if one of the Company's three plants were to cease operating, the other two plants could act as a backup, making it possible to generally manufacture and supply the volume of gas required even if one of the plants were to cease operating.

(e) Problems in securing the safety of city gas and quality of gas appliances

As it is responsible for the safety of city gas supply, it is implementing safety measures including strengthening of our efforts to perform regular checks for customers, introducing wider range of check items, and promotion of exchange to safer appliances. It has also been involved in the development of gas appliances with advanced functions for safety because it sells gas appliances and other products under its own brand through consolidated subsidiaries and cooperating firms. In the event of accidents involving gas city supply or caused by gas appliances, however, it could possibly incur both direct and indirect loss associated with response to such incidents.

(f) Damage due to rumors caused by city gas accidents at other firms

City gas accidents at other firms could possibly have an immense impact on the entire city gas industry and breed circumstances in which it would incur tangible and intangible loss.

B Market fluctuation risk

(a) Risk of changes in market prices and interest rates

The Group could possibly incur losses due to fluctuations in the market price of its real estate, stocks and pension assets. With regard to interest-bearing debt, its interest payment could possibly increase in the event interest rates rise. However, the impact from fluctuations in interest rates is expected to be limited as most of its interest-bearing debts are long-term fixed rate debts.

C Risks accompanying business execution

(a) Risks related to existing businesses

a) Changes in gas resource costs

Changes in terms of contracts and negotiations with suppliers of LNG, of which city gas is produced, may affect its profitability. Also, as price of LNG is linked with that of crude oil and crude oil is denominated in U.S. dollar under the sales contract, changes in the price of crude oil as well as exchange rate between Japanese yen and U.S. dollar can have an impact on its profitability.

In the event of such developments as demand exceeding the volume of procurement from LNG projects resting on long-term contracts, incidence of trouble in shipment terminals or transport, and delays in the start of supply from new LNG projects, the gas resource costs associated with spot LNG purchasing undertaken in response may possibly affect its profitability.

On the other hand, under the provisions for adjustment for gas resource costs on gas tariffs, changes in gas resource prices are reflected in gas tariffs within five months at maximum. However, if the amount of such changes exceeds 160% of the standard resource price, the amount by which it exceeds will not be collected. In case such changes are reflected in gas tariffs beyond the current fiscal term, it may affect the bottom line of the next fiscal term because of the uncollected and over-collected amounts of the resource costs.

b) Changes in gas sales due to climate change

As consolidated net sales of city gas accounts for about 70% of the Group’s sales, the occurrence of abnormal weather such as unusually hot summers or warm winters could possibly affect the bottom line due to the resulting reduction of gas sales in the residential use, where gas is used mainly for heating water and air conditioning, and gas sales in the business use, where gas is used mainly for air conditioning.

c) Decrease in demand accompanying intensified competition

There is a risk of decline in demand and effect on the balance of payments in the event of intensified competition with electric power companies or other enterprises newly entering the wholesale gas business, or a loss of competitiveness on the part of LNG itself relative to other forms of energy due to factors such as a fluctuation in crude oil prices.

d) Reduction in the existing demand

Part of the existing demand in the industrial and commercial uses could possibly be reduced by factors such as the decrease in facility operating rates due to the recession, the progress of energy-conserving activities, and changes in the industrial structure. In addition, developments such as decreased numbers in one household and changes in lifestyle and wider use of energy-saving appliances could possibly reduce part of the existing demand in the residential use.

e) Interruption of telephone service at call centers

The Group receives most requests from customers by telephone. An interruption of telephone service at call centers therefore could possibly not only delay accommodation of customer needs over large areas but also cause tangible and intangible loss in forms such as detraction from the image of the Group's name.

f) Delay in the development of new technologies

Although the Group has been engaged in the development of new products and technologies with environmentally-enhancing designs and high level of safety, it may not be able to develop and deliver these products and technologies on a timely manner. In such cases, it may lose competitiveness against other forms of energy and affect its execution of businesses.

g) Changes in laws, regulations, institutions, and national/local energy policy

The Group executes its business in accordance with the Gas Utility Industry Law, Companies Act, Financial Instruments and Exchange Law, other laws and regulations, and the energy policy of national and local governments. Changes in such policy consequently could affect its execution of business.

(b) Delayed cultivation of new markets

The Group is cultivating new markets by promoting the expansion of ENE-FARM residential fuel cells and services using renewable energy, including solar light and heat. However, changes in energy policy by national and local governments as well as other changes in the operating environment could delay these efforts, which could force the Group to change its business strategy and impede the recovery of its investments.

(c) Inability to recover investments

The Group continues to make large-scale investments to enhance the LNG value chain as outlined in the Challenge 2020 Vision. We evaluate profitability and risks of all investments, capital contributions, loans and debt guarantees at an investment evaluation committee, and we make investment decisions based on a conclusion from the committee while consulting with the management council and the board of directors' meeting, if necessary, from a standpoint of comprehensive management judgment. These large-scale investments include the laying of pipelines and reinforcement of the foundation for stable supply by constructing LNG terminals and other facilities, as well as investments related to the electric power business, the energy services business, overseas businesses including gas field development, and the LNG transport business, investment for IT and other backbone facilities for existing businesses, and investment to make active use of real estate holdings. Nevertheless, subsequent changes in economic conditions could prevent the sufficient recovery or intended effect of these investments, thereby affecting the balance of investment income and expenditures.

D Risks related to information management and system operation

(a) Leakage of personal information

For its execution of business as a public utility, the Group collects and manages personal information on its customers. It has implemented measures to prevent leakage of personal information through construction of a group-wide information security system, execution of education on information security and voluntary monitoring while internal audit ensures its construction and operation to enforce necessary changes. In case the external leakage of personal information occurs, it could possibly cause tangible and intangible loss in forms such as a loss of credibility among customers that is more serious than in the case of other corporate groups, in addition to the direct cost required for response.

(b) Shutdown or malfunction of IT systems

Because the Group relies on IT systems for customer service work and calculation of gas tariffs, it has implemented measures to keep the impact on the operation from unexpected events minimal through building a robust data center superior in fault-resilience and disaster-tolerance and preparation and execution of various security measures and regular drills required for stable operation of the systems. The shutdown or malfunction of these systems could possibly cause delay accommodation of customer needs but also cause tangible and intangible loss in forms such as detraction from the image of the Group's name.

Please note, however, that it is unlikely that malfunction of IT system will have any serious impact on the production and supply of city gas because its IT system for the production and supply adjustment of city gas has its own security measures in place including a backup system and wireless network operated by the Group.

E Risks related to corporate social responsibility

(a) Conformance with new environmental regulations etc.

The emergence of additional obligations for compliance with new environmental legislation or environmental improvement could possibly affect the Group's conduct of business and its balance of payments.

(b) Compliance violations

Since compliance forms a basis of operation, the Group has established a committee on management ethics chaired by the president. This committee sets out the basic policies under which the Group executes actions to improve compliance and the internal audit confirms the Group's compliance with laws and regulations and corporate ethics.

The occurrence of acts that are improper in the context of laws and regulations, or the articles of association; improper acts in information disclosure; or acts in violation of corporate ethics could possibly cause tangible and intangible damage in forms such as the imposition of social sanctions in addition to the direct cost required for response.

(c) Insufficient CS or customer services

The Group thinks CS (Customer Satisfaction) is one of the key issues for its management. The Group is pursuing the CS improvement program under the basic policies set out by the CS improvement committee chaired by the president. However, the occurrence of insufficient satisfaction or defective treatment of customers could possibly result in tangible and intangible loss in forms such as a decline in corporate competitiveness and detraction from the image of the Group's name.

II. Scope of Consolidated Subsidiaries and Affiliates and Application of Equity Method

1) The scope of consolidation

- Newly included subsidiaries in scope of consolidation: four companies
  - Tokyo Gas Shale Investment Ltd.
  - TG Europower B.V.
  - Tokyo Gas Ichthys Pty Ltd.
  - Tokyo Gas WA285P Pty Ltd.
  - [Every company is newly consolidated]
- Excluded: 1 company
  - Tokyo Gas Customer Service Co., Ltd. (liquidation)

2) Equity method affiliates

- Newly incuded equity method affiliates: None

Information about other consolidated subsidiaries and affiliates are not disclosed because there are no significant changes from articles of “business diagram” and “situation of subsidiaries and affiliates” in the latest securities report. [filed on 29 June, 2011]

III. Management Policy

(1) Basic policy on corporate management

The Great East Japan Earthquake of March 11, 2011, had a major impact on Japanese society and the economy, and raised a number of issues. In particular, problems related to nuclear power and the balance of electrical power supply and demand brought about a reexamination of the country's energy policies. The major issues identified were: (1) the strengthening of energy security to support safety and security in people's daily lives; (2) energy cost reductions to support Japan's early recovery and continuous growth; and (3) innovation in energy systems to support energy conservation and reductions in CO2 emissions.

Against this backdrop, the Tokyo Gas Group formulated "The Tokyo Gas Group's Vision for Energy and the Future-Challenge 2020 Vision-" in November 2011, with a firm commitment to contribute to the resolution of these issues by promoting the spread and expansion of natural gas use. Under the Challenge 2020 Vision, we are working to enhance the LNG value chain by:

- Enhancing the added value delivered through the LNG value chain, and
- Expanding the areas covered by the LNG value chain.

Through these efforts, the Tokyo Gas Group will work to satisfy the needs of customers, society, and the times, and strive to realize a prosperous, fulfilling way of life, competitive domestic industries, and an environmentally friendly society where people can live in peace of mind. We will remain keenly aware of our corporate social responsibility and pursue sustained growth for the Group by engaging in transparent, fair management while aiming for harmonious coexistence with local communities.

(2) Issues to be addressed by the Company

The Tokyo Gas Group is addressing the following issues with a view toward enhancing the LNG value chain.

1) Reduce raw material prices and expand overseas operations

We will work to further diversify and expand procurement and overseas upstream projects and reduce raw material prices through activities in CBM, shale gas, and other unconventional gas projects, and small- and medium-scale LNG projects, while balancing the stability, price, and flexibility of supplies.

We will also work to construct an LNG value chain overseas by expanding the overseas natural gas-fired thermal power generation business. This will ensure flexible procurement of raw materials for Japan and contribute to the stable supply of energy in overseas countries, and also lead to earnings growth for the Group.

In addition, we will develop our energy services and engineering business overseas, utilizing the Group's strengths with natural gas at the core.

2) Deliver a safe and stable supply of energy

With the construction of the Hitachi LNG Terminal we are enhancing the stability of our overall supply infrastructure, and this, combined with the construction of manufacturing and supply infrastructure to address growth in demand for gas, will contribute to the energy security of the entire Kanto region.

By consolidating pipelines to build a reciprocal gas supply structure for emergency situations, and expanding our own infrastructure, we are further strengthening eastern Japan's natural gas supply network.

We will also minimize areas subject to supply disruption in the event of an earthquake through measures including an increase in the number of high-earthquake-resistance blocks and the formation and subdivision of tsunami and liquefaction blocks, reduce the time required for restoration, and pursue measures to address risks from earthquakes and tsunami at LNG terminals and from flash flooding in urban areas.

In addition, we will strive to ensure security through measures including accelerated maintenance of older pipes, beginning with older cast-iron pipes.

3) Provide energy solutions adapted to a variety of needs

We will promote the increased use of distributed energy systems (residential fuel cell ENE-FARM and cogeneration systems), gas air conditioning, and other systems that contribute to peak saving, energy conservation, and reduced CO2 emissions.

We will build smart energy networks that make optimal use of energy throughout entire regions to conserve energy, reduce CO2 emissions, and deliver a stable supply, while at the same time utilize HEMS and BEMS and smart meters to achieve smart energy utilization in homes, offices, and factories.

We will contribute to the resolution of electrical power supply-and-demand problems by utilizing the Group's strengths in LNG procurement and LNG terminals and pipeline facilities to expand the natural gas-fired thermal power generation business.

At the same time, we will pursue the use of renewable energy, promote the advanced utilization of natural gas and fuel conversion, and promote the spread and expansion of natural gas use and nationwide development of energy services.

4) Pursue technical development and IT utilization with a focus on the future

We will engage in the technical development of distributed energy systems, renewable energy, smart energy and other innovations, and with a view to the 2020's and beyond, we will develop technologies related to hydrogen and CO_2, and carry out research and development related to methane hydrate.

We will also use IT to enable closer communication with customers.

5) Achieve a leaner, stronger business structure

We will build an optimal business performance organization comprising the entire Tokyo Gas Group, including affiliates, Lifeval and other business partners, to realize the Group's collective strength.

(3) Key management indicators (Consolidated)

	FY2020(target)	FY2011(results)
Operating cash flow1 (billion yen)	250 per year <Nine-year total from FY2012 to FY2020 : 2,240>	194.5
Return on Equity (ROE) (%)	Around 8.0	5.4
Return on Asset (ROA) (%)	Around 4.0	2.5
D/E ratio	Around 0.8(each year)	0.75

Note: Operating cash flow = net income + depreciation

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

Account	FY2010 (as of Mar. 31, 2011)	FY2011 (as of Mar. 31, 2012)
ASSETS		
Noncurrent assets		
Property, plant and equipment		
Production facilities	180,446	171,318
Distribution facilities	461,109	475,262
Service and maintenance facilities	62,149	62,740
Other facilities	318,239	304,245
Inactive facilities	447	316
Construction in progress	97,850	91,705
Total property, plant and equipment	1,120,243	1,105,587
Intangible assets		
Goodwill	1,198	741
Other	39,944	47,987
Total intangible assets	41,143	48,729
Investments and other assets		
Investment securities	137,456	131,305
Long-term loans receivable	21,340	24,164
Deferred tax assets	39,085	35,060
Other	31,928	28,926
Allowances for doubtful accounts	(909)	(750)
Total investments and other assets	228,900	218,706
Total noncurrent assets	1,390,286	1,373,023
Current assets		
Cash and deposits	90,302	80,149
Notes and accounts receivable-trade	160,128	211,969
Lease receivables and investment assets	26,789	27,751
Merchandise and finished goods	3,591	3,538
Work in process	8,937	10,734
Raw materials and supplies	36,451	42,700
Deferred tax assets	15,624	12,499
Other	98,096	102,167
Allowances for doubtful accounts	(546)	(649)
Total current assets	439,374	490,861
Total assets	1,829,661	1,863,885

(Unit: million yen)

Account	FY2010 (as of Mar. 31, 2011)	FY2011 (as of Mar. 31, 2012)
LIABILITIES		
Noncurrent liabilities		
Bonds payable	311,492	331,493
Long-term loans payable	188,239	231,520
Deferred tax liabilities	17,330	12,229
Provision for retirement benefits	96,870	85,578
Provision for gas holders repairs	3,565	3,268
Provision for safety measures	—	2,217
Asset retirement obligations	3,679	4,679
Other	25,535	24,931
Total noncurrent liabilities	646,713	695,920
Current liabilities		
Current portion of noncurrent liabilities	48,765	43,631
Notes and accounts payable-trade	76,180	92,660
Short-term loans payable	17,825	16,599
Income taxes payable	32,795	30,479
Deferred tax liabilities	6	6
Asset retirement obligations	77	199
Other	133,203	129,288
Total current liabilities	308,853	312,864,
Total liabilities	955,567	1,008,785
NET ASSETS		
Shareholders’ equity		
Capital stock	141,844	141,844
Legal capital surplus	2,065	2,065
Retained earnings	718,439	706,620
Treasury stock	(2,355)	(2,196)
Total shareholders’ equity	859,994	848,333
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,788	14,853
Deferred gains or losses on hedges	1,145	(1,370)
Foreign currency translation adjustment	(17,008)	(22,649)
Total valuation and translation adjustments	(1,073)	(9,166)
Minority interests	15,174	15,933
Total net assets	874,094	855,100
Total liabilities and net assets	1,829,661	1,863,885

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Unit: million yen)

Account	FY2010 (Apr. 2010 – Mar. 2011)	FY2011 (Apr. 2011 – Mar. 2012)
Net Sales	1,535,242	1,754,257
Cost of sales	974,781	1,215,427
Gross profit	560,460	538,829
Selling, general and administrative expenses		
Supply and sales expenses	374,919	393,689
General and administrative expenses	63,090	68,064
Total selling, general and administrative expenses	438,009	461,754
Operating income	122,451	77,075
Non-operating income		
Interest income	1,215	1,368
Dividends income	1,541	1,798
Equity in earnings of affiliates	3,605	4,989
Rent income	1,641	1,628
Miscellaneous income	8,891	5,783
Total non-operating income	16,895	15,568
Non-operating expenses		
Interest expenses	9,689	10,184
Balance on commissioned construction	2,361	2,567
Miscellaneous expenses	5,747	4,272
Total non-operating expenses	17,798	17,023
Ordinary income	121,548	75,620
Extraordinary income		
Gain on sales of noncurrent assets	39,927	3,010
Gain on sales of investment securities	726	—
Total extraordinary income	40,653	3,010
Extraordinary losses		
Impairment loss	834	1,143
Loss on disaster	3,268	—
Loss on reduction of noncurrent assets	—	2,833
Loss on valuation of investment securities	2,100	—
Expenses for product compensation	503	—
Total extraordinary losses	6,707	3,977
Income before income taxes	155,494	74,654
Income taxes-current	27,522	22,704
Income taxes-deferred	31,901	4,620
Total income taxes	59,424	27,324
Income before minority interests	96,070	47,329
Minority interests in income	603	1,268
Net income	95,467	46,060

(Consolidated Statement of Comprehensive Income)

(Unit: million yen)

Account	FY2010 (Apr. 2010 – Mar. 2011)	FY2011 (Apr. 2011 – Mar. 2012)
Income before minority interests	96,070	47,329
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,375)	86
Deferred gains or losses on hedges	(604)	(1,783)
Foreign currency translation adjustment	(7,095)	(4,266)
Share of other comprehensive income of associates accounted for using equity method	(2,554)	(2,129)
Total other comprehensive income	(15,630)	(8,092)
Comprehensive income	80,440	39,237
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	79,818	37,967
Comprehensive income attributable to minority interests	622	1,269

(3) Consolidated Statements of Changes in Net Assets

(Unit: million yen)

	FY2010 (Apr.2010 – Mar. 2011)	FY2011 (Apr.2011 – Mar. 2012)
Shareholders' equity		
Paid-in capital		
Balance at the beginning of current period	141,844	141,844
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	141,844	141,844
Capital surplus		
Balance at the beginning of current period	2,065	2,065
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,065	2,065
Retained surplus		
Balance at the beginning of current period	657,387	718,439
Changes of items during the period		
Dividends from surplus	(25,549)	(23,683)
Net income	95,467	46,060
Disposal of treasury stock	(1)	—
Cancellation of treasury stock	(7,919)	(34,196)
Change of subsidiaries	(943)	—
Total changes of items during the period	61,052	(11,819)
Balance at the end of current period	718,439	706,620
Treasury stock		
Balance at the beginning of current period	(1,986)	(2,355)
Changes of items during the period		
Repurchase of treasury stock	(8,314)	(34,046)
Disposal of treasury stock	25	8
Cancellation of treasury stock	7,919	34,196
Total changes of items during the period	(369)	158
Balance at the end of current period	(2,355)	(2,196)
Total shareholders' equity		
Balance at the beginning of current period	799,310	859,994
Changes of items during the period		
Dividends from surplus	(25,549)	(23,683)
Net income	95,467	46,060
Repurchase of treasury stock	(8,314)	(34,046)
Disposal of treasury stock	23	8
Change of subsidiaries	(943)	—
Total changes of items during the period	60,683	(11,661)
Balance at the end of current period	859,994	848,333

(Unit: million yen)

	FY2010 (Apr.2010 – Mar. 2011)	FY2011 (Apr.2011 – Mar. 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	20,175	14,788
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(5,386)	64
Total changes of items during the period	(5,386)	64
Balance at the end of current period	14,788	14,853
Deferred gains or losses on hedges		
Balance at the beginning of current period	1,690	1,145
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(544)	(2,516)
Total changes of items during the period	(544)	(2,516)
Balance at the end of current period	1,145	(1,370)
Translation adjustments		
Balance at the beginning of current period	(7,290)	(17,008)
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(9,717)	(5,640)
Total changes of items during the period	(9,717)	(5,640)
Balance at the end of current period	(17,008)	(22,649)
Total valuation and translation adjustment		
Balance at the beginning of current period	14,575	(1,073)
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(15,649)	(8,092)
Total changes of items during the period	(15,649)	(8,092)
Balance at the end of current period	(1,073)	(9,166)
Minority interests		
Balance at the beginning of current period	12,404	15,174
Changes of items during the period		
Changes of items during the period other than shareholders' equity	2,769	759
Total changes of items during the period	2,769	759
Balance at the end of current period	15,174	15,933
Total net assets		
Balance at the beginning of current period	826,291	874,094
Changes of items during the period		
Dividends from surplus	(25,549)	(23,683)
Net income	95,467	46,060
Repurchase of treasury stock	(8,314)	(34,046)
Disposal of treasury stock	23	8
Change of subsidiaries	(943)	—
Changes of items during the period other than shareholders' equity	(12,879)	(7,333)
Total changes of items during the period	47,803	(18,994)
Balance at the end of current period	874,094	855,100

(4) Consolidated Statements of Cash Flows

(Unit: million yen)

Account	FY2010 (Apr.2010 – Mar. 2011)	FY2011 (Apr.2011 – Mar. 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	155,494	74,654
Depreciation and amortization	145,389	144,438
Impairment loss	834	1,143
Amortization of long-term prepaid expenses	3,946	4,067
Loss on retirement of property, plant and equipment	3,248	2,917
Loss (gain) on sales of noncurrent assets	(39,849)	(2,920)
Loss on reduction of noncurrent assets	—	2,833
IIncrease (decrease) in provision for retirement benefits	(34,104)	(11,291)
Increase (decrease) in provision for safety measures	(184)	2,217
Interest and dividends income	(2,757)	(3,166)
Interest expenses	9,689	10,184
Equity in (earnings) losses of affiliates	(3,605)	(4,989)
Decrease (increase) in notes and accounts receivable-trade	(7,095)	(52,333)
Decrease (increase) in inventories	8,181	(7,960)
Increase (decrease) in notes and accounts payable-trade	(52,523)	21,887
Increase (decrease) in consumption tax payable	(5,260)	1,111
Decrease (increase) in accounts receivable – other	24,227	(7,180)
Decrease (increase) in lease receivables and lease asset	(871)	(1,175)
Other, net	(7,512)	5,323
Subtotal	197,248	179,759
Interest and dividends income received	6,900	10,140
Interest expenses paid	(9,840)	(10,217)
Income taxes paid	(31,963)	(29,864)
Net cash provided by (used in) operating activities	162,345	149,818
Net cash provided by (used in) investment activities		
Payments into time deposits	(5,847)	(2,247)
Proceeds from withdrawal of time deposits	7,115	3,435
Purchase of investment securities	(21,737)	(1,133)
Purchase of property, plant and equipment	(137,624)	(124,063)
Purchase of intangible assets	(13,191)	(16,323)
Payments for transfer of business	(47)	(1,550)
Purchase of long-term prepaid expenses	(2,814)	(1,354)
Proceeds from sales of noncurrent assets	653	46,488
Payment of long-term loans receivable	(3,188)	(7,053)
Collection of long-term loans receivable	1,719	1,710
Other, net	2,656	280
Net cash provided by (used in) investment activities	(172,305)	(101,810)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	8,915	(1,225)
Increase (decrease) in commercial papers	15,000	(15,000)
Proceeds from long-term loans payable	17,339	68,258
Payments for long-term loans payable	(33,541)	(19,555)
Proceeds from issuance of bonds	40,000	40,000
Redemption of bonds	(20,000)	(30,000)
Purchase of treasury stock	(8,314)	(34,046)
Cash dividends paid	(25,524)	(23,671)
Other, net	(1,087)	(1,213)
Net cash provided by (used in) financing activities	(7,212)	(16,454)
Effect of exchange rate change on cash and cash equivalents	(3,716)	(1,518)
Net increase (decrease) in cash and cash equivalents	(20,889)	30,034
Cash and cash equivalents at beginning of year	112,868	92,048
Increase in cash and cash equivalents from newly consolidated subsidiary	68	—
Cash and cash equivalents at end of period	92,048	122,083

(5) Note on going concerns' premise:

Not applicable

(6) Basis of preparation of consolidated financial statements

Disclosure is omitted because there are no significant changes since the publication of the most recent securities report (filed June 29, 2011).

(7) Supplementary information

The Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No.24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24; December 4, 2009) are being applied as a result of accounting changes and restatements carried out during the term.

(8) Notes on consolidated financial statement

1）(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. Calculation of net sales, profit and loss, and assets, etc.

The same accounting method with which is applied to the consolidated financial statements is applied to segment accounting.

Income of reporting segment is calculated based on operating income.

Intersegment sales and transfers are attributable to transactions within group companies, and calculated based on market value

3. Information related to net sales, profit and loss, and assets, etc. by reporting segment

Fiscal year ended March 31, 2011 (from Apr. 1, 2010 - Mar. 31, 2011)

(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	Other business				
Net sales (1) External sales	1,077,221	164,814	208,329	11,715	1,462,081	73,161	1,535,242	—	1,535,242
(2) Intersegment sales & transfers	59,856	12,658	12,962	21,081	106,558	89,140	195,699	(195,699)	—
Total	1,137,077	177,472	221,292	32,797	1,568,639	162,302	1,730,942	(195,699)	1,535,242
Segment income (loss)	136,181	1,872	11,166	5,713	154,933	9,907	164,841	(42,389)	122,451
Segment Assets	981,747	57,125	163,400	196,567	1,398,840	161,588	1,560,429	269,232	1,829,661
Others (1) Depreciation expenses	114,435	1,048	16,454	8,716	140,654	7,167	147,822	(2,432)	145,389
(2) Increase in property, plant, equipment, and intangible assets	105,880	1,111	21,054	2,940	130,987	19,485	150,472	(3,084)	147,388

Notes:

1. The "Others" segment indicates businesses not included in the reporting segments, including construction, information processing, shipping, and credit and leasing.
2. The "Adjustments" indicates as follows;
   (1) The -¥42,389 million segment income adjustment includes ¥1,295 million in eliminations for intersegment transactions and -¥43,684 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.
   (2) The ¥269,232 million segment assets adjustment includes ¥315,275 million of companywide assets not allocated to the respective reporting segments, and -¥46,042 million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets 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.

Fiscal Year 2011 (from Apr. 1, 2011 - Mar. 31, 2012)

(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	Other business				
Net sales									
(1) External sales	1,220,499	172,986	259,811	10,589	1,663,886	90,371	1,754,257	—	1,754,257
(2) Intersegment sales & transfers	85,762	14,642	42,781	19,086	162,273	91,509	253,782	(253,782)	—
Total	1,306,262	187,628	302,593	29,675	1,826,159	181,880	2,008,040	(253,782)	1,754,257
Segment income (loss)	97,404	3,129	10,924	3,301	114,760	7,066	121,826	(44,751)	77,075
Segment Assets	1,023,440	64,350	174,270	151,231	1,413,293	179,270	1,592,564	271,321	1,863,885
Others									
(1) Depreciation expenses	114,256	1,081	15,769	8,482	139,590	7,396	146,987	(2,549)	144,438
(2) Increase in property, plant, equipment, and intangible assets	118,526	796	7,963	3,651	130,937	17,119	148,057	(2,998)	145,058

Notes:

1. The "Others" segment indicates businesses not included in the reporting segments, including construction, information processing, shipping, and credit and leasing.
2. The "Adjustments" indicates as follows;
   (1) The -¥44,751 million segment income adjustment includes ¥1,758 million in eliminations for intersegment transactions and -¥46,509 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.
   (2) The ¥271,321 million segment assets adjustment includes ¥335,101 million of companywide assets not allocated to the respective reporting segments, and -¥63,780 million of net eliminations for intersegment obligations. Companywide assets are primarily, financial assets 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.

2) (Per share information)

	FY2010	FY2011
	(Unit: yen)	(Unit: yen)
1. Shareholders’ equity per share	320.70	324.67
2. Net income per share	35.63	17.70

Notes:

1. Diluted net income per share is not disclosed as no latent shares exist.
2. Basis for calculation of net income per share is as follows.

	FY2010	FY2011
Net income (million yen)	95,467	46,060
Not attributable to common shareholders (million yen)	—	—
Net income attributable to common shareholders (million yen)	95,467	46,060
Average number of common shares outstanding (thousand shares)	2,679,294	2,603,015

3. Basis for calculation of BPS is as follows.

	FY2010	FY2011
Shareholders’ equity (million yen)	874,094	855,100
Deduction from shareholders’ equity (million yen)	15,174	15,933
-Shares of minority shareholders (million yen)	15,174	15,933
Net shareholders’ equity attributable to common shares (million yen)	858,920	839,166
Number of shares to calculate BPS (thousand shares)	2,678,294	2,584,710

3) (Material subsequent events)

Fiscal year ended March 31, 2012 (from Apr. 1, 2011 - Mar. 31, 2012)

The Company resolved at the meeting of Board of Directors held on April 27, 2012 that it would acquire its own shares of stock based on 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.

The repurchases of shares are to be carried out as described below:

Type of shares:	Ordinary shares of the Company
No. of shares to be repurchased:	Up to 14 million shares
Total value of stock repurchased:	Up to ¥5,000 million
Period of acquisitions:	May 2, 2012 – March 31, 2013

V. Non-Consolidated Financial Statements

(1) Balance Sheets

(Unit: million yen)

Account	FY2010 (as of Mar. 31, 2011)	FY2011 (as of Mar. 31, 2012)
ASSETS		
Fixed assets		
Tangible fixed assets		
Production facilities	180,967	172,382
Distribution facilities	439,887	454,569
Business facilities	56,986	57,584
Other facilities	2,881	2,920
Suspended facilities	447	316
Construction in progress	67,221	58,216
Total tangible fixed assets	748,391	745,989
Intangible fixed assets		
Leaseholds	1,500	1,519
Software	17,911	17,857
Other intangible fixed assets	4,617	7,013
Total intangible fixed assets	24,029	26,389
Investments, etc.		
Investment securities	62,694	60,596
Investments in affiliates	194,655	217,010
Long-term loans receivable	100	90
Long-term loans to affiliates	136,952	92,360
Investments in partnership	13	13
Long-term prepaid expenses	18,445	15,908
Deferred tax assets	34,137	27,016
Miscellaneous investments	4,005	4,125
Allowances for doubtful accounts	(753)	(928)
Total investments, etc.	450,251	416,194
Total fixed assets	1,222,673	1,188,573
Current assets		
Cash and deposits	40,290	16,005
Notes and accounts receivable	900	1,520
Accounts receivable	99,026	136,363
Accounts receivable from affiliates	30,380	44,900
Uncollected accounts	9,507	11,284
Negotiable securities	5,001	44,001
Finished products	106	132
Raw materials	22,215	26,363
Supplies	8,710	8,024
Advance payments-other	4,912	1,848
Prepaid expenses	1,044	969
Short-term CMS lending to affiliates	19,528	20,515
Short-term credits affiliates	2,503	2,549
Deferred tax assets	8,594	8,704
Other current assets	26,485	32,620
Allowances for doubtful accounts	(716)	(778)
Total current assets	278,491	355,025
Total Assets	1,501,164	1,543,598

(Unit: million yen)

Account	FY2010 (as of Mar. 31, 2011)	FY2011 (as of Mar. 31, 2012)
LIABILITIES		
Fixed liabilities		
Straight bonds	297,692	317,693
Long-term bank loans payable	120,531	165,553
Long-term obligations to affiliates	373	366
Retirement benefit reserve	86,677	75,023
Allowances for repairs of gas holders	3,072	2,933
Reserve for safety measures	—	2,217
Other fixed liabilities	4,377	5,215
Total fixed liabilities	512,724	569,003
Current liabilities		
Fixed liabilities due within one year	34,480	30,599
Accounts payable	50,163	48,434
Short-term loans payable	5,000	—
Other accounts payable	27,771	35,999
Accrued expenses	33,117	32,883
Corporation tax payable, etc.	19,429	23,502
Advances received	3,605	5,242
Deposits received	2,620	3,476
CMS short-term borrowings from affiliates	45,816	60,654
Accounts payable from subsidiaries and affiliates	10,844	18,059
Accrued expenses to subsidiaries and affiliates	20,344	19,960
Short-term obligations to affiliates	1,144	1,188
Other current liabilities	20,121	3,864
Total current liabilities	274,459	283,862
Total liabilities	787,183	852,866
NET ASSETS		
Shareholders' Equity		
Common stock	141,844	141,844
Capital surplus		
Capital reserve	2,065	2,065
Total Capital surplus	2,065	2,065
Earned surplus		
Earned surplus reserve	35,454	35,454
Other retained earnings		
Expropriation etc. compression reserve	909	856
Reserve against loss of investment abroad, etc.	6,104	9,693
Raw material cost fluctuation adjustment reserve	141,000	141,000
General reserves	299,000	299,000
Earned surplus carried forward	74,327	48,611
Total Earned surplus	556,795	534,616
Treasury Stock	(2,355)	(2,196)
Total shareholders' Equity	698,350	676,329
Variance of the estimate and the exchange rate		
Unrealized gains on other securities	14,388	14,412
Gain or loss on deferred hedge	1,242	-9
Total Variance of the estimate and the exchange rate	15,630	14,402
Total net asset	713,980	690,732
Total liabilities, minority interest and shareholders' equity	1,501,164	1,543,598

(2) Statements of Income

(Unit: million yen)

Account	FY2010 (Apr. 2010 – Mar. 2011)	FY2011 (Apr. 2011 – Mar. 2012)
Product Sales		
Gas sales	1,071,635	1,216,536
Total product sales	1,071,635	1,216,536
Cost of sales		
Beginning inventories	102	106
Cost of goods manufactured	591,889	756,566
Cost of goods purchased	11,213	13,249
Cost of goods self-consumed	2,433	2,916
Ending inventories	106	132
Total Cost of sales	600,665	766,874
Gross profit	470,969	449,662
Supply and sales expenses	329,525	345,060
General and administrative expenses	64,995	69,557
Total supply and sales expenses and general and administrative expenses	394,520	414,618
Profit on gas sales	76,448	35,044
Miscellaneous operating revenues		
Income of construction work received	37,283	37,528
Revenues from sales of gas appliances	100,449	108,426
Income from third party access	257	261
Other revenues	6,924	7,732
Total miscellaneous operating revenues	144,914	153,949
Miscellaneous operating expenses		
Cost of construction work	37,625	37,532
Cost of sales of gas appliances	100,275	108,201
Total miscellaneous operating expenses	137,900	145,734
Revenues from associated business		
Revenue from LNG sales	35,604	75,904
Revenue from power sales	52,928	79,108
Revenue from other associated business	24,751	24,843
Total revenues from associated business	113,284	179,857
Expenses for associated business		
Expense for LNG sales	33,888	74,501
Expense for power sales	49,641	72,095
Expenses for other associated business	24,371	25,115
Total expenses for associated business	107,901	171,712
Operating income	88,845	51,403

(Unit: million yen)

Account	FY2010 (Apr. 2010 – Mar. 2011)	FY2011 (Apr. 2011 – Mar. 2012)
Non-operating income		
Interest income	2,146	1,760
Interest on securities	4	6
Dividend income	1,254	1,498
Dividends from subsidiaries and affiliates	9,621	6,827
Rental income	4,554	4,412
Advanced repayment and settlements	—	2,480
Miscellaneous revenues	6,576	5,503
Total non-operating income	24,157	22,490
Non-operating expenses		
Interest paid	2,364	2,790
Interest on bonds	5,770	5,936
Amortization of bond issue expenses	190	178
Balance on commissioned construction	2,458	2,639
Miscellaneous expenditure	3,111	2,405
Total non-operating expenses	13,895	13,949
Ordinary income	99,107	59,943
Extraordinary income		
Gain on sales of noncurrent assets	826	2,974
Gain on sales of investment securities	726	—
Gain on extinguishment of tie-in shares	3,653	—
Total extraordinary income	5,205	2,974
Extraordinary loss		
Impairment loss	385	204
Loss on disaster	3,168	—
Loss on reduction of noncurrent assets	—	2,833
Loss on valuation of investment securities	2,098	—
Total of extraordinary losses	5,651	3,038
Net income before income tax	98,661	59,880
Corporate taxes, etc.	12,630	14,670
Adjustment for corporate taxes, etc.	18,540	9,510
Total corporate tax, etc.	31,170	24,180
Net income	67,941	35,700

(3) Non-Consolidated Statements of Changes in Net Assets

(Unit: million yen)

Account	FY2010 (Apr.2010 to Mar. 2011)	FY2011 (Apr.2011 to Mar. 2012)
Shareholders' equity		
Paid-in capital		
Balance at the beginning of current period	141,844	141,844
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	141,844	141,844
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	2,065	2,065
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of period	2,065	2,065
Total Capital surplus		
Balance at the beginning of current period	2,065	2,065
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	2,065	2,065
Retained surplus		
Legal reserve		
Balance at the beginning of current period	35,454	35,454
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	35,454	35,454
Other Retained surplus		
Compression reserve		
Balance at the beginning of current period	909	909
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent assets	—	77
Reversal of reserve for advanced depreciation of noncurrent assets	—	(130)
Total changes of items during the period	—	(53)
Balance at the end of current period	909	856
Reserve against loss of investment on abroad, etc.		
Balance at the beginning of current period	4,011	6,104
Changes of items during the period		
Reserve against loss of investment abroad, etc.	2,092	3,588
Total changes of items during the period	2,092	3,588
Balance at the end of current period	6,104	9,693
Raw material cost fluctuation adjustment reserve		
Balance at the beginning of current period	141,000	141,000
Changes of items during the period		
Total changes of items during the period	—	
Balance at the end of current period	141,000	141,000

(Unit: million yen)

Account	FY2010 (Apr.2010 to Mar. 2011)	FY2011 (Apr.2011 to Mar. 2012)
General reserves		
Balance at the beginning of current period	299,000	299,000
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	299,000	299,000
Deferred retained earnings		
Balance at the beginning of current period	42,399	74,327
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent assets	—	(77)
Reversal of reserve for advanced depreciation of noncurrent assets	—	130
Reserve against loss of investment abroad, etc.	(2,092)	(3,588)
Dividends from surplus	(25,549)	(23,683)
Net income	67,491	35,700
Disposal of treasury stock	(1)	—
Cancellation of treasury stock	(7,919)	(34,196)
Total changes of items during the period	31,927	(25,715)
Balance at the end of current period	74,327	48,611
Total Retained surplus		
Balance at the beginning of current period	522,775	556,795
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent assets	—	—
Reversal of reserve for advanced depreciation of noncurrent assets	—	—
Reserve against loss of investment abroad, etc.	—	—
Dividends from surplus	(25,549)	(23,683)
Net income	67,491	35,700
Disposal of treasury stock	(1)	—
Cancellation of treasury stock	(7,919)	(34,196)
Total changes of items during the period	34,020	(22,179)
Balance at the end of current period	556,795	534,616
Treasury stock		
Balance at the beginning of current period	(1,986)	(2,355)
Changes of items during the period		
Repurchase of treasury stock	(8,314)	(34,046)
Disposal of treasury stock	25	8
Cancellation of treasury stock	7,919	34,196
Total changes of items during the period	(369)	158
Balance at the end of current period	(2,355)	(2,196)
Total shareholders’ equity		
Balance at the beginning of current period	664,699	698,350
Changes of items during the period		
Dividends from surplus	(25,549)	(23,683)
Net income	67,491	35,700
Repurchase of treasury stock	(8,314)	(34,046)
Disposal of treasury stock	23	8
Cancellation of treasury stock	—	—
Total changes of items during the period	33,651	(22,021)
Balance at the end of current period	698,350	676,329

(Unit: million yen)

Account	FY2010 (Apr.2010 to Mar. 2011)	FY2011 (Apr.2011 to Mar. 2012)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	16,791	14,388
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(2,402)	24
Total changes of items during the period	(2,402)	24
Balance at the end of current period	14,388	14,412
Deferred gains or losses on hedges		
Balance at the beginning of current period	2,505	1,242
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(1,263)	(1,251)
Total changes of items during the period	(1,263)	(1,251)
Balance at the end of current period	1,242	(9)
Valuation and translation adjustments		
Balance at the beginning of current period	19,296	15,630
Changes of items during the period		
Changes of items during the period other than shareholders' equity	(3,666)	(1,227)
Total changes of items during the period	(3,666)	(1,227)
Balance at the end of current period	15,630	14,402
Total net assets		
Balance at the beginning of current period	683,995	713,980
Changes of items during the period		
Dividends from surplus	(25,549)	(23,683)
Net income	67,491	35,700
Repurchase of treasury stock	(8,314)	(34,046)
Disposal of treasury stock	23	8
Changes of items during the period other than shareholders' equity	(3,666)	(1,227)
Total changes of items during the period	29,985	(23,248)
Balance at the end of current period	713,980	690,732

(4) Note of going concerns' premise:

Not applicable

VI. Others

(1) Management reshuffle

Management reshuffle has been disclosed on February 23, 2012.

(2) Non-consolidated operating results

<Gas Sales Volume for FY2011>

			FY2011 (actual)	FY2010 (actual)	Change	% change
No. of customers		Thousand	10,557	10,441	116	1.1
Gas sales volume	Residential	m^3	32.28	32.37	-0.09	-0.3
Gas sales volume	Residential	Mil. m^3	3,429	3,412	17	0.5
Gas sales volume	Business	Mil. m^3	2,672	2,875	-203	-7.1
Gas sales volume	Industrial	Mil. m^3	5,446	4,963	483	9.7
Gas sales volume	Subtotal	Mil. m^3	8,118	7,839	279	3.6
Gas sales volume	Supplies to other utilities	Mil. m^3	2,212	2,191	21	0.9
Gas sales volume	Total	Mil. m^3	13,759	13,441	318	2.4
Average temperature		°C	16.4	16.7	-0.3	—

<FY2011 Balance of Payments>

(Unit: hundred million yen)

Income			Change from previous year	Rate (%)	Expenses			Change from previous year	Rate (%)
Product sales	Gas sales	12,165	1,449	13.5	Operating expenses	Cost of sales	7,668	1,662	27.7
					Operating expenses	Sales and administrative expenses	4,146	201	5.1
					Operating expenses	Subtotal	11,814	1,863	18.7
Other sales	Installation work	375	3	0.7	Other expenses	Installation work	375	-1	-0.2
Other sales	Gas appliances, etc.	1,164	88	8.2	Other expenses	Gas appliances	1,082	80	7.9
Other sales	Incidental businesses	1,798	666	58.8	Other expenses	Incidental businesses	1,717	638	59.1
Other sales	Subtotal	3,338	757	29.3	Other expenses	Subtotal	3,174	716	29.1
Total net sales		15,503	2,205	16.6	Total expenses		14,989	2,580	20.8
					Operating income		514	-374	-42.1
Non-operating income		224	-17	-6.9	Non-operating expenses		139	1	0.4
					Ordinary income		599	-392	-39.5
Extraordinary income		29	-23	-42.9	Extraordinary loss		30	-26	-46.2
					Net income		357	-317	-47.1

Notes:

1 Cost of sales includes gas resource cost is ¥740.2 billion (increased by ¥ 165.7 billion, or 28.8%, year on year).

2 Non-operating expenses include interest expenses of ¥8.7 billion (increased by ¥ 0.5 billion, or 6.7%, year on year).

<Capital expenses>

(Unit: hundred million yen)

	FY2010 (Actual)		FY2011 (Actual)		FY2012 (Projection)	
		(%)		(%)		(%)
Production facilities	91	9.0	187	16.5	286	20.6
Distribution facilities	742	72.5	744	65.3	864	62.1
Business facilities	181	17.8	201	17.7	232	16.7
Associated business facilities	8	0.7	5	0.5	8	0.6
Total	1,023	100.0	1,139	100.0	1,390	100.0

(Unit: hundred million yen)

Terminal-related facilities (production facilities)	FY2010 (Actual)		FY2011 (Actual)		FY2012 (Projection)	
Sodegaura Terminal		17		23		39
Negishi Terminal		38		30		48
Ohgishima Terminal		24		56		60
Hitachi LNG terminal		—		56		96
Total		79		165		243
Mains and branches (distribution facilities)	FY2010 (Actual)		FY2011 (Actual)		FY2012 (Projection)	
Demand-development mains and branches	(642km)	311	(609km)	266	(646km)	246
Safety measure mains and branches	(273km)	173	(258km)	173	(283km)	193
Planned mains and branches	(51km)	93	(47km)	126	(54km)	228
Urban development mains and branches	(48km)	12	(42km)	10	(49km)	11
Total	(1,013km)	591	(956km)	576	(1,032km)	680