April 26, 2013

Consolidated Financial Results Bulletin for the Fiscal Year Ended March 31, 2013 (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. Narumi TOMITA, General Manager, Consolidated Settlements Group

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

Location of head office: Tokyo

General shareholders' meeting schedule: June 27, 2013
Scheduled date of the filing of securities report: June 27, 2013
Scheduled date of the start of dividend payments: June 28, 2013
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 FY2012 ended March 31, 2013 (from April 1, 2012 to - March 31, 2013)

(Unit: million yen)

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

	Net sales		Operating income		Ordinary income		Net income	
FY2012 ended Mar. 31, 2013	1,915, 639	9.2%	145,633	88.9%	147,453	95.0%	101,678	120.7%
FY2011 ended Mar. 31, 2012	1,754,257	14.3%	77,075	-37.1%	75,620	-37.8%	46,060	-51.8%

Note: Total comprehensive income
FY2012 ended March 31, 2013: 119,034 million yen (203.4%) FY2011 ended March 31, 2012: 39,237million yen (-51.2%)

	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
FY2012 ended Mar. 31, 2013	39.52 yen	—	11.5%	7.6%	7.6%
FY2011 ended Mar. 31, 2012	17.70 yen	—	5.4%	4.1%	4.4%

Reference: Income or loss on investment accounted for by equity method
FY2012 ended March 31, 2013: 3,091 million yen FY2011 ended March 31, 2012: 4,989 million yen

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2013	1,992,403	946,511	46.6%	360.70 yen
As of Mar. 31, 2012	1,863,885	855,100	45.0%	324.67 yen

Reference: Shareholders' equity
As of March 31, 2013: 927,634 million yen As of March 31, 2012: 839,166 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
FY2012 ended Mar. 31, 2013	217,197	(177,775)	(23,212)	144,283
FY2011 ended Mar. 31, 2012	149,818	(101,810)	(16,454)	122,083

2. Dividend

	Dividend per share (Unit: yen)					Total dividend payments (Full-year) (Unit: million yen)	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Full- year			
FY2011 ended Mar. 31, 2012	—	4.50	—	4.50	9.00	23,262	50.8%	2.8%
FY2012 ended Mar. 31, 2013	—	4.50	—	5.50	10.00	25,718	25.3%	2.9%
FY2013 ending Mar. 31, 2014 (Forecast)	—	5.00	—	5.00	10.00		25.0%	

3. Consolidated Results Forecast for FY2013 ending March 31, 2014 (April 1, 2013 - March 31, 2014)

(1) Consolidated Business Performance

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Half-year	955,000	10.6%	64,000	-1.6%	60,000	-10.5%	40,000	0.0%	15.63 yen
Full-year	2,116,000	10.5%	161,000	10.6%	155,000	5.1%	101,000	-0.7%	39.96 yen

	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Full-year	10.7%	7.6%	7.6%

(2) Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
Full-year	2,090,000	984,000	46.1%	386.25 yen

Reference: Shareholders' equity 964,000 million yen

*Notes

(1) Significant changes in consolidated subsidiaries (changes in specified subsidiaries resulting in change of scope of consolidation during the quarter) (yes/no): *No*

Reference: Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 66 (Increased by 2 companies and decreased by 2 companies)

Number of subsidiaries and affiliates accounted for by equity method: 6 (Increased by 1company)

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

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

Note: Please see page 23 of the Attachment, "(5) Notes on consolidated financial statements: 3) Change in accounting policies or estimates and retrospective restatements" for details.

(3) Number of issued shares (common stock)

(Unit: share)

1) Number of issued shares at end of period (including treasury stock):	Mar. 31, 2013	2,577,919,295	Mar. 31, 2012	2,590,715,295
2) Number of shares of treasury stock at end of period:	Mar. 31, 2013	6,123,070	Mar. 31, 2012	6,005,359
3) Average number of shares during period:	Apr. 2012– Mar. 2013	2,572,924,369	Apr. 2011– Mar. 2012	2,603,014,578

(Reference)

1. Non-Consolidated Business Results for FY2012 ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(1) Non-Consolidated Business Performance

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

	Net sales		Operating income		Ordinary income		Net income	
FY2012 ended Mar. 31, 2013	1,714,267	10.6%	104,819	103.9%	114,569	91.1%	78,556	120.0%
FY2011 ended Mar. 31, 2012	1,550,343	16.6%	51,403	-42.1%	59,943	-39.5%	35,700	-47.1%

	Net income per share	Diluted net income per share
FY2012 ended Mar. 31, 2013	30.53 yen	—
FY2011 ended Mar. 31, 2012	13.72 yen	—

(2) Non-Consolidated Financial Position

(Unit: million yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2013	1,646,574	744,329	45.2%	289.42 yen
As of Mar. 31, 2012	1,543,598	690,732	44.7%	267.24 yen

Reference: Shareholders' equity
As of Mar. 31, 2013: 744,329 million yen As of Mar. 31, 2012: 690,732 million yen

2. Non-Consolidated Results Forecast for FY2013 ending March 31, 2014 (April 1, 2013 - March 31, 2014)

(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	871,000	13.3%	53,000	13.0%	54,000	-9.0%	37,000	-1.1%	14.46 yen
Full-year	1,910,000	11.4%	130,000	24.0%	128,000	11.7%	87,000	10.7%	34.42 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 Financial 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 above forecasts are based on the information available at the time this report was prepared, and Tokyo Gas makes no

guarantee that these figures will be achieved. Actual results may differ from these forecasts for a variety of reasons. Please see page 5 of the Attachment, “I. Business Performance and Financial Position: (1) Analysis on business performance: <Forecast for FY2013>” 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 the Company.

Contents of Attachment

I. Business Performance and Financial Position

(1) Analysis on business performance

<Results of FY2012>

Although the Japanese economy experienced a period of recession early in FY2012 from the effect of economic downturn overseas, a turnaround to a recovery was achieved through aggressive monetary and fiscal policies.

Since the Great East Japan Earthquake that struck on March 11, 2011, 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.

Boosted by these intense efforts, gas sales volume grew from the previous year, and with an increase in city gas sales from upward unit price adjustments under the gas rate adjustment system, combined with sales growth at the other energy segment from increased electricity sales in response to tight supply versus demand for electric power, consolidated net sales for the year rose 9.2%, to ¥1,915.6 billion.

In terms of operating expenses, despite further improvement in management efficiency and extensive efforts to contain expenses, the yen's depreciation and higher gas sales volume led to higher gas resource costs, and expenses at the other energy segment rose on increased fuel consumption associated with growth in electricity sales, leading to a 5.5% increase in operating expenses, to ¥1,770.0 billion.

As a result, operating income grew 88.9%, to ¥145.6 billion, and ordinary income rose 95.0%, to ¥147.4 billion. With the recording of extraordinary income in the amount of ¥4.5 billion (including a ¥3.4 billion gain on sales of subsidiaries and affiliates' stocks), extraordinary loss of ¥1.5 billion (impairment loss), and income taxes, net income rose 120.7%, to ¥101.6 billion.

<Segment summary>

1) City gas

Gas sales volume for FY2012 increased 1.3% from the previous year, to 15,390 million m^3. Of this amount, residential demand was roughly flat at 3,535 million m^3 (a 0.1% decrease), with a decline from temperature factors being mostly offset by an increase in the number of customer households.

Commercial demand rose 0.7%, to 2,847 million m^3, as the recovery from the decline following the earthquake in March 2011 offset temperature factors.

Industrial demand grew 2.9%, to 7,055 million m^3. Despite a decline from the change to tolling agreement* for a portion of the gas used for electric power generation, new demand associated with the opening of the Chiba-Kashima Line and an increase in demand for power generation resulted in an overall increase.

Wholesale supplies to other gas utilities declined 0.9%, to 1,953 million m^3 due to lower customer demand.

Reflecting the increase in gas sales volume and upward gas unit price adjustments under the gas rate adjustment system, city gas sales grew ¥95.7 billion, or 7.3%, to ¥1,401.9 billion.

With a rise in LNG prices from the weak yen, higher resource costs from the increase in gas sales volume, total operating expenses rose 4.3%, by ¥51.8 billion.

As a result, segment profit increased ¥43.9 billion, or 45.1%, to ¥141.3 billion.

*Tolling agreement: A contract under which the seller of electric power delivers gas procured as fuel for power generation to the power generator, and the power generator uses that fuel to generate electricity on behalf of the seller and delivers that electricity to the seller of electric power, in exchange for a power generation fee.

<Consolidated Gas Sales Volume for FY2012 Ended March 31, 2013>

			FY2012	FY2011	Change	% change
No. of customers		Thousand	10,978	10,855	123	1.1
Gas sales volume	Residential	m^3	32.02	32.39	-0.37	-1.1
		Mil. m^3	3,535	3,538	-3	-0.1
	Commercial	Mil. m^3	2,847	2,827	20	0.7
	Industrial	Mil. m^3	7,055	6,856	199	2.9
	Subtotal	Mil. m^3	9,902	9,682	220	2.3
	Supplies to other utilities	Mil. m^3	1,953	1,970	-17	-0.9
	Total	Mil. m^3	15,390	15,190	200	1.3
Average temperature		°C	16.7	16.4	0.3	—

Notes:
1. The upper row of figures for residential demand indicates gas sales per meter read (m^3/household, month).
2. “Commercial” 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.

(Foreign Exchange Rate and Crude Oil Price)

¥/$ rate	FY2012	FY2011	Change	Crude oil price ($/bbl)	FY2012	FY2011	Change
	82.91	79.08	3.83		113.88	114.17	-0.29

2) Gas appliances and installation work

Sales increased by ¥18.4 billion or 9.8% compared to the previous year to ¥206.0 billion. Operating expenses increased by ¥17.2 billion or 9.3%. As a result, segment income increased by ¥1.3 billion or 41.3% to ¥4.4 billion.

3) Other energy

Sales increased by ¥34.1 billion or 11.3% compared to the previous year to ¥336.6 billion. Operating expenses increased by ¥19.1 billion or 6.5%. As a result, segment income grew by ¥15.0 billion or 137.4% to ¥25.9 billion.

4) Real estate

Sales increased by ¥0.6 billion or 2.0% compared to the previous year to ¥30.2 billion. Operating expenses declined by ¥1.7 billion or 6.5%. As a result, segment income increased by ¥2.3 billion or 69.7% to ¥5.6 billion.

5) Others

Sales at other business grew by ¥13.9 billion or 7.6% to ¥195.7 billion. Operating expenses grew by ¥7.3 billion or 4.2%. As a result, segment profit increased by ¥6.5 billion or 91.5% to ¥13.5 billion.

<Summary by segment> (Unit: billion yen)

		City gas	Gas appliances and installation work	Other energy	Real estate	Others
Sales	FY2012 (% of total)	1,401.9 (64.6%)	206.0 (9.5%)	336.6 (15.5%)	30.2 (1.4%)	195.7 (9.0%)
	FY2011 (% of total)	1,306.2 (65.0%)	187.6 (9.3%)	302.5 (15.1%)	29.6 (1.5%)	181.8 (9.1%)
	Amount of change (Rate of change)	95.7 (7.3%)	18.4 (9.8%)	34.1 (11.3%)	0.6 (2.0%)	13.9 (7.6%)
Operating expenses	FY2012 (% of total)	1,260.6 (63.7%)	201.6 (10.2%)	310.7 (15.7%)	24.6 (1.2%)	182.1 (9.2%)
	FY2011 (% of total)	1,208.8 (64.0%)	184.4 (9.8%)	291.6 (15.5%)	26.3 (1.4%)	174.8 (9.3%)
	Amount of change (Rate of change)	51.8 (4.3%)	17.2 (9.3%)	19.1 (6.5%)	-1.7 (-6.5%)	7.3 (4.2%)
Segment income	FY2012 (% of total)	141.3 (74.1%)	4.4 (2.3%)	25.9 (13.6%)	5.6 (2.9%)	13.5 (7.1%)
	FY2011 (% of total)	97.4 (79.9%)	3.1 (2.6%)	10.9 (9.0%)	3.3 (2.7%)	7.0 (5.8%)
	Amount of change (Rate of change)	43.9 (45.1%)	1.3 (41.3%)	15.0 (137.4%)	2.3 (69.7%)	6.5 (91.5%)

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

<Forecast for FY2013>

We are forecasting a 4.0% decrease from the previous year in consolidated gas sales volume for FY2013, to 14,781 million m^3, reflecting the change to tolling agreement for a portion of the gas used for electric power generation. We are projecting a ¥200.4 billion, or 10.5%, increase in consolidated net sales to ¥2,116.0 billion, with a ¥15.4 billion, or 10.6%, increase in operating income to ¥161.0 billion, a ¥7.6 billion, or 5.1% increase in ordinary income to ¥155.0 billion, and a ¥0.6 billion, or 0.7%, decrease in net income to ¥101.0 billion.

On a non-consolidated basis, although we expect a decline from the absence of the boost from low winter temperatures in FY2012, we are forecasting a 2.6% increase in gas sales volume, to 14,571 million m^3, on a contribution from growth in industrial demand. We expect city gas sales to increase ¥164.6 billion, or 12.5%, to ¥1,483.0 billion, on upward unit price adjustments under the gas rate adjustment system. At the same time, with regard to operating expenses, we are forecasting an increase in resource costs from the yen's depreciation. Also taking into account other operations and supplementary income, we are forecasting a ¥25.2 billion, or 24.0%, increase in operating income to ¥130.0 billion, a ¥13.5 billion, or 11.7%, increase in ordinary income to ¥128.0 billion, and a ¥8.5 billion, or 10.7%, increase in net income, to ¥87.0 billion.

The economic frame assumed for FY2013 is ¥100.00/$ for foreign exchange rate and $110.00/bbl for crude oil price.

1) Consolidated Business Results

a. Gas sales volume forecast for FY2013

			FY2013 (Forecast)	FY2012 (Results)	Change	% change
Gas sales volume	Residential	Mil. m^3	3,510	3,535	-25	-0.7
	Commercial	Mil. m^3	2,810	2,847	-37	-1.3
	Industrial	Mil. m^3	6,436	7,055	-619	-8.8
	Subtotal	Mil. m^3	9,245	9,902	-657	-6.6
	Supplies to other utilities	Mil. m^3	2,025	1,953	72	3.7
	Total	Mil. m^3	14,781	15,390	-609	-4.0
Average temperature		°C	16.5	16.7	-0.2	—

b. Forecast for FY2013 (Unit: hundred million yen)

	Net sales			Operating income	Ordinary income	Net income
		Gas sales	Other sales			
FY2013 (forecast)	21,160	15,197	5,963	1,610	1,550	1,010
FY2012 (results)	19,156	14,019	5,136	1,456	1,474	1,016
Change	2,004	1,178	827	154	76	-6
% change	10.5%	8.4%	16.1%	10.6%	5.1%	-0.7%

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

2) Non-consolidated Business Results

a. Gas sales volume forecast for FY2013

			FY2013 (Forecast)	FY2012 (Results)	Change	% change
Gas sales volume	Residential	Mil. m^3	3,405	3,427	-22	-0.6
	Commercial	Mil. m^3	2,650	2,689	-39	-1.5
	Industrial	Mil. m^3	6,243	5,889	354	6.0
	Subtotal	Mil. m^3	8,893	8,578	315	3.7
	Supplies to other utilities	Mil. m^3	2,273	2,196	77	3.5
	Total	Mil. m^3	14,571	14,201	370	2.6

b. Forecast for FY2013 (Unit: hundred million yen)

	Net sales			Operating income	Ordinary income	Net income
		Gas sales	Other sales			
FY2013 (forecast)	19,100	14,830	4,270	1,300	1,280	870
FY2012 (results)	17,142	13,184	3,958	1,048	1,145	785
Change	1,958	1,646	312	252	135	85
% change	11.4%	12.5%	7.9%	24.0%	11.7%	10.7%

(Foreign Exchange Rate and Crude Oil Price)

¥/$ rate	FY2013 (Forecast)	FY2012 (Results)	Change	Crude oil price ($/bbl)	FY2013 (Forecast)	FY2012 (Results)	Change
	100.00	82.91	17.09		110.00	113.88	-3.88

(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, 2013, totaled ¥1,992.4 billion, a ¥128.6 billion increase from March 31, 2012, reflecting increases in property, plant and equipment (¥34.5 billion) associated with the construction of gas supply facilities including the Ibaraki-Tochigi Line, along with an increase in raw materials and supplies.

Liabilities grew ¥37.1 billion, to ¥1,045.8 billion, on increases in the outstanding amount of interest-bearing debt (¥16.7 billion) and income taxes payable (¥14.0 billion).

Net assets totaled ¥946.5 billion. This included increases in shareholders' equity (¥73.4 billion) from the recording of net income (¥101.6 billion) and in valuation and translation adjustments (¥14.9 billion) from increases in foreign currency translation adjustments and valuation difference on available-for-sale securities, as well as decreases from the payment of dividends from surplus (¥23.2 billion) and purchases of treasury stock in the market (¥4.9 billion).

With the rate of increase in shareholders' equity (calculated as the total of shareholders' equity and valuation and translation adjustments) exceeding the growth rate for total assets, the shareholders' equity ratio rose 1.6 percentage points from March 31, 2012, to 46.6% as of March 31, 2013.

2) Situation of cash flow

(Unit: billion yen)

	FY2012	FY2011	Change
Cash flow from operating activities	217.1	149.8	67.3
Cash flow from investing activities	-177.7	-101.8	-75.9
Cash flow from financing activities	-23.2	-16.4	-6.8
Effect of exchange rate change on cash and cash equivalents	5.4	-1.5	6.9
Net increase (decrease) in cash and cash equivalents	21.6	30.0	-8.4
Cash and cash equivalents at beginning of year	122.0	92.0	30.0
Increase in cash and cash equivalents resulting from merger	0.5	—	0.5
Cash and cash equivalents at end of year	144.2	122.0	22.2

a) Cash flow from operating activities

Cash and cash equivalents obtained as a result of operating activities totaled ¥217.1 billion. This was primarily from the recording of income before income taxes (¥150.4 billion) and depreciation of noncurrent assets (¥135.0 billion), and despite decreases from an increase in inventories (¥25.2 billion) and an increase in prepaid pension costs (¥11.3 billion).

b) Cash flow from investing activities

Cash and cash equivalents used as a result of investing activities totaled ¥177.7 billion. Despite inflows from the collection of long-term loans receivable (¥9.7 billion) and proceeds from sales of stocks of subsidiaries and affiliates (¥5.0 billion), outlays for purchase of property, plant and equipment including gas supply facilities (¥153.6 billion) resulted in a net outflow.

c) Cash flow from financing activities

Cash and cash equivalents used as a result of financing activities totaled ¥23.2 billion. Despite proceeds from long-term loans payable (¥33.0 billion) and the issuance of bonds (¥20.0 billion), outlays for payments for long-term loans payable (¥24.2 billion), cash dividends paid (¥23.2 billion) and the redemption of bonds (¥20.0 billion) resulted in a net outflow.

<Cash Flow Indicators>

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio	43.8%	44.2%	46.9%	45.0%	46.6%
Equity ratio based on market value	53.0%	60.4%	55.6%	54.1%	66.3%
Rate of cash flow to interest-bearing debt	3.7	1.9	3.6	4.2	3.0
Interest coverage ratio	14.0	27.3	16.4	14.6	19.4

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 specifically, 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 Company will maintain a stable dividend while carrying out a gradual increase in dividends in accordance with the growth of the Company 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 above policy for the total payout ratio, and considering the projected earnings trend going forward and the expectations of shareholders, the Company intends to increase the annual dividend by ¥1 per share, to ¥10 per share for FY2012. In addition, taking into account the recent share price level, the Board of Directors resolved at its meeting held on April 26, 2013, to carry out a stock repurchase of up to 76 million shares or ¥36.0 billion.

The Company intends to maintain a stable and continuous dividend going forward, and plans to pay a dividend of ¥10 per share for FY2013.

(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 11 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 60% 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 other electric power companies 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 capital expenditure, 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 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: two companies
  - Tokyo Gas America Ltd.
  - TG PLUS Co., Ltd.
  - [Every company is newly consolidated]
- Excluded: two companies
  - TGI Financial Solutions Co., Ltd. (Transfer of shares)
  - Tokyo Gas Lifeval Higashi-Ohta Co., Ltd. (Absorption-type merger)

2) Equity method affiliates

- Newly included equity method affiliates: one company
  - T-Power N.V. (Newly added)

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 28 June, 2012]

III. Management Policy

(1) Basic policy on corporate management

Japan's energy policies, which have a major impact on society and the economy, have been facing a major transformation since the Great East Japan Earthquake in March 2011. In particular, problems related to nuclear power and supply and demand for electricity have triggered a reexamination of Japan's energy policies, and have led to increased calls for: (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 CO_2 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 (Coalbed Methane), 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 CO_2 emissions.

We will build smart energy networks that make optimal use of energy throughout entire regions to conserve energy, reduce CO_2 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)	FY2012 (results)
Operating cash flow* (billion yen)	250 per year <Nine-year total from FY2012 to FY2020 : 2,240>	240.4
Return on Equity (ROE) (%)	Around 8.0	11.5
Return on Asset (ROA) (%)	Around 4.0	5.3
D/E ratio	Around 0.8(each year)	0.69

* Operating cash flow = net income + depreciation

IV. Consolidated Financial Statements
(1) Consolidated balance sheets

(Unit: million yen)

Account	FY2011 (as of Mar. 31, 2012)	FY2012 (as of Mar. 31, 2013)
ASSETS		
Noncurrent assets		
Property, plant and equipment		
Production facilities	171,318	167,882
Distribution facilities	475,262	466,227
Service and maintenance facilities	62,740	64,125
Other facilities	304,245	321,751
Inactive facilities	316	316
Construction in progress	91,705	119,699
Total property, plant and equipment	1,105,587	1,140,003
Intangible assets		
Goodwill	741	827
Other	47,987	64,055
Total intangible assets	48,729	64,882
Investments and other assets		
Investment securities	131,305	154,476
Long-term loans receivable	24,164	21,934
Deferred tax assets	35,060	31,531
Other	28,926	40,155
Allowance for doubtful accounts	(750)	(618)
Total investments and other assets	218,706	247,479
Total noncurrent assets	1,373,023	1,452,365
Current assets		
Cash and deposits	80,149	80,669
Notes and accounts receivable-trade	211,969	222,649
Lease receivables and investment assets	27,751	27,486
Short-term investment securities	44,006	64,009
Merchandise and finished goods	3,538	4,374
Work in process	10,734	10,718
Raw materials and supplies	42,700	67,179
Deferred tax assets	12,499	12,412
Other	58,161	51,183
Allowance for doubtful accounts	(649)	(644)
Total current assets	490,861	540,038
Total assets	1,863,885	1,992,403

Account	FY2011 (as of Mar. 31, 2012)	FY2012 (as of Mar. 31, 2013)
LIABILITIES		
Noncurrent liabilities		
Bonds payable	331,493	321,494
Long-term loans payable	231,520	256,899
Deferred tax liabilities	12,229	12,601
Provision for retirement benefits	85,578	86,100
Provision for gas holder repairs	3,268	3,365
Provision for safety measures	2,217	2,384
Asset retirement obligations	4,679	6,009
Other	24,931	24,015
Total noncurrent liabilities	695,920	712,871
Current liabilities		
Current portion of noncurrent liabilities	43,631	46,752
Notes and accounts payable-trade	92,660	92,154
Short-term loans payable	16,599	15,036
Income taxes payable	30,479	44,433
Deferred tax liabilities	6	4
Asset retirement obligations	199	—
Other	129,288	134,638
Total current liabilities	312,864	333,019
Total liabilities	1,008,785	1,045,891
NET ASSETS		
Shareholders’ equity		
Capital stock	141,844	141,844
Capital surplus	2,065	2,065
Retained earnings	706,620	780,196
Treasury stock	(2,196)	(2,348)
Total shareholders’ equity	848,333	921,757
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,853	21,218
Deferred gains or losses on hedges	(1,370)	(1,670)
Foreign currency translation adjustment	(22,649)	(13,671)
Total valuation and translation adjustments	(9,166)	5,877
Minority interests	15,933	18,877
Total net assets	855,100	946,511
Total liabilities and net assets	1,863,885	1,992,403

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Net sales	1,754,257	1,915,639
Cost of sales	1,215,427	1,311,488
Gross profit	538,829	604,150
Selling, general and administrative expenses		
Supply and sales expenses	393,689	389,787
General and administrative expenses	68,064	68,730
Total selling, general and administrative expenses	461,754	458,517
Operating income	77,075	145,633
Non-operating income		
Interest income	1,368	1,676
Dividends income	1,798	2,447
Equity in earnings of affiliates	4,989	3,091
Revenue from dedicated equipment	162	2,839
Miscellaneous income	7,249	9,366
Total non-operating income	15,568	19,420
Non-operating expenses		
Interest expenses	10,184	11,366
Balance on commissioned construction	2,567	2,348
Miscellaneous expenses	4,272	3,886
Total non-operating expenses	17,023	17,601
Ordinary income	75,620	147,453
Extraordinary income		
Gain on sales of noncurrent assets	3,010	—
Gain on sales of investment securities	—	1,020
Gain on sales of subsidiaries and affiliates' stocks	—	3,490
Total extraordinary income	3,010	4,510
Extraordinary loss		
Impairment loss	1,143	1,518
Loss on reduction of noncurrent assets	2,833	—
Total extraordinary losses	3,977	1,518
Income before income taxes	74,654	150,445
Income taxes-current	22,704	44,392
Income taxes-deferred	4,620	2,122
Total income taxes	27,324	46,514
Income before minority interests	47,329	103,930
Minority interests in income	1,268	2,252
Net income	46,060	101,678

(Consolidated statement of comprehensive income)

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Income before minority interests	47,329	103,930
Other comprehensive income		
Valuation difference on available-for-sale securities	86	6,391
Deferred gains or losses on hedges	(1,783)	18
Foreign currency translation adjustment	(4,266)	6,022
Share of other comprehensive income of associates accounted for using equity method	(2,129)	2,671
Total other comprehensive income	(8,092)	15,103
Comprehensive income	39,237	119,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	37,967	116,721
Comprehensive income attributable to minority interests	1,269	2,312

(3) Consolidated statements of changes in net assets

(Unit: million yen)

	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Shareholders' equity		
Capital stock		
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 earnings		
Balance at the beginning of current period	718,439	706,620
Changes of items during the period		
Dividends from surplus	(23,683)	(23,204)
Net income	46,060	101,678
Retirement of treasury stock	(34,196)	(4,897)
Total changes of items during the period	(11,819)	73,575
Balance at the end of current period	706,620	780,196
Treasury stock		
Balance at the beginning of current period	(2,355)	(2,196)
Changes of items during the period		
Purchase of treasury stock	(34,046)	(5,053)
Disposal of treasury stock	8	3
Retirement of treasury stock	34,196	4,897
Total changes of items during the period	158	(151)
Balance at the end of current period	(2,196)	(2,348)
Total shareholders' equity		
Balance at the beginning of current period	859,994	848,333
Changes of items during the period		
Dividends from surplus	(23,683)	(23,204)
Net income	46,060	101,678
Purchase of treasury stock	(34,046)	(5,053)
Disposal of treasury stock	8	4
Total changes of items during the period	(11,661)	73,424
Balance at the end of current period	848,333	921,757

	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	14,788	14,853
Changes of items during the period		
Net changes of items other than shareholders' equity	64	6,365
Total changes of items during the period	64	6,365
Balance at the end of current period	14,853	21,218
Deferred gains or losses on hedges		
Balance at the beginning of current period	1,145	(1,370)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,516)	(299)
Total changes of items during the period	(2,516)	(299)
Balance at the end of current period	(1,370)	(1,670)
Foreign currency translation adjustment		
Balance at the beginning of current period	(17,008)	(22,649)
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,640)	8,978
Total changes of items during the period	(5,640)	8,978
Balance at the end of current period	(22,649)	(13,671)
Total valuation and translation adjustments		
Balance at the beginning of current period	(1,073)	(9,166)
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,092)	15,043
Total changes of items during the period	(8,092)	15,043
Balance at the end of current period	(9,166)	5,877
Minority interests		
Balance at the beginning of current period	15,174	15,933
Changes of items during the period		
Net changes of items other than shareholders' equity	759	2,943
Total changes of items during the period	759	2,943
Balance at the end of current period	15,933	18,877
Total net assets		
Balance at the beginning of current period	874,094	855,100
Changes of items during the period		
Dividends from surplus	(23,683)	(23,204)
Net income	46,060	101,678
Purchase of treasury stock	(34,046)	(5,053)
Disposal of treasury stock	8	4
Net changes of items other than shareholders' equity	(7,333)	17,987
Total changes of items during the period	(18,994)	91,411
Balance at the end of current period	855,100	946,511

(4) Consolidated statements of cash flows

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	74,654	150,445
Depreciation and amortization	144,438	135,015
Impairment loss	1,143	1,518
Amortization of long-term prepaid expenses	4,067	3,755
Loss on retirement of property, plant and equipment	2,917	2,079
Loss (gain) on sales of investment securities	(25)	(1,020)
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(3,490)
Decrease (increase) in prepaid pension costs	(9)	(11,395)
Interest and dividends income	(3,166)	(4,124)
Interest expenses	10,184	11,366
Equity in (earnings) losses of affiliates	(4,989)	(3,091)
Decrease (increase) in notes and accounts receivable-trade	(52,333)	(11,305)
Decrease (increase) in inventories	(7,960)	(25,238)
Increase (decrease) in notes and accounts payable-trade	21,887	(2,373)
Increase (decrease) in accrued consumption taxes	1,111	4,424
Other, net	(12,157)	2,193
Subtotal	179,759	248,758
Interest and dividends income received	10,140	7,815
Interest expenses paid	(10,217)	(11,213)
Income taxes paid	(29,864)	(28,162)
Net cash provided by (used in) operating activities	149,818	217,197
Net cash provided by (used in) investment activities		
Purchase of investment securities	(1,133)	(8,287)
Purchase of property, plant and equipment	(124,063)	(153,687)
Purchase of intangible assets	(16,323)	(22,634)
Proceeds from sales of investment securities	777	1,487
Purchase of long-term prepaid expenses	(1,354)	(2,323)
Proceeds from sales of stocks of subsidiaries and affiliates	—	5,066
Payments of long-term loans receivable	(7,053)	(6,732)
Collection of long-term loans receivable	1,710	9,736
Other, net	45,630	(400)
Net cash provided by (used in) investment activities	(101,810)	(177,775)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(1,225)	(1,562)
Proceeds from long-term loans payable	68,258	33,019
Repayment of long-term loans payable	(19,555)	(24,218)
Proceeds from issuance of bonds	40,000	20,000
Redemption of bonds	(30,000)	(20,000)
Purchase of treasury stock	(34,046)	(5,053)
Cash dividends paid	(23,671)	(23,204)
Cash dividends paid to minority shareholders	(509)	(1,386)
Other, net	(15,703)	(805)
Net cash provided by (used in) financing activities	(16,454)	(23,212)
Effect of exchange rate change on cash and cash equivalents	(1,518)	5,481
Net increase (decrease) in cash and cash equivalents	30,034	21,691
Cash and cash equivalents at beginning of period	92,048	122,083
Increase in cash and cash equivalents resulting from merger	—	508
Cash and cash equivalents at end of period	122,083	144,283

(5) Notes on consolidated financial statements

1) (Note on going concerns' premise)

Not applicable

2) (Basis of preparation of consolidated financial statements)

Disclosure is omitted because there are no significant changes excluding the changes stated in 3) below since the publication of the most recent securities report (filed June 28, 2012).

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

Changes in accounting policies for items presenting difficulty in terms of classifying as change in accounting estimates

1) As per revisions to the corporate tax code, the depreciation method for property, plant and equipment acquired by Tokyo Gas and its consolidated subsidiaries on or after April 1, 2012, has been changed to the method stipulated in the revised code from the first quarter of FY2012.

This change had the effect of increasing consolidated operating income, ordinary income, and net income before income tax for FY2012 by ¥1,129 million each, compared with the previous depreciation method.

2) Previously, the declining balance method of depreciation was applied for property, plant and equipment owned by the consolidated subsidiary ENERGY ADVANCE CO., LTD. (excluding buildings (excluding attached equipment) acquired on or after April 1, 1998 and lease assets), but this has been changed to the straight-line method from the first quarter of FY2012.

The reason for the change was that with the effect caused by the Great East Japan Earthquake on its operating environment, the company incurred large capital expenses and used this occasion to review the actual utilization of its assets. As a result, it was determined that facilities for the company's core onsite energy service and district energy service businesses are used with long-term stability, and therefore the straight-line method more rationally represents the relationship between income and expenses.

This change had the effect of increasing consolidated operating income, ordinary income, and net income before income tax for FY2012 by ¥2,142 million each, compared with the previous depreciation method.

4) (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, 2012 (from Apr. 1, 2011 - Mar. 31, 2012)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	1,220,499	172,986	259,811	10,589	1,663,886	90,371	1,754,257	—	1,754,257
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	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									
Depreciation expenses	114,256	1,081	15,769	8,482	139,590	7,396	146,987	(2,549)	144,438
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 business, information processing service, shipping business, and credit/lease financial services.
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.

Fiscal year ended March 31, 2013 (from Apr. 1, 2012 - Mar. 31, 2013)

(Unit: million yen)

	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated statement of income (Note 3)
	City gas	Gas appliances and installation work	Other energy	Real estate	Total				
Net sales									
External sales	1,306,420	192,593	305,256	10,609	1,814,879	100,759	1,915,639	—	1,915,639
Intersegment sales & transfers	95,560	13,436	31,419	19,647	160,062	94,955	255,017	(255,017)	—
Total	1,401,980	206,030	336,675	30,256	1,974,942	195,714	2,170,657	(255,017)	1,915,639
Segment income	141,344	4,421	25,933	5,601	177,301	13,530	190,831	(45,197)	145,633
Segment Assets	1,065,917	65,014	193,738	147,214	1,471,885	204,081	1,675,966	316,437	1,992,403
Others									
Depreciation expenses	107,519	1,019	12,245	8,134	128,918	8,757	137,676	(2,661)	135,015
Increase in property, plant, equipment, and intangible assets	130,654	879	17,594	4,426	153,554	31,005	184,560	(3,086)	181,473

Notes:

1. The “Others” segment indicates businesses not included in the reporting segments, including construction business, information processing service, shipping business, and credit/lease financial services.
2. The “Adjustments” indicates as follows;
   (1) The ¥(45,197) million segment income adjustment includes ¥1,089 million in eliminations for intersegment transactions and ¥(46,287) 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 ¥316,437 million segment assets adjustment includes ¥383,283 million of companywide assets not allocated to the respective reporting segments, and ¥(66,846) 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.

5) (Per share information)

(Unit: yen)

	FY2011	FY2012
Shareholders' equity per share	324.67	360.07
Net income per share	17.70	39.52

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.

	FY2011	FY2012
Net income (million yen)	46,060	101,678
Not attributable to common shareholders (million yen)	—	—
Net income attributable to common shareholders (million yen)	46,060	101,678
Average number of common shares outstanding (thousand shares)	2,603,015	2,572,924

3. Basis for calculation of BPS is as follows.

	FY2011	FY2012
Shareholders' equity (million yen)	855,100	946,511
Deduction from shareholders' equity (million yen)	15,933	18,877
-Shares of minority shareholders (million yen)	15,933	18,877
Net shareholders' equity attributable to common shares (million yen)	839,166	927,634
Number of shares to calculate BPS (thousand shares)	2,584,710	2,571,796

6) (Material subsequent events)

Fiscal year ended March 31, 2013 (from Apr. 1, 2012 - Mar. 31, 2013)

The Company resolved at the meeting of Board of Directors held on April 26, 2013 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 76 million shares
Total value of stock repurchased:	Up to ¥36,000 million
Period of acquisitions:	April 30, 2013 – March 31, 2014

V. Non-Consolidated Financial Statements

(1) Balance sheets

(Unit: million yen)

Account	FY2011 (as of Mar. 31, 2012)	FY2012 (as of Mar. 31, 2013)
ASSETS		
Noncurrent assets		
Property, plant and equipment		
Production facilities	172,382	169,201
Distribution facilities	454,569	446,490
Business facilities	57,584	58,638
Other facilities	2,920	2,838
Suspended facilities	316	316
Construction in progress	58,216	87,326
Total property, plant and equipment	745,989	764,812
Intangible assets		
Leasehold right	1,519	1,600
Software	17,857	20,024
Other intangible assets	7,013	6,920
Total intangible assets	26,389	28,547
Investments and other assets		
Investment securities	60,596	68,643
Investments in affiliates	217,010	240,344
Long-term loans receivable	90	81
Long-term loans receivable from subsidiaries and affiliates	92,360	89,322
Investments in capital	13	13
Long-term prepaid expenses	15,908	14,484
Deferred tax assets	27,016	21,010
Miscellaneous investments	4,125	14,955
Allowance for doubtful accounts	(928)	(1,284)
Total investments and other assets	416,194	447,571
Total noncurrent assets	1,188,573	1,240,931
Current assets		
Cash and deposits	16,005	21,908
Notes receivable-trade	1,520	1,390
Accounts receivable-trade	136,363	148,128
Accounts receivable from subsidiaries and affiliates-trade	44,900	46,479
Accounts receivable-other	11,284	9,699
Short-term investment securities	44,001	64,000
Finished goods	132	145
Raw materials	26,363	49,410
Supplies	8,024	9,215
Advance payments-other	1,848	1,077
Prepaid expenses	969	1,171
Short-term receivables from subsidiaries and affiliates	23,065	15,804
Deferred tax assets	8,704	9,123
Other current assets	32,620	29,199
Allowance for doubtful accounts	(778)	(1,111)
Total current assets	355,025	405,643
Total assets	1,543,598	1,646,574

(Unit: million yen)

Account	FY2011 (as of Mar. 31, 2012)	FY2012 (as of Mar. 31, 2013)
LIABILITIES		
Noncurrent liabilities		
Bonds payable	317,693	307,694
Long-term loans payable	165,553	191,756
Long-term obligations to subsidiaries and affiliates	366	374
Provision for retirement benefits	75,023	75,201
Provision for gas holder repairs	2,933	3,032
Provision for safety measures	2,217	2,384
Other	5,215	4,233
Total noncurrent liabilities	569,003	584,676
Current liabilities		
Current portion of noncurrent liabilities	30,599	39,244
Accounts payable -trade	48,434	52,265
Accounts payable -other	35,999	39,767
Accrued expenses	32,883	34,292
Income taxes payable	23,502	33,057
Advances received	5,242	5,028
Deposits received	3,476	3,200
Short-term loans payable to subsidiaries and affiliates	60,654	69,642
Accrued expenses to subsidiaries and affiliates	19,960	22,225
Short-term obligations to subsidiaries and affiliates	19,247	15,311
Other	3,864	3,532
Total current liabilities	283,862	317,567
Total liabilities	852,866	902,244
NET ASSETS		
Shareholders' equity		
Capital stock	141,844	141,844
Capital surplus		
Legal capital surplus	2,065	2,065
Total capital surplus	2,065	2,065
Retained earnings		
Legal retained earnings	35,454	35,454
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	856	856
Reserve for overseas investment loss	9,693	12,563
Raw material cost fluctuation adjustment reserve	141,000	141,000
General reserves	299,000	299,000
Retained earnings brought forward	48,611	96,196
Total retained earnings	534,616	585,070
Treasury stock	(2,196)	(2,348)
Total shareholders' equity	676,329	726,631
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,412	20,652
Deferred gains or losses on hedges	(9)	(2,954)
Total valuation and translation adjustments	14,402	17,698
Total net asset	690,732	744,329
Total liabilities and net assets	1,543,598	1,646,574

(2) Statements of income

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Product sales		
Gas sales	1,216,536	1,318,410
Total product sales	1,216,536	1,318,410
Cost of sales		
Beginning inventories	106	132
Cost of products manufactured	756,566	819,999
Purchase of finished goods	13,249	13,926
Cost of gas for own use	2,916	2,878
Ending inventories	132	145
Total cost of sales	766,874	831,034
Gross profit	449,662	487,376
Supply and sales expenses	345,060	339,402
General and administrative expenses	69,557	70,610
Total selling, general and administrative expenses	414,618	410,012
Income on core business	35,044	77,363
Miscellaneous operating revenue		
Revenue from installation work	37,528	40,191
Revenue from gas appliance sales	108,426	119,637
Third party access revenue	261	225
Other miscellaneous operating revenue	7,732	9,575
Total miscellaneous operating revenue	153,949	169,629
Miscellaneous operating expenses		
Expenses of installation work	37,532	39,846
Expenses of gas appliance sales	108,201	119,039
Total miscellaneous operating expenses	145,734	158,886
Revenue for incidental businesses		
Revenue from LNG sales	75,904	96,840
Revenue from power sales	79,108	101,982
Revenue from other incidental businesses	24,843	27,404
Total revenue for incidental businesses	179,857	226,228
Expenses for incidental businesses		
Expense for LNG sales	74,501	94,086
Expense for power sales	72,095	88,171
Expenses for other incidental businesses	25,115	27,256
Total expenses for incidental businesses	171,712	209,515
Operating income	51,403	104,819

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Non-operating income		
Interest income	1,760	964
Interest on securities	6	29
Dividends income	1,498	1,478
Dividends from subsidiaries and affiliates	6,827	11,548
Rental income	4,412	3,957
Revenue from dedicated equipment	294	2,820
Miscellaneous income	7,689	4,779
Total non-operating income	22,490	25,578
Non-operating expenses		
Interest expenses	2,790	3,401
Interest on bonds	5,936	6,090
Amortization of bond issuance cost	178	101
Balance on commissioned construction	2,639	2,406
Miscellaneous expenses	2,405	3,828
Total non-operating expenses	13,949	15,828
Ordinary income	59,943	114,569
Extraordinary income		
Gain on sales of noncurrent assets	2,974	—
Gain on sales of investment securities	—	1,020
Total extraordinary income	2,974	1,020
Extraordinary loss		
Impairment loss	204	1,346
Loss on reduction of noncurrent assets	2,833	—
Total of extraordinary losses	3,038	1,346
Income before income tax	59,880	114,243
Income taxes	14,670	31,281
Income taxes-deferred	9,510	4,406
Total income taxes	24,180	35,687
Net income	35,700	78,556

(3) Statements of changes in net assets

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Shareholders' equity		
Capital stock		
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 earnings		
Legal retained earnings		
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 earnings		
Reserve for advanced depreciation of noncurrent assets		
Balance at the beginning of current period	909	856
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	856	856
Reserve for overseas investment loss		
Balance at the beginning of current period	6,104	9,693
Changes of items during the period		
Provision of reserve for overseas investment loss	3,588	2,869
Total changes of items during the period	3,588	2,869
Balance at the end of current period	9,693	12,563
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	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
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
Retained earnings brought forward		
Balance at the beginning of current period	74,327	48,611
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	—
Provision of reserve for overseas investment loss	(3,588)	(2,869)
Dividends from surplus	(23,683)	(23,204)
Net income	35,700	78,556
Retirement of treasury stock	(34,196)	(4,897)
Total changes of items during the period	(25,715)	47,584
Balance at the end of current period	48,611	96,196
Total Retained earnings		
Balance at the beginning of current period	556,795	534,616
Changes of items during the period		
Provision of reserve for advanced depreciation of noncurrent assets	—	—
Reversal of reserve for advanced depreciation of noncurrent assets	—	—
Provision of reserve for overseas investment loss	—	—
Dividends from surplus	(23,683)	(23,204)
Net income	35,700	78,556
Retirement of treasury stock	(34,196)	(4,897)
Total changes of items during the period	(22,179)	50,453
Balance at the end of current period	534,616	585,070
Treasury stock		
Balance at the beginning of current period	(2,355)	(2,196)
Changes of items during the period		
Purchase of treasury stock	(34,046)	(5,053)
Disposal of treasury stock	8	3
Retirement of treasury stock	34,196	4,897
Total changes of items during the period	158	(151)
Balance at the end of current period	(2,196)	(2,348)
Total shareholders' equity		
Balance at the beginning of current period	698,350	676,329
Changes of items during the period		
Dividends from surplus	(23,683)	(23,204)
Net income	35,700	78,556
Purchase of treasury stock	(34,046)	(5,053)
Disposal of treasury stock	8	4
Retirement of treasury stock	—	—
Total changes of items during the period	(22,021)	50,302
Balance at the end of current period	676,329	726,631

(Unit: million yen)

Account	FY2011 (Apr. 2011 – Mar. 2012)	FY2012 (Apr. 2012 – Mar. 2013)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	14,388	14,412
Changes of items during the period		
Net changes of items other than shareholders' equity	24	6,240
Total changes of items during the period	24	6,240
Balance at the end of current period	14,412	20,652
Deferred gains or losses on hedges		
Balance at the beginning of current period	1,242	(9)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,251)	(2,944)
Total changes of items during the period	(1,251)	(2,944)
Balance at the end of current period	(9)	(2,954)
Total valuation and translation adjustments		
Balance at the beginning of current period	15,630	14,402
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,227)	3,295
Total changes of items during the period	(1,227)	3,295
Balance at the end of current period	14,402	17,698
Total net assets		
Balance at the beginning of current period	713,980	690,732
Changes of items during the period		
Dividends from surplus	(23,683)	(23,204)
Net income	35,700	78,556
Purchase of treasury stock	(34,046)	(5,053)
Disposal of treasury stock	8	4
Net changes of items other than shareholders' equity	(1,227)	3,295
Total changes of items during the period	(23,248)	53,597
Balance at the end of current period	690,732	744,329

(4) Notes on non-consolidated financial statements

(Note on going concerns' premise)

Not applicable

VI. Others

(1) Management reshuffle

Management reshuffle has been disclosed on February 21, 2013.

(2) Non-consolidated operating results

<Gas Sales Volume for FY2012>

			FY2012 (actual)	FY2011 (actual)	Change	% change
No. of customers		Thousand	10,678	10,557	121	1.1
Gas sales volume	Residential	m^3	31.91	32.28	-0.37	-1.1
Gas sales volume	Residential	Mil. m^3	3,427	3,429	-2	-0.1
Gas sales volume	Business	Mil. m^3	2,689	2,672	17	0.7
Gas sales volume	Industrial	Mil. m^3	5,889	5,446	443	8.1
Gas sales volume	Subtotal	Mil. m^3	8,578	8,118	460	5.7
Gas sales volume	Supplies to other utilities	Mil. m^3	2,196	2,212	-16	-0.7
Gas sales volume	Total	Mil. m^3	14,201	13,759	442	3.2
Average temperature		°C	16.7	16.4	0.3	—

<FY2012 Balance of Payments>

(Unit: hundred million yen)

Income			Change from previous year	Rate (%)	Expenses			Change from previous year	Rate (%)
Product sales	Gas sales	13,184	1,019	8.4	Operating expenses	Cost of sales	8,310	642	8.4
					Operating expenses	Sales and administrative expenses	4,100	-46	-1.1
					Operating expenses	Subtotal	12,410	596	5.0
Other sales	Installation work	401	26	7.1	Other expenses	Installation work	398	23	6.2
Other sales	Gas appliances, etc.	1,294	130	11.2	Other expenses	Gas appliances	1,190	108	10.0
Other sales	Incidental businesses	2,262	464	25.8	Other expenses	Incidental businesses	2,095	378	22.0
Other sales	Subtotal	3,958	620	18.6	Other expenses	Subtotal	3,684	510	16.1
Total net sales		17,142	1,639	10.6	Total expenses		16,094	1,105	7.4
					Operating income		1,048	534	103.9
Non-operating income		255	31	13.7	Non-operating expenses		158	19	13.5
					Ordinary income		1,145	546	91.1
Extraordinary income		10	-19	-65.7	Extraordinary loss		13	-17	-55.7
					Net income		785	428	120.0

Notes:

1 Cost of sales includes gas resource cost of ¥806.8 billion (increased by ¥66.6 billion, or 9.0%, year on year).

2 Non-operating expenses include interest expenses of ¥9.4 billion (increased by ¥0.7 billion, or 8.4%, year on year).

<Capital Expenses>

(Unit: hundred million yen)

	FY2011 (Actual)		FY2012 (Actual)		FY2013 (Projection)	
		(%)		(%)		(%)
Production facilities	187	16.5	228	18.0	280	19.2
Distribution facilities	744	65.3	875	68.9	965	65.9
Business facilities	201	17.7	162	12.8	211	14.4
Associated business facilities	5	0.5	3	0.3	7	0.5
Total	1,139	100.0	1,271	100.0	1,466	100.0

(Unit: hundred million yen)

Terminal-related facilities (production facilities)	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Projection)
Sodegaura Terminal	23	32	42
Negishi Terminal	30	34	58
Ohgishima Terminal	56	51	46
Hitachi LNG terminal	56	107	130
Total	165	224	276
Mains and branches (distribution facilities)	FY2011 (Actual)	FY2012 (Actual)	FY2013 (Projection)
Demand-development mains and branches	(609km) 266	(675km) 275	(695km) 288
Safety measure mains and branches	(258km) 173	(295km) 189	(326km) 219
Planned mains and branches	(47km) 126	(60km) 226	(62km) 247
Urban development mains and branches	(42km) 10	(37km) 9	(42km) 13
Total	(956km) 576	(1,067km) 700	(1,125km) 769