

**FY2002 ending March 2003**  
**Interim Non-Consolidated Financial Statements**  
**(Half-Year Ended September 30, 2002)**  
**Tokyo Gas Co., Ltd**

November 20, 2002

Code No.: 9531

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

Representative: Mr. Hideharu Uehara, President

Contact: Mr. Kazuo Nameki, Manager, Final Accounts Group

Tel: 03-5400-7545

Meeting of board of directors to approve half-year accounts: November 20, 2002

Commencement of interim dividends: December 10, 2002

The company has an interim dividend scheme. Adoption of the unit (tangen) stock system : Yes (One tangen unit: 1,000 shares)

**Shares listed on:**

Tokyo Stock Exchange, Osaka Securities Exchange,  
Nagoya Stock Exchange

Location of head office (prefecture): Tokyo

**1. Results for half-year ended September 2002 (April 1, 2002 to September 30, 2002)**

(1) Business results (Rounded down to the nearest million yen.)

	Sales		Operating profits		Ordinary profits	
	(Unit: ¥1 million)	(%)	(Unit: ¥1 million)	(%)	(Unit: ¥1 million)	(%)
Half-year ended Sept. 2002	418,519	-1.7	26,144	35.3	22,492	171.7
Half-year ended Sept. 2001	425,915	4.1	19,319	-13.8	8,277	-43.3
Year ended Mar. 2002	974,566		92,299		72,249	

	Net profits		Net earnings per share
	(Unit: ¥1 million)	(%)	(Unit: ¥1)
Half-year ended Sept. 2002	16,156	107.7	5.76
Half-year ended Sept. 2001	7,777	71.1	2.77
Year ended Mar. 2002	48,451		17.24

Notes: 1. Average number of outstanding shares during the term:

Half-year ended September 2002: 2,804,723,790 shares

Half-year ended September 2001: 2,810,014,956 shares

Year ended March 2002: 2,809,973,251 shares

2. Changes in accounting methods: None

3. Percentage figures on sales, operating profits, ordinary profits and net profits indicate the percentage change on the interim results for the previous year.

(2) Dividends

	Interim dividend per share	Annual dividend per share
	(Unit: ¥1)	(Unit: ¥1)
Half-year ended Sept. 2002	3.00	—
Half-year ended Sept. 2001	3.00	—
Year ended Mar. 2002	—	6.00

(3) Financial position

	Total assets	Shareholders' equity	Ratio to shareholders' equity	Shareholders' equity per share
	(Unit: ¥1 million)	(Unit: ¥1 million)	(%)	(Unit: ¥1)
Half-year ended Sept. 2002	1,350,004	513,442	38.0	184.71
Half-year ended Sept. 2001	1,398,892	490,076	35.0	174.40
Year ended Mar. 2002	1,411,444	517,070	36.6	184.02

Notes: 1. Number of outstanding shares as of:

Half-year ended September 2002: 2,810,168,346 shares

Half-year ended September 2001: 2,810,017,905 shares

Year ended March 2002: 2,810,165,397 shares

2. Treasury stock held as of:

Half-year ended September 2002: 30,512,906 shares

Half-year ended September 2001: 15,989 shares

Year ended March 2002: 266,208 shares

**2. Results forecast for the year ending March 2003 (April 1, 2002 - March 31, 2003)**

	Sales	Ordinary profits	Net profits	Annual dividend per share	
				End of half-year	
Full year	(Unit: ¥1 million) 973,000	(Unit: ¥1 million) 73,000	(Unit: ¥1 million) 50,000	(Unit: ¥1) 3.00	(Unit: ¥1) 6.00

- Reference:
1. Forecast net earnings per share (full year): ¥17.99
  2. Breakdown of sales (full year):
    - Gas: ¥769,000 million
    - Miscellaneous: ¥204,000 million
  3. Forecast ordinary profit (full year): ¥84,000 million

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

**Balance Sheet**

(Unit: ¥1 million)

Account	Half-year (ended Sept. 30, 2002)	Previous year (ended Mar. 31, 2002)	Change	Half-year (ended Sept. 30, 2001)
(Assets)				
Fixed assets	1,195,021	1,224,869	-29,848	1,236,855
Tangible fixed assets	919,086	974,169	-55,083	980,510
Production facilities	253,322	262,343	-9,021	274,358
Distribution facilities	532,365	542,492	-10,127	515,603
Business facilities	71,736	73,889	-2,153	75,810
Associated business facilities	4,954	41,048	-36,094	42,609
Idle facilities	5	5	0	5
Construction in progress	56,701	54,389	2,312	72,123
Intangible fixed assets	14,196	15,238	-1,042	15,674
Patent rights	—	—	—	0
Leaseholds	1,260	1,260	0	1,236
Other intangible fixed assets	12,935	13,977	-1,042	14,437
Investments, etc.	261,738	235,462	26,276	240,670
Investment securities	65,069	67,393	-2,324	76,113
Investments in affiliates	112,513	87,013	25,500	85,105
Long-term loans receivable	172	172	0	79
Long-term loans within company	4,572	4,622	-50	4,610
Long-term loans to affiliates	9,756	3,595	6,161	2,595
Investments in partnership	5	5	0	5
Long-term prepaid expenses	40,742	43,517	-2,775	44,837
Deferred tax assets	24,733	23,202	1,531	21,392
Miscellaneous investments	5,470	7,076	-1,606	7,158
Allowances for doubtful accounts	-1,297	-1,136	-161	-1,227
Current assets	154,982	186,575	-31,593	162,036
Cash and deposits	7,086	7,039	47	5,818
Trade notes receivable	1,319	1,917	-598	1,558
Trade notes receivable from affiliates	—	100	-100	300
Accounts receivable	63,391	86,361	-22,970	70,892
Accounts receivable from affiliates	7,047	8,398	-1,351	4,147
Uncollected accounts	5,847	13,705	-7,858	5,897
Negotiable securities	1	1	0	1
Finished products	72	78	-6	79
Raw materials	12,940	17,931	-4,991	15,613
Supplies	6,052	5,803	249	5,837
Prepaid expenses	5,287	459	4,828	3,977
Short-term loans to affiliates	—	—	—	7,000
Short-term credits against affiliates	3,039	5,748	-2,709	1,323
Deferred tax assets	5,610	8,080	-2,470	4,761
Cost of unearned appliances sales	13,678	—	13,678	—
Other current assets	24,122	31,612	-7,490	35,425
Allowances for doubtful accounts	-516	-661	145	-596
<b>Total assets</b>	<b>1,350,004</b>	<b>1,411,444</b>	<b>-61,440</b>	<b>1,398,892</b>

(Unit: ¥1 million)

Account	Half-year (ended Sept. 30, 2002)	Previous year (ended Mar. 31, 2002)	Change	Half-year (ended Sept. 30, 2001)
(Liabilities)				
Fixed liabilities	626,884	695,703	-68,819	695,270
Straight bonds	252,433	246,233	6,200	231,043
Convertible bonds	183,752	235,693	-51,941	245,028
Long-term bank loans payable	68,218	88,394	-20,176	90,796
Long-term obligations to affiliates	663	661	2	707
Retirement benefit reserve	113,949	116,554	-2,605	119,687
Allowances for repairs of gas holders	3,372	3,394	-22	3,242
Other fixed liabilities	4,494	4,771	-277	4,765
Current liabilities	209,676	198,670	11,006	213,545
Fixed liabilities due within one year	89,504	22,884	66,620	104,256
Accounts payable	13,412	18,208	-4,796	11,874
Short-term bank loans payable	—	466	-466	466
Other accounts payable	19,535	33,069	-13,534	17,823
Accrued expenses	32,139	41,216	-9,077	36,774
Corporation tax payable, etc.	11,668	31,372	-19,704	5,684
Advances received	12,098	7,671	4,427	8,691
Deposits received	1,485	2,587	-1,102	2,540
Short-term obligations to affiliates	9,799	15,429	-5,630	8,697
Other current liabilities	20,031	25,762	-5,731	16,736
Total liabilities	836,561	894,373	-57,812	908,816

(Unit: ¥1 million)

Account	Half-year (ended Sept. 30, 2002)	Previous year (ended Mar. 31, 2002)	Change	Half-year (ended Sept. 30, 2001)
(Shareholders' equity)				
Common stock	—	141,843	-141,843	141,818
Common stock	—	141,843	-141,843	141,818
Legal reserves	—	37,518	-37,518	37,493
Capital reserve	—	2,064	-2,064	2,039
Earned surplus reserve	—	35,454	-35,454	35,454
Retained earnings	—	307,428	-307,428	275,184
Expropriation etc., compression reserve	—	992	-992	992
Reserve against losses on foreign investments, etc.	—	21	-21	21
Reserve against depreciation of construction of specified gas pipes	—	4,418	-4,418	4,418
Raw material cost fluctuation adjustment reserve	—	141,000	-141,000	141,000
General reserves	—	89,000	-89,000	89,000
Unappropriated earned surplus of half- year/current year	—	71,995	-71,995	39,751
(Half-year/current net profit)	(—)	(48,451)	(-48,451)	(7,777)
Unrealized gains on securities available for sale	—	30,375	-30,375	35,579
Unrealized gains on other securities	—	30,375	-30,375	35,579
Treasury stock	—	-95	95	—
Treasury stock	—	-95	95	—
Common stock	141,843	—	141,843	—
Common stock	141,843	—	141,843	—
Capital surplus	2,065	—	2,065	—
Capital reserve	2,065	—	2,065	—
Retained earnings	350,530	—	350,530	—
Earned surplus reserve	35,454	—	35,454	—
Expropriation etc., compression reserve	985	—	985	—
Reserve against losses on foreign investments, etc.	19	—	19	—
Reserve against depreciation of construction of specified gas pipes	4,067	—	4,067	—
Raw material cost fluctuation adjustment reserve	141,000	—	141,000	—
General reserves	119,000	—	119,000	—
Unappropriated earned surplus of half- year/current year	50,003	—	50,003	—
(Half-year net profit)	(16,156)	(—)	(16,156)	(—)
Unrealized gains on shares, etc. available for sale	29,269	—	29,269	—
Unrealized gains on other securities	29,269	—	29,269	—
Treasury stock	-10,266	—	-10,266	—
Treasury stock	-10,266	—	-10,266	—
Total shareholders' equity	513,442	517,070	-3,628	490,076
Total liabilities and shareholders' equity	1,350,004	1,411,444	-61,440	1,398,892

**Statement of income**

(Unit: ¥1 million)

Account		Half year (Apr. - Sept. 2002)	Half year (Apr. - Sept. 2001)	Change	Previous year (Apr. 2001 - Mar. 2002)	
Ordinary profit or loss	Operating profit or loss	Product sales	329,538	321,018	8,520	743,347
		Gas sales	329,538	321,018	8,520	743,347
		Cost of sales	118,945	117,858	1,087	264,651
		(Gross profit)	(210,592)	(203,159)	(7,433)	(478,696)
		Supply and sales expenses	155,198	156,224	-1,026	325,989
		General and administrative expenses	33,345	35,337	-1,992	74,222
		(Profits on core business)	(22,047)	(11,597)	(10,450)	(78,484)
		Miscellaneous operating revenues	76,793	85,552	-8,759	194,681
		Income of construction work received	26,136	28,404	-2,268	65,521
		Revenues from sales of appliances	50,450	57,057	-6,607	128,875
	Other miscellaneous operating revenues	205	90	115	284	
	Miscellaneous operating expenses	73,727	81,648	-7,921	186,363	
	Cost of construction work received	26,185	28,219	-2,034	62,987	
	Cost of sales of appliances	47,541	53,429	-5,888	123,375	
	Revenues from associated businesses	12,188	19,344	-7,156	36,536	
	Expenses from associated businesses	11,157	15,526	-4,369	31,040	
	(Operating profit)	(26,144)	(19,319)	(6,825)	(92,299)	
	Non-operating profit or loss	Non-operating income	6,873	6,729	144	12,188
		Interest income	241	194	47	422
		Divided income	592	640	-48	1,709
Affiliates' dividends earned		935	940	-5	—	
Rental income		2,399	2,357	42	4,729	
Miscellaneous revenues		2,703	2,596	107	5,326	
Non-operating expenses		10,526	17,771	-7,245	32,238	
Interest paid		1,380	1,558	-178	3,032	
Interest on bonds		5,201	6,004	-803	11,963	
Amortization of bond issue costs		95	—	95	135	
Balance on commissioned construction	1,990	3,098	-1,108	6,960		
Loss from debenture redemption	—	4,361	-4,361	4,618		
Miscellaneous expenditures	1,858	2,749	-891	5,527		
(Ordinary profit)		(22,492)	(8,277)	(14,215)	(72,249)	
Extraordinary profit or loss	Extraordinary profits	2,163	3,397	-1,234	4,200	
	Gain on sales of fixed assets	337	—	337	744	
	Gain on sales of investment securities	1,826	3,397	-1,571	3,455	
	Extraordinary losses	58	—	58	665	
	Losses on sales of fixed assets	58	—	58	241	
Losses on compression of fixed assets	—	—	—	424		
(Net profit before income tax)		(24,597)	(11,674)	(12,923)	(75,784)	
Corporate taxes etc.		7,090	1,620	5,470	27,230	
Adjustment for corporate tax, etc.		1,351	2,276	-925	102	
Half-year/current net profits		16,156	7,777	8,379	48,451	
Retained earnings brought forward		33,839	31,973	1,866	31,973	
Disposition of expropriation, etc. compression reserve		7	—	7	—	
Mid-term dividend		—	—	—	8,430	
Unappropriated profit		50,003	39,751	10,252	71,995	

Note: 1. The figures in the sales column for “Results for half-year ended September 2002: (1) Business results” are the total of product sales, miscellaneous operating revenues, and revenues from associated businesses.