

**FY2002 ending March 2003
Interim Consolidated Results Bulletin
(Half-Year Ended September 30, 2002)**

November 20, 2002

Tokyo Gas Co., Ltd.

Code No.: 9531
(URL <http://www.tokyo-gas.co.jp>)
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Shares listed on:
Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya
Stock Exchange
Location of head office (prefecture): Tokyo

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

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

1. Interim consolidated results (April 1, 2002 - September 30, 2002)

(1) Consolidated 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	473,682	-1.5	35,954	34.3	27,497	147.9
Half-year ended Sept. 2001	480,755	4.2	26,767	-8.4	11,092	-34.5
Year ended Mar. 2002	1,097,589		110,607		80,626	

	Net profits		Net earnings per share	Net earnings per share adjusted for latent shares
	(Unit: ¥1 million)	(%)	(Unit: ¥1)	(Unit: ¥1)
Half-year ended Sept. 2002	18,419	110.6	6.57	6.05
Half-year ended Sept. 2001	8,744	145.8	3.11	2.94
Year ended Mar. 2002	51,911		18.47	16.66

- Notes: 1. Profit or loss on investment accounted for by equity method: Half-year ended September 2002: ¥109 million
Half-year ended September 2001: ¥262 million
Year ended March 2002: ¥310 million
2. Average number of outstanding shares (consolidated basis) during the term:
Half-year ended September 2002: 2,804,723,790 shares
Half-year ended September 2001: 2,809,985,284 shares
Year ended March 2002: 2,809,973,251 shares
3. Changes in accounting methods: None
4. Percentage figures on sales, operating profits, ordinary profits and net profits indicate the percentage change on the interim results for the previous year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	(Unit: ¥1 million)	(Unit: ¥1 million)	(%)	(Unit: ¥1)
Half-year ended Sept. 2002	1,646,932	562,755	34.2	202.46
Half-year ended Sept. 2001	1,691,070	534,826	31.6	190.33
Year ended Mar. 2002	1,702,712	564,077	33.1	200.75

Note: Number of outstanding shares (consolidated basis) as of:
Half-year ended September 2002: 2,779,655,440 shares
Half-year ended September 2001: 2,810,001,916 shares
Year ended March 2002: 2,809,899,189 shares

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Balance of cash and cash equivalents as of end of term
	(Unit: ¥1 million)	(Unit: ¥1 million)	(Unit: ¥1 million)	(Unit: ¥1 million)
Half-year ended Sept. 2002	62,202	-51,069	-16,948	21,441
Half-year ended Sept. 2001	47,748	-52,107	-34,548	25,665
Year ended Mar. 2002	191,675	-111,820	-117,176	27,260

- (4) Scope of subsidiaries and affiliates and application of equity method
 Consolidated subsidiaries: 18
 Non-consolidated subsidiaries accounted for by equity method: None
 Affiliates accounted for by equity method: 1
- (5) Changes in scope of consolidated subsidiaries and affiliates and application of equity method
 Consolidated subsidiaries
- Newly added: 4
 - Excluded: None
- By equity method
- Newly added: None
 - Excluded: None

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

	Sales	Ordinary profits	Net profits
Annual results	(Unit: ¥1 million) 1,110,000	(Unit: ¥1 million) 83,000	(Unit: ¥1 million) 54,000

- References: 1. Forecast net earnings per share (full year): ¥19.43
 2. Forecast ordinary profit (full year): ¥103,000 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.

<Consolidated Statements>

1. Interim consolidated 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	1,429,701	1,450,814	-21,113	1,469,609
Tangible fixed assets	1,230,070	1,249,936	-19,866	1,263,557
Production facilities	252,992	262,026	-9,034	274,022
Distribution facilities	538,893	549,416	-10,523	522,524
Business facilities	73,980	76,154	-2,174	78,323
Other facilities	296,341	303,132	-6,791	313,521
Idle facilities	5	5	—	5
Construction in progress	67,856	59,199	8,657	75,160
Intangible fixed assets	18,508	19,196	-688	19,450
Other intangible fixed assets	18,508	19,196	-688	19,450
Investments, etc.	181,122	181,681	-559	186,601
Investment securities	91,115	92,712	-1,597	99,205
Long-term loans receivable	7,269	6,338	931	5,253
Deferred tax assets	31,758	30,083	1,675	28,065
Miscellaneous investments	52,593	54,207	-1,614	55,410
Allowances for doubtful accounts	-1,615	-1,660	45	-1,333
Current assets	217,231	251,898	-34,667	221,461
Cash and deposits	21,329	23,040	-1,711	17,444
Notes and accounts receivable	96,606	128,549	-31,943	104,398
Inventories	24,864	28,758	-3,894	27,031
Deferred tax assets	7,924	10,049	-2,125	6,405
Other current assets	67,321	62,431	4,890	67,030
Allowances for doubtful accounts	-814	-932	118	-848
Total assets	1,646,932	1,702,712	-55,780	1,691,070

(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	772,285	836,977	-64,692	853,331
Straight bonds	273,233	253,233	20,000	238,843
Convertible bonds	183,752	235,693	-51,941	245,028
Long-term bank loans payable	163,067	191,960	-28,893	209,664
Deferred tax liabilities	1,715	1,652	63	2,002
Retirement benefit reserve	122,873	125,554	-2,681	128,811
Allowances for repairs of gas holders	3,514	3,520	-6	3,352
Other fixed liabilities	24,128	25,362	-1,234	25,629
Current liabilities	308,106	297,861	10,245	299,091
Fixed liabilities due within one year	112,001	40,443	71,558	119,340
Notes and accounts payable	26,849	38,055	-11,206	28,250
Short-term bank loans payable	40,725	42,709	-1,984	37,091
Corporation tax payable, etc.	14,513	33,663	-19,150	7,575
Deferred tax liabilities	18	18	—	23
Other current liabilities	113,999	142,971	-28,972	106,810
Total liabilities	1,080,392	1,134,838	-54,446	1,152,422
Minority interest	3,785	3,796	-11	3,821
(Shareholders' equity)				
Common stock	—	141,843	-141,843	141,818
Capital reserve	—	2,064	-2,064	2,039
Consolidated retained earnings	—	387,315	-387,315	352,578
Unrealized gains on other securities	—	32,835	-32,835	38,332
Translation adjustment account	—	114	-114	64
Treasury stock	—	-95	95	-6
Total shareholders' equity	—	564,077	-564,077	534,826
Common stock	141,843	—	141,843	—
Capital surplus	2,065	—	2,065	—
Retained earnings	397,210	—	397,210	—
Unrealized gains on other securities	31,890	—	31,890	—
Translation adjustment account	12	—	12	—
Treasury stock	-10,266	—	-10,266	—
Total shareholders' equity	562,755	—	562,755	—
Total liabilities, minority interest and shareholders' equity	1,646,932	1,702,712	-55,780	1,691,070

2. Interim consolidated statement of income

(Unit: ¥1 million)

Account	Half-year (Apr. - Sept. 2002)	Half-year (Apr. - Sept. 2001)	Change	Previous year (Apr. 2001 - Mar. 2002)
Sales	473,682	480,755	-7,073	1,097,589
Cost of sales	236,918	250,305	-13,387	561,988
(Gross profit)	(236,764)	(230,450)	(6,314)	(535,600)
Supply and sales expenses	168,782	169,962	-1,180	353,977
General and administrative expenses	32,027	33,720	-1,693	71,015
(Operating profit)	(35,954)	(26,767)	(9,187)	(110,607)
Non-operating income	4,016	4,156	-140	7,605
Interest income	97	81	16	187
Dividend income	711	741	-30	833
Return on investment accounted for by equity method	109	262	-153	310
Income from rents	499	490	9	1,003
Revenue from special-purpose facility fees	—	528	-528	—
Miscellaneous revenues	2,599	2,052	547	5,270
Non-operating expenses	12,473	19,830	-7,357	37,586
Interest paid	8,466	9,582	-1,116	19,274
Balance on commissioned construction	1,923	3,029	-1,106	6,827
Loss from debenture redemption	—	4,361	-4,361	4,618
Miscellaneous expenditures	2,083	2,857	-774	6,866
(Ordinary profit)	(27,497)	(11,092)	16,405	(80,626)
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	201	—	201	1,965
Loss from sale of fixed assets	58	—	58	241
Losses on compression of fixed assets	—	—	—	424
Expenses for special measures for product compensation	143	—	143	1,300
Net profit before adjustment for tax, etc.	29,459	14,490	14,969	82,861
Corporate tax, residence tax and business tax	9,429	2,980	6,449	31,507
Adjustment for corporate taxes, etc.	1,570	2,557	-987	-741
Minority shareholder profit (loss)	40	207	-167	184
Net profit	18,419	8,744	9,675	51,911

3. Interim statement of consolidated retained earnings

(Unit: ¥1 million)

Account	Half-year (Apr. - Sept. 2002)		Previous year (Apr. 2001 - Mar. 2002)		Half-year (Apr. -Sept. 2001)	
Initial balance of consolidated retained earnings		—		353,793		353,793
Decrease in consolidated retained earnings						
Dividends	—		18,265		9,835	
Directors' bonuses	—	—	125	18,390	125	9,960
Net profit		—		51,911		8,744
End of year/half-year balance of consolidated retained earnings		—		387,315		352,578
(Capital surplus)						
Initial balance of capital surplus						
Initial balance of capital reserve	2,064	2,064	—	—	—	—
Increase in capital surplus		—		—		—
End of half-year balance of capital surplus		2,065		—		—
(Retained earnings)						
Initial balance of retained earnings						
Initial balance of consolidated retained earnings	387,315	387,315	—	—	—	—
Increase in retained earnings						
Net profit	18,419	18,419	—	—	—	—
Decrease in retained earnings						
Dividends	8,429		—		—	
Directors' bonuses	95	8,524	—	—	—	—
End of half-year balance of consolidated retained earnings		397,210		—		—

4. Interim consolidated statement of cash flows

(Unit: ¥1 million)

Account	Half-year (Apr. - Sept. 2002)	Half-year (Apr. - Sept. 2001)	Previous year (Apr. 2001 - Mar. 2002)
I. Cash flow from operating activities			
Net profit before adjustment for tax, etc.	29,459	14,490	82,861
Depreciation	66,364	67,889	141,646
Amortization of long-term prepaid expenses	1,963	1,931	3,917
Loss on retirement of tangible fixed assets	1,008	1,958	3,576
Profit/loss on sale of investment securities	-1,826	-3,397	-3,457
Profit/loss on valuation of investment securities	—	—	666
Loss from debenture redemption	—	4,361	4,618
Change in provision for retirement benefits	-2,680	-5,404	-8,661
Interest and dividends earned	-809	-823	-1,020
Interest paid	8,466	9,582	19,274
Change in accounts receivable	38,396	25,707	—
Change in inventories	3,894	—	-1,339
Change in accounts payable	-29,050	-34,285	-3,674
Change in consumption tax payable	-2,469	—	2,748
Change in prepaid expenses	-4,975	—	—
Other	-10,152	-3,309	-5,669
Sub-total	97,588	78,701	235,486
Proceeds from interest and dividends	800	809	1,089
Payment of interest	-8,366	-9,580	-19,325
Payment of corporate tax, etc.	-27,820	-22,181	-25,574
Cash flow from operating activities	62,202	47,748	191,675
II. Cash flow from investing activities			
Purchases of investment securities	-589	-677	-3,711
Proceeds from sale of investment securities, etc.	2,248	4,322	5,003
Purchases of tangible fixed assets	-50,551	-53,033	-104,883
Purchases of intangible fixed assets	-3,563	-2,724	-7,791
Spending on long-term prepaid expenses	—	—	-1,006
Proceeds from sale of fixed assets	2,674	—	2,527
Expenditures based on lending for long-term loans	-1,127	—	-1,693
Other	-160	4	-265
Cash flow from investing activities	-51,069	-52,107	-111,820
III. Cash flow from financing activities			
Net change in short-term debt	-1,984	-2,830	2,788
Net change in commercial paper	-7,000	—	12,000
Proceeds from long-term debt	1,237	5,535	15,485
Payments for long-term debt	-10,029	-12,608	-39,015
Proceeds from bond issues	20,000	—	30,000
Payments for redemption of bonds	-516	-14,776	-120,054
Dividend payments	-8,430	-9,818	-18,236
Payment of dividends to minority shareholders	-53	-50	-50
Payments for acquiring treasury stock	-10,171	—	-92
Cash flow from financing activities	-16,948	-34,548	-117,176
IV. Difference due to conversion of cash and cash equivalents	-2	-1	6
V. Change in cash and cash equivalents	-5,819	-38,910	-37,314
VI. Cash and cash equivalents at beginning of year	27,260	64,575	64,575
VII. Cash and cash equivalents at end of year/half-year	21,441	25,665	27,260

9. Segment information

(1) Segment information by category of business

(Unit: ¥1 million)

		Gas	Gas appliance sales	Related construction	Real estate rental business	Other	Total	Elimination or corporate	Consolidated
Half-year ended Sept. 2002	Sales								
	(1) External sales	331,619	58,510	27,248	7,477	48,827	473,682	—	473,682
	(2) Inside group	1,178	545	1,372	10,612	17,478	31,187	(31,187)	—
	Total	332,798	59,055	28,620	18,089	66,306	504,870	(31,187)	473,682
	Operating expenses	279,077	55,797	28,466	14,337	61,603	439,282	(1,553)	437,728
	Operating profit (loss)	53,721	3,257	154	3,751	4,702	65,588	(29,633)	35,954
Half-year ended Sept. 2001	Sales								
	(1) External sales	324,146	66,420	28,754	7,912	53,521	480,755	—	480,755
	(2) Inside group	—	610	1,758	10,948	18,166	31,484	(31,484)	—
	Total	324,146	67,031	30,513	18,860	71,687	512,239	(31,484)	480,755
	Operating expenses	279,036	62,976	29,786	15,687	66,589	454,077	(89)	453,988
	Operating profit (loss)	45,109	4,054	726	3,173	5,098	58,162	(31,395)	26,767
Previous year	Sales								
	(1) External sales	750,438	148,270	67,632	15,685	115,561	1,097,589	—	1,097,589
	(2) Inside group	—	932	3,705	21,866	40,449	66,952	(66,952)	—
	Total	750,438	149,203	71,337	37,551	156,011	1,164,541	(66,952)	1,097,589
	Operating expenses	601,229	141,959	67,688	31,460	145,211	987,549	(567)	986,981
	Operating profit (loss)	149,209	7,243	3,649	6,091	10,799	176,992	(66,384)	110,607

Note: 1. Classification of business categories and main products in each category of business
Business categories are classified by aggregate sale category in accordance with the Gas Business Accounting Regulations.

Business categories	Main products
Gas	Gas
Gas appliance sales	Gas appliances
Related construction	Gas construction work
Real estate rental business	Lease and management of buildings, etc.
Other	District heating and cooling, coke, LPG, industrial gas, credit leases, system integration, general engineering

Note: 2. The main unapportionable operating expenses included under “corporate and eliminations” are general expenses relating to the administration department of the company submitting the interim consolidated financial statements.
Half-year ended Sept. 2002: ¥30,081 million (Half-year ended Sept. 2001: ¥31,446 million)

(2) Segment information by location

Not applicable due to absence of overseas consolidated subsidiaries.

(3) Overseas sales

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