

**FY2003 ending March 2004
Interim Consolidated Results Bulletin
(Half-Year Ended September 30, 2003)**

October 30, 2003

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 financial results: October 30, 2003

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

1. Interim consolidated results (April 1, 2003 - September 30, 2003)

(1) Consolidated business results

(Rounded down to the nearest million yen)

	Sales		Operating profits		Ordinary profits	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
Half-year ended in Sept. 2003	505,129	6.6	43,834	21.9	36,447	32.5
Half-year ended in Sept. 2002	473,682	-1.5	35,954	34.3	27,497	147.9
Year ended in Mar. 2003	1,127,633		123,294		91,955	

	Net profits		Net earnings per share	Net earnings per share adjusted for latent shares
	(Unit: million yen)	(%)	(Unit: yen)	(Unit: yen)
Half-year ended in Sept. 2003	22,207	20.6	8.10	7.39
Half-year ended in Sept. 2002	18,419	110.6	6.57	6.05
Year ended in Mar. 2003	59,201		21.18	19.11

- Notes: 1. Profit or loss on investment accounted for by equity method: Half-year ended in September 2003: ¥108 million
Half-year ended in September 2002: ¥109 million Year ended in March 2003: ¥220 million
2. Average number of outstanding shares (consolidated basis) during the term:
Half-year ended in September 2003: 2,740,820,753 shares Half-year ended in September 2002: 2,804,723,790 shares
Year ended in March 2003: 2,791,588,384 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: million yen)	(Unit: million yen)	(%)	(Unit: yen)
Half-year ended in Sept. 2003	1,634,163	575,710	35.2	213.12
Half-year ended in Sept. 2002	1,646,932	562,755	34.2	202.46
Year ended in Mar. 2003	1,676,064	579,706	34.6	208.65

Note: Number of outstanding shares (consolidated basis) as of:
Half-year ended September 2002: 2,779,655,440 shares
Half-year ended September 2003: 2,701,378,206 shares
Year ended March 2003: 2,777,997,987 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: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
Half-year ended in Sept. 2003	40,866	-78,244	1,722	16,477
Half-year ended in Sept. 2002	62,202	-51,069	-16,948	21,441
Year ended in Mar. 2003	213,532	-110,143	-78,517	52,129

(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: None
- Excluded: None

By equity method

- Newly added: None
- Excluded: None

2. Results forecast for the year ending in March 2004 (April 1, 2003 - March 31, 2004)

	Sales	Ordinary profits	Net profits
Annual results	(Unit: million yen) 1,162,000	(Unit: million yen) 122,000	(Unit: million yen) 76,000

References: 1. Forecast of net earnings per share (full year): ¥28.11
2. Forecast of operating profit (full year): ¥143,000 million

* The above forecast was based on 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: million yen)

Account	Half-year (ended on Sept. 30, 2003)	Previous year (ended on Mar. 31, 2003)	Change	Half-year (ended on Sept. 30, 2002)
(Assets)				
Fixed assets	1,407,915	1,411,513	-3,598	1,429,701
Tangible fixed assets	1,192,669	1,217,465	-24,796	1,230,070
Production facilities	255,323	244,058	11,265	252,992
Distribution facilities	526,718	538,191	-11,473	538,893
Business facilities	68,726	71,297	-2,571	73,980
Other facilities	298,270	288,469	9,801	296,341
Idle facilities	-	5	-5	5
Construction in progress	43,631	75,442	31,811	67,856
Intangible fixed assets	17,874	20,609	-2,735	18,508
Other intangible fixed assets	17,874	20,609	-2,735	18,508
Investments, etc.	197,370	173,438	23,932	181,122
Investment securities	97,984	71,544	26,440	91,115
Long-term loans receivable	13,488	10,238	3,250	7,269
Deferred tax assets	38,981	44,306	-5,325	31,758
Miscellaneous investments	49,136	49,591	-455	52,593
Allowances for doubtful accounts	-2,220	-2,243	23	-1,615
Current assets	226,248	264,551	-38,303	217,231
Cash and deposits	21,572	35,672	-14,100	21,329
Notes and accounts receivable	97,175	132,235	-35,060	96,606
Inventories	30,689	21,125	9,564	24,864
Deferred tax assets	9,816	11,480	-1,664	7,924
Other current assets	68,184	65,484	2,700	67,321
Allowances for doubtful accounts	-1,189	-1,448	259	-814
Total assets	1,634,163	1,676,064	-41,901	1,646,932

(Unit: million yen)

Account	Half-year (ended on Sept. 30, 2003)	Previous year (ended on Mar. 31, 2003)	Change	Half-year (ended on Sept. 30, 2002)
(Liabilities)				
Fixed liabilities	777,510	751,572	25,938	772,285
Straight bonds	273,533	257,633	15,900	273,233
Convertible bonds	182,812	182,814	-2	183,752
Long-term bank loans payable	170,692	157,875	12,817	163,067
Deferred tax liabilities	1,670	792	878	1,715
Retirement benefit reserve	118,224	120,896	-2,672	122,873
Allowances for repairs of gas holders	3,363	3,457	-94	3,514
Other fixed liabilities	27,214	28,104	-890	24,128
Current liabilities	276,925	340,746	-63,821	308,106
Fixed liabilities due within one year	23,189	91,239	-68,050	112,001
Notes and accounts payable	25,122	37,676	-12,554	26,849
Short-term bank loans payable	34,716	41,900	-7,184	40,725
Corporation tax payable, etc.	16,689	41,221	-24,532	14,513
Deferred tax liabilities	-	13	-13	18
Other current liabilities	177,207	128,695	48,512	113,999
Total liabilities	1,054,436	1,092,319	-37,883	1,080,392
Minority interest	4,017	4,039	-22	3,785
(Shareholders' equity)				
Common stock	141,844	141,844	-	141,843
Capital surplus	2,065	2,065	-	2,065
Retained earnings	443,447	429,652	13,795	397,210
Unrealized gains on other securities	27,053	17,002	10,051	31,890
Translation adjustment account	14	4	10	12
Treasury stock	-38,715	-10,862	-27,853	-10,266
Total shareholders' equity	575,710	579,706	-3,996	562,755
Total of liabilities, minority interest, and shareholders' equity	1,634,163	1,676,064	-41,901	1,646,932

2. Interim consolidated statement of income

(Unit: million yen)

Account	Half-year (Apr. - Sept. 2003)	Half-year (Apr. - Sept. 2002)	Change	Previous year (Apr. 2002 - Mar. 2003)
Sales	505,129	473,682	31,447	1,127,633
Cost of sales	258,209	236,918	21,291	571,929
(Gross profit)	(246,920)	(236,764)	(10,156)	(555,704)
Supply and sales expenses	168,523	168,782	-259	359,999
General and administrative expenses	34,562	32,027	2,535	72,409
(Operating profit)	(43,834)	(35,954)	(7,880)	(123,294)
Non-operating income	4,444	4,016	428	7,441
Interest income	148	97	51	239
Dividend income	910	711	199	849
Return on investment accounted for by equity method	108	109	-1	220
Exchange gains	527	-	527	-
Income from rents	512	499	13	985
Miscellaneous revenues	2,236	2,599	-363	5,147
Non-operating expenses	11,831	12,473	-642	38,780
Interest paid	7,813	8,466	-653	17,472
Balance on commissioned construction	1,799	1,923	-124	4,648
Loss from debenture redemption	-	-	-	6,327
Environmental conditioning costs	-	-	-	5,656
Miscellaneous expenditures	2,217	2,083	134	4,674
(Ordinary profit)	(36,447)	(27,497)	8,950	91,955
Extraordinary profits	765	2,163	-1,398	8,699
Gain on sales of fixed assets	168	337	-169	5,503
Gain on sales of investment securities	596	1,826	-1,230	3,196
Extraordinary losses	1,116	201	915	4,771
Loss from sale of fixed assets	1,116	58	1,058	113
Losses on compression of fixed assets	-	-	-	4,415
Expenses for special measures For product compensation	-	143	-143	242
Net profit before adjustment for tax, etc.	36,095	29,459	6,636	95,882
Corporate tax, residence tax and Business tax	11,161	9,429	1,732	43,621
Adjustment for corporate taxes, etc.	2,519	1,570	949	-7,244
Minority shareholder profit (loss)	206	40	166	304
Net profit	22,207	18,419	3,788	59,201

3. Interim statement of consolidated retained earnings

(Unit: ¥1 million)

Account	Half-year (Apr. - Sept. 2003)		Previous year (Apr. 2001 - Mar. 2003)		Half-year (Apr. -Sept. 2002)	
(Capital surplus)						
Initial balance of capital surplus						
Initial balance of capital reserve		2,065	2,064	2,064	2,064	2,064
Increase in capital surplus		-		-		-
End of half-year balance of capital surplus		2,065		2,065		2,065
(Retained earnings)						
Initial balance of retained earnings		429,652				
Initial balance of consolidated retained earnings			387,315	387,315	387,315	387,315
Increase in retained earnings						
Net profit	22,207	22,207	59,201	59,201	18,419	18,419
Decrease in retained earnings						
Dividends	8,334		16,768		8,429	
Directors' bonuses	76		95		95	
Net loss on disposal of treasury stock	1	8,412	-	16,863	-	8,524
End of half-year balance of consolidated retained earnings		443,447		429,652		397,210

4. Interim consolidated statement of cash flows

(Unit: ¥1 million)

Account	Half-year (Apr. - Sept. 2003)	Half-year (Apr. - Sept. 2002)	Previous year (Apr. 2002 - Mar. 2003)
I. Cash flow from operating activities			
Net profit before adjustment for tax, etc.	36,095	29,459	95,882
Depreciation	73,818	66,364	137,299
Amortization of long-term prepaid expenses	1,881	1,963	3,727
Loss on retirement of tangible fixed assets	1,484	1,008	2,481
Profit/loss on sales of fixed assets	949	-	5,379
Losses on compression of fixed assets	-	-	4,415
Profit/loss on sale of investment securities	-596	-1,826	-3,195
Profit/loss on valuation of investment securities	-	-	891
Loss from debenture redemption	-	-	6,327
Profit/loss on allowance for doubtful accounts	-	-	1,099
Change in provision for retirement benefits	-2,671	-2,680	-4,658
Interest and dividends earned	-1,059	-809	-1,088
Interest paid	7,813	8,466	17,472
Change in accounts receivable	39,296	38,396	-6,777
Change in inventories	-9,564	3,894	7,633
Change in accounts payable	-34,519	-29,050	1,784
Change in consumption tax payable	-2,990	-2,469	-
Change in prepaid expenses	-8,221	-4,975	-
Other	-18,705	-10,152	12,592
Sub-total	83,019	97,588	26,660
Proceeds from interest and dividends	1,011	800	1,166
Payment of interest	-8,143	-8,366	-18,069
Payment of corporate tax, etc.	-35,020	-27,820	-36,504
Cash flow from operating activities	40,866	62,202	213,532
II. Cash flow from investing activities			
Purchases of investment securities	-12,787	-589	-7,297
Proceeds from sale of investment securities, etc.	2,662	2,248	5,861
Purchases of tangible fixed assets	-58,836	-50,551	-98,148
Purchases of intangible fixed assets	-3,420	-3,563	-9,014
Spending on long-term prepaid expenses	-1,490	-	-1,799
Proceeds from sale of fixed assets	634	2,674	6,888
Expenditures based on lending for long-term loans	-3,548	-1,127	-4,256
Other	-1,458	-160	-2,375
Cash flow from investing activities	-78,244	-51,069	-110,143
III. Cash flow from financing activities			
Net change in short-term debt	-7,183	-1,984	-809
Net change in commercial paper	85,000	-7,000	-12,000
Proceeds from long-term debt	30,019	1,237	17,340
Payments for long-term debt	-36,810	-10,029	-36,474
Proceeds from bond issues	20,000	20,000	20,000
Payments for redemption of bonds	-52,875	-516	-38,975
Dividend payments	-8,330	-8,430	-16,777
Payment of dividends to minority shareholders	-56	-53	-53
Payment for minority shareholders of capital reduction	-184	-	-
Proceeds from sale of treasury stock	66	-	-
Payments for acquiring treasury stock	-27,922	-10,171	-10,767
Cash flow from financing activities	1,722	-16,948	78,517

IV. Difference due to conversion of cash and cash equivalents	3	-2	-2
V. Change in cash and cash equivalents	-35,652	-5,819	24,869
VI. Cash and cash equivalents at beginning of year	52,129	27,260	27,260
VII. Cash and cash equivalents at end of year/half-year	16,477	21,441	52,129

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. 2003	Sales								
	(1) External sales	366,609	59,585	26,092	7,125	45,716	505,129	-	505,129
	(2) Inside group	2,156	572	1,526	10,640	22,732	37,628	(37,628)	-
	Total	368,766	60,157	27,619	17,765	68,449	542,758	(37,628)	505,129
	Operating expenses	307,703	55,988	26,859	13,397	64,602	468,551	(7,255)	461,295
Operating profit (loss)	61,062	4,169	760	4,367	3,846	74,207	(30,372)	43,834	
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	
Previous year	Sales								
	(1) External sales	789,687	141,225	67,045	14,943	114,732	1,127,633	-	1,127,633
	(2) Inside group	2,765	1,410	3,523	21,402	43,594	72,696	(72,696)	-
	Total	792,453	142,635	70,568	36,346	158,326	1,200,330	(72,696)	1,127,633
	Operating expenses	632,229	134,794	66,393	28,723	148,700	1,010,840	(6,501)	1,004,339
Operating profit (loss)	160,223	7,841	4,174	7,623	9,626	189,489	(66,195)	123,294	

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. 2003: ¥30,731 million (Half-year ended Sept. 2002: ¥30,081 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.