

Tokyo Gas Co., Ltd

Code No.: 9531

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Settlement Accounting Section

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Meeting of board of directors to approve end of year accounts: May 19, 2000

Regular general meeting of shareholders: June 29, 2000

The company has an interim dividend plan.

Shares listed on:

Tokyo Stock Exchange, Osaka Securities Exchange,
Nagoya Stock Exchange, Kyoto Stock Exchange
Location of head office (prefecture): Tokyo

1. Results for year ending March 2000 (April 1, 1999 to March 31, 2000)

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

	Sales		Operating profits		Ordinary profits	
	(Unit: ¥1 million)	%	(Unit: ¥1 million)	%	(Unit: ¥1 million)	%
Year ending March 2000	869,939	-0.1	51,296	-10.3	34,929	-4.1
Year ending March 1999	870,838	-1.1	57,193	-5.6	36,405	20.6

	Current net profits		Net earnings per share	Net earnings per share adjusted for latent shares	Net rate of return on shareholders' equity	Ratio of current profits to total capital	Ratio of current profits to sales
	(Unit: ¥1 million)	%	(Unit: ¥1)	(Unit: ¥1)	%	%	%
Year ending March 2000	22,395	32.4	7.97	7.45	5.4	2.4	4.0
Year ending March 1999	16,915	12.6	6.02	5.67	4.3	2.6	4.2

- Notes: 1. Average number of shares outstanding during the term:
 Year ending March 2000 2,810,012,006 shares
 Year ending March 1999 2,810,010,532 shares
 2. Changes in accounting methods: None
 3. Percentage figures for sales, operating profits, ordinary profits and current net profits indicate the percentage change on the previous year.

(2) Dividends

	Annual dividend per share			Total dividends (annual)	Dividend payout ratio	Dividend rate for shareholders' equity
	(Unit: ¥1)	Interim dividend (Unit: ¥1)	Year-end dividend (Unit: ¥1)			
Year ending March 2000	5.00	2.50	2.50	14,049	62.7	3.2
Year ending March 1999	5.00	2.50	2.50	14,050	83.1	3.6

(3) Financial position

	Total assets	Shareholders' equity	Ratio to shareholders' equity	Shareholders' equity per share
	(Unit: ¥1 million)	(Unit: ¥1 million)	%	(Unit: ¥1)
Year ending March 2000	1,493,699	443,363	29.7	157.78
Year ending March 1999	1,399,820	391,295	28.0	139.25

- Notes: 1. Number of outstanding shares at year end
 Year ending March 2000: 2,810,012,006 shares
 Year ending March 1999: 2,810,012,006 shares (par value shares, issued in units of 1,000)

2. Results forecast for the year ending March 2001 (April 1, 2000 – March 31, 2001)

	Sales	Ordinary profits	Net current profits	Annual dividend per share		
				Mid-term	Year-end	
	(Unit: ¥1 million)	(Unit: ¥1 million)	(Unit: ¥1 million)	(Unit: ¥1)	(Unit: ¥1)	(Unit: ¥1)
Mid-term	—	—	—	2.50	—	—
Full term	928,000	42,000	20,000	—	2.50	5.00

- Reference: 1. Forecast net earnings per share (full year): ¥7.12
 2. Breakdown of sales (full year): Gas ¥726,000 million, miscellaneous ¥202,000 million

Balance Sheet

(Unit: ¥1 million)

Account	Current year (March 31, 2000)	Previous year (March 31, 1999)	Change
(Assets)			
Fixed assets	1,250,442	1,224,801	25,641
Tangible fixed assets	1,029,954	1,036,476	-6,522
Production facilities	287,383	314,553	-27,170
Distribution facilities	489,415	450,812	38,603
Business facilities	82,930	89,292	-6,362
Associated business facilities	48,528	37,531	10,997
Idle facilities	5	203	-198
Construction in progress	121,690	144,083	-22,393
Intangible fixed assets	16,598	1,906	14,692
Patent rights	1	3	-2
Leaseholds	895	814	81
Other intangible fixed assets	15,700	1,088	14,612
Investments etc.	203,889	186,418	17,471
Investment securities	19,622	19,917	-295
Investments in affiliates	88,547	90,767	-2,220
Long-term loans within company	4,049	4,158	-109
Investments in partnership	5	25	-20
Long-term prepaid expenses	48,813	64,842	-16,029
Deferred tax assets	36,751	—	36,751
Miscellaneous investments	7,254	7,925	-671
Allowances for doubtful accounts	-1,155	-1,218	63
Current assets	243,257	175,018	68,239
Cash and deposits	46,990	7,813	39,177
Trade notes receivable	610	738	-128
Trade notes receivable from affiliates	100	250	-150
Accounts receivable	78,091	72,930	5,161
Accounts receivable from affiliates	5,759	4,967	792
Uncollected accounts	9,409	11,563	-2,154
Negotiable securities	3	2	1
Finished products	91	78	13
Raw materials	15,501	13,928	1,573
Supplies	6,472	8,982	-2,510
Prepaid expenses	160	144	16
Short-term loans to affiliates	30,000	20,000	10,000
Short-term credits against affiliates	1,597	1,421	176
Deferred tax assets	6,454	—	6,454
Other current assets	42,944	32,939	10,005
Allowances for doubtful accounts	-929	-743	-186
Total assets	1,493,699	1,399,820	93,879

(Unit: ¥1 million)

Account	Current year (March 31, 2000)	Previous year (March 31, 1999)	Change
(Liabilities)			
Fixed liabilities	839,158	833,288	5,870
Straight bonds	258,143	198,143	60,000
Convertible bonds	355,334	397,131	-41,797
Long-term bank loans payable	96,139	103,643	-7,504
Long-term obligations to affiliates	794	885	-91
Estimated retirement allowances	102,451	102,500	-49
Allowances for repairs of gas holders	3,264	3,271	-7
Past years of serve expenses for tax qualified pension program	21,360	25,778	-4,418
Other fixed liabilities	1,669	1,935	-266
Current liabilities	211,177	175,236	35,941
Fixed liabilities due within one year	51,999	8,797	43,202
Accounts payable	18,397	33,024	-14,627
Short-term bank loans payable	403	601	-198
Other accounts payable	45,022	33,064	11,958
Accrued expenses	39,777	63,162	-23,385
Corporation tax payable, etc.	17,080	—	17,080
Advances received	6,419	6,336	83
Deposits received	1,596	1,539	57
Short-term obligations to affiliates	16,576	15,036	1,540
Other current liabilities	13,904	13,673	231
Total liabilities	1,050,336	1,008,524	41,812
(Shareholders' equity)			
Common stock	141,817	141,817	0
Common stock	141,817	141,817	0
Legal reserves	37,492	37,492	0
Additional paid-in capital	2,038	2,038	0
Earned surplus	35,454	35,454	0
Retained earnings	264,052	211,985	52,067
Expropriation etc. compression reserve	993	1,556	-563
Reserve against losses on foreign investments etc.	27	37	-10
Reserve against depreciation of construction of specified gas pipes	3,937	5,126	-1,189
Raw material cost fluctuation adjustment reserve	141,000	141,000	0
General reserves	44,000	44,000	0
Unappropriated earned surplus of the current year	74,095	20,264	53,831
(Current net profit)	(22,395)	(16,915)	(5,480)
Total shareholders' equity	443,363	391,295	52,068
Total liabilities and shareholders' equity	1,493,699	1,399,820	93,879

Statement of income

(Unit: ¥1 million)

Account		Current year (April 1998 - March 1999)	Previous year (April 1997 - March 1998)	Change			
Ordinary profit or loss	Operating profit or loss	Product sales	665,834	668,770	-2,936		
		Gas sales	665,834	668,770	-2,936		
		Cost of sales	207,393	194,238	13,155		
		(Gross profit)	(458,440)	(474,532)	(-16,092)		
		Supply and sales expenses	317,696	319,932	-2,236		
		General and administrative expenses	98,372	101,795	-3,423		
		(Profits on core business)	(47,370)	(52,804)	(-10,434)		
		Miscellaneous operating revenues	168,680	166,875	1,805		
		Income of orders received	61,441	61,145	296		
		Revenues from sales of fixtures and equipment	105,926	105,648	278		
		Other miscellaneous operating revenues	1,313	80	1,233		
		Miscellaneous operating expenses	164,826	168,034	-3,208		
		Cost of construction work received	60,476	61,042	-566		
		Cost of sales of fixtures and equipment	104,350	106,992	-2,642		
		Revenues from associated businesses	35,424	35,192	232		
		Expenses from associated businesses	30,352	29,644	708		
		(Operating profit)	(51,296)	(57,193)	(-5,897)		
		Ordinary profit or loss	Non-operating profit or loss	Non-operating income	14,317	12,529	1,788
				Interest income	352	452	-100
Divided income	1,528			1,616	-88		
Foreign exchange gains or losses	2,636			1,381	1,255		
Rental income	4,770			4,821	-51		
Miscellaneous revenues	5,028			4,257	771		
Non-operating expenses	30,685			33,317	-2,632		
Interest paid	3,885			4,286	-401		
Interest on bonds	14,390			14,094	296		
Amortization of bond issue costs	277			233	44		
Balance on commissioned construction	8,009			8,546	-537		
Miscellaneous expenditures	4,123			6,156	-2,033		
(Ordinary profit)	(34,929)			(36,405)	(-1,476)		
Extraordinary profit or loss	Special profits	Special profits	512	577	-65		
		Gain on sales of fixed assets	512	577	-65		
		Special losses	496	578	-82		
		Losses on sales of fixed assets	10	0	10		
		Losses on compression of fixed assets	485	577	-92		
(Current net profit before income tax)		(34,945)	(36,405)	(-1,460)			
Corporate taxes etc.		11,950	19,490	-7,540			
Adjustment for corporate tax, etc.		600	—	600			
Current net profits		22,395	16,915	5,480			
Retained earnings brought forward		12,106	10,374	1,732			
Prior year tax-effect adjustment		43,805	—	43,805			
Accounted for by tax-effect accounting							
Drawing down of reserve (expropriation, etc.) for deferred income tax		563	—	563			
Drawing down of reserve against loss on overseas investments, etc.		15	—	15			
Drawing down of reserves for amortization of specific gas pipeline work		2,234	—	2,235			
Mid-term dividend		7,025	7,025	0			
Undisposed income of the current year		74,095	20,264	53,831			

Notes:1. The figures in the sales column for “Results of year ending March 2000 (1) Business results” are the total of product sales, miscellaneous operating revenues, and revenues from associated businesses.

Notes to financial statements

1. Significant accounting policies

- (1) Tangible fixed assets were depreciated by the declining balance method in accordance with the Corporation Tax Law. However, buildings (excepting annexed structures) acquired on or after April 1, 1998, were depreciated by the straight line method.
 - (2) Shares with quoted market values were valued on a lower-of-cost-or-market basis (adding back the credited reserve amount in full to the income in the following year) using the moving average method. Other securities were valued on a cost basis using the moving average method.
 - (3) Inventories (products, feedstock and stores) were valued on a cost basis using the moving average method.
 - (4) A retirement allowance reserve is appropriated for payment of retirement allowances, and is equal to the amount payable at the end of the term in the event of voluntary retirement by all eligible employees.
 - (5) To provide against spending on periodical repairs of spherical gas holders, an allowance for repairs of gas holders is entered equal to the estimated cost of the next round of repairs during the period up to the next round of repairs.
 - (6) A tax-qualified pension plan was introduced as part of the company's retirement benefit system in the 177th term (1976), and past-service expenses are charged to expenses when liabilities are established. Regarding the ¥22,405 million past-service expenses resulting from the revision in the previous year of the expected rate of interest for calculating pension liabilities from 5.5percent to 4.0percent in order to put pension finances on a sounder footing, ¥8,962 million was charged to expenses in the current year on the basis of a fixed installment of 40percent per annum.
The current amount of past-service expenses under pensions in the 200th term (FY1999) is ¥25,841 million.
 - (7) Finance leases which do not transfer ownership of leased assets to lessees are treated as ordinary leases.
 - (8) Consumption tax, etc. is accounted for by the net-of-tax method.
2. The cumulative amount of depreciation of tangible fixed assets is ¥1,764,227 million (compared with ¥1,671,935 million in the previous year).
 3. Tax-effect accounting is used from the current term.
 4. Software (¥14,415 million in the current term) traditionally included under long-term prepaid expenses is entered under other intangible fixed assets in accordance with the amended Gas Industry Accounting Regulations. In addition, corporation and business taxes payable normally included under accrued expenses are entered under income tax payable.
 5. Of monetary claims and liabilities vis-à-vis affiliated companies, those vis-à-vis subsidiaries are as follows:

Long-term monetary claims	¥69,312 million (previous year: ¥71,576 million)
Short-term monetary claims	¥37,350 million (previous year: ¥26,548 million)
Long-term monetary liabilities	¥794 million (previous year: ¥885 million)
Short-term monetary liabilities	¥15,610 million (previous year: ¥13,899 million)

6. Securities include ¥3 million (15,000 shares) of treasury stock (compared with 8,000 shares worth ¥2 million in the previous year).
7. Investment in affiliated companies includes ¥18,213 million of stock in subsidiaries (compared with ¥18,213 million in the previous year).
8. Liabilities for guarantee come to ¥11,287 million (of which Company liability is ¥6,004 million). (Previous year: ¥12,979 million; Company liability in previous year: ¥6,825 million)

Contingent liabilities incurred to meet bond obligations: ¥30,000 million (previous year: ¥30,000 million)

Proposed Appropriation of Earnings

(¥ 1 million)

Category	Current term (year ending March 2000)	Previous term (year ending March 1999)
Unappropriated income for the current year	74,095	20,264
Drawing down of reserve against loss on overseas investments, etc.	3	6
Drawing down of reserve for amortization of specific gas pipeline work	221	347
Total	74,320	20,618
Appropriation of earnings		
Earned surplus reserve	—	0
Dividends	7,024	7,025
	(¥2.50/share)	(¥2.50/share)
Bonus for directors	83	83
Reserve against loss on overseas investments, etc.	—	11
Reserve for amortization of specific gas pipeline work	705	1,392
General reserve	45,000	—
Surplus profit carried forward to following term	21,507	12,106

Note: An interim dividend payout of ¥7,025 million (¥2.50/share) was made on December 10, 1999.

Market Value of Securities

Group results for the current business year (as of March 31, 2000) are given in the consolidated results bulletin. Figures given below are for Tokyo Gas in the previous business year.

(¥ million)

Type	Year ending March 31, 2000		
	Amount declared on balance sheet	Market value	Profit (loss) on valuation
Current assets			
Shares	2	2	0
Bonds	—	—	—
Others	—	—	—
Subtotal	2	2	0
Fixed assets			
Shares	11,670	94,339	82,669
Bonds	—	—	—
Others	—	—	—
Subtotal	11,670	94,339	82,669
Total	11,673	94,342	82,669

Notes:

- Methods of calculating market value, etc.
 - Listed securities: Mainly the final value on the Tokyo Stock Exchange.
 - Over-the-counter securities: Trade price published by the Japan Securities Dealers Association.
- Shares classified as current assets are treasury stock.
- Value of securities declared on balance sheet of securities not subject to disclosure:

Fixed assets:

	Previous term
Unlisted shares (excluding OTC shares)	¥27,098 million
Shares in affiliated companies	¥19,190 million

Derivative Transactions, Market Values and Appraised Profit (Loss)

Currency swap transactions for which yen amounts are established at time of settlement and recorded in the balance sheet are not subject to disclosure.

No other derivatives instruments were used.

Changes to Corporate Officers (June 29, 2000)

- (1) Proposed new directors (current position shown in parentheses)
 - Masahiro Ishiguro (Counselor)
 - Minoru Yokouchi (General Manager of Energy Sales and Service Planning, Energy Sales and Service Division)
 - Takeo Kuno (General Manager of Secretary Dept.)
 - Takeo Ishikawa (General Manager of Business Planning, Business Development Division)
 - Tadashi Sakurai (General Manager of Pipeline and Safety Management Division)
 - Tadashi Zenba (Acting Manager of Sales and Service Dept.)
 - Tadaaki Maeda (General Manager of Product Engineering and Development Dept.)
 - Jeaki Uemura (Director of Frontier Technology Center, R&D Dept.)
 - Takashi Kunitomi (Senior Managing Director of Gastar, Business Development Division)
 - Tsunenori Tokumoto (Director of the Energy and Environmental Technology Center, R&D Dept.)

- (2) Directors scheduled to retire
 - Yoshinaga Ohno Executive Vice President
(to become Chairman of Tokyo Gas Urban Development)
 - Ichiro Kagiya Executive Vice President
(to become Consultant to Hokkaido Gas)
 - Fumitake Yoshida Executive Vice President
 - Yutaka Araki Managing Director
(to be appointed President of Tokyo Gas Energy)
 - Mitsuru Kyuzaki Managing Director
(to be appointed President of Kanpai)
 - Tadahiko Ohashi Managing Director
(to be appointed Executive Specialist at Tokyo Gas)
 - Hiroshi Watanabe Director/Consultant
(to be appointed Consultant at Tokyo Gas)
 - Shigeru Ogasawara Director
(to be appointed Auditor at Tokyo Gas)
 - Haruhiko Kato Director
(to be appointed President of Green-Tech Tokyo)
 - Takashi Azuhata Director
 - Kenshiro Koto Director
(to be appointed Auditor at Tokyo Gas)

- (3) Proposed new auditors (current positions shown in parentheses)
 - Shigeru Ogasawara (Director/General Manager of Accounting Dept.)
 - Kenshiro Koto (Director/General Manager of R&D Dept.)

- (4) Retiring auditors
 - Fumihiko Takayanagi (to be appointed Chairman of TG Credit Services Co., Ltd.)
 - Masao Seki (to be appointed Chairman of TG Information Network Co., Ltd.)

- (5) Planned promotions (current positions shown in parentheses)
- | | |
|--------------------|---|
| Yasuyuki Yamaguchi | Executive Vice President (Senior Managing Director) |
| Haruno Ito | Executive Vice President (Senior Managing Director) |
| Toshiyuki Takasuna | Senior Managing Director (Managing Director) |
| Soichiro Akimoto | Senior Managing Director (Managing Director) |
| Norio Ichino | Senior Managing Director (Managing Director) |
| Toru Ito | Managing Director (Director) |
| Hideo Nishiwaki | Managing Director (Director) |
| Shozo Ohno | Managing Director (Director) |
| Kouya Kobayashi | Managing Director (Director) |
| Masahiro Ishiguro | Managing Director (Counselor) |
| Mitsunori Torihara | Managing Director (Director) |
| Shigero Kusano | Managing Director (Director) |

Corporate Officers (June 29, 2000)

Kunio Anzai (Chairman)
Hideharu Uehara (President)
Yasuyuki Yamaguchi (Executive Vice President)
Haruno Ito (Executive Vice President)
Toshiyuki Takasuna (Senior Managing Director)
Soichiro Akimoto (Senior Managing Director)
Norio Ichino (Senior Managing Director)
Fumio Ohori (Managing Director)
Norihiko Takuma (Managing Director)
Toru Ito (Managing Director)
Hideo Nishiwaki (Managing Director)
Shozo Ohno (Managing Director)
Kouya Kobayashi (Managing Director)
Masahiro Ishiguro (Managing Director)
Mitsunori Torihara (Managing Director)
Shigero Kusano (Managing Director)

Yoshihito Imura (Director)
Takeki Hirooka (Director)
Yasuyuki Makiuchi (Director)
Hiroshi Urano (Director)
Minoru Yokouchi (Director)
Takeo Kuno (Director)
Takeo Ishikawa (Director)
Tadashi Sakurai (Director)
Tadashi Zenba (Director)
Tadaaki Maeda (Director)
Ieaki Uemura (Director)
Takashi Kunitomi (Director)
Tsunenori Tokumoto (Director)
Akira Ogawa (Corporate Auditor)
Shigeru Ogasawara (Corporate Auditor)
Kenshiro Koto (Corporate Auditor)
Gaishi Hiraiwa (Auditor)
Masayuki Sato (Auditor)