

**Tokyo Gas Co., Ltd.** is based in metropolitan Tokyo and the Kanto region, where demand for energy is growing strongly. As Japan's largest gas company, Tokyo Gas serves approximately 9.2 million customers in a service area covering 3,155 km<sup>2</sup>.

Progress in energy industry deregulation and expanding gas demand in metropolitan Tokyo are creating business opportunities. With the aim of generating growth, the Tokyo Gas Group implemented a new medium-term management plan, Frontier 2007, in April 2003. Under this plan, Tokyo Gas will work to meet the expectations of its customers and shareholders and increase corporate value as an "Energy Frontier Corporate Group" that achieves sustained growth through businesses that supply energy and energy-related value-added products and services, centered on natural gas.

## Financial Highlights

Tokyo Gas Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of yen except per share amounts			Thousands of U.S. dollars except per share amounts
	2003	2002	2001	2003
<b>For the Year:</b>				
Net sales.....	<b>¥1,127,634</b>	¥1,097,589	¥1,086,771	<b>\$9,396,950</b>
Operating income .....	<b>123,294</b>	110,608	103,659	<b>1,027,453</b>
Net income .....	<b>59,201</b>	51,912	27,595	<b>493,343</b>
Depreciation.....	<b>137,300</b>	141,646	146,420	<b>1,144,165</b>
<b>Capital expenditures:</b>				
Accounting basis.....	<b>110,188</b>	104,291	109,899	<b>918,233</b>
Payment basis .....	<b>107,164</b>	112,675	111,208	<b>893,033</b>
<b>Amounts per share of common stock (Yen and U.S. dollars):</b>				
Net income (Basic) .....	<b>21.18</b>	18.47	9.82	<b>0.18</b>
Net income (Diluted) .....	<b>19.11</b>	16.66	9.13	<b>0.16</b>
Net income and depreciation.....	<b>70.4</b>	68.9	61.9	<b>0.59</b>
<b>At Year-End:</b>				
Total assets .....	<b>¥1,676,064</b>	¥1,702,713	¥1,797,669	<b>\$13,967,204</b>
Long-term debt due after one year.....	<b>598,322</b>	680,887	708,329	<b>4,986,017</b>
Total stockholders' equity.....	<b>579,706</b>	564,078	552,790	<b>4,830,886</b>
<b>Ratios:</b>				
Net income/Net sales.....	<b>5.3%</b>	4.7%	2.5%	
ROE .....	<b>10.4%</b>	9.3%	5.3%	
ROA .....	<b>3.5%</b>	3.0%	1.5%	
Equity ratio.....	<b>34.6%</b>	33.1%	30.8%	

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥120=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2003.

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### Forward-Looking Statements

Statements made in this annual report with respect to Tokyo Gas's plans, strategies and beliefs, and other statements that are not expressions of fact are forward-looking statements about the future performance of the company. As such, they are based on management's assumptions and opinions stemming from currently available information, and therefore involve risks and uncertainties. These risks and uncertainties include, without limitation, general economic conditions in Japan, the exchange rate between the yen and the U.S. dollar, and Tokyo Gas's ability to continue to adapt to rapid technological developments and deregulation.

### Financial Data and Graphs

For purposes of presentation in this annual report, all amounts less than one billion yen or one million yen, and hundredths of a percentage point, have been rounded to the nearest whole number. In addition, all graphs represent fiscal years ended March 31 of the respective years.