

FINANCIAL HIGHLIGHTS

Tokyo Gas Co., Ltd. and Consolidated Subsidiaries

For the Years ended March 31	Millions of yen except per share amounts			Thousands of U.S. dol- lars except per share amounts
	2004	2003	2002	
Net sales	¥1,151,825	¥1,127,634	¥1,097,589	\$10,866,270
Operating income	152,287	123,294	110,608	1,436,670
Net income	44,787	59,201	51,912	422,519
Free cash flow	84,241	88,240	92,178	794,726
Amounts per share of common stock (Yen and U.S. dollars):				
Net income (Basic)	16.44	21.18	18.47	0.16
Net income (Diluted)	14.98	19.11	16.66	0.14
Shareholders' equity	221.53	208.65	200.75	2.09
Cash dividends applicable to the year	7.00	6.00	6.00	0.07

At Year-end (March 31)

	2004	2003	2002	2004
Total assets	¥1,666,828	¥1,676,064	¥1,702,713	\$15,724,793
Long-term debt due after one year	545,844	598,322	680,887	5,149,477
Total shareholders' equity	598,453	579,706	564,078	5,645,786

Ratios

	2004	2003	2002
Operating income to net sales	13.2%	10.9%	10.1%
Net income to net sales	3.9%	5.3%	4.7%
ROE	7.6%	10.4%	9.3%
ROA	2.7%	3.5%	3.0%
Equity ratio	35.9%	34.6%	33.1%

Notes: 1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥106=U.S.\$1, the approximate Tokyo foreign exchange market rate as of March 31, 2004.

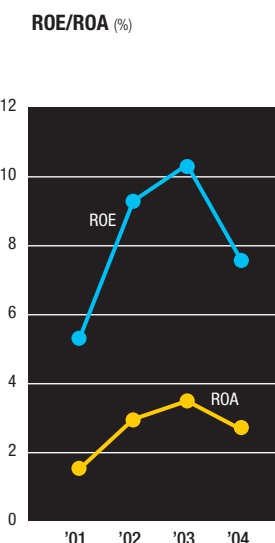
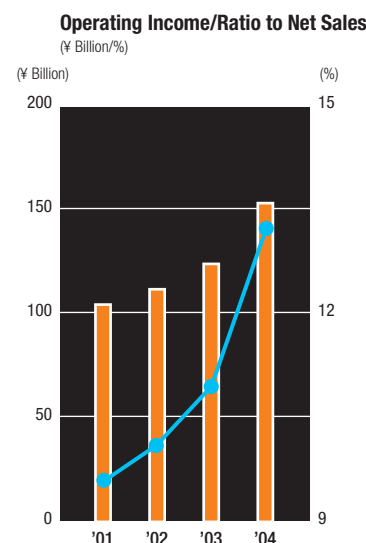
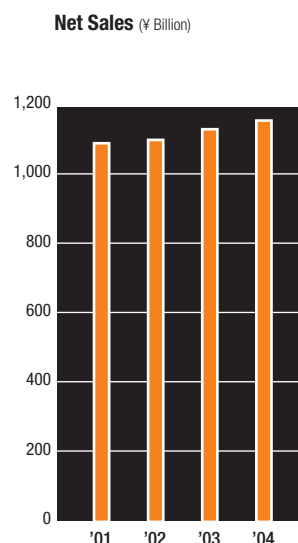
2. Free cash flow = net income + depreciation* - capital expenditures**

*including amortization of long-term prepayments

**purchases of tangible fixed assets + purchases of intangible fixed assets + long-term prepayments (accounting basis)

3. ROE = net income/shareholders' equity (average of positions at start and end of fiscal year)

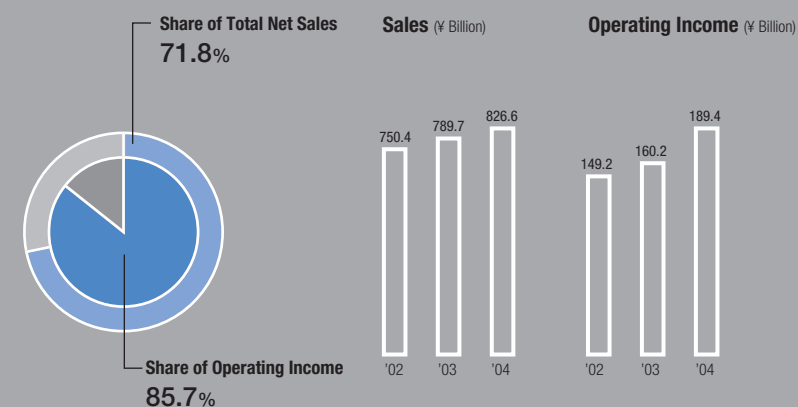
4. ROA = net income/total assets (average of positions at start and end of fiscal year)



All graph data for years ended March 31

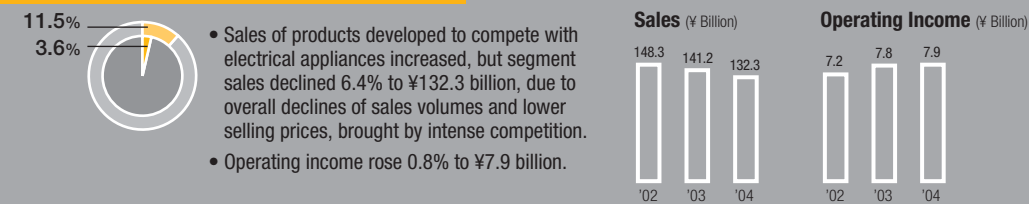
SEGMENT INFORMATION

GAS SALES



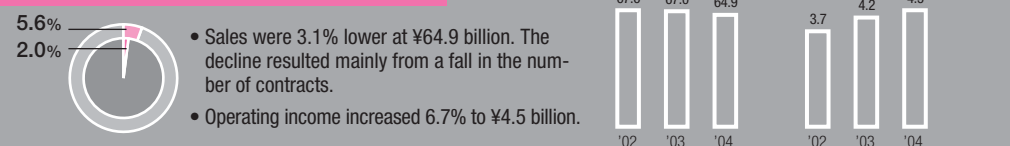
- Gas sales volume grew 7.1% to 11,218 million m³.
- Though residential demand declined, there was growth in sales to the commercial and industrial sectors, as well as wholesaling to other gas companies.
- Sales to the industrial sector surged 15.7% year on year, reflecting a sharp increase in the use of gas for power generation.
- Demand expansion mainly for use in power generation boosted sales 4.7% to ¥826.6 billion. Operating income was 18.2% higher at ¥189.4 billion.

GAS APPLIANCE SALES



- Sales of products developed to compete with electrical appliances increased, but segment sales declined 6.4% to ¥132.3 billion, due to overall declines of sales volumes and lower selling prices, brought by intense competition.
- Operating income rose 0.8% to ¥7.9 billion.

RELATED CONSTRUCTION



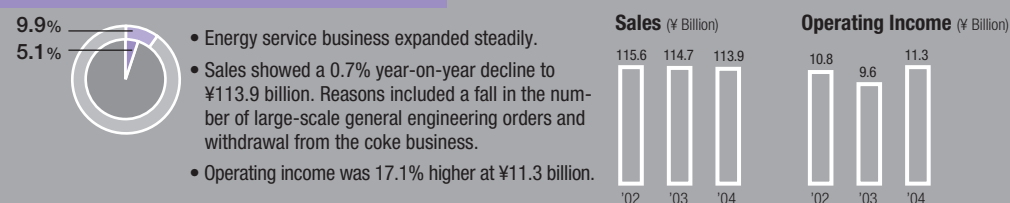
- Sales were 3.1% lower at ¥64.9 billion. The decline resulted mainly from a fall in the number of contracts.
- Operating income increased 6.7% to ¥4.5 billion.

REAL ESTATE RENTAL BUSINESS



- Sales were 5.3% lower at ¥14.1 billion because of downward pressure on rents due to conditions in the real estate market.
- Operating income reached ¥7.9 billion, an increase of 3.4%.

OTHERS (District heating/cooling, energy service, general engineering, LPG sales, etc.)



- Energy service business expanded steadily.
- Sales showed a 0.7% year-on-year decline to ¥113.9 billion. Reasons included a fall in the number of large-scale general engineering orders and withdrawal from the coke business.
- Operating income was 17.1% higher at ¥11.3 billion.

Note: Segment sales are sales to outside customers, while operating income is the sum of sales to outside customers and intra-group transactions minus the operating expenses of outside and inside transactions.

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