

Overview of Consolidated Financial Statements for 3rd Quarter Ending December 31, 2003 (cumulative)

Name of Listed Company: **Osaka Gas Co., Ltd.** (Code: 9532, listed on Tokyo, Osaka and Nagoya Exchanges)
(URL <http://www.osakagas.co.jp>)

Representative Officer: Name: Hirofumi Shibano, Title: President
Contact: Name: Yoshishige Suzuma, Title: Accounting Manager and Director TEL: +81-6-6205-4537

1. Information relating to the preparation of overview of financial statements for the nine-month period

- ① Use of accounting methods different from the recent fiscal years
(Description)
- The simplified method of the tax effect accounting is adopted for unlisted consolidated subsidiaries.
- Simplified accounting methods, such as omission of physical inventory-taking, are adopted for accounting transactions having minor effect on the consolidated operation results and financial condition.
- ② Information on the scope of consolidation and application of the equity method
Number of consolidated subsidiaries --- 77 subsidiaries
Number of unconsolidated subsidiaries reported by equity method --- None
Number of affiliates reported by equity method --- None
- ③ Change in the scope of consolidation and equity method
Consolidated
(Addition) 22 companies (Exclusion) One company
Equity method
(Addition) None (Exclusion) None

2. Overview of financial results for the nine months ended December 31, 2003 (April 1, 2003 - December 31, 2003)

(1) Consolidated operational results

(Any amount less than one million yen is rounded down to the nearest million yen)

	Sales	Operating profit	Ordinary profit	Net income
	million yen	million yen	million yen	million yen
Nine months ended Dec. 31, 2003	650,179	54,796	49,827	27,853
(Reference) Year ended March 31, 2003	947,977	85,974	65,079	29,685

	Retained earning per share	Diluted retained earnings per share
	yen	yen
Nine months ended Dec. 31, 2003	12.13	—
(Reference) Year ended March 31, 2003	12.56	—

(Note) Since this is the first nine-month financial report of the Company, data on operational results for the nine months ended December 31, 2002 are not available.

[Descriptive information on consolidated operation results]

The aggregate volume of gas sales during the nine months ended December 31, 2003 was in the same level as that

during the same period in the previous year. Consolidated sales in terms of the amount of money totaled 650,100 million yen. The breakdown is: 387,200 million yen by the gas business, 94,600 million yen by the LPG, electric power, and other energies business, 97,300 million yen by the equipment and gas installation work business, 24,900 million yen by the real estate business and 90,800 million yen by other businesses (sales by each segment include inter-segment transactions). Although the material costs in operating expenses have been high due to the price hike in raw materials, operating profit of 54,700 million yen was achieved during this period as a result of cost reduction efforts in the selling, general and administrative expenses. Ordinary profit, which includes operating and non-operating profit/loss, was 49,800 million yen, and net income was 27,800 million yen.

(2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	million yen	million yen	%	yen
As of Dec. 31, 2003	1,208,170	488,453	40.4	212.68
(Reference) As of March 31, 2003	1,209,627	453,284	37.5	197.28

(Note) Since this is the first nine-month financial report of the Company, data on financial position as of December 31, 2002 are not available.

[Consolidated statement of cash flow]

	Cash Flow from Operating Activities	Cash flow from investment activities	Cash flow from financial activities	Cash and Cash Equivalents at term end
	million yen	million yen	million yen	million yen
Nine months ended Dec. 31, 2003	33,918	-53,021	16,461	24,005
(Reference) Year ended March 31, 2003	92,573	-49,629	-30,093	26,093

(Note) Since this is the first nine-month financial report of the Company, cash flow data for the nine months ended December 31, 2002 are not available.

[Descriptive information on consolidated financial position]

Total assets as of December 31, 2003 amounted to 1,208,100 million yen, a decrease by 1,400 million yen from March 31, 2003. Major changes are: decrease in tangible/intangible fixed assets by 14,900 million yen, increase in investments and other assets by 11,700 million yen and increase in current assets such as cash and deposits and accounts receivable by 1,600 million yen.

Shareholder's equity amounted to 488,400 million yen and the ratio of shareholders' equity to total assets was 40.4%.

[Consolidated statement of cash flow]

Cash and cash equivalents as of December 31, 2003 decreased 2,000 million yen to 24,000 million yen from March 31, 2003. Major changes are as follows:

(Cash flow from operating activities)

Net cash from operating activities during the nine months ended December 31, 2003 was 33,900 million yen,

mainly affected by the decrease in accrued expenses of 21,500 million yen, while net income before tax and minority interest was 46,800 million yen.

(Cash flow from investment activities)

Net cash used for investment activities amounted to 53,000 million yen, mainly due to the expenditure of 49,300 million for acquisition of fixed tangible assets.

(Cash flow from financial activities)

Net cash received from financial activities amounted to 16,400 million yen, mainly funds of 29,300 million yen raised through borrowings and issuance of commercial paper, which was partially offset by the payment of dividends of 12,500 million yen.

(Reference 1) Overview of non-consolidated financial results for the nine months ended December 31, 2003 (April 1, 2003 - December 31, 2003)

	Sales	Operating profit	Ordinary profit	Net income
	million yen	million yen	million yen	million yen
Nine months ended Dec. 31, 2003	495,138	37,643	37,294	22,250

	Total assets	Shareholder's equity
	million yen	million yen
As of Dec. 31, 2003	985,743	414,662

3. Forecast of consolidated operational results for the year ending March 31, 2004 (April 1, 2003 - March 31, 2004)

	Sales	Ordinary profit	Net Income
	million yen	million yen	million yen
Full year	966,000	77,500	42,500

(Reference) Expected retained earning per share (for full year) 18.48 yen

[Descriptive information on forecasts]

There is no change from the forecasts on operational results announced on October 28, 2003.

(Reference 2) Forecast of non-consolidated operational results for the year ending March 31, 2004 (April 1, 2003 - March 31, 2004)

	Sales	Ordinary profit	Net Income
	million yen	million yen	million yen
Full year	730,000	62,000	36,500

(Reference) Expected retained earning per share (for full year) 15.87 yen

(Note) Forecasts above are based on information available as of the date of this document, and actual results may differ from these forecasts due to various factors affecting the Company's business performance.

(1) Consolidated Balance Sheet

Account	As of Dec. 31, 2003	As of Mar. 31, 2003	Change
(Assets)	(in million yen)	(in million yen)	(in million yen)
Fixed Assets	989,653	992,799	-3,146
Tangible fixed assets	796,658	822,179	-25,521
Intangible fixed assets	28,481	17,880	10,601
Investments and other assets	164,513	152,739	11,774
Current Assets	218,486	216,795	1,691
Cash and deposits	28,835	29,705	-870
Notes and trade accounts receivable	100,124	113,215	-13,091
Inventories	49,814	27,618	22,196
Other current assets	39,712	46,256	-6,544
Deferred Assets	30	32	-2
Assets total	1,208,170	1,209,627	-1,457
(Liabilities)			
Fixed Liabilities	475,290	501,869	-26,579
Corporate bonds	229,880	229,880	0
Long-term loans payable	173,044	180,585	-7,541
Reserve for severance benefits	49,765	70,585	-20,820
Other fixed liabilities	22,600	20,819	1,781
Current Liabilities	236,298	246,343	-10,045
Notes and trade accounts payable	33,900	43,207	-9,307
Short-term loans payable	23,302	20,245	3,057
Other current liabilities	179,095	182,890	-3,795
Liabilities total	711,589	748,213	-36,624
Minority Interest	8,127	8,129	-2
(Shareholders' Equity)			
Capital stock	132,166	132,166	0
Capital Reserve	19,482	19,482	0
Consolidated Retained Earnings	327,345	312,830	14,515
Difference between Market Price and Acquisition Cost of Other Securities	28,490	9,824	18,666
Foreign exchange adjustment	2,278	85	2,193
Treasury stock	-21,310	-21,104	-206
Shareholders' equity total	488,453	453,284	35,169
Liabilities, minority interest, and shareholders' equity total	1,208,170	1,209,627	-1,457

(2) Consolidated Profit and Loss Statement

Account	Nine months ended Dec. 31, 2003 (April 1, 2003 to December 31,2003)		[Reference] Year ended March 31, 2003 (April 1, 2002 to March 31,2003)	
	Amount	Percentage	Amount	Percentage
	(in million yen)	%	(in million yen)	%
Sales	650,179	100.0	947,977	100.0
Cost of sales	343,533	52.8	502,342	53.0
Gross Profit on Sales	306,646	47.2	445,635	47.0
Selling, General and Administrative Expenses	251,849	38.8	359,660	37.9
Operating Profit	54,796	8.4	85,974	9.1
Non-operating revenues	3,651	0.6	6,608	0.7
Interest income	224		241	
Dividend income	749		1,048	
Gain from sales of investments in securities	472			
Miscellaneous revenues	2,205		5,318	
Non-operating expenses	8,620	1.3	27,502	2.9
Interest expenses	5,546		6,149	
Loss from valuation of investments in securities			9,513	
Loss from valuation of investment in affiliates			4,886	
Miscellaneous expenses	3,073		6,953	
Ordinary Profit	49,827	7.7	65,079	6.9
Extraordinary Profit	1,131	0.2	11,081	1.2
Gain from sales of fixed assets	1,131		2,011	
Gain from sales of investments in securities			9,069	
Extraordinary Loss	4,149	0.7	25,136	2.7
Loss from sales of fixed assets	4,149		11,608	
Loss from reduction of fixed assets' cost			232	
Early retirement charges			13,294	
Net income before taxes and minority interest	46,809	7.2	51,025	5.4
Corporate and other taxes	18,552	2.8	20,735	2.2
Less: minority interest	403	0.1	603	0.1
Net income	27,853	4.3	29,685	3.1

(Note) Corporate and other taxes include adjustment for difference of tax allocation between financial accounting and tax accounting.

(3) Consolidated Cash Flow Statement

Account	Nine months ended Dec. 31, 2003 (April 1, 2003 to December 31, 2003)	[Reference] Year ended March 31, 2003 (April 1, 2002 to March 31, 2003)
I. Cash Flow from Operating Activities	(in million yen)	(in million yen)
Net income before taxes and minority interest	46,809	51,025
Depreciation expenses	66,276	82,805
Decrease of reserve for severance benefits	-20,534	-27,942
Interest and dividends received	-973	-1,290
Interest paid	5,546	6,149
(Increase) decrease of trade receivables	9,874	-3,950
(Increase) decrease of inventories	-21,226	4,556
(Increase) decrease of trade payables	-6,056	2,944
Decrease of accrued expenses	-21,559	-3,087
Others	-24,237	-18,637
Net Cash Flow from Operating Activities	33,918	92,573
II. Cash Flow from Investment Activities		
Expenses for acquisition of tangible fixed assets	-49,384	-67,756
Expenses for acquisition of marketable securities and stocks of subsidiaries and affiliates	-3,385	9,450
Others	-251	8,675
Net Cash Flow from Investment Activities	-53,021	-49,629
III. Cash Flow from Financial Activities		
Increase (decrease) of corporate bonds, borrowings and commercial paper	29,357	5,266
Expenses for acquisition of treasury stocks	-233	-21,094
Dividends paid	-12,567	-14,158
Others	-94	-106
Net Cash Flow from Financial Activities	16,461	-30,093
IV. Difference from Conversion of Cash and Cash Equivalents	56	-18
V. Increase/decrease of Cash and Cash Equivalents	-2,584	12,831
VI. Cash and Cash Equivalents at Beginning of Period	26,093	12,837
VII. Increase of Cash and Cash Equivalents Due to Addition of Subsidiaries to the Consolidation	495	424
VIII. Cash and Cash Equivalents at End of Period	24,005	26,093