



Third Quarter Financial Results (Cumulative)

February 2004
Osaka Gas Co., Ltd



Further information is available online at <http://www.osakagas.co.jp/>.

Financial reports, annual reports and road show materials can be accessed and downloaded at the following URL. http://www.osakagas.co.jp/ir/index_e.html

Disclaimer

Certain statements contained herein are forward looking statements, strategy and plans, which reflect our judgment based on the information so far available. Actual results may differ materially from those discussed in such statements. Among the factors that could cause actual results to differ materially are: economic trend in Japan, sharp fluctuations in exchange rate and oil prices and extraordinary weather conditions.

Summary of Consolidated Results

billion yen	Apr.-Dec.	Full year forecast	Percent complete
Sales	650.1	966.0	67.3%
Operating expenses	595.3	881.5	67.5%
Operating income	54.7	84.5	64.7%
Ordinary profit	49.8	77.5	64.3%
Net income	27.8	42.5	65.4%

There is no change from the forecast announced in April and October

- Non-consolidated; Feedstock cost=>exchange rate and crude oil price
 - Compared to the crude oil price of \$29/bbl and the exchange rate of ¥115/\$ that was predicted in the end of the first half of the year, it is expected that the yen will become stronger in the 4th quarter, and the crude oil price will be at the level that was predicted.
 - Decrease in the material cost during the 4th quarter(approx. 2 billion yen) due to the stronger yen is reflected in the forecast(decrease of cost)
- Other costs and expenses
 - Cost reduction will progress in general(decrease of cost)
 - Addition of costs related to Tsuruga LNG terminal in the 4 th quarter is predicted(increase of cost)

Summary of Non-Consolidated Results

Forecasts that have been modified are shown with yellow background in the table below

billion yen		Apr.-Dec.	Full year forecast	Percent complete
	Gas sales	385.9	574.0	67.2%
	Other sales	109.1	156.0	69.9%
Gross sales		495.1	730.0	67.8%
	Feedstock cost	127.7	183.5	69.6%
	Labor cost, Depreciation cost, and other operating cost	231.8	337.4	68.7%
	Other expenses	97.8	145.1	67.4%
Operating expenses		457.4	666.0	68.7%
Operating income		37.6	64.0	58.8%
Non-operating profit and loss		-0.3	-2.0	
Ordinary profit		37.2	62.0	
Extraordinary profit and loss		-2.8	-3.0	

Summation of figures in the table above may not agree as each figure is rounded off

Gas sales Results and Forecast

45MJ/m ³	FY03.3		FY04.3		
	Apr.-Dec.	Full year results	Apr.-Dec.	Differences	Full year forecast
Averaged temperature	20.2	16.8	20.2	0	17.0
Number of newly built houses (thousand)	84	135	87	+3	131
Residential use	1,391	2,298	1,404	+13	2,334
Commercial use	743	986	743	0	1,012
Public and medical use	383	550	389	+6	570
Industrial use	2,726	3,686	2,742	+16	3,659
Non-residential use total	3,853	5,222	3,874	+21	5,241
Wholesale	114	168	118	+4	173
(Million m ³)					
Total of gas sales	5,357	7,687	5,397	+40	7,748
for Non-regulated customers (included)	2,642	3,562	2,660	+18	3,571

Analysis of Gas Sales

(Compared to 3Q of FY03.3-Cumulative)

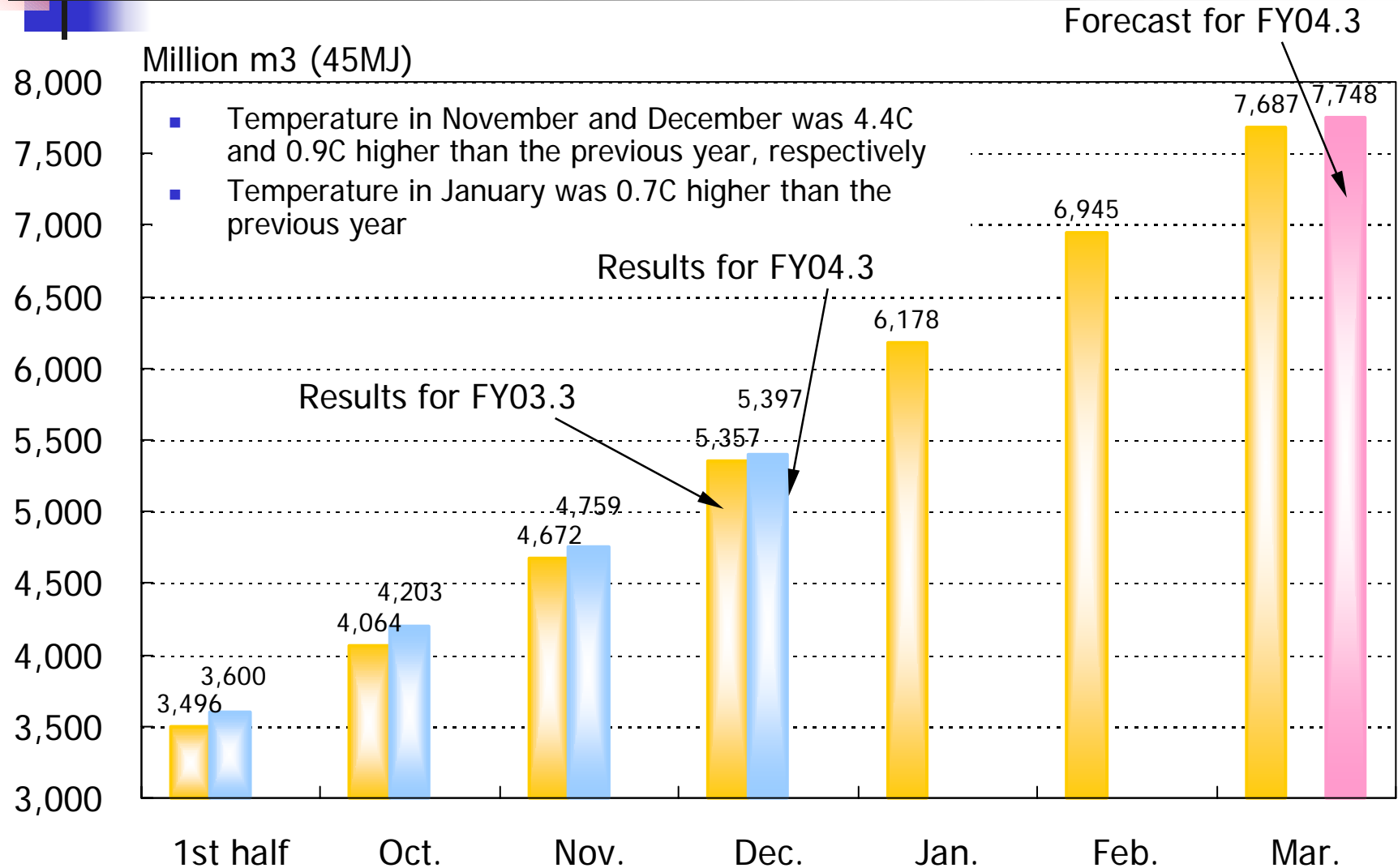
Residential use

Increase in number of customers	+0.8%
Influence of temperature differences	+1.2%
differences in timing of meter reading	-1.0%
Increase in use of appliances	+0.9%
Others	-0.9%
Total	+1.0%

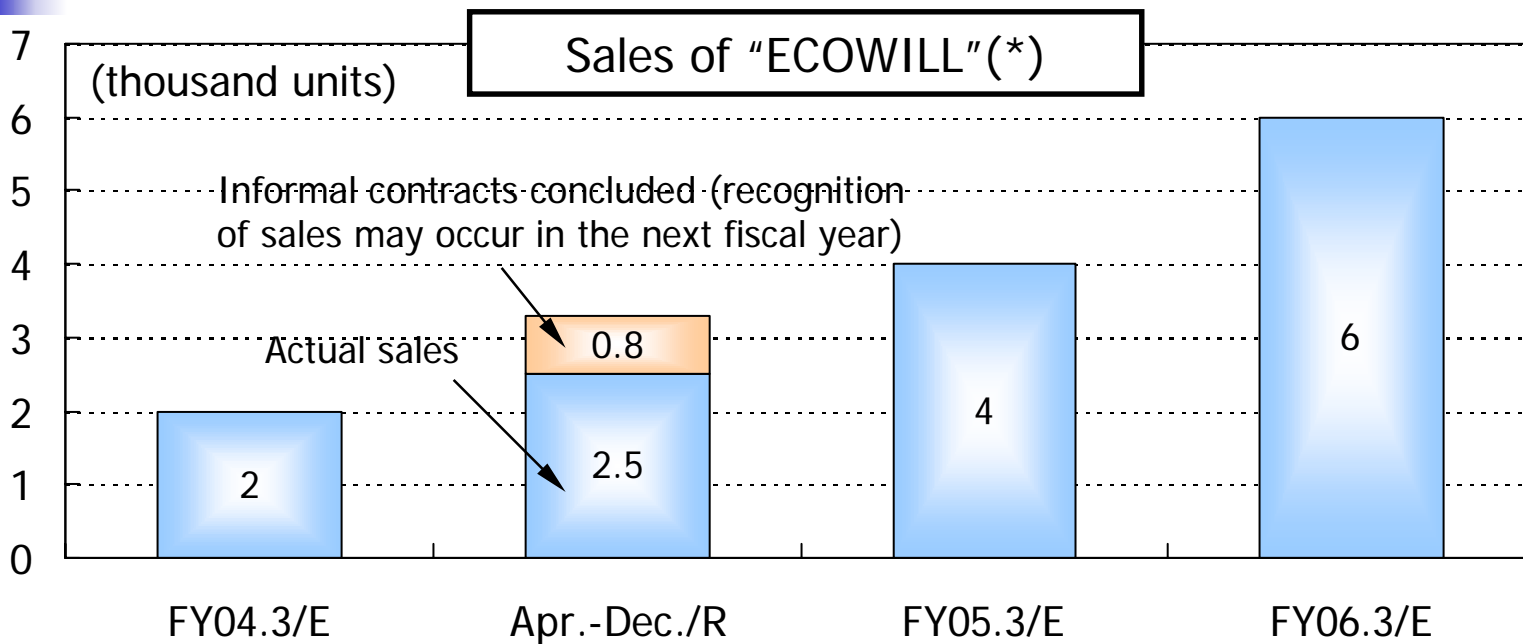
Non-residential use

	Commercial	Industrial
Increase in demand	8.7%	5.7%
Influence of temperature	-2.7%	---
Shift to other gas suppliers	---	-1.7%
Changes in plant utilization	-5.5%	-3.4%
Total	+0.6%	+0.6%

Cumulative gas sales (monthly data)



Demand Expansion for Residential Gas Use



Thousand units	FY03.3 Full year results	FY04.3 Forecast	
		At Apr.	At Feb.
Floor heating system	165	162	173
Fan heater	188	210	210
Glass-top cooking stove	38	62	62

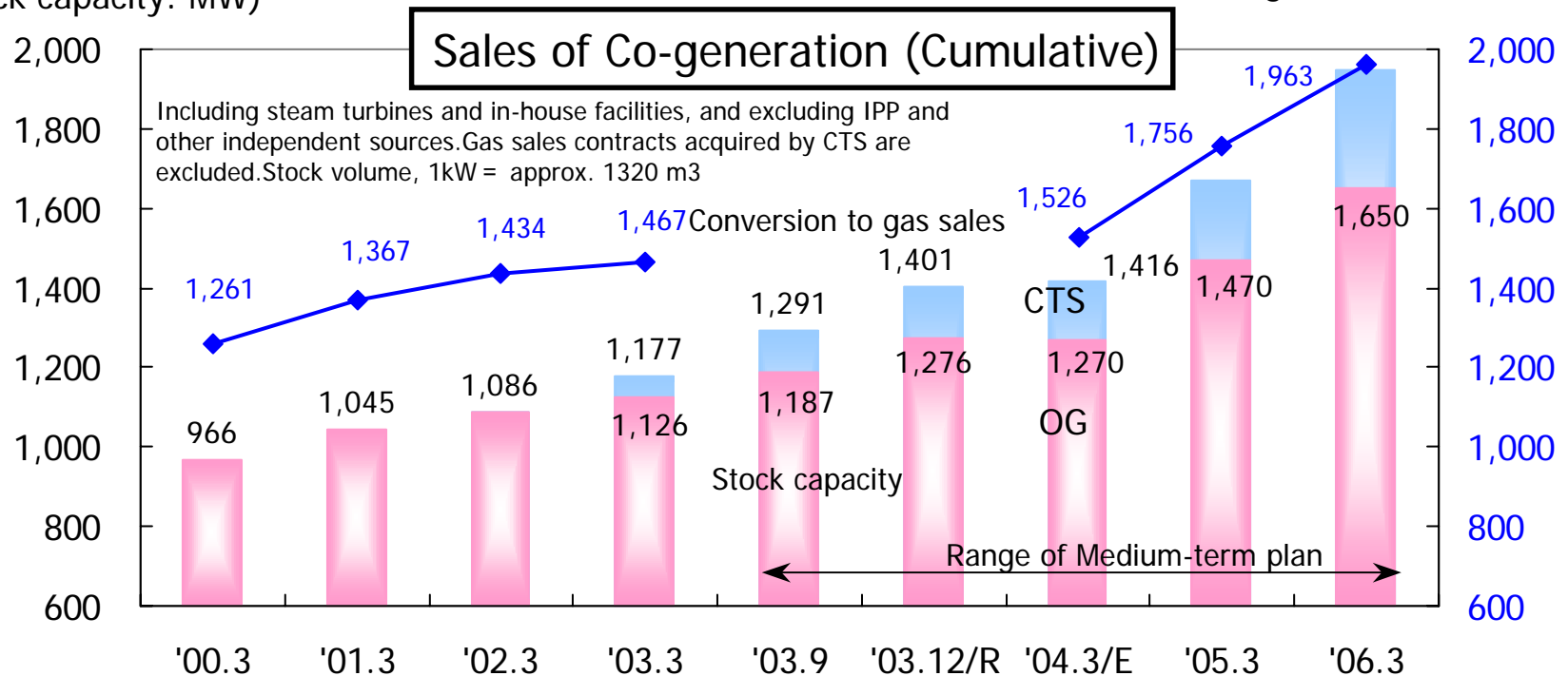
* A product name of gas engine co-generation system for residential use

Demand Expansion for Non-Residential Gas Use

Excluding new contracts acquired by CTS, Liquid Gas, and NIPG	FY03.3 Full year results	FY04.3 Forecast	
		At Apr.	At Feb.
CGS cumulative capacity (thousand kW)	176	120	138
Cumulative air-conditioning systems (thousand RT)	180	178	179

(Stock capacity: MW)

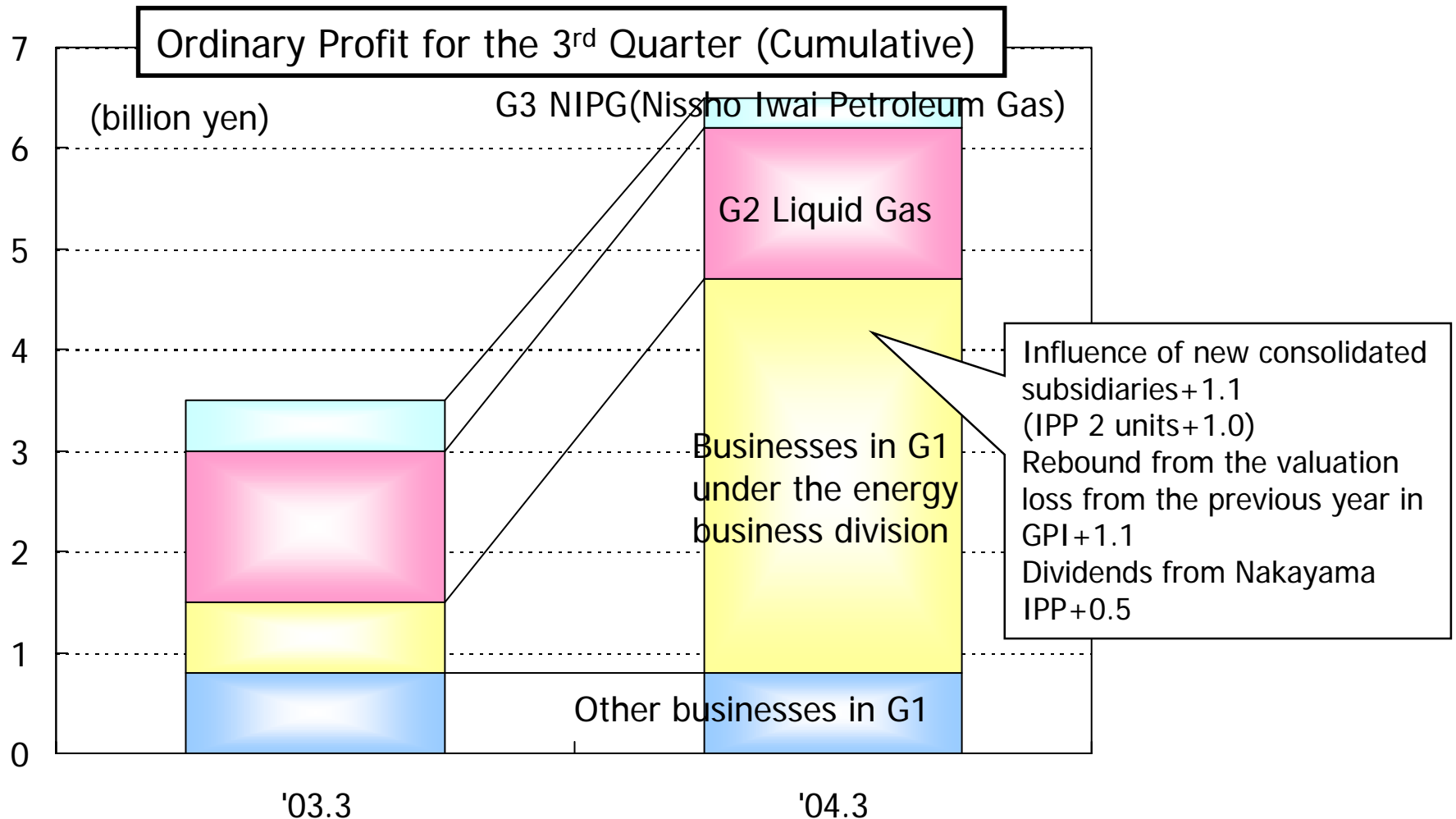
(Conversion to gas sales: million m3)



Yearly increment volumes do not agree because the table above is based on the conclusion of contracts, while the graph below is based on the installation of systems.

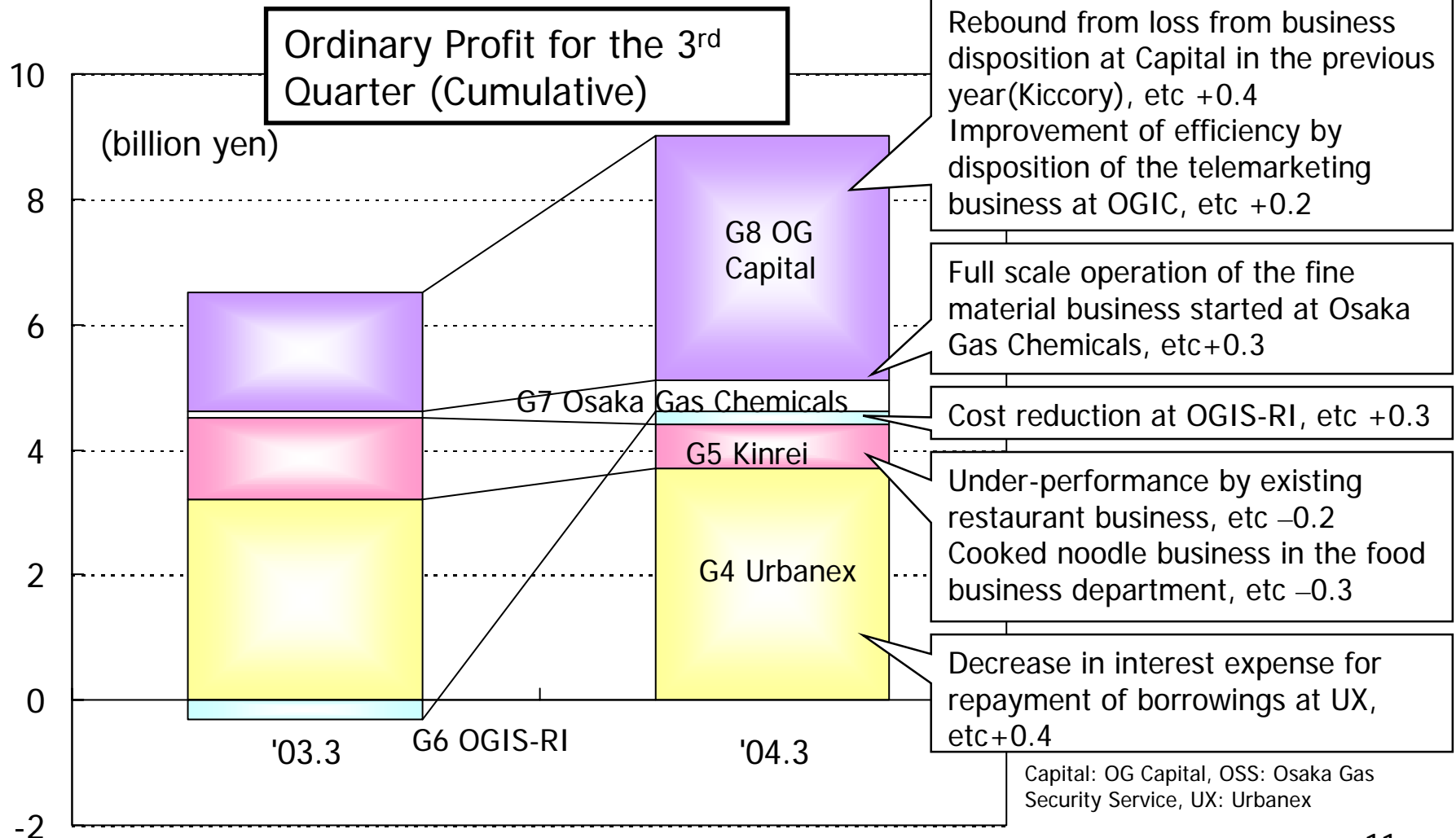
Breakdown of Energy business

Total values of consolidated subsidiaries without adjustments.



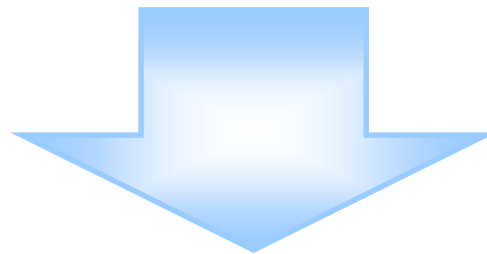
Breakdown of Non-Energy Business

Total values of consolidated subsidiaries without adjustments.



Profit Target in Following Year

- The profit target must be set so that the path to the final year of Innovation 100 (in the year ending March 2006) becomes clear by achieving the profit target for the year ending March.



Profit target for FY05.3 $>$ (1st year + 3rd year) of the three-year plan/2