



For Year Ending March 31, 2008
Brief Report of the Third Quarter Financial Statements

January 30, 2008

Name of Listed Company : **Osaka Gas Co., Ltd.** Listed Exchanges: Part I of Tokyo, Osaka and Nagoya
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(Any amount less than one million yen is rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter ended December 31, 2007 (April 1, 2007 – December 31, 2007)
 (1) Consolidated Operational Results (Percentages (%) represent changes from the same period in the previous year.)

	Operating revenues		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter ended								
December 31, 2007	840,792	3.0	53,178	-7.2	56,363	-5.0	33,692	-6.3
December 31, 2006	815,986	15.3	57,282	12.6	59,354	7.2	35,952	-0.9
Year ended March 31, 2007	1,174,456		93,729		89,550		52,929	

	Earnings per share	Diluted earnings per share
	yen	yen
Third Quarter ended		
December 31, 2007	15.19	-
December 31, 2006	16.14	-
Year ended March 31, 2007	23.77	-

(2) Consolidated Financial Position

	Total assets	Net worth	Net worth/Total assets	Net worth per share
	million yen	million yen	%	yen
As of December 31, 2007	1,482,065	685,582	45.0	305.25
As of December 31, 2006	1,414,342	666,332	45.8	290.92
As of March 31, 2007	1,405,682	686,664	47.6	300.61

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
As of December 31, 2007	33,227	-88,536	72,968	42,100
As of December 31, 2006	6,795	-75,044	46,687	26,216
As of March 31, 2007	98,354	-99,765	-22,009	24,476

2. Forecasts for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)
 (Percentages represent forecasted changes from the same period in the previous year.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,221,000	4.0	69,000	-26.4	71,000	-20.7	41,000	-22.5	18.59

3. Other information

- (1) Significant changes in subsidiaries during the period (changes in certain subsidiaries resulting in a change in the consolidation scope): Not applicable
- (2) Scope of consolidation and companies recorded by equity method
130 consolidated subsidiaries: (New) 6 (Excluded) 8 4 equity method affiliates: (New) 0, (Excluded) 0
- (3) Application of a compendium method to the accounting procedure: Yes
(Note) For details, see "4. Other" of "Qualitative Information and Financial Statements, etc." on page 3.
- (4) Any difference in the accounting method between this fiscal year's and the previous fiscal year's consolidated statements: No

(Reference 1) Summary of non-consolidated financial Results for the Third Quarter ended December 31, 2007 (April 1, 2007 – December 31, 2007)

(Percentages (%) represent changes from the same period in the previous year)

	Operating revenues		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter ended								
December 31, 2007	594,565	1.2	29,073	-17.6	34,015	-17.0	22,007	-18.9
December 31, 2006	587,710	13.9	35,277	1.2	40,998	2.1	27,136	-7.1
Year ended March 31, 2007	851,299		63,927		68,299		44,235	

	Total assets	Net worth
	million yen	million yen
As of December 31, 2007	1,131,073	533,215
As of December 31, 2006	1,090,137	530,044
As of March 31, 2007	1,076,946	548,721

(Reference 2) Forecasts of Non-Consolidated Results for the Year Ending March 31, 2008 (April 1, 2007 to March 31, 2008)
(Percentages represent forecasted changes from the previous year.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	872,000	2.4	38,000	-40.6	45,000	-34.1	29,000	-34.4	13.15

*** Notes on proper use of forecasts and other matters**

Statements in this document relating to future matters including operational forecasts are based on information available to the Company and certain assumptions that the Company believes are reasonable. Actual results may differ from these forecasts, affected by various factors.

[Qualitative Information and Financial Statements, etc.]

1. Qualitative Information concerning Consolidated Business Performance

Revenue for the third quarter was 840.7 billion yen, up 24.8 billion yen from the same term of the previous fiscal year, thanks to increased gas sales volume, higher unit sales prices under the gas price slide system when compared to those in the same term of the previous year, and the increased sales achieved by consolidated subsidiaries. As for operating profit, despite significant contributions made by consolidated subsidiaries, it declined to 53.1 billion yen, down 4.1 billion yen from the same term of the previous fiscal year, due to a revision of gas rates for small customers that adversely affected income, and increased expenses due to changes made to the depreciation system. Ordinary profit also decreased to 56.3 billion yen, down 2.9 billion yen from the same term of the previous fiscal year. As for net income for the third quarter, which reflects corporate tax adjustments, it decreased to 33.6 billion yen, down 2.2 billion yen from the same term of the previous fiscal year.

2. Qualitative Information concerning Consolidated Financial States

Total assets as of the end of the third quarter amounted to 1 trillion 482 billion yen, up 76.3 billion yen from the same time of the previous term. Contributions to this increase include increased inventory by 37.3 billion yen due to the increase in crude oil prices and seasonal factors. Net assets amounted to 685.5 billion yen, and shareholders' equity ratio registered 45.0%.

[Consolidated cash flow]

Cash and cash equivalents as of the end of the third quarter amounted to 42.1 billion yen, up 17.6 billion yen from the same time of the previous term. Main contents of these are as follows.

(Cash flow from operating activities)

Cash flow from operating activities for the third quarter was 33.2 billion yen, reflecting net income before adjustment for taxes, etc. of 56.3 billion yen as well as the increased inventories and decreased accounts payable.

(Cash flow from investment activities)

Funds spent for investment activities for the third quarter amounted to 88.5 billion yen, reflecting a payment of 71.6 billion yen for acquiring tangible fixed assets such as gas pipes and other distribution facilities.

(Cash flow from financial activities)

Cash flow from financial activities for the third quarter was 72.9 billion yen, reflecting net income of 106.2 billion yen from bonds, debts and commercial papers as well as payments for acquiring treasury stocks and dividends.

3. Qualitative Information concerning the Forecast of Consolidated Performance

Regarding the forecast of the performance for the term ending March 2008, sales are expected to exceed the previous forecast (October 29, 2007), while operating profit, ordinary profit, net income for the term and net income per share for the term are expected to fall below the previous forecast. The anticipated upward shift of sales is attributed to the increase in LPG selling prices of consolidated subsidiaries. On the other hand, the anticipated decreases from the previous forecast in operating profit, ordinary profit and net income for the term are attributed to soaring crude oil prices to which purchase prices of LNG are linked on non-consolidated accounts, and to the expected increase of material costs due to the revision of LNG prices.

4. Other

(1) Any changes in major consolidated subsidiaries (such as a change of a specific subsidiary affecting the consolidated scope): None

(2) Application of a compendium method to the accounting procedure

- A compendium method is applied to the tax effect accounting of consolidated subsidiaries.

- A compendium method is applied to some of those procedures that would have only minor effects. For example, hands-on inventory management is omitted.

(3) Any difference in the accounting method between this fiscal year's and the previous fiscal year's consolidated statements: None

5. Consolidated Interim Financial Statements

(1) Consolidated Quarterly Balance Sheet

(Unit: one million yen)

Account	As of December 31, 2007	As of March 31, 2007	Change	As of December 31, 2006
(Assets)				
Fixed Assets	1,138,845	1,124,100	14,745	1,116,249
Tangible fixed assets	813,478	805,534	7,944	805,941
Intangible fixed assets	42,958	28,562	14,396	28,995
Investments and other assets	282,408	290,003	-7,595	281,312
Current assets	343,219	281,581	61,638	298,092
Cash and deposits	44,271	27,070	17,201	28,133
Notes and trade accounts receivable	134,803	135,468	-665	123,310
Inventories	90,723	53,366	37,357	84,367
Others	73,420	65,676	7,744	62,281
Assets total	1,482,065	1,405,682	76,383	1,414,342
(Liabilities)				
Fixed liabilities	468,826	417,663	51,163	449,100
Bonds	193,247	186,957	6,290	216,040
Long-term loans payable	222,288	176,514	45,774	180,885
Reserve for severance benefits	9,967	8,909	1,058	8,972
Others	43,323	45,281	-1,958	43,202
Current liabilities	327,657	301,354	26,303	298,909
Notes and trade accounts payable	53,370	45,443	7,927	50,482
Short-term loans payable	34,870	27,491	7,379	26,180
Others	239,416	228,419	10,997	222,245
Liabilities total	796,483	719,017	77,466	748,009
(Net Assets)				
Shareholder's equity	595,401	595,939	-538	579,614
Capital stock	132,166	132,166	0	132,166
Capital Surpluses	19,544	19,534	10	19,529
Retained earnings	466,017	447,909	18,108	430,905
Treasury stocks	-22,326	-3,670	-18,656	-2,987
Valuation and translation adjustments	71,305	72,947	-1,642	68,115
Difference between market price and acquisition cost of other securities	42,267	55,508	-13,241	54,676
Deferred hedge gains/losses	15,089	9,180	5,909	6,869
Land revaluation excess	83	83	0	109
Foreign exchange adjustment	13,865	8,175	5,690	6,459
Minority interest	18,874	17,777	1,097	18,602
Minority interest	18,874	17,777	1,097	18,602
Net worth total	685,582	686,664	-1,082	666,332
Liabilities and net worth total	1,482,065	1,405,682	76,383	1,414,342

(2) Consolidated Quarterly Profit and Loss Statement

(Unit: million yen)

Account	Third Quarter ended December 31, 2007	Third Quarter ended December 31, 2006	Change	Year ended March 31, 2007
Operating revenues	840,792	815,986	24,806	1,174,456
Cost of sales	554,524	528,541	25,983	755,693
Gross profit on sales	286,268	287,445	-1,177	418,762
Selling, general and administrative expenses	233,089	230,162	2,927	325,033
Operating profit	53,178	57,282	-4,104	93,729
Non-operating revenues	12,784	11,645	1,139	13,775
Interest income	1,113	945	168	1,312
Dividend income	1,754	1,359	395	1,414
Gain from sales of securities	2,985	3,115	-130	3,274
Equity in earnings of affiliates	3,964	3,262	702	3,328
Miscellaneous income	2,965	2,962	3	4,445
Non-operating expenses	9,599	9,574	25	17,954
Interest expenses	7,319	7,168	151	9,584
Loss from redemption of corporate bonds				3,122
Miscellaneous expenses	2,280	2,405	-125	5,247
Ordinary profit	56,363	59,354	-2,991	89,550
Extraordinary profit				1,233
Gain from sales of fixed assets				1,233
Extraordinary loss				2,704
Loss from sales of fixed assets				832
Loss from impairment				1,871
Net income before tax adjustments	56,363	59,354	-2,991	88,078
Corporate taxes, etc.	21,205	22,461	-1,256	33,951
Minority interest	1,465	940	525	1,197
Net income	33,692	35,952	-2,260	52,929

(Note) Corporate taxes, etc. include the amount of adjustment for corporate taxes, etc.

(3) Consolidated Quarterly Statement of Changes in Shareholders' Equity

Third Quarter ended December 31, 2007

(Unit: million yen)

	Shareholder's equity					Valuation and translation adjustments					Minority interest	Total net worth
	Capital stock	Capital surpluses	Retained earnings	Treasury stocks	Total shareholder's equity	Difference between market price and acquisition cost of other securities	Deferred hedge gains (losses)	Land revaluation excess	Foreign exchange adjustment	Total valuation and translation adjustments		
Balance as of March 31, 2007	132,166	19,534	447,909	-3,670	595,939	55,508	9,180	83	8,175	72,947	17,777	686,664
Changes during 9 months period												
Dividends from retained earnings			-15,572		-15,572							-15,572
Net income			33,692		33,692							33,692
Repurchase of treasury stocks				-18,704	-18,704							-18,704
Disposal of treasury stocks		9		48	58							58
Decrease caused by decrease in consolidated subsidiaries			-11		-11							-11
Net changes during 9 months period						-13,241	5,909		5,690	-1,641	1,097	-544
Total changes during 9 months period		9	18,107	-18,655	-537	-13,241	5,909		5,690	-1,641	1,097	-1,082
Balance as of December 31, 2007	132,166	19,544	466,017	-22,326	595,401	42,267	15,089	83	13,865	71,305	18,874	685,582

Third Quarter ended December 31, 2006

(Unit: million yen)

	Shareholder's equity					Valuation and translation adjustments					Minority interest	Total net worth
	Capital stock	Capital surpluses	Retained earnings	Treasury stocks	Total shareholder's equity	Difference between market price and acquisition cost of other securities	Deferred hedge gains (losses)	Land revaluation excess	Foreign exchange adjustment	Total valuation and translation adjustments		
Balance as of March 31, 2006	132,166	19,521	410,682	-2,556	559,814	63,648	-	62	4,986	68,696	18,675	647,186
Changes during 9 months period												
Dividends from retained earnings			-15,590		-15,590							-15,590
Bonus to directors			-90		-90							-90
Net income			35,952		35,952							35,952
Repurchase of treasury stocks				-466	-466							-466
Disposal of treasury stocks		8		34	43							43
Reversal of land revaluation excess			-47		-47							-47
Net changes during 9 months period						-8,972	6,869	47	1,473	-581	-72	-654
Total changes during 9 months period		8	20,222	-431	19,800	-8,972	6,869	47	1,473	-581	-72	19,146
Balance as of December 31, 2006	132,166	19,529	430,905	-2,987	579,614	54,676	6,869	109	6,459	68,115	18,602	666,332

(4) Consolidated Quarterly Cash Flow Statement

(Unit: million yen)

Account	Third Quarter ended December 31, 2007	Third Quarter ended December 31, 2006	Change	Year ended March 31, 2007
I. Cash Flow from Operating Activities				
Net income before tax adjustments	56,363	59,354	-2,991	88,078
Depreciation expenses	70,373	60,960	9,413	84,031
(Increase) decrease in prepaid pension expenses	-10,023	-9,088	-935	-11,851
Increase (decrease) in inventories	-30,528	-39,555	9,027	-8,549
Increase (decrease) in trade payables	7,375		7,375	
Increase (decrease) in accrued expenses	-26,327	-21,599	-4,728	-2,339
Others	-34,004	-43,275	9,271	-51,015
Net cash flow from operating activities	33,227	6,795	26,432	98,354
II. Cash Flow from Investment Activities				
Expenses for acquisition of tangible fixed assets	-71,668	-63,452	-8,216	-85,835
Proceeds from sales of tangible fixed assets	-9,240		-9,240	-2,277
Payment of long-term prepaid expenses	-5,963		-5,963	-6,267
Expenses for acquisition of investment securities	-3,024	-3,049	25	-6,152
Proceeds from sales of investment securities	3,716	3,850	-134	4,380
Expenses for acquisition of shares of subsidiaries and affiliates		-4,578	4,578	-4,582
Proceeds from sales of shares of subsidiaries and affiliates				
Expenses for acquisition of shares of subsidiaries, resulting in consolidation scope change	2,976		2,976	
Others	-3,960		-3,960	
Others	-1,371	-7,814	6,443	969
Net cash flow from investment activities	-88,536	-75,044	-13,492	-99,765
III. Cash Flow from Financial Activities				
Net increase (decrease) in bonds, loans, and commercial paper	106,279	62,589	43,690	-2,997
Payments for acquiring treasury stocks	-18,704		-18,704	
Dividends paid	-14,504	-14,290	-214	-15,544
Others	-101	-1,611	1,510	-3,468
Net cash flow from financial activities	72,968	46,687	26,281	-22,009
IV. Difference from Conversion of Cash and Cash Equivalents	15	50	-35	170
V. Increase (Decrease) of Cash and Cash Equivalents	17,675	-21,510	39,185	-23,249
VI. Cash and Cash Equivalents at Year-Beginning	24,476	47,726	-23,250	47,726
VII. Decrease of Cash and Cash Equivalents Due to Change in Scope of Consolidation	-52		-52	
VIII. Cash and Cash Equivalents at End of Interim Period	42,100	26,216	15,884	24,476

(5) Segment Information
(Segment information by business type)

Third Quarter ended December 31, 2007

(Unit: million yen)

	Gas	LPG, Electricity and other Energies	Gas Appliances and House-pipe Installation	Real Estate	Others	Total	Elimination of internal transactions and transactions involving all companies	Consolidation
Sales	482,955	184,766	104,002	18,640	99,469	889,833	(49,041)	840,792
Operating expenses	457,203	172,187	100,579	13,244	94,122	837,337	(49,723)	787,613
Operating profit	25,752	12,578	3,422	5,396	5,346	52,496	682	53,178

Third Quarter ended December 31, 2006

(Unit: million yen)

	Gas	LPG, Electricity and other Energies	Gas Appliances and House-pipe Installation	Real Estate	Others	Total	Elimination of internal transactions and transactions involving all companies	Consolidation
Sales	468,402	167,676	114,213	20,055	95,743	866,092	(50,105)	815,986
Operating expenses	434,914	157,427	111,464	13,673	91,872	809,352	(50,648)	758,704
Operating profit	33,488	10,249	2,749	6,381	3,870	56,739	543	57,282

(6) Non-consolidated quarterly sales volume

		Third quarter FY2007 (a) (Apr – Dec 2007)	Third quarter FY2006 (b) (Apr – Dec 2006)	Change (a)–(b)	% Change
Number of customers [installed meters] (Unit: thousand)	Residential	6,528	6,471	+57	+0.9
	Business	324	323	+1	+0.3
	Total	6,852	6,794	+58	+0.9
Monthly mean consumption per household (m ³ /month)		26.3	27.4	-1.1	-4.2
Gas sales volume (Unit: million m ³)	Residential	1,360	1,411	-51	-3.6
	Business	4,531	4,480	+52	+1.2
	Industrial	3,311	3,222	+89	+2.7
	Commercial	773	802	-29	-3.6
	Public and Medical	447	445	-8	-1.7
	Wholesale supply	332	290	+41	+14.2
Total		6,222	6,181	+42	+0.7

[in 45 MJ/m³]

Mean temperature (°C)	Third quarter FY2007 (a) (Apr – Dec 2007)	Third quarter FY2006 (b) (Apr – Dec 2006)	Change (a)–(b)
		20.5	20.4