Financial Report for FY2009

(April 2008-March 2009)

April 2009

Osaka Gas Co., Ltd

I. Business Results for FY09.3 and Forecast for FY10.3

Management information is available on Osaka Gas websites: Financial reports, annual reports and road show materials can be accessed and downloaded at http://www.osakagas.co.jp/ir/index_e.html

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

Note regarding gas sales volume: All gas sales volumes are indicated based on the standard heating value of 45 MJ/m3.

Notes on the calculation of indicators: The numerators of ROA and ROE represent the net income and the denominators indicate the initial and term-end average values. The net worth ratio is the term-end value and the denominators of EPS and BPS are the initial and term-end averages. No latent shares are involved in the calculation of EPS and BPS.

Review of Financial Reports for FY09.3

- Overview
  - Although sales volume decreased from the previous year, consolidated sales revenues increased by 7.2%, supported mainly by higher gas unit prices adjusted to reflect the LNG price rise during the year under the fuel cost adjustment system.
  - Consolidated ordinary profit decreased by 14.9%, mainly due to a decrease in the gas sales volume, which was larger than the positive effect of the profit growth recorded by consolidated subsidiaries and affiliates reported by the equity method.
- Impact of the Oil Price on Gas Business Results
  - The crude oil price rose in the first half of the year, but dropped in the second half. Consequently, the profit/loss arising in connection with the fuel cost adjustment system improved by about ¥20 billion compared with the previous year.
- Gas Sales
  - Residential gas sales volume decreased due to the warmer weather in January and February. Non-residential gas sales volume decreased, mainly due to lower sales volume to industrial customers because the operating ratio of their existing facilities declined as a result of the economic slowdown. Consequently, net gas sales volume decreased by 5.7% from the previous year.
- Investment for Growth
  - During FY09.3 the Osaka Gas Group made capital investments in the Semboku Power Plant and LNG tankers, as well as other investments including the Australian pipeline project.

Let's review the financial results for the year ended in March 2009.

Consolidated sales increased by ¥88.6 billion or 7.2% to ¥1,326.7 billion despite the decrease in the sales volume. This increase was supported by higher gas unit prices that have been adjusted under the fuel cost adjustment system to reflect the rise in LNG prices. Consolidated ordinary profit decreased by ¥11.3 billion or 14.9% to ¥64.5 billion. Non-consolidated operating profit reported by Osaka Gas decreased, mainly due to the decrease in gas sales volume. This decrease on a non-consolidated basis was larger than the profit growth reported by consolidated subsidiaries and equity in affiliates' profits.

The average crude oil price during the first half of the year was around $120/bbl. This dropped sharply to around $60/bbl in the second half of the year. As a result, the full year average was around $90/bbl. Since the oil price dropped in the second half of the year, the full-year uncollected difference between fuel costs and sales revenues resulting from the fluctuation of the oil price improved by about 20 million yen from the previous year.

Gas sales volume to residential customers was adversely affected by the warmer winter. Although the Company strove to develop new demand in the non-residential user market, net sales volume to this market decreased, seriously affected by a decrease in the facility operating ratio of many industrial customers due to the economic slowdown.

Regarding investment for growth during the year, the Osaka Gas Group continued active investment in the construction of the Semboku Power Plant and LNG tankers

Gas Sales for FY09.3

45MJ/m3		A. 09.3	B. 08.3	A-B	A/B
Non consolidated	Number of meters installed at the end of period (thousand)	6,939	6,881	+58	+0.8%
	Installation of new meters (thousand)	112	120	-8	-6.2%
	Monthly gas sales per household (m3/month)	32.3	33.5	-1.2	-3.6%
	Residential use	2,238	2,310	-72	-3.1%
	Commercial use	971	1,021	-50	-4.9%
	Public and Medical use	609	636	-26	-4.1%
	Industrial	4,128	4,458	-330	-7.4%
	Non-residential total	5,708	6,115	-407	-6.6%
	Wholesale	434	462	-28	-6.0%
(including non regulated)		(4,834)	(5,130)	(-296)	(-5.8%)
Gas sales total (million m3)		8,380	8,887	-506	-5.7%
Consolidated gas sales		8,416	8,917	-502	-5.6%
	Averaged temperature (Celsius)	17.2	17.2	0	

4

Design Your Energy 大阪ガス

Net gas sales volume on a non-consolidated basis during FY09.3 decreased by 5.7% from the previous year.

The volume of gas sales to residential customers decreased by 3.1% compared with the previous year. This was because the demand for hot water and heating was weak in January and February due to higher temperatures than in the same months of the previous year, during which gas consumption would have grown, although air and water temperatures in September and October were cooler than in the same months the previous year.

As for sales of gas for industrial use, sales volume decreased by 7.4% compared with the previous year, mainly due to the lower operating ratio of customers' existing facilities, which offset the growth in newly cultivated demand.

Regarding gas for commercial and public/medical use, sales volume to commercial users decreased by 4.9% and sales volume to public/medical users decreased by 4.1% from the previous year. These decreases were mainly due to lower demand for air conditioners resulting from cooler temperatures in August and September and lower demand for hot water and heating resulting from warmer temperatures in January and February compared with the same months of the previous year, as well as customers' energy-saving efforts.

Consequently, net sales volume to non-residential customers decreased by 6.6% from the previous year.

Results of FY09.3 I

100 million yen, figures in parentheses are ratios of consolidated results to non-consolidated results.

	A. 09.3	B. 08.3	A-B	Reference	A/B
Operating revenues	(1.37) 13,267	(1.41) 12,381	+886	Higher gas unit prices due to the rise in the oil price, among other factors	+7.2%
Operating profit	(1.77) 669	(1.77) 756	-86	Decrease of gas sales	-11.5%
Ordinary profit	(1.71) 645	(1.51) 758	-113	Gain from sales of securities recorded in the first half of the year	-14.9%
Net income	(1.50) 360	(1.23) 402	-42		-10.5%
SVA	51	125	-74		--

	A. 09.3	B. 08.3	A-B
Consolidated gas sales (million m3)	8,416	8,917	-502
Exchange rate (yen/$)	100.5	114.3	-13.7
Crude oil price ($/bbl)	90.5	78.5	+12.0
Number of subsidiaries	136	133	+3

SVA (Shareholders' value added) = NOPAT – Invested capital * WACC

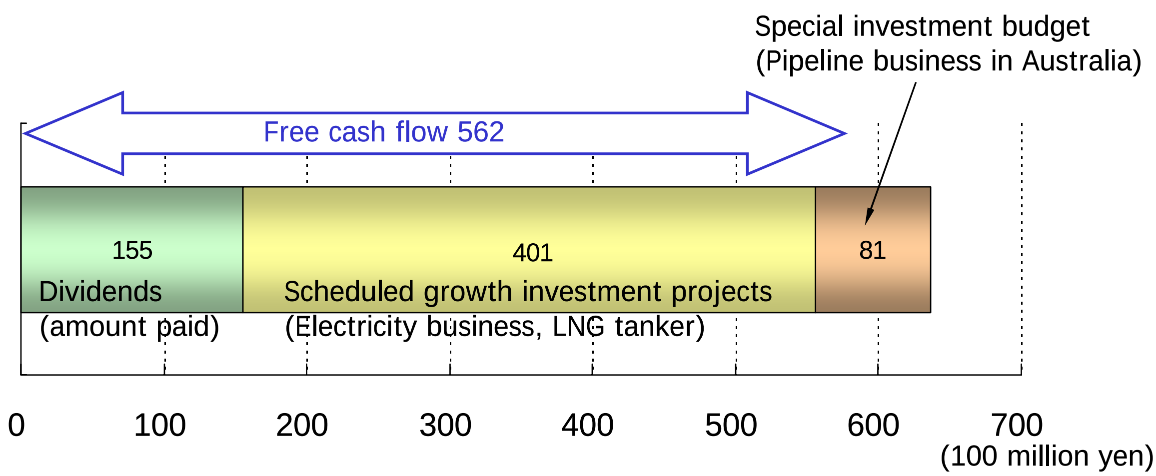
This page shows specific figures for the operating results for FY09.3 outlined on Page 3.

Operating results were strong in consolidated subsidiaries and affiliates reported by the equity method. The ratio of consolidated ordinary profit to non-consolidated ordinary profit was 1.71, the largest ever. In addition to the ratios of consolidated results to non-consolidated results, the portion of consolidated profit exceeding non-consolidated profit was also high, an increase of about ¥1 billion from the previous year to about ¥26.6 billion. During FY09.3 the crude oil price fluctuated violently and economic conditions weakened sharply. Under these circumstances, we believe that the entire Osaka Gas Group has been growing steadily in various business fields. The Osaka Gas Group announced its long-term vision and medium-term business plan "Field of Dreams 2020" recently. In accordance with the future direction stated in this plan, we will strive to build a stronger business portfolio.

The number of consolidated subsidiaries at year-end totaled 136 companies. Six companies were added to the consolidation, including Sakura Information Systems Co.. Ltd., and the electric power subsidiary and the fuel subsidiary newly formed in connection with the Semboku Power Plant. Three companies were excluded from the consolidation. In connection with our participation in the pipeline project in Australia, one company was added to the affiliates reported by the equity method, totaling five companies as at year-end.

Consolidated Free Cash Flow of FY09.3

- Regarding approved investment projects, the construction of LNG tankers and the Semboku Natural Gas Power Plant and other projects have progressed as scheduled.
- Regarding the separate investment budget, an investment in an Australian pipeline project was implemented, among others.



FCF = Cash flow from operating activities - capital expenditures Capital expenditures do not include growth investments.
Scheduled growth investment projects include capital expenditures and financing/investment projects.

Consolidated free cash flow for the year ended March 2009 increased about by ¥5 billion to about ¥56 billion from the previous year.

Approved investment projects, including the Semboku Power Plant and LNG tankers, were implemented almost as scheduled.

Regarding the separate investment budget, an investment in an Australian pipeline project and other investments were implemented, totaling about ¥8 billion.

Results of FY09.3 II

Consolidated, 100 million	A. 09.3	B. 08.3	A-B	Reference
Total assets	14,524	14,679	-154	Decline in the market prices of investment securities, etc.
Total net worth	6,125	6,485	-360	Decrease in appraisal difference of securities, etc.
Interest-bearing debt	5,734	5,664	+70	
Capital expenditure	1,060	1,110	-49	
Depreciation	865	952	-87	
Free cash flow	562	512	+50	
Number of employees	19,009	16,682	+2,327	Inclusion of Sakura Information Systems to the consolidation, etc.
ROA	2.5%	2.8%	-0.3%	
ROE	5.7%	6.1%	-0.4%	
Total net worth ratio	42.2%	44.2%	-2.0%	
EPS (yen/share)	16.7	18.3	-1.6	
BPS (yen/share)	284.1	300.8	-16.6	

The number of employees excludes those dispatched to subsidiaries and affiliates, but includes those under contract (in agreement with the securities report). Free cash flow = cash flow from business operations (operating profit after tax + depreciation expenses and other non-cash expenses) - capital expenditures

7

Design Your Energy 大阪ガス

The balance sheet as at year-end is as shown on this page, reflecting the profit and loss results as explained on Page 5 and the cash flow situation as explained on Page 6.

This table also shows ROA, ROE and other major financial indicators.

We expected at the beginning of the year that interest-bearing liabilities would increase significantly by the impact of higher fuel costs caused by the steep rise in the crude oil price and because of planned active investments. However, because the oil price dropped sharply during the year, and with the progress of the investments, interest-bearing liabilities increased slightly compared with the same time last year.

During FY09.3, a global credit crisis occurred after the bankruptcy of Lehman Brothers. However, the Osaka Gas Group was able to procure necessary funds without any difficulty. No unfavorable changes occurred in interest rates for borrowings and bonds. Thus, the Group encountered no credit-related problems.

Gas Sales Forecast for FY10.3

- Forecast for residential gas sales reflects recovery from the warmer winter in FY09.3 and expected growth of customer numbers.
- Forecast for non-residential gas sales reflects an expected decline in the operating ratio of existing customers resulting from the economic slowdown.

45MJ/m3		A. 10.3/E	B. 09.3/R	A-B	A/B
Nonconsolidated	Number of meters installed (thousand)	6,999	6,939	+60	+0.9%
	Installation of new meters (thousand)	97	112	-16	--
	Monthly gas sales per household (m3/month)	33.3	32.3	+1.1	--
	Residential use	2,324	2,238	+86	+3.8%
	Commercial use	948	971	-23	-2.4%
	Public and Medical use	591	609	-19	-3.1%
	Industrial	3,696	4,128	-431	-10.4%
	Non-residential total	5,235	5,708	-473	-8.3%
	Wholesale	427	434	-7	-1.5%
(including non regulated)		(4,386)	(4,834)	(-448)	(-9.3%)
Gas sales total (million m3)		7,987	8,380	-394	-4.7%
Consolidated gas sales		8,020	8,416	-396	-4.7%

8

These were the operating results for the year ended March 2009. And now, I would like to explain the forecasts for the year ending March 2010.

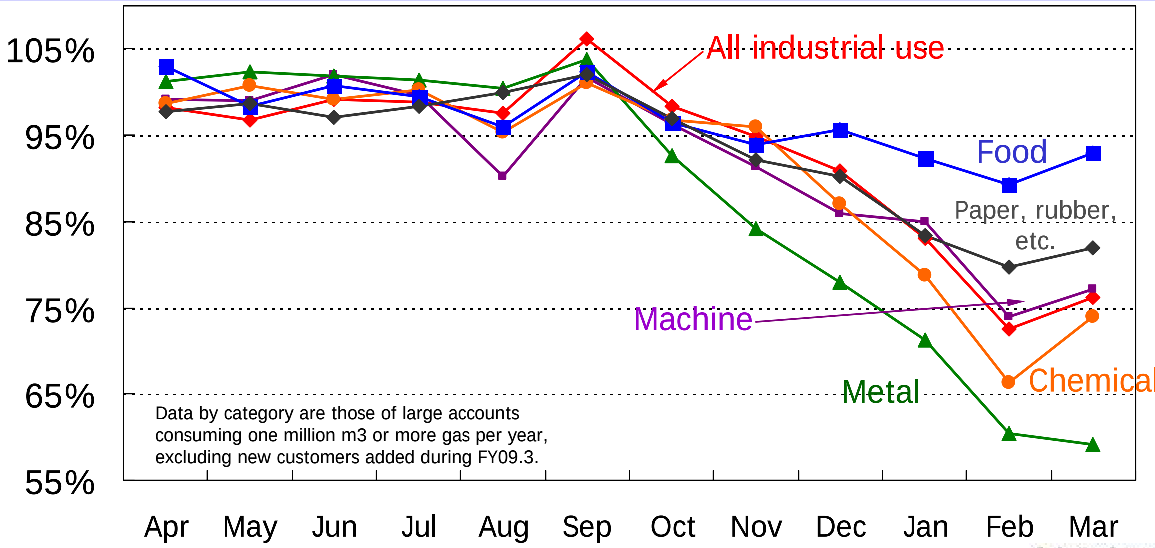
The forecast for gas sales volume for FY10.3 remains the same as that announced in March.

It is expected that the volume of gas sales to residential customers will increase because of a recovery from the warmer weather of FY09.3 and expected growth in customer numbers. The volume of gas sales to non-residential customers is expected to decrease, affected by the economic slowdown continuing from the second half of FY09.3.

Industrial Gas Sales

- Total industrial gas sales in February 2009 were 72.6% of the same month of the previous year. However, gas sales improved to 76.2% in March 2009.
- Sales to existing large accounts in the five major industrial categories also hit bottom in February 2009 and showed signs of recovery in March.

Monthly industrial gas sales volume during FY09.3, in comparison with the same period the previous year (Total industrial sales and sales by five major industrial categories in terms of sales volume)



Design Your Energy 大阪ガス

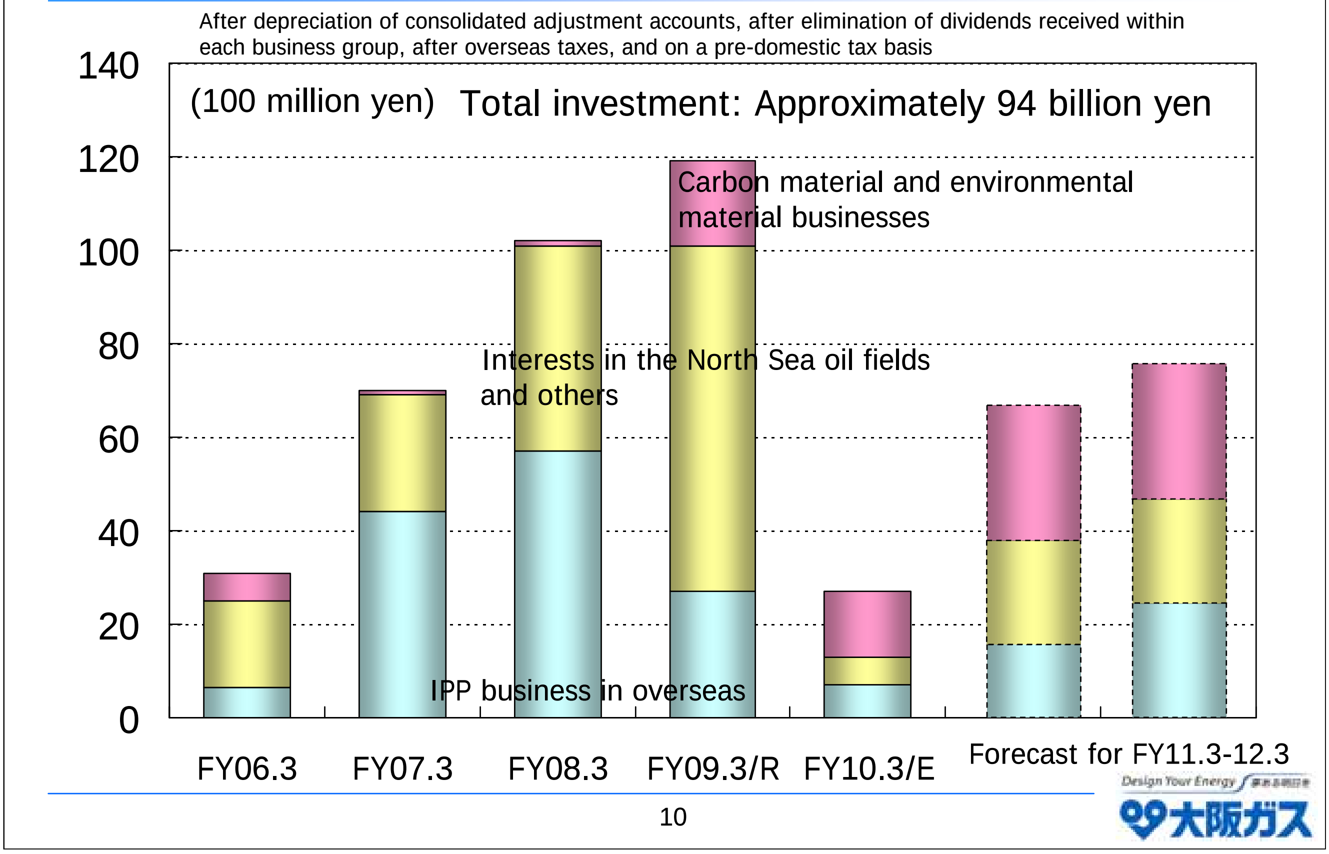
It is projected that the volume of industrial gas sales for FY10.3 will decrease by about 10% compared with the current year.

Regarding industrial gas sales during FY09.3, sales have dropped sharply since October 2008. In February 2009, sales were lower than the same month of the previous year by about 27%. However, after hitting bottom in February, signs of recovery were seen in March 2009.

In regard to future business prospects, people had felt uneasy because no bottom could be seen. However, judging from the results in February and March, it seems that the worst has passed.

Contribution of Investment Projects

(FY05.3 - FY09.3)



Growth investments implemented during FY09.3 contributed strongly to Group profits, including our upstream interest in the North Sea oil fields and other projects, and investment in overseas IPPs. In particular, our investment in the North Sea oil fields contributed more to profit growth than in the previous year, since oil prices were higher and the exchange rate was more favorable.

It is expected that in FY10.3 the contribution of the North Sea oil fields to profits will decrease from the current year, assuming that the yen becomes stronger and the oil price decreases compared with FY09.3, and that sales volume will temporarily decrease, and considering other factors. The profit from overseas IPP businesses is also expected to decrease from that in FY09.3 since some electricity wholesale contracts will terminate as originally scheduled and due to certain other factors.

For overseas IPP businesses, we strove to acquire both businesses that are currently operating and new businesses scheduled to be commenced. We assume that the profit level of projects that are currently operating will decrease as time passes while new projects will gradually increase their contribution to Group profits. Although some fluctuation may occur from year to year, it is expected that overseas IPP businesses as a whole will be able to maintain a fairly constant profit level as an electricity business portfolio. Although it is expected that the profit from overseas IPP businesses will decrease temporarily in FY10.3, no significant changes have been made to any of the electricity business projects since the time the investment decisions were made. Accordingly, we believe that the initially projected profit levels can be maintained in the long run.

Forecast for FY10.3

- Sales revenue will decrease from FY09.3 due to a decrease in gas sales volume and lower gas prices resulting from a decline in raw material costs, a decline in the LPG wholesale volume resulting from restructuring of the LPG business, and other factors.
- Assuming that the crude oil price is $55/bbl, the gross profit from the gas business is expected to improve by about ¥3.9 billion from FY09.3 through the effect of the fuel cost adjustment system. Operating profit and profit in the lower lines of the P/L statement will increase from FY09.3.

Figures in parentheses denote the consolidated-to-nonconsolidated ratio.

Consolidated, 100 million yen	A. 10.3/E	B. 09.3/R	A-B	A/B
Operating revenues	(1.33) 10,915	(1.37) 13,267	-2,352	-17.7%
Operating profit	(1.52) 820	(1.77) 669	+150	+22.5%
Ordinary profit	(1.31) 720	(1.71) 645	+74	+11.6%
Net income	(1.23) 430	(1.50) 360	+69	+19.3%
SVA	85	51	+33	--
Consolidated gas sales (million m3)	8,020	8,416	-396	
Exchange rate (yen/$)	95	100.5	-5.5	
Crude oil price ($/bbl)	55	90.5	-35.5	

11

Design Your Energy 大阪ガス

The profit and loss forecasts for FY10.3 are the same as announced in March. Now, I will explain these forecasts, and compare them with the results from FY09.3.

It is assumed that the crude oil price will be $55/bbl and the exchange rate will be ¥95/1US$. This means that the oil price will be $35/bbl cheaper and the yen will be ¥5.5/1US$ stronger than in FY09.3.

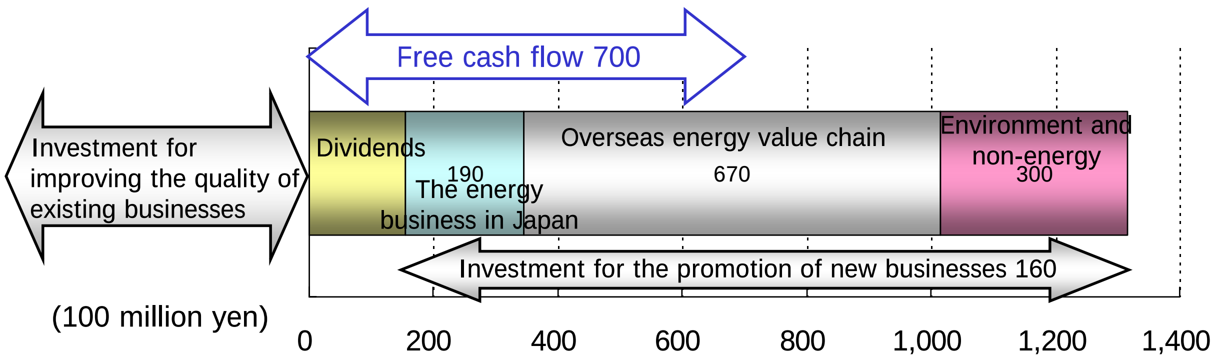
Sales revenue is expected to decrease from FY09.3. Unconsolidated sales by Osaka Gas will decrease mainly due to lower gas selling prices adjusted under the fuel cost adjustment system and lower sales volume resulting from economic stagnation. Consolidated sales are also expected to decrease mainly because the wholesale business of Nissho LP Gas will be assigned to Japan Gas Energy as part of the restructuring of the LPG business.

Operating profit is expected to increase from FY09.3. Although the costs necessary for achieving the Group's long-term business vision such as the cost of demand development and repair costs for improving facilities at the Semboku Production Plant and improving gas piping security, and labor costs as a result of an increase in pension actuarial differences will all increase, gas gross profits will improve due to a decline in the raw material cost.

For non-operating revenues and expenses, the forecast reflects an expected decrease in equity in the profits of Idemitsu Snorre due to the declining crude oil price.

Uses of Consolidated FCF for FY10.3

- FCF for FY10.3 is expected to grow by about ¥13.7 billion from the previous year to about ¥70 billion, supported mainly by an increase in profits. In addition to FCF, using proceeds from borrowings, a total of ¥116 billion will be invested to promote new businesses.
- In the area of investments to promote new businesses, the construction of the Semboku Power Plant as part of the expansion of the Group's domestic energy business will continue. In terms of the overseas energy value chain, a separate investment budget of ¥6.7 billion will be set. Within this budget, business opportunities will be explored and examined mainly in the area of upstream interest and pipeline projects.
- The aim is to provide an ordinary dividend of ¥7 per share, same level as FY09.3.



FCF = cash flow from operating activities - capital expenditures. Capital expenditures do not include growth investments.
Scheduled growth investment projects include capital expenditures and financing/investment projects.

12

Next, I would like to explain the plan for cash appropriation during FY10.3.

Free cash flow for FY10.3 is expected to grow by about ¥13.7 billion from FY09.3 to about ¥70 billion, supported mainly by an increase in profits. In addition to FCF, using proceeds from borrowings, we plan to invest a total of ¥116 billion in activities to promote new businesses.

In the domestic energy service business, construction of the Semboku Power Plant will continue. In terms of the overseas energy value chain, a separate investment budget of ¥6.7 billion will be set. Within this budget, business opportunities will be explored and examined mainly in the area of upstream interest and pipeline projects.

Forecast for FY10.3 II

Consolidated, 100 million yen	A. 10.3/E	B. 09.3/R	A-B
Total assets	15,202	14,524	+677
Total net worth	6,331	6,125	+205
Interest-bearing debt	6,509	5,734	+775
Capital expenditure	1,030	1,060	-30
Depreciation	974	865	+108
Free cash flow	700	562	+137
Number of employees	19,379	19,009	+370
ROA	2.9%	2.5%	+0.4%
ROE	6.9%	5.7%	+1.2%
Total net worth ratio	41.6%	42.2%	-0.5%
EPS (yen/share)	20.0	16.7	+3.2
BPS (yen/share)	293.7	284.1	+9.6

The number of employees excludes those dispatched to subsidiaries and affiliates, but includes those under contract (in agreement with the securities report). Free cash flow = cash flow from business operations (operating profit after tax + depreciation expenses and other non-cash expenses) - capital expenditures

Design Your Energy 大阪ガス

This table shows projected balance sheet items based on the profit and loss forecast explained on Page 11 and the cash flow forecast explained on Page 12, as well as major financial indicators.

In the long-term business vision and medium-term business plan “Field of Dreams 2020” announced in March 2009, ROA and ROE were designated as financial indicators used by the Osaka Gas Group. With the policy of “continuously striving for improvement of profitability with long-term targets: consolidated ROA of around 4% and consolidated ROE of around 9%,” it was decided that the interim goal of around 3.5% ROA and around 8% ROE should be achieved by the year ending March 2014.

In FY10.3, first step business activities will be implemented to achieve 2.9% ROA and 6.9% ROE.

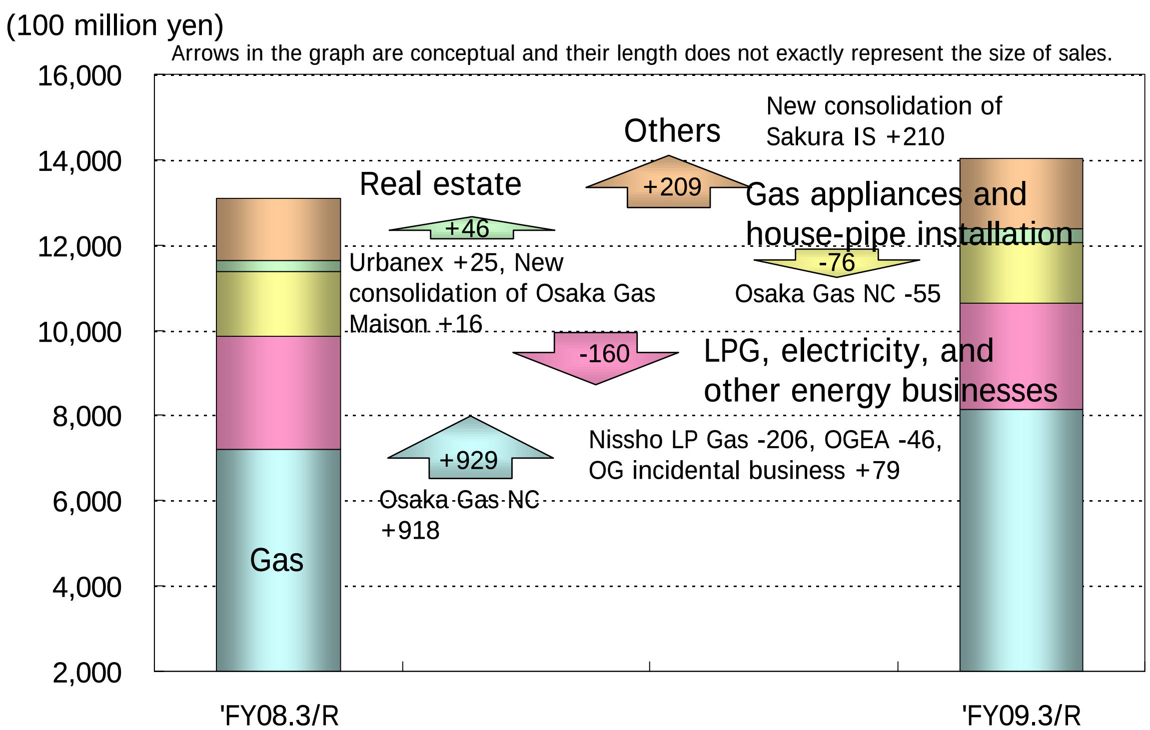
II. Fact and Figures

Increase/Decrease from the Previous Year (consolidated)

Unit:100 million yen, increases are shown by a plus sign

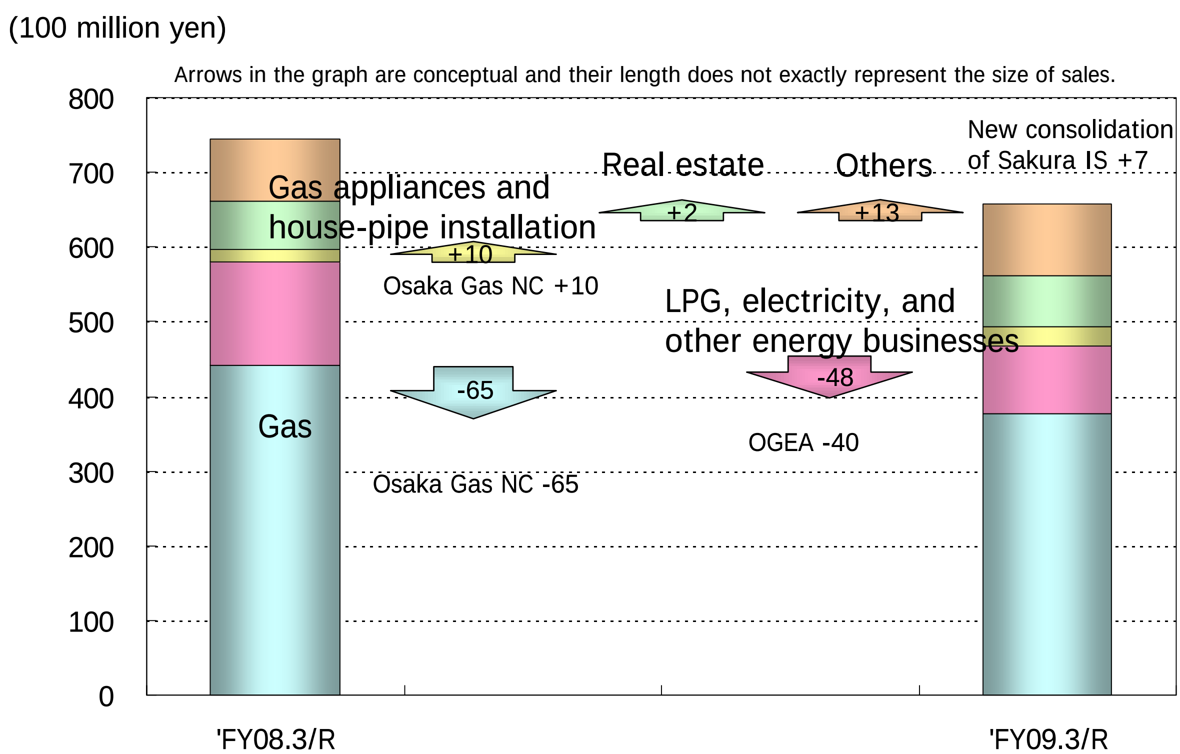
Operating revenue	+886	NC gas sales	+913	Influence of crude oil price and exchange rate+1,233, decrease of gas sales -293, tariff revision -27
		Subsidiaries	-56	Inclusion of Sakura Information System in the consolidation +210、Nissho LP gas -206, OGEA -46
Operating cost	-973	NC material cost	-855	Influence of crude oil price and exchange rate+1,032, decrease of gas sales -177
		NC labor cost	-70	Increase in costs based on the results of pension asset investments in the previous year
Operating profit	-86			
		Non-operating P/L	-26	Loss on sales of securities in FY08.3
		Extraordinary P/L	+33	Impairment loss recorded in the first half of the year

Sales by Segments



OGEA: Osaka Gas Energy America (IPP investment business)

Operating Income by Segments



OGPA: Osaka Gas Power America (Investment company for IPP's)

Overview of the Three Energy Segments
(non-consolidated accounts excluded)

Figures in the upper-left corners represent changes from the same period of the previous year.

100 million Yen	Revenues		Net income		Forecast for FY10.3
	09.3/R	10.3/E	09.3/R	10.3/E	
Osaka Gas Group companies	1,627	+247 1,874	62	-1 61	Increase in revenues due to the commencement of operation of the Semboku Natural Gas Power Plant
Liquid Gas Group	402	-61 341	9	-9 0	Decrease in revenues and profits due to decreased sales of industrial gas and cold energy, as well as decreased sales prices of LNG and LPG
NIPG Group	1,315	-830 484	11	-6 4	Significant drop in revenues due to the transfer of the wholesale division

Three energy segments means the gas segment; LPG, electricity and other energies; and gas appliances and house-pipe installation. NIPG: Nissho Petroleum Gas

Overview of the Two Non-Energy Segments

Figures in the upper-left corners represent changes from the same period of the previous year.

100 million Yen	Revenues		Net income		Forecast for FY10.3
	09.3/R	10.3/E	09.3/R	10.3/E	
Urbanex Group	351	+1 353	36	-8 27	Although revenues are expected to increase due to increase in newly rented properties, profits are expected to decrease due to drop in gross margin rates for the condominium business.
OGIS-RI Group	572	+17 589	30	-4 26	Profit decrease due to impact from the sluggish economy, although the effort to expand orders in our strong sectors is expected to increase revenues.
Osaka Gas Chemicals Group	333	-19 313	15	-7 8	Decrease in revenues and profits due to decreased sales of fine materials
OG Capital etc.	743	+12 756	10	+22 32	Both revenues and profits are expected to increase driven from business expansion of OG sports.

Non-energy business segments means Real estate, and Others.

Residential Gas Sales

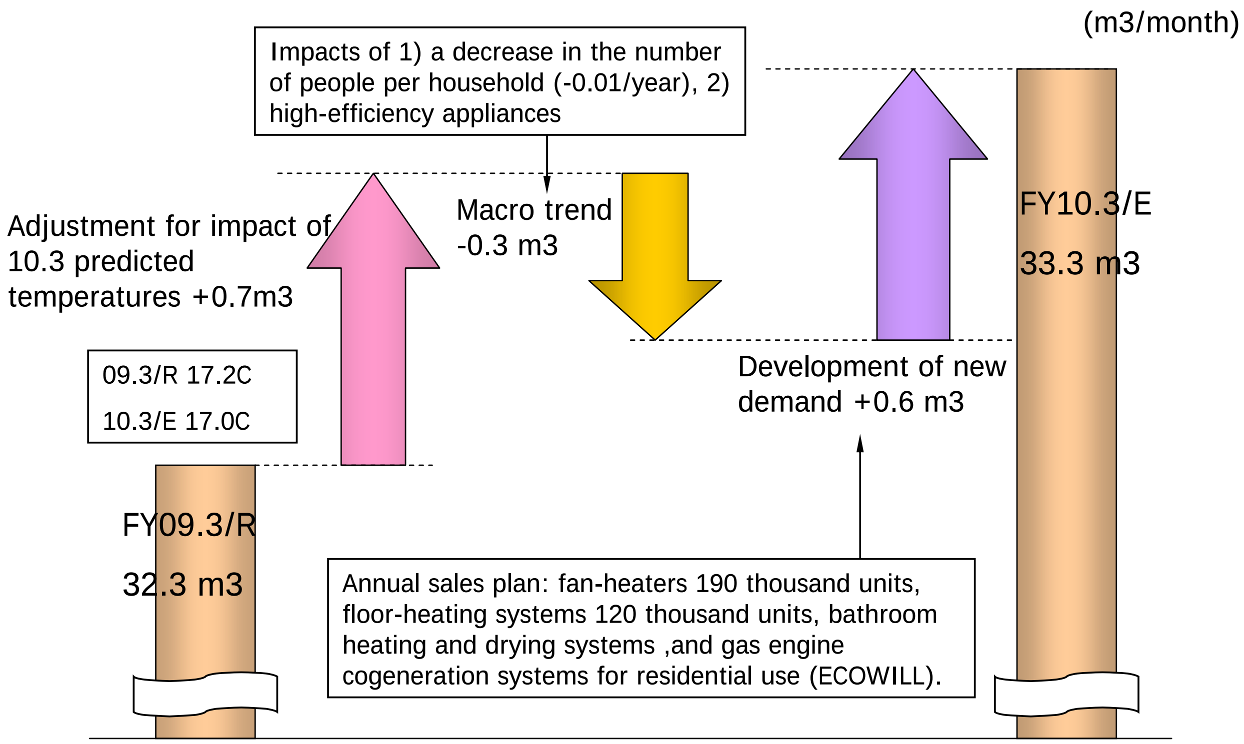
Results for FY09.3

	Change from the previous year	References
Increase of customers	+0.5%	
Influence of temperature	-2.8%	Average temperature of 17.2 degrees (+0.0 degrees compared with the previous year): Air and water temperatures in September and October were cooler than the same months of the previous year, but temperatures in January and February, during which gas sales should have increased, were warmer than the same months of the previous year.
Others	-0.7%	
Total	-3.1%	

Forecast for FY10.3

- Given the temperature in an average year and taking into consideration the beneficial effects of increased sales of strategic equipment and increase of new customers, residential gas sales are expected to come to 2,324 million m3, representing a year-on-year increase of +3.8% or approximately 86 million m3.

Sales Volume Assumption per Household



Commercial, Public, Medical Gas Sales

Results for FY09.3

	Change from the previous year	References
Demand expansion	+2.9%	Newly created demand from large commercial items and hospitals.
Influence of temperature	-2.2%	Negative impact of warmer temperatures in January and February on demand for hot water and heating, and the number of operating days
Others	-5.3%	Regular loss, and accelerated promotion of energy-saving activities to existing customers
Total	-4.6%	

Forecast for FY10.3

- Normal temperature conditions as in average years are assumed. Sales volume is expected to decrease by approx. 42 million m3 (2.6%) to 1,539 million m3 due to accelerated promotion of energy-saving activities to existing customers.

Industrial Gas Sales

Results for FY09.3

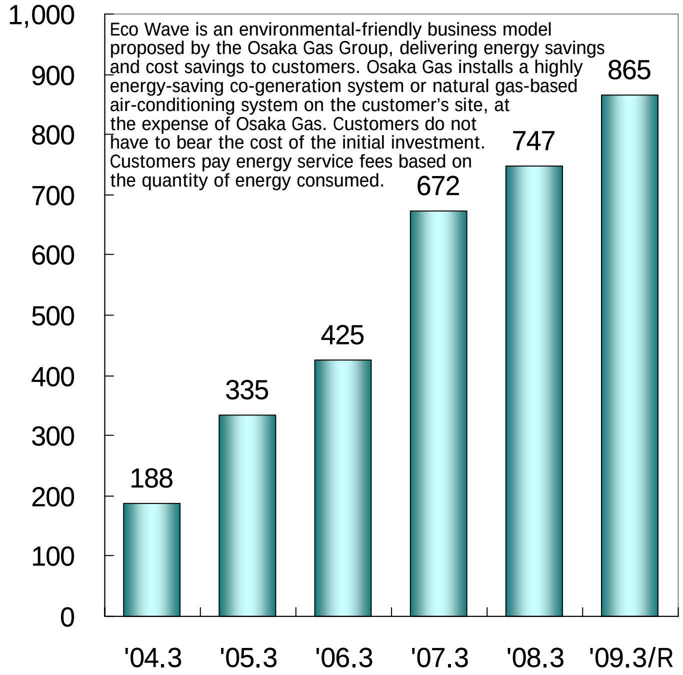
	Change from the previous year	References
Demand expansion	+3.4%	Chiefly due to the contribution of new customers
Increase/decrease of plant operation	-10.8%	Lower operating ratio of customers' facilities, etc.
Total	-7.4%	

Forecast for FY10.3

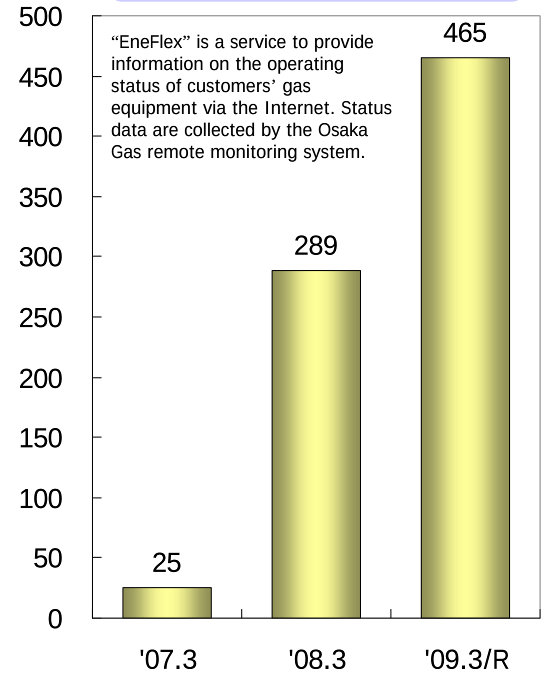
- Marketing activities to encourage a shift from oil and other fuels to gas will be continued. Energy-saving proposals will be made to customers, taking advantage of our engineering competency and the strong environmental features of city gas. However, considering the expected impact of the economic slowdown, it is forecast that industrial gas sales will decrease from the previous year by 431 million m3 or 10.4% to 3,696 million m3.

Energy Service

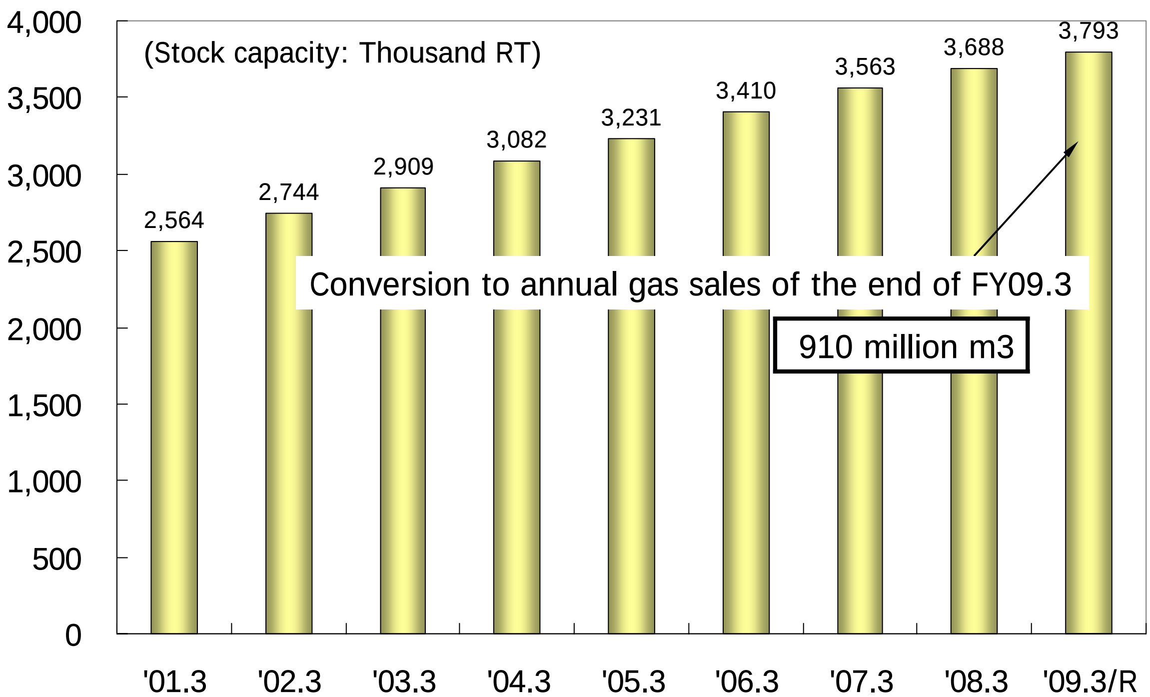
Number of Eco Wave Contracts



Energy Management by IT
(Number of sites with Eneflex)



Sales Plan of Gas Air-Conditioning Systems

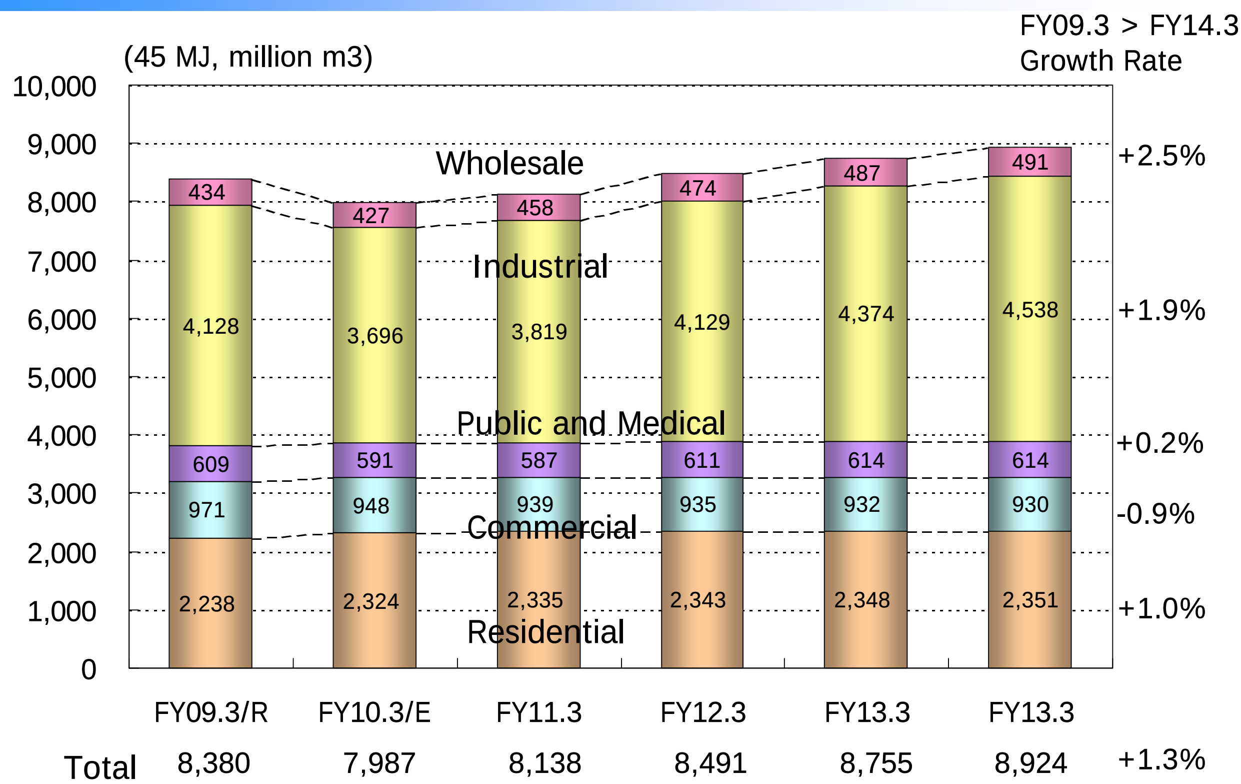


Stock volume includes both absorption type and GHP, 1 RT = 3.516 kW = 240 m3/year

Risk Factors Affecting Forecasts of Annual Results

- Atmospheric and water temperatures
  - A 1 degree Celsius change in atmospheric and water temperatures will impact the residential gas sales volume: approx. a 5% increase/decrease in spring and autumn, approx. a 6% in summer, and approx. a 4% in winter.
- Crude oil price
  - LNG price is linked to crude oil price. A $1/bbl change in crude oil price will have an effect of: approx. 2.2 billion yen on annual feedstock costs, and approx. 600 million yen on annual gross profit.
- Foreign exchange rate
  - LNG price is affected by the fluctuation of the US dollar/Japanese yen exchange rate. A 1 yen fluctuation in the US dollar/Japanese yen exchange rate will have an effect of: approx. 2 billion yen on annual feedstock costs; and approx. 400 million yen on annual gross profit.
- Materials Costs
  - Although the materials cost adjustment system allows us to reflect changes in materials costs in gas rates in the medium and long terms but an increase in materials costs is likely to affect the business results due to a time lag in reflecting cost fluctuations, and depending on the composition of materials suppliers.
  - Adjustment of materials costs may be required as a result of contract renewal or price negotiation with LNG suppliers.
- Interest Rate
  - A 1% change in the interest rate will have an effect of approx. 800 million yen on annual consolidated non-operating expenses.

Gas Sales Plan (non-consolidated)



Capital Expenditure Plan