



**For First Quarter of Fiscal 2009**  
**Brief Report of Consolidated Financial Statements**

July 28, 2009

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

Representative Officer: Title: President

Name: Hiroshi Ozaki

Contact: Title: Manager of Consolidation Management Team, Accounting & Finance Dept.

Name: Kotaro Fukushima

Scheduled Date of Financial Report Filing with the Finance Ministry: August 13, 2009

**1. Consolidated Financial Results for the First Quarter of Fiscal 2009 (April 1, 2009 – June 30, 2009)**

(1) Consolidated Operational Results (Percentages (%) represent changes from the same period of the previous year)

(Amounts less than one million yen are rounded down to the nearest million)

	Operating revenues		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2009	269,830	-13.8	52,969	236.5	51,861	197.8	31,825	219.9
Three months ended June 30, 2008	313,176	-	15,740	-	17,413	-	9,949	-

	Earnings per share		Diluted earnings per share	
	yen		yen	
Three months ended June 30, 2009	14.77		-	
Three months ended June 30, 2008	4.61		-	

**(2) Consolidated Financial Position**

	Total assets	Net worth	Net worth/Total assets	Net worth per share
	(million yen)	(million yen)	%	Yen
As of June 30, 2009	1,441,496	676,218	45.4	303.40
As of March 31, 2009	1,452,457	634,757	42.2	284.21

<Reference> Net worth As of June 30, 2009: 653,901 million yen As of March 31, 2009: 612,565 million yen

**2. Dividends**

(Record date)	Dividends per share				
	June 30	September 30	December 31	March 31	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2009	-	3.50	-	3.50	7.00
Year ending March 31, 2010	-				
Year ending March 31, 2010 (Forecast)		3.50	-	3.50	7.00

(Note) Modification to dividend forecast: No modification

**3. Forecast of Consolidated Results for the Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)**

(Percentages (%) represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period of the previous year for the interim results.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	502,500	-17.1	32,500	-	28,500	703.6	16,500	-	7.66
Full year	1,091,500	-17.7	82,000	22.5	72,000	11.6	43,000	19.3	19.95

(Note) Modification to consolidated operational results forecast: No modification

4. Other information

(1) Significant changes in subsidiaries during the year (changes in certain subsidiaries resulting in change in consolidation scope): None

(2) Adoption of simplified accounting methods and special accounting treatments for quarterly consolidated financial statements: Adopted

[(Note) For details, refer to "4. Others" in [Descriptive Information and Financial Statements] on Page 5]

(3) Changes in accounting principles/procedures for, and presentation in, quarterly consolidated financial statements (Matters to be reported as significant changes in basic information for quarterly consolidated financial statements preparation)

① Changes in response to revisions in accounting standards etc.: Adopted

② Changes other than those defined in ① above: None

(4) Issued shares (common shares)

① Issued shares as of term end (including repurchased shares)

As of June 30, 2009      2,158,383,539 shares

As of March 31, 2009    2,158,383,539 shares

② Repurchased shares as of term end

As of June 30, 2009      3,143,718 shares

As of March 31, 2009    3,062,711 shares

③ Average number of outstanding shares during term

Three months ended June 30, 2009    2,155,278,406 shares

Three months ended June 30, 2008    2,156,426,368 shares

\* Notes on proper use of forecasts and other matters

1. Statements in this document relating to future matters including operational forecasts are based on information currently available to the Company and certain assumptions that the Company believes are reasonable. Actual results may differ from these forecasts, affected by various factors.
2. As for notes regarding assumptions used for operational forecasts and regarding the use of forecasts, refer to
3. Descriptive information on forecasts of consolidated results in [Descriptive Information and Financial Statements] in Page 5.

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(Reference) Forecast for non-consolidated operational results

Forecast for Non-Consolidated Results for the Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

(Percentages (%) represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period of the previous year for the interim results.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	377,500	-12.0	19,500	-	19,500	-	12,500	-	5.80
Full year	822,000	-15.4	54,000	42.6	55,000	45.4	35,500	45.6	16.24

(Note) Modification to non-consolidated financial results forecast: No modification

[Descriptive Information and Financial Statements]

1. Descriptive Information on Consolidated Operating Results

Sales in the first quarter of this year totaled 269.8 billion yen, a decrease of 43.3 billion yen from the same term of the previous year, because sales by Osaka Gas declined on a nonconsolidated basis due to a sales decrease in the city gas section, and because sales of consolidated subsidiaries decreased as a result of the functional integration of primary distribution and wholesaling in the LPG business. Affected by Osaka Gas' profit increase from the same term of the previous year on a nonconsolidated basis, because of a drastic decrease in material cost, operating profit increased to 52.9 billion yen, a 37.2 billion yen increase from the same term of the previous year.

Moreover, ordinary profit increased by 34.4 billion yen from the same term of the previous year to 51.8 billion yen, the net profit for the first quarter of this year increasing by 21.8 billion yen to 31.8 billion yen.

Managerial results of Osaka Gas on the nonconsolidated base are stated in the Outline of Quarterly Managerial Results on Nonconsolidated Base (Reference).

2. Descriptive Information on Consolidated Financial Position

Total assets in the first quarter of this year reached 1,441.4 billion yen, decreasing by 10.9 billion yen from the end of the previous term. This is mainly due to reduced current assets, including accounts receivable and inventory assets, owing to seasonal factors and oil price reduction.

Net assets reached 676.2 billion yen, bringing our capital-to-asset ratio to 45.4%.

[Consolidated Cash Flow]

Cash and cash equivalents at the end of the first quarter of this year increased by 37.2 billion yen from the end of previous term, reaching 83.9 billion yen. The details are as follows:

(Cash Flow from Sales Activities)

Net profit for the quarter before tax was 51.8 billion yen, while depreciation cost was 22.6 billion yen. Consequently, cash flow from sales activities in the first quarter of this year reached 81.0 billion yen.

(Cash Flow from Investments)

Total expenses for investments during the first quarter of this year reached 28.7 billion yen, mainly because of 20.7 billion yen expense for acquiring tangible fixed assets, including supplying facilities such as gas pipes.

(Cash Flow from Financial Activities)

Because of 6.9 billion yen expense for repayment of long-term debts and payment of dividends, the cash flow from financial activities in the first quarter of this year resulted in 15.3 billion yen in expenses.

### 3. Descriptive Information on Forecast of Consolidated Operating Results

The business forecast remains the same.

### 4. Other information

(1) Significant changes in subsidiaries during the year (changes in certain subsidiaries resulting in change in consolidation scope)

Not applicable

(2) Adoption of simplified accounting methods and special accounting treatments for quarterly consolidated financial statements

#### 1. How to evaluate inventory assets

The inventory at the end of the first quarter of this consolidated accounting year was calculated using a rational method, skipping a physical inventory check and calculating on the basis of physical inventory at the end of the previous consolidated accounting year.

Inventory write-downs were implemented by estimating net sale values only for items whose profitability had been apparently reduced.

#### 2. Calculation of tax expenses

Tax expenses for consolidated subsidiaries were calculated mainly by rationally estimating the effective tax rate, in tax effect accounting, against the net profit before tax for this consolidated accounting year, including the consolidated first quarter, and multiplying the net profit for the quarter before tax by said estimated effective tax rate.

Please note that income taxes-deferred were included in the corporation tax.

(3) Change in accounting principles, procedures and presentation for quarterly consolidated financial statements

#### Change in Standards for Calculating Completed Work Amounts and Completed Work Costs

In the past, the work completion standard was mainly applied to calculation standards for profits deriving from contracted works. However, the “Accounting Standard for Work Contracts” (Business Accounting Standard No. 15; Dec. 27, 2007) and the “Accounting Standard for Work Contract Application Guideline” (Business Accounting Standard Application Guideline No. 18; Dec. 27, 2007) have been applied since the first quarter of this consolidated accounting year. For work contracts started during the first quarter of this consolidated accounting year, the work procedure standard has been applied to any work whose portion in progress ensures successful results, whereas the work completion standard has been applied to other works. This scarcely affects profits or losses.

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## 5. Quarterly Consolidated Financial Statements

## (1) Consolidated Quarterly Balance Sheet

(Unit: million yen)

	As of June 30, 2009	As of March 31, 2009
<b>(Assets)</b>		
<b>Fixed Assets</b>		
Tangible fixed assets		
Production facilities	93,188	94,853
Distribution facilities	318,897	323,928
Administrative facilities	64,371	64,934
Other facilities	282,927	250,953
Construction in progress	57,277	87,634
Total tangible fixed assets	816,662	822,305
Intangible fixed assets	33,511	32,422
Investments and other assets		
Investment in securities	150,187	133,554
Others	104,180	104,377
Total investments and other assets	254,368	237,931
Total fixed assets	1,104,542	1,092,659
<b>Current Assets</b>		
Cash and deposits	37,089	44,828
Notes and trade accounts receivable (net)	91,246	131,588
Valuable securities	52,627	-
Inventories	69,400	83,984
Others	86,590	99,396
Total current assets	336,953	359,798
Assets total	1,441,496	1,452,457
<b>(Liabilities)</b>		
<b>Fixed Liabilities</b>		
Bonds	261,379	261,200
Long-term loans payable	227,481	238,610
Reserves	14,963	15,547
Others	36,254	33,007
Fixed liabilities total	540,079	548,366
<b>Current Liabilities</b>		
Notes and trade accounts payable	57,828	74,909
Short-term loans payable	30,130	33,708
Corporate taxes payable	20,828	19,706
Others	116,411	141,009
Current liabilities total	225,198	269,334
Liabilities total	765,278	817,700
<b>(Net Worth)</b>		
<b>Shareholders' equity</b>		
Capital stock	132,166	132,166
Capital surpluses	19,482	19,482
Consolidated retained earnings	483,937	459,658
Treasury stocks	-1,273	-1,251
Shareholders' equity total	634,312	610,056

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Valuation and translation adjustments		
Difference between market price and acquisition cost of other securities	23,297	16,999
Deferred hedge gains (losses)	4,784	-1,663
Land revaluation excess	-103	-103
Foreign exchange adjustment	-8,391	-12,724
Valuation and translation adjustments total	19,588	2,508
Minority interest	22,316	22,191
Net worth total	676,218	634,757
Liabilities and net worth total	1,441,496	1,452,457

(2) Consolidated Quarterly Profit and Loss Statement

(Unit: million yen)

	Three months ended June 30, 2008 (April 1, 2008 to June 30, 2008)	Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009)
Operating revenues	313,176	269,830
Cost of sales	217,280	135,904
Gross profit on Sales	95,896	133,926
Selling, general and administrative expenses	80,155	80,956
Operating profit	15,740	52,969
Non-operating revenues		
Interest income	316	214
Dividend income	864	707
Equity in earnings of affiliates	1,810	-
Miscellaneous revenues	1,905	1,522
Non-operating revenues total	4,897	2,444
Non-operating expenses		
Interest expenses	2,402	2,597
Miscellaneous expenses	821	955
Non-operating expenses total	3,224	3,553
Ordinary profit	17,413	51,861
Net income before tax and other adjustments	17,413	51,861
Corporate and other taxes	6,668	19,995
Minority interest	796	40
Net income	9,949	31,825

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(3) Consolidated Quarterly Statement of Cash Flow

(Unit: million yen)

	Three months ended June 30, 2008 (April 1 to June 30, 2008)	Three months ended June 30, 2009 (April 1 to June 30, 2009)
Cash flow from operating activities		
Net income before tax and other adjustments	17,413	51,861
Depreciation expenses	21,232	22,649
Equity in earning of affiliates (minus (-) represents loss)	-1,810	-
(Increase) decrease in trade receivables	29,406	40,413
(Increase) decrease in inventories	-36,921	11,429
Increase (decrease) in notes and accounts payable	-	-17,088
Increase (decrease) accrued expenses	-20,643	-25,612
Corporate taxes paid	-18,718	-12,246
Others	-8,271	9,642
Net cash used for operating activities	-18,312	81,050
Cash flow from investment activities		
Expenses for acquisition of tangible fixed assets	-23,593	-20,791
Expenses relating to acquisition of affiliate companies' stock	-	-3,098
Expenses for acquisition of shares of subsidiaries, resulting in consolidation scope change	6,636	-
Others	-2,871	-4,834
Net cash used for investment activities	-19,827	-28,724
Cash flow from financial activities		
Increase (decrease) in commercial paper	19,000	-
Proceeds from long-term loans payable	5,950	-
Expenses for repayment of long-term loans payable	-5,569	-6,926
Proceeds from corporate bond issuance	30,000	-
Dividends paid	-6,108	-6,151
Others	-2,111	-2,288
Net cash provided from financial activities	41,160	-15,365
Difference from conversion of cash and cash equivalents	-804	255
Increase(decrease) of cash and cash equivalents	2,216	37,215
Cash and cash equivalents at term-beginning	39,244	46,764
Cash and cash equivalents at term-end	41,460	83,979



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(4) Notes regarding assumption of a going concern

Not applicable

(5) Segment Information

(Segment information by business type)

Three months ended June 30, 2009 (April 1, 2009 to June 30, 2009) (Unit: millions of 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
Operating revenues	175,717	36,900	27,879	7,191	35,904	283,593	(13,762)	269,830
Operating profit	44,136	4,382	1,598	1,900	676	52,695	274	52,969

Three months ended June 30, 2008 (April 1, 2008 to June 30, 2008) (Unit: millions of 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
Operating revenues	186,455	65,598	31,184	7,470	37,210	327,919	(14,743)	313,176
Operating profit	8,920	2,294	1,050	2,039	1,122	15,427	313	15,740

(6) Notes regarding significant changes in the value of shareholders' equity

Not applicable

(7) Significant Subsequent Events

Not applicable

(8) Other information

Purchase prices for certain raw materials may be adjusted depending on results of contract renewals and price negotiations with suppliers.

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[Reference Data]

(1) Overview of non-consolidated financial results for the First Quarter of the Fiscal Year 2009 (April 1, 2009 to June 30)

(Unit: hundred millions of yen)

Revenues					Expenses				
			Year-on-year increase/decrease	% change				Year-on-year increase/decrease	% Change
Operating revenues from product sales	Gas	1,729	-110	-6.0%	Operating expenses	Cost of sales	643	-466	-42.1%
						SG&A	663	9	1.5%
						Total	1,306	-456	-25.9%
Other operating revenues	House-pipe installation	41	-17	-29.0%	Other expenses	House-pipe installation	44	-13	-22.7%
	Gas appliance sales	193	-9	-4.6%		Gas appliance sales	173	-18	-9.7%
	Transportation services	11	2	29.0%					
	Incidental business and others	140	25	22.4%		Incidental business and others	121	-0	-0.2%
	Total	387	1	0.5%		Total	340	-31	-8.6%
Total operating revenues		2,117	-108	-4.9%	Total expenses		1,646	-488	-22.9%
					Operating profit		470	380	422.7%
Non-operating revenues		38	-3	-9.1%	Non-operating expenses		20	0	0.9%
					Ordinary profit		488	376	337.2%
					Net income		311	236	314.6%

Quarterly non-consolidated financial statements are not subject to statutory review by accounting auditors. Quarterly non-consolidated financial statements were prepared in accordance with the Rules for Quarterly Consolidated Financial Statements.

(2) Quarterly Non-Consolidated Gas Sales

[Converted at 45MJ/m<sup>3</sup>]

		1Q 2009 (a) (Apr. 1 – Jun. 30, 2009)	1Q 2008 (b) (Apr. 1 - Jun. 30, 2008)	Change (a)-(b)	Percent (%)
Customers (Meters installed) (thousand customers (meters))	Residential	6,616	6,565	+51	+0.8
	Commercial/ industrial	328	325	+3	+1.1
	Total	6,945	6,890	+54	+0.8
Monthly average usage per residential customer (m <sup>3</sup> /month)		32.0	32.4	-0.4	-1.4
Gas sales volume (million m <sup>3</sup> )	Residential	556	563	-6	-1.2
	Commercial/ industrial	1,182	1,384	-201	-14.6
	Industrial	864	1,061	-197	-18.6
	Commercial	203	208	-5	-2.6
	Public and medical institutions	116	114	1	1.3
	Wholesale	99	109	-10	-9.0
Total		1,837	2,055	-218	-10.6

Average temperature (°C)	Q1 2009 (a)(Apr 1 – Jun 30, 2009)	Q1 2008 (b)(Apr 1 - Jun 30, 2008)	(a)-(b)
	19.7	19.5	+0.2