



For Second Quarter of Fiscal 2009
Brief Report of Consolidated Financial Statements

October 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: November 13, 2009

Scheduled Date of Dividend Payment: November 30, 2009

1. Consolidated Financial Results for the Second Quarter of Fiscal 2009

(April 1, 2009 – September 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	%
Six months ended Sep. 30, 2009	501,687	-17.3	61,784	-	60,094	-	36,884	-
Six months ended Sep. 30, 2008	606,353	-	1,258	-	3,546	-	207	-

	Earnings per share		Diluted earnings per share	
	yen		yen	
Six months ended Sep. 30, 2009	17.13		-	
Six months ended Sep. 30, 2008	0.10		-	

(2) Consolidated Financial Position

	Total assets	Net worth	Net worth/Total assets	Net worth per share
	(million yen)	(million yen)	%	Yen
As of Sep. 30, 2009	1,439,512	679,200	45.6	305.60
As of Mar. 31, 2009	1,452,457	634,757	42.2	284.21

<Reference> Net worth As of Sep. 30, 2009: 656,440 million yen As of Mar. 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	-	3.50			
Year ending March 31, 2010 (Forecast)			-	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.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,090,500	-17.8	84,500	26.2	76,000	17.8	45,500	26.2	21.18

(Note) Modification to consolidated operational results forecast: Modified

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

(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 September 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 September 30, 2009 10,378,273 shares

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

③ Average number of outstanding shares during term

Six months ended September 30, 2009 2,153,194,406 shares

Six months ended September 30, 2008 2,156,251,814 shares

* Notes on proper use of forecasts and other matters

1. Of consolidated sales estimates, which were announced on April 28, 2009, consolidated sales estimates for the whole term were revised in this document.
2. Descriptions made in this document concerning future developments such as business performance estimates are based on currently available information as well as certain assumptions that we consider are reasonable. Actual business results may, therefore, vary significantly depending on various factors. For details of the assumptions based on which business performance estimates were made, the estimates themselves, and revisions made to the estimates noted in 1) above, please refer to “3. Descriptive Information on Forecasts of Consolidated Results” in “Descriptive Information and Financial Statements.”

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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.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	836,500	-13.9	56,500	49.2	59,000	56.0	37,500	56.0	17.46

(Note) Modification to non-consolidated financial results forecast: Modified

[Descriptive Information and Financial Statements]

1. Descriptive Information on Consolidated Operating Results

For the current second quarter, sales decreased 104.6 billion yen from the previous period to 501.6 billion yen due to several factors, including: a decrease in city gas sales in Osaka Gas's non-consolidated business results; a decrease in sales stemming from a drop in selling prices; and a decrease in the sales of consolidated subsidiaries due to the integration of LPG business distribution and wholesale functions. Operating profit for the same quarter increased 60.5 billion yen from the same period of the previous year to 61.7 billion yen because of an increase in profits thanks to the net effects of a substantial decrease in materials costs in Osaka Gas's non-consolidated business results. Ordinary profit for the same quarter increased 56.5 billion yen from the same period of the previous year to 60.0 billion yen, and net income, which reflects corporation tax and other elements, for the current second quarter increased 36.6 billion yen over the year to 36.8 billion yen.

Osaka Gas' non-consolidated business results are given in the Reference, "Outline of Quarterly Managerial Results on Base."

2. Descriptive Information on Consolidated Financial Position

Total assets at the end of the current second quarter came to 1,439.5 billion yen, down 12.9 billion yen from the end of the previous term. This is attributable primarily to a decrease in the current assets, such as accounts receivable and inventories, resulting from a drop in crude oil prices and seasonal factors.

Net assets came to 679.2 billion yen and the equity ratio was 45.6%.

[Consolidated Cash Flow]

Cash and cash equivalents at the end of the current second quarter increased 35.4 billion yen from the end of the previous term to 82.1 billion yen, which can be broken down as follows:

(Cash Flow from Operating Activities)

As income before income taxes and minority interests came to 60.0 billion yen and depreciation expenses amounted to 45.8 billion yen, cash flow from operating activities for the current second quarter came to 126.9 billion yen.

(Cash Flow from Investment Activities)

Because 43.7 billion yen was expended to acquire tangible fixed assets, including gas pipeline and other supply facilities, funds used for investment activities during the current second quarter amounted to 56.3 billion yen.

(Cash Flow from Financial Activities)

Because of an expense of 20.2 billion yen resulting from the redemption of corporate bonds and dividends of 7.5 billion yen paid, cash flow from financial activities for the current second quarter was an expenditure of 35.6 billion yen.

3. Descriptive Information on Forecast of Consolidated Operating Results

Because consideration for the recent trends in business performance resulted in changes to the business performance estimates for fiscal 2009, the estimates for consolidated and non-consolidated business results were revised. This is because the assumptions on which crude oil prices were predicted from October were revised following substantial fluctuations in crude oil prices since the previous business performance forecasts were made.

Assumptions used to produce the latest business performance estimates: Crude oil price (total Japan CIF price): \$80/barrel; exchange rate (TTM rate): 95 yen to the dollar.

Differences from the consolidated and nonconsolidated business performance estimates for the whole term, which were given in the brief announcement of the most recent financial statements following the end of the fiscal year on April 28, 2009, are given below.

Revised consolidated business performance estimates for the entire fiscal 2009 (April 1, 2009 to March 31, 2010)

(million yen)

	Operating Revenues	Operating Profit	Ordinary Profit	Net Income	Net Income per Share
Previous estimates announced (A)	1,091,500	82,000	72,000	43,000	19.95
Revised estimates (B)	1,090,500	84,500	76,000	45,500	21.18
Change (B – A)	-1,000	+2,500	+4,000	+2,500	+1.23
Percentage change	-0.1	+3.0	+5.6	+5.8	+6.2
Actual results for the previous term	1,326,785	66,932	64,510	36,041	16.72

(Reference) The revised nonconsolidated business performance estimates for the entire fiscal 2009 (April 1, 2009 to March 31, 2010)

(million yen)

	Operating Revenues	Operating Profit	Ordinary Profit	Net Income	Net Income per Share
Previous estimates announced (A)	822,000	54,000	55,000	35,000	16.24
Revised estimates (B)	836,500	56,500	59,000	37,500	17.46
Change (B – A)	+14,500	+2,500	+4,000	+2,500	+1.22
Percentage change	+1.8	+4.6	+7.3	+7.1	+7.5
Actual results for the previous term	971,876	37,881	37,821	24,038	11.15

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 second 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 second 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 September 30, 2009	As of March 31, 2009
(Assets)		
Fixed Assets		
Tangible fixed assets		
Production facilities	91,700	94,853
Distribution facilities	313,998	323,928
Administrative facilities	64,182	64,934
Other facilities	285,121	250,953
Construction in progress	57,624	87,634
Total tangible fixed assets	812,628	822,305
Intangible fixed assets	34,898	32,422
Investments and other assets		
Investment in securities	148,470	133,554
Others	108,516	104,377
Total investments and other assets	256,986	237,931
Total fixed assets	1,104,513	1,092,659
Current Assets		
Cash and deposits	35,874	44,828
Notes and trade accounts receivable (net)	94,417	131,588
Valuable securities	53,974	-
Inventories	69,090	83,984
Others	81,641	99,396
Total current assets	334,998	359,798
Assets total	1,439,512	1,452,457

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(Liabilities)		
Fixed Liabilities		
Bonds	261,251	261,200
Long-term loans payable	227,721	238,610
Reserves	15,121	15,547
Others	34,139	33,007
Fixed liabilities total	538,234	548,366
Current Liabilities		
Notes and trade accounts payable	63,013	74,909
Short-term loans payable	31,857	33,708
Corporate taxes payable	26,004	19,706
Others	101,202	141,009
Current liabilities total	222,077	269,334
Liabilities total	760,311	817,700
(Net Worth)		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surpluses	19,482	19,482
Consolidated retained earnings	488,995	459,658
Treasury stocks	-3,501	-1,251
Shareholders' equity total	637,143	610,056
Valuation and translation adjustments		
Difference between market price and acquisition cost of other securities	21,262	16,999
Deferred hedge gains (losses)	2,666	-1,663
Land revaluation excess	-103	-103
Foreign exchange adjustment	-4,528	-12,724
Valuation and translation adjustments total	19,297	2,508
Minority interest	22,760	22,191
Net worth total	679,200	634,757
Liabilities and net worth total	1,439,512	1,452,457

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(2) Consolidated Quarterly Profit and Loss Statement

(Unit: million yen)

	Six months ended September 30, 2008 (April 1, 2008 to September 30, 2008)	Six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)
Operating revenues	606,353	501,687
Cost of sales	442,484	277,617
Gross profit on Sales	163,868	224,070
Selling, general and administrative expenses	162,609	162,285
Operating profit	1,258	61,784
Non-operating revenues		
Interest income	786	408
Dividend income	1,505	1,590
Equity in earnings of affiliates	4,589	-
Miscellaneous revenues	4,798	2,981
Non-operating revenues total	11,679	4,981
Non-operating expenses		
Interest expenses	5,015	5,195
Miscellaneous expenses	4,376	1,476
Non-operating expenses total	9,391	6,671
Ordinary profit	3,546	60,094
Net income before tax and other adjustments	3,546	60,094
Corporate and other taxes	1,452	22,944
Minority interest	1,887	265
Net income	207	36,884

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(3) Consolidated Quarterly Statement of Cash Flow

(Unit: million yen)

	Six months ended September 30, 2008 (April 1, 2008 to September 30, 2008)	Six months ended September 30, 2009 (April 1, 2009 to September 30, 2009)
Cash flow from operating activities		
Net income before tax and other adjustments	3,546	60,094
Depreciation expenses	43,033	45,850
Amortization of long-term prepaid expenses	3,146	3,119
Changes in prepaid pension costs	-3,000	-
Equity in earning of affiliates	-4,589	-
(Increase) decrease in trade receivables	28,864	36,889
(Increase) decrease in inventories	-32,162	11,518
Increase (decrease) in notes and accounts payable	-4,724	-11,515
Increase (decrease) accrued expenses	-15,955	-21,423
Corporate taxes paid	-17,908	-11,552
Others	-1,513	14,007
Net cash used for operating activities	-1,264	126,989
Cash flow from investment activities		
Expenses for acquisition of tangible fixed assets	-46,130	-43,790
Payment of long-term prepaid expenses	-4,440	-3,102
Expenses relating to acquisition of affiliate companies' stock	-	-3,104
Expenses for acquisition of shares of subsidiaries, resulting in consolidation scope change	6,636	-
Others	-3,153	-6,365
Net cash used for investment activities	-47,087	-56,363
Cash flow from financial activities		
Increase (decrease) in commercial paper	-21,000	-
Proceeds from long-term loans payable	30,853	6,397
Expenses for repayment of long-term loans payable	-9,783	-11,842
Proceeds from corporate bond issuance	60,000	-
Expenditure from the redemption of corporate bonds	-	-20,207
Dividends paid	-7,526	-7,536
Others	-1,084	-2,495
Net cash provided from financial activities	51,458	-35,683
Difference from conversion of cash and cash equivalents	-208	486
Increase(decrease) of cash and cash equivalents	2,898	35,429
Cash and cash equivalents at term-beginning	39,244	46,764
Cash and cash equivalents at term-end	42,142	82,193

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(4) Notes regarding assumption of a going concern

Not applicable

(5) Segment Information

Six months ended Sep. 30, 2009 (April 1, 2009 to Sep. 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	306,575	78,433	56,951	15,110	74,995	532,065	(30,378)	501,687
Operating profit	42,675	10,809	1,862	3,569	2,329	61,247	537	61,784

Six months ended Sep. 30, 2008 (April 1, 2008 to Sep. 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	356,000	127,661	63,726	17,139	76,854	641,383	(35,030)	606,353
Operating profit	-10,107	2,533	899	4,301	3,069	697	561	1,258

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

Not applicable

(7) 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 half ended September 30, 2009 (April 1, 2009 to September 30, 2009)

(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	3,013	-501	-14.3%	Operating expenses	Cost of sales	1,287	-1,029	-44.4%
						SG&A	1,333	10	0.8%
						Total	2,621	-1,018	-28.0%
Other operating revenues	House-pipe installation	88	-26	-23.3%	Other expenses	House-pipe installation	93	-21	-18.8%
	Gas appliances	380	-21	-5.3%		Gas appliances	360	-34	-8.8%
	Transportation services	26	7	41.9%					
	Incidental business and others	303	62	26.1%		Incidental business and others	268	6	2.7%
	Total	799	22	2.8%		Total	721	-49	-6.4%
Total operating revenues		3,813	-478	-11.2%	Total expenses		3,343	-1,068	-24.2%
					Operating profit		469	589	-
Non-operating revenues		56	-17	-23.2%	Non-operating expenses		43	-22	-33.8%
					Ordinary profit		483	594	-
					Net income		307	377	-

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/m³]

		1H 2009 (a) (Apr. 1 – Sep. 30, 2009)	1H 2008 (b) (Apr. 1 - Sep. 30, 2008)	Change (a)-(b)	Percent (%)
Customers (Meters installed) (thousand customers (meters))	Residential	6,624	6,578	+46	+0.7
	Commercial/ industrial	329	325	+4	+1.1
	Total	6,953	6,903	+49	+0.7
Monthly average usage per residential customer (m ³ /month)		23.9	24.0	-0.1	-0.4
Gas sales volume (million m ³)	Residential	830	832	-2	-0.2
	Commercial/ industrial	2,650	3,027	-377	-12.5
	Industrial	1,852	2,201	-349	-15.9
	Commercial	495	519	-25	-4.8
	Public and medical institutions	303	306	-3	-1.0
	Wholesale	206	215	-9	-4.2
Total		3,686	4,074	-388	-9.5

Average temperature (°C)	1H 2009 (a)(Apr 1 – Sep 30, 2009)	1H 2008 (b)(Apr 1 - Sep 30, 2008)	(a)-(b)
	23.2	23.4	-0.2