



**For the Third Quarter of Fiscal 2009**  
**Brief Report of Consolidated Financial Statements**

February 1, 2010

Name of Listed Company: **Osaka Gas Co., Ltd.** Listed Exchanges: 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: February 12, 2010

1. Consolidated Financial Results for the nine months ended December 31, 2009  
(April 1, 2009 – December 31, 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	%
Nine months ended Dec. 31, 2009	757,924	-18.6	70,146	-	66,227	-	39,555	-
Nine months ended Dec. 31, 2008	930,611	-	3,861	-	5,610	-	743	-

	Earnings per share		Diluted earnings per share	
	yen		Yen	
Nine months ended Dec. 31, 2009	18.38		-	
Nine months ended Dec. 31, 2008	0.34		-	

(2) Consolidated Financial Position

	Total assets	Net worth	Net worth/Total assets	Net worth per share
	million yen	million yen	%	Yen
As of Dec. 31, 2009	1,436,715	677,886	45.5	304.47
As of Mar. 31, 2009	1,452,457	634,757	42.2	284.21

<Reference> Net worth As of Dec. 31, 2009: 653,991 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: No modification

Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

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 December 31, 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 December 31, 2009    10,418,636 shares

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

③ Average number of outstanding shares during term

Nine months ended December 31, 2009    2,151,629,687 shares

Nine months ended December 31, 2008    2,156,086,329 shares

\* Notes on proper use of forecasts and other matters

1. 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.
2. For details of the assumptions based on which business performance estimates were made, the estimates themselves, and revisions, please refer to “3. Descriptive Information on Forecasts of Consolidated Results” in “Descriptive Information and Financial Statements.”

Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

(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: No modification

[Descriptive Information and Financial Statements]

1. Descriptive Information on Consolidated Operating Results

For the nine months ended December 31, 2009, sales decreased by 172.6 billion yen from the previous period to 757.9 billion yen due to several factors, including: a decrease in gas sales, a decrease in sales stemming from a drop in sales prices in Osaka Gas's non-consolidated business results; 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 by 66.2 billion yen from the same period of the previous year to 70.1 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 by 60.6 billion yen from the same period of the previous year to 66.2 billion yen, and net income, which reflects corporation tax and other elements, for the nine months ended December 31, 2009, increased by 38.8 billion yen over the year to 39.5 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 as of December 31, 2009 came to 1,436.7 billion yen, down by 15.7 billion yen from March 31, 2009. 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 677.8 billion yen and the ratio of net worth to total assets was 45.5%.

[Consolidated Cash Flow]

Cash and cash equivalents as of December 31, 2009 increased by 17.0 billion yen from March 31, 2009 to 63.7 billion yen, which can be broken down as follows:

(Cash Flow from Operating Activities)

As income before taxes and minority interests came to 66.0 billion yen and depreciation expenses amounted to 69.9 billion yen, cash flow from operating activities for the nine months ended December 31, 2009 came to 144.8 billion yen.

(Cash Flow from Investment Activities)

Because 61.6 billion yen was expended to acquire tangible fixed assets, including gas pipes and other supply facilities, funds used for investment activities during the nine months ended December 31, 2009 amounted to 83.0 billion yen.

(Cash Flow from Financial Activities)

Because of an expense of 20.4 billion yen resulting from the redemption of corporate bonds and dividends of 14.1 billion yen paid, cash flow from financial activities for the nine months ended December 31, 2009 was an expenditure of 42.6 billion yen.

### 3. Qualitative Information on Consolidated Earnings Forecast

The business forecast remains the same.

### 4. Other information

(1) Significant changes in subsidiaries during the nine months (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. Valuation of inventories

As of December 31, 2009, physical inventory was not taken. Inventory values were calculated using a reasonable method based on the actual balance of inventories at the end of the previous fiscal year.

Book values of certain inventories were reduced to net sellable values only if their profitability was clearly diminished.

#### 2. Tax expenses

For consolidated subsidiaries, expected effective tax rates on their pretax net income (after tax effect accounting) for the tax year containing the nine months ended December 31, 2009 were estimated on the basis of reasonable assumptions. Tax expenses for the nine months ended December 31, 2009 were then calculated by multiplying the respective subsidiary's pretax net income for the period by the estimated effective tax rates.

Amount of tax adjustment and other adjustments was included in "corporate and other taxes."

(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 fiscal year. For work contracts started during the first quarter of this consolidated fiscal 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.

## Osaka Gas Co., Ltd. (9532)

## Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

## 5. Quarterly Consolidated Financial Statements

## (1) Consolidated Quarterly Balance Sheet

(Unit: million yen)

	As of December 31, 2009	As of March 31, 2009
(Assets)		
Fixed Assets		
Tangible fixed assets		
Production facilities	90,822	94,853
Distribution facilities	309,084	323,928
Administrative facilities	63,331	64,934
Other facilities	333,328	250,953
Construction in progress	24,546	87,634
Total tangible fixed assets	821,113	822,305
Intangible fixed assets	42,562	32,422
Investments and other assets		
Investment in securities	144,174	133,554
Others	91,883	104,377
Total investments and other assets	236,057	237,931
Total fixed assets	1,099,732	1,092,659
Current Assets		
Cash and deposits	65,731	44,828
Notes and trade accounts receivable (net)	110,678	131,588
Inventories	77,710	83,984
Others	82,861	99,396
Total current assets	336,982	359,798
Assets total	1,436,715	1,452,457

Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

<b>(Liabilities)</b>		
<b>Fixed Liabilities</b>		
Bonds	260,682	261,200
Long-term loans payable	223,446	238,610
Reserves	15,177	15,547
Others	33,977	33,007
Fixed liabilities total	533,284	548,366
<b>Current Liabilities</b>		
Notes and trade accounts payable	77,703	74,909
Short-term loans payable	34,004	33,708
Corporate taxes payable	19,571	19,706
Others	94,264	141,009
Current liabilities total	225,544	269,334
Liabilities total	758,828	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	484,147	459,658
Treasury stocks	-3,512	-1,251
Shareholders' equity total	632,283	610,056
<b>Valuation and translation adjustments</b>		
Difference between market price and acquisition cost of other securities	21,191	16,999
Deferred hedge gains (losses)	5,799	-1,663
Land revaluation excess	-103	-103
Foreign exchange adjustment	-5,179	-12,724
Valuation and translation adjustments total	21,707	2,508
Minority interest	23,894	22,191
Net worth total	677,886	634,757
Liabilities and net worth total	1,436,715	1,452,457

Osaka Gas Co., Ltd. (9532)  
 Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009  
 (2) Consolidated Quarterly Profit and Loss Statement

(Unit: million yen)

	Nine months ended December 31, 2008 (April 1, 2008 to December 31,2008)	Nine months ended December 31, 2009 (April 1, 2009 to December 31,2009)
Operating revenues	930,611	757,924
Cost of sales	683,834	442,232
Gross profit on Sales	246,777	315,692
Selling, general and administrative expenses	242,916	245,545
Operating profit	3,861	70,146
Non-operating revenues		
Interest income	1,254	545
Dividend income	2,187	2,086
Equity in earnings of affiliates	6,337	—
Miscellaneous revenues	5,776	4,145
Non-operating revenues total	15,556	6,777
Non-operating expenses		
Interest expenses	7,752	7,616
Miscellaneous expenses	6,053	3,080
Non-operating expenses total	13,806	10,697
Ordinary profit	5,610	66,227
Extraordinary loss		
Loss on sales of noncurrent assets	—	136
Extraordinary loss total	—	136
Net income before tax and other adjustments	5,610	66,091
Corporate and other taxes	2,242	25,683
Minority interest	2,624	851
Net income	743	39,555



Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

(3) Consolidated Quarterly Statement of Cash Flow

(Unit: million yen)

	Nine months ended December 31, 2008 (April 1, 2008 to December 31,2008)	Nine months ended December 31, 2009 (April 1, 2009 to December 31,2009)
Cash flow from operating activities		
Net income before tax and other adjustments	5,610	66,091
Depreciation expenses	63,736	69,968
Amortization of long-term prepaid expenses	4,683	4,624
Changes in prepaid pension costs	-4,490	—
Equity in earning of affiliates	-6,337	—
(Increase) decrease in trade receivables	16,753	20,329
(Increase) decrease in inventories	-39,427	—
Increase (decrease) in notes and accounts payable	—	3,184
Increase (decrease) accrued expenses	-14,636	-25,998
Corporate taxes paid	-21,199	-19,922
Others	-1,821	26,598
Net cash used for operating activities	2,872	144,876
Cash flow from investment activities		
Expenses for acquisition of tangible fixed assets	-71,671	-61,622
Purchase of intangible assets	—	-9,532
Payment of long-term prepaid expenses	-5,731	-4,121
Expenses relating to acquisition of affiliate companies' stock	-4,360	-3,164
Expenses for acquisition of shares of subsidiaries, resulting in consolidation scope change	6,682	—
Others	-4,214	-4,602
Net cash used for investment activities	-79,295	-83,043
Cash flow from financial activities		
Net increase/decrease in short-term loans	11,582	3,542
Increase (decrease) in commercial paper	25,000	—
Proceeds from long-term loans payable	39,959	6,409
Expenses for repayment of long-term loans payable	-13,189	-14,564
Proceeds from corporate bond issuance	90,000	—
Expenditure from the redemption of corporate bonds	-30,675	-20,461
Dividends paid	-14,183	-14,167
Others	-811	-3,392
Net cash provided from financial activities	107,680	-42,632
Difference from conversion of cash and cash equivalents	-819	-2,194
Increase(decrease) of cash and cash equivalents	30,438	17,006
Cash and cash equivalents at term-beginning	39,244	46,764
Cash and cash equivalents at term-end	69,682	63,770

Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

(4) Notes regarding assumption of a going concern

Not applicable

(5) Segment Information

Nine months ended December 31, 2009 (April 1, 2009 to December 31, 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	457,176	120,951	90,508	22,719	113,519	804,875	(46,950)	757,924
Operating profit	40,819	16,356	2,275	5,295	4,661	69,408	737	70,146

Nine months ended December 31, 2008 (April 1, 2008 to December 31, 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	551,235	193,145	101,385	23,920	116,070	985,758	(55,146)	930,611
Operating profit or operating loss	-16,528	5,520	2,409	6,159	5,565	3,125	735	3,861

(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.

Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009

[Reference Data]

(1) Overview of non-consolidated financial results for the nine months ended December 31, 2009 (April 1, 2009 to December 31, 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	4,498	-949	-17.4%	Operating expenses	Cost of sales	2,109	-1,555	-42.4%
						SG&A	2,021	38	1.9%
						Total	4,130	-1,516	-26.9%
Other operating revenues	House-pipe installation	136	-44	-24.4%	Other expenses	House-pipe installation	144	-34	-19.3%
	Gas appliances	611	-40	-6.2%		Gas appliances	587	-48	-7.7%
	Transportation services	39	12	48.8%					
	Incidental business and others	496	143	40.8%		Incidental business and others	444	75	20.4%
	Total	1,282	71	5.9%		Total	1,176	-8	-0.7%
Total operating revenues		5,781	-878	-13.2%	Total expenses		5,307	-1,525	-22.3%
Non-operating revenues		96	-2	-2.9%	Operating profit		474	646	-
Extraordinary income		—	—	—	Non-operating expenses		70	-30	-29.9%
					Ordinary profit		500	674	-
					Extraordinary loss		1	1	
					Net income		315	428	-

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>]

		Nine months ended Dec.31, 2009 (a) (Apr. 1 – Dec. 31, 2009)	Nine months ended Dec.31, 2008 (b) (Apr. 1 – Dec. 31, 2008)	Change (a)-(b)	Percent (%)
Customers (Meters installed) (thousand customers) (meters)	Residential	6,633	6,592	+42	+0.6
	Commercial/ industrial	329	326	+3	+0.9
	Total	6,963	6,918	+45	+0.6
Monthly average usage per residential customer (m <sup>3</sup> /month)		25.6	25.7	-0.1	-0.4
Gas sales volume (million m <sup>3</sup> )	Residential	1,334	1,338	-4	-0.3
	Commercial/ industrial	3,957	4,415	-458	-10.4
	Industrial	2,826	3,242	-416	-12.8
	Commercial	704	740	-37	-4.9
	Public and medical institutions	428	433	-5	-1.2
	Wholesale	321	326	-5	-1.4
Total		5,613	6,079	-466	-7.7

Average temperature (°C)	Nine months ended Dec.31, 2009 (a) (Apr 1 – Dec. 31, 2009)	Nine months ended Dec. 31, 2008 (b) (Apr 1 – Dec. 31, 2008)	(a)-(b)
	20.1	20.2	-0.2

Osaka Gas Co., Ltd. (9532)  
Brief Report of Consolidated Financial Statements For the Third Quarter of Fiscal 2009