



Year Ended March 31, 2010

Brief Report of Consolidated Financial Statements

April 28, 2010

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 Meeting of Board of Directors for Approving Financial Statements: June 29, 2010

Scheduled Date of Dividend Payment : June 30, 2010

Schedule Date of Financial Report Filing With the Finance Ministry: June 30, 2010

(Any amount less than one million yen is rounded down to the nearest million yen)

1. Consolidated Financial Results for the Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

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

	Operating revenues		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2010	1,096,628	-17.3	91,140	36.2	84,806	31.5	48,384	34.2
Year ended March 31, 2009	1,326,785	7.2	66,932	-11.5	64,510	-14.9	36,041	-10.5

	Earnings per share	Diluted earnings per share	Net income/Net Worth	Ordinary profit/Total assets	Operation profit/Sales
	yen	yen	%	%	%
Year ended March 31, 2010	22.50	—	7.6	5.8	8.3
Year ended March 31, 2009	16.72	—	5.7	4.4	5.0

<Reference> Equity method investment gain Year ended March 31, 2010 1,264 million yen Year ended March 31, 2009 7,481 million yen

(2) Consolidated Financial Position

	Total assets	Net worth	Net worth/Total assets	Net worth per share
	million yen	million yen	%	Yen
As of March 31, 2010	1,483,895	690,561	44.9	310.39
As of March 31, 2009	1,452,457	634,757	42.2	284.21

<Reference> Net worth As of March 31, 2010 666,689 million yen As of March 31, 2009 612,565 million yen

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at year-end
	million yen	million yen	million yen	million yen
As of March 31, 2010	229,714	-111,265	-49,553	113,998
As of March 31, 2009	120,691	-108,102	-3,438	46,764

2. Dividends

(Record date)	Dividends per share					Total dividends (full year)	Payout ratio (consolidated)	Dividends/Net worth (consolidated)
	June 30	September 30	December 31	March 31	Annual			
	yen	yen	yen	yen	yen	million	%	%
Year ended March 31, 2009	—	3.50	—	3.50	7.00	15,089	41.9	2.4
Year ended March 31, 2010	—	3.50	—	3.50	7.00	15,035	31.1	2.4
Year ending March 31, 2011 (Forecast)	—	4.00	—	4.00	8.00		46.4	

3. Forecasts for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in 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	529,500	5.5	21,000	-66.0	18,500	-69.2	8,500	-77.0	3.96
Full year	1,175,000	7.1	72,500	-20.5	65,500	-22.8	37,000	-23.5	17.23

4. Other information

(1) Significant changes in subsidiaries during the year (changes in certain subsidiaries resulting in a change in the consolidation scope): Not applicable

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

① Changes in response to revisions in accounting standards, etc.: Applicable

② Changes other than those defined in ① above: Not applicable

(Note) For detailed information, refer to "Significant changes in the basic information for consolidated financial statements preparation" in P22.

(3) Issued shares (common shares)

① Issued shares as of year-end (including repurchased shares) : As of March 31, 2010 2,158,383,539 shares
As of March 31, 2009 2,158,383,539 shares

② Repurchased shares (treasury stocks) as of year-end : As of March 31, 2010 10,473,574 shares
As of March 31, 2009 3,062,711 shares

(Note) As for the number of shares used in the calculation of earnings per share (consolidated), refer to "Per Share Information" in Page 25.

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Year ended March 31, 2010 (April 1, 2009 – March 31, 2010)

(1) Operational Results (Percentages (%) represent changes from the previous year)

	Operating revenues		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2010	844,026	-13.2	60,474	59.6	64,068	69.4	40,033	66.5
Year ended March 31, 2009	971,876	10.7	37,881	-11.3	37,821	-24.6	24,038	-26.7

	Earnings per share	Diluted earnings per share
	yen	yen
As of March 31, 2010	18.61	—
As of March 31, 2009	11.15	—

(2) Financial Position

	Total assets	Net worth	Net worth/ Total assets	Net worth per share
	million yen	million yen	%	Yen
As of March 31, 2010	1,172,273	542,040	46.2	252.36
As of March 31, 2009	1,140,479	507,987	44.5	235.69

<Reference> Net worth: As of March 31, 2010 542,040 million yen As of March 31, 2009 507,987 million yen

2. Forecasts of Non-Consolidated Results for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentages represent forecasted changes from the current year for the full year results, and forecasted changes from the same period in 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	402,500	5.6	7,500	-84.0	8,000	-83.4	5,000	-83.7	2.33
Full year	907,000	7.5	42,000	-30.5	42,000	-34.4	26,500	-33.8	12.34

* Notes on proper use of forecasts and other matters

Financial statements and the proposed appropriation of the surplus will be approved by a resolution at a meeting of the Board of Directors in May.

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. As for notes regarding assumptions used for operational forecasts and regarding the use of forecasts, refer to (1) Operational Results Analysis of "1. Operational Results" in Page 4.

April 28, 2010

Financial Statements for Year Ended March 31, 2010 (The 192th Business Year)
Descriptive Information and Financial Statements
[April 1, 2009 – March 31, 2010]

Osaka Gas Co., Ltd.

1. Operational Results

(1) Operational Results Analysis

① Results for Year Ended March 31, 2010

Consolidated sales for the year ended March 2010 decreased by 230.1 billion yen (down 17.3% year-on-year) to 1,096.6 billion yen. This was due to a fall in gas sales, caused by a decline in gas sales volume and gas unit prices on a non-consolidated basis, and a drop in sales of consolidated subsidiaries, due to the consolidation of distribution and wholesale functions in the LPG business. Consolidated ordinary profit increased by 20.2 billion yen (up 31.5% year-on-year) to 84.8 billion yen. This was due to an increase in gross profit margins in the gas business on a non-consolidated basis, caused by a decrease in raw material costs in association with falling LNG prices, and a rise in profits in incidental businesses including the electricity business. Consolidated net income increased by 12.3 billion yen (up 34.2% year-on-year) to 48.3 billion yen.

The number of consolidated subsidiary companies currently totals 128, with 11 subsidiary companies excluded and three added since the end of the previous year. The number of equity method affiliates now stands at six, with one company added since the end of the previous year.

(Unit: billion yen)

	Consolidated results (a)	Change from previous year		Consolidated results (b)	Ratio of consolidated results to non-consolidated results (a)/(b)
		Change	Percent (%)		
Operating revenues	1,096.6	-230.1	-17.3	844.0	1.30
Cost of sales	645.2	-276.6	-30.0	482.4	1.34
Selling, general and administrative expenses	360.2	+22.3	+6.6	301.1	1.20
Operating profit	91.1	+24.2	+36.2	60.4	1.51
Ordinary profit	84.8	+20.2	+31.5	64.0	1.32
Net income	48.3	+12.3	+34.2	40.0	1.21

(Reference) Consolidated Gas Sales Breakdown

		Current year (a) (Apr '09 -Mar '10)	Previous year (b) (Apr '08 -Mar '09)	Change (a)-(b)	Percent (%)
Customers [Meters installed] (thousand customers [meters])	Residential	6,650	6,611	+39	+0.6
	Non-residential	330	328	+2	+0.6
	Total	6,980	6,939	+41	+0.6
Monthly average usage per residential customer (m ³ /month)		32.3	32.3	+0.0	+0.1
Gas sales volume (million m ³)	Residential	2,244	2,238	+5	+0.2
	Non-residential	5,420	5,708	-288	-5.0
	Industrial	3,877	4,128	-250	-6.1
	Commercial	935	971	-37	-3.8
	Public and medical institutions	609	609	-1	-0.1
	Wholesale	455	434	+21	+4.9
	Total	8,119	8,380	-261	-3.1

[45MJ/m³]

② Operational Results by Business Segment

a. Gas

Sales decreased by 140.3 billion yen (down 17.2% year-on-year) to 674 billion yen. This was caused by a decrease in gas sales volume and gas unit prices remaining at a low level under the fuel cost adjustment system in association with falling LNG prices. Operating profit increased by 15.300 billion yen (up 40.8% year-on-year) to 53 billion yen, due to a drastic decline in raw material costs

b. LPG, Electricity and Other Energies

Sales decreased by 78.2 billion yen (down 31.4% year-on-year) to 171.3 billion yen. This was caused by a decline in sales of consolidated subsidiaries, due to the consolidation of distribution and wholesale functions in the LPG business. Operating profit grew by 11.6 billion yen (up 127.6% year-on-year) to 20.7 billion yen, due to the expansion of the electricity business.

c. Gas Appliances and House-pipe Installation

Sales decreased by 14 billion yen (down 9.9% year-on-year) to 127.5 billion yen, due to a decline in gas appliance sales and the number of contracts received. Operating profit decreased by 1.1 billion yen (down 45.0% year-on-year) to 1.4 billion yen.

d. Real Estates

Sales decreased by 0.4 billion yen (down 1.3% year-on-year) to 32.7 billion yen. Operating profit declined by 0.4 billion yen (down 7.2% year-on-year) to 6.4 billion yen.

e. Other Businesses

Sales decreased by 4.2 billion yen (down 2.6% year-on-year) to 160.9 billion yen, due to a decline in sales in the information-related business. Operating profit declined by 1.3 billion yen (down 13.6% year-on-year) to 8.3 billion yen

(Unit: billion yen)

	Gas	LPG, electricity and other energies	Gas appliances and house-pipe installation	Real estates	Other businesses	Elimination of internal transactions and transactions involving all companies	Consolidated
Operating revenues	-17.2% 674.0 [-140.3]	-31.4% 171.3 [-78.2]	-9.9% 127.5 [-14.0]	-1.3% 32.7 [-0.4]	-2.6% 160.9 [-4.2]	(70.0)	-17.3% 1,096.6 [-230.1]
Operating profit	+40.8% 53.0 [+15.3]	+127.6% 20.7 [+11.6]	-45.0% 1.4 [-1.1]	-7.2% 6.4 [-0.4]	-13.6% 8.3 [-1.3]	1.1	+36.2% 91.1 [+24.2]

The percentage figure at the upper left corner of each box shows a percentage of change from the previous year.

The figure in the bracket [] in each box shows a change in yen from the previous year.

The round brackets () indicate that the change was negative.

③ Forecasts for the Next Year (April 1, 2010 to March 31, 2011)

Consolidated sales for the year ending March 2011 are expected to increase by 78.3 billion yen (up 7.1% year-on-year) to 1,175 billion yen. This is because sales from the gas business is likely to grow, due to higher gas unit prices compared with the current fiscal year under the fuel cost adjustment system (the Company assumes LNG prices will rise in the next fiscal year compared with the current year), as well as the first full contribution from the Senboku Natural Gas Power Plant.

Ordinary profit is expected to decrease by 19.3 billion yen (down 22.8% year-on-year) to 65.5 billion yen. This is because raw material costs are likely to increase due to the expected rise in LNG prices, although gas sales volume is forecasted to grow in comparison with the current fiscal year. Net income is expected to decrease by 11.3 billion (down 23.5% year-on-year) to 37 billion yen.

(Unit: billion yen)

	Forecast for Next Year (2010/4 -2011/3)	Compared with Current Year	
		Change	Percent (%)
Operating revenues	1,175.0	+78.3	+7.1
Operating profit	72.5	-18.6	-20.5
Ordinary profit	65.5	-19.3	-22.8
Net income	37.0	-11.3	-23.5

Assumptions: Crude oil price (All Japan CIF price) at \$80/barrel, and exchange rate (TTM rate) at 95 yen to the dollar.

(2) Financial Conditions Analysis

① Assets, Liabilities and Net Worth

Total assets increased by 31.4 billion yen year-on-year to 1,483.8 billion yen, due to an increase in non-current assets. Liabilities decreased by 24.3 billion yen year-on-year to 793.3 billion yen, while net worth increased by 55.8 billion yen year-on-year to 690.5 billion yen.

As a result, the ratio of net worth to total capital rose to 44.9%, from 42.2% at the end of the previous year.

(Unit: billion yen)

	As at March 31, 2010	As at March 31, 2009	Change
Total assets	1,483.8	1,452.4	+31.4
Total liabilities	793.3	817.7	-24.3
Total net worth	690.5	634.7	+55.8
Total liabilities and net worth	1,483.8	1,452.4	+31.4

② Cash Flow

In the current fiscal year, net cash provided by operating activities amounted to 229.7 billion yen, an increase of 109 billion yen year-on-year. This was mainly due to an increase in net income before income taxes. Net cash used in investment activities amounted to 111.2 billion yen, an increase of 3.1 billion yen year-on-year. This was mainly due to an increase in the purchase of intangible assets. Net cash used in financing activities amounted to 49.5 billion yen, an increase of 46.1 billion yen year-on-year. This was mainly due to the repayment of long-term loans payable.

Consequently, the net increase in cash and cash equivalents amounted to 67.2 billion yen in the current fiscal year. Combining this with the balance at the beginning of the current fiscal year of 46.7 billion yen, results in a total of 113.9 billion yen for cash and cash equivalents at the end of the current fiscal year.

(Unit: billion yen)

	Current Year (Apr '09 -Mar '10)	Previous Year (Apr '08 -Mar '09)	Change
Cash flow from operating activities	229.7	120.6	+109.0
Cash flow from investment activities	-111.2	-108.1	-3.1
Cash flow from financial activities	-49.5	-3.4	-46.1
Increase/decrease of cash and cash equivalents	67.2	7.5	+59.7
Cash and cash equivalents at year-end	113.9	46.7	+67.2
Balance of interest-bearing liabilities at year-end	539.0	573.4	-34.4

Free cash flow (*): 175.4 billion yen [56.2 billion yen in the previous year]

(*1) Free cash flow= Cash flow from operating activities – capital expenditures

(Reference) Cash Flow Indices

	Current Year (Apr '09 -Mar '10)	Previous Year (Apr '08 -Mar '09)
Net worth/Total assets	44.9%	42.2%
Net worth/Total assets on market value	48.5%	45.7%
Interest bearing liabilities/Cash flow	2.3	4.8
Interest coverage ratio	23.05	11.54

(Notes)

1. All these indices are based on consolidated financial results.
2. Total market capitalization was calculated based on issued shares of the Company excluding treasury stocks.
3. Cash flow used for the calculation of these indices is operating cash flow.
4. Interest-bearing liabilities include all liabilities reported on the consolidated balance sheet on which interest is paid.

The following tables show forecasts for capital investments.

(Reference) Capital Investments: Current Year Results and Forecasts

(Unit: billion yen)

	Forecast for Next Year (Apr '10 -Mar '11)	Current Year (Apr '09 -Mar '10)	Previous Year (Apr '08 -Mar '09)
Consolidated	83.6	98.2	106.0
Non-consolidated	54.3	57.9	59.2
Production facilities	3.1	1.9	3.0
Distribution facilities	46.5	38.7	39.4
Operational facilities, etc.	4.6	17.2	16.7

Major financial indicators for next year are forecast as follows:

		Forecast for Next Year (Apr '10-Mar '11)	Current Year (Apr '09 -Mar '10)	Previous Year (Apr '08 -Mar '09)
Consolidated	Shareholders' value added (SVA)	4 billion yen	14.0 billion yen	5.1 billion yen
	Earnings per share (EPS)	17.23 yen	22.5 yen	16.72 Yen
	Return on equity (ROE)	5.5 %	7.6 %	5.7 %
	Return on assets (ROA)	2.5 %	3.3 %	2.5 %
	Free cash flow (FCF)	51.5 billion yen	175.4 billion yen	56.2 billion yen
Non-consolidated	Shareholders' value added (SVA)	0 billion yen	13.4 billion yen	-0.2 billion yen
	Earnings per share (EPS)	12.34 yen	18.61 yen	11.15 Yen
	Return on equity (ROE)	4.9 %	7.6 %	4.7 %
	Return on assets (ROA)	2.3 %	3.5 %	2.1 %
	Free cash flow (FCF)	2.2 billion yen	152.3 billion yen	43.5 billion yen

(3) Basic Policy for Profit Distribution and Dividends for Current Year and Next Year

Striving to grow the business and improve the efficiency of its operations, the Company has appropriated the increased profit resulting from these efforts for internal reserves for future business growth and strengthening of the financial structure of the Company, in addition to the payment of steady dividends to shareholders. The Company will endeavor to continue paying steady dividends to shareholders both at the interim and year-end, based on operational results, future business management and other plans, taking into account alternative profit distribution plans and other comprehensive factors. The Company will aim to maintain the consolidated payout ratio above 30%, within the non-consolidated retained earnings distributable to Osaka Gas shareholders, excluding temporary factors affecting the profit situation. Internal reserves will be appropriated for capital investments and investment in new business.

The Company plans to pay annual dividends of 7.0 yen per share (including interim dividends of 3.5 yen per share) for the current fiscal year. In the next fiscal year, it plans to pay annual dividends of 8.0 yen per share (including interim dividends of 4.0 yen per share), an increase of 1.0 yen from the current fiscal year.

(4) Business and Other Risks

The business performance and financial conditions of the Osaka Gas Group may be affected by the following risks (but not limited to these risks):

① Risks related to all businesses within the Osaka Gas Group

a. Worsening of economic and credit conditions

Worsening of economic and/or credit conditions in Japan and/or other countries could lead to a decrease in sales revenues, difficulties in fund-raising, insolvency of partner companies in joint projects, suppliers or customers, or other unfavorable impacts on the operational performance of the Osaka Gas Group.

b. Changes in foreign exchange rates and interest rates on financing

Changes in exchange rates and/or interest rates on borrowed funds could affect the operational performance of the Group.

c. Catastrophic disaster/accident/infection

Occurrence of catastrophic natural disasters, terrorism, accidents, or epidemics of new types of influenza or other diseases could affect the operational performance of the Group.

d. Changes in laws, regulations and institutional systems

Changes in the Gas Utility Industry Law, the Electric Utility Law, environment-related laws, the Company Act, the Financial Instrument and Exchange Law or other applicable act or institutional system could affect the operational performance of the Group.

e. Intensifying competition

If competition with other operators in the gas business and other business areas related to the Group intensifies, the operational performance of the Group could be affected.

f. Breakdown or malfunction of critical IT systems

Breakdown or malfunction of critical IT systems, such as systems related to gas production/supply or billing, could affect the operational performance of the Group.

g. Information leaks

If important information used in the course of its business, including customer information or technical information possessed by the Group is leaked outside the Group, the Group's operational performance could be affected.

h. Non-compliance with laws/regulations

If any act carried out by the Group or by any person related to the Group is in violation of any law or regulation, the Group might incur expenditures to correct such non-complying act, or experience a degrading of its social reputation, which could affect the operational performance of the Group.

② Risks related to major businesses

1) Gas business

a. Impact of fluctuation in temperature/water temperature on gas demand

Gas sales volume increases or decreases depending on the atmospheric or water temperature conditions. Thus, a fluctuation in these factors could adversely affect the performance of the Osaka Gas Group.

b. Changes in raw material costs

The prices of liquefied natural gas (LNG), from which gas is produced, could be affected by changes in crude oil prices, exchange rates and other relevant factors. Although most of this impact may be offset by the gas cost adjustment system, under which gas rates are revised to reflect changes in fuel costs, a time lag until the actual adjustment is made and the composition of material suppliers could affect the performance of the Osaka Gas Group. Renewal of contracts or price negotiations with suppliers might result in settlement of raw material costs, which might also affect the operational performance of the Group.

c. Trouble in the purchase of raw materials

Because LNG, from which gas is produced, is purchased from suppliers, trouble in suppliers' facilities or operations could affect the operational performance of the Group.

d. Trouble in production and supply

Catastrophic natural disasters or accidents could disrupt the production or supply of gas, which might adversely affect the operational performance of the Group.

e. Trouble in gas equipment and facilities

If serious trouble occurs in the gas equipment or facilities sold to customers, it could adversely affect the operational performance of the Group.

2) Electricity business

If the operation of any electric power plant stops or is interrupted due to a natural disaster, accident, trouble in fuel purchasing or other incident, it could adversely affect the operational performance of the Group.

3) Overseas energy businesses

If a gas field development or other development project is delayed or cancelled as a result of global economic stagnation, a drop in the crude oil price, a worsening of the social situation or other factor, or if any other business environment involving the Group changes, the operational performance of the Group could be adversely affected.

The Osaka Gas Group strives to minimize the potential impact of these risks through various measures, including derivative contracts to hedge against fluctuations in exchange rates and raw material costs, accident and other insurance contracts, maintenance and management of critical IT systems, adherence to compliance and strict information control, security measures, and monitoring and proper supervision of subsidiaries' business management.

2. Osaka Gas Group

Disclosure of this information is omitted because there has been no major change since the disclosure made in the sections of the Chart of Organization (business description) and Affiliates' Status of the most recent financial report submitted to the Finance Ministry on June 29, 2009.

3. Management Policy

(1) Basic Management Policy and Medium/Long Term Business Strategy

Management recognizes its greatest task is to turn the Osaka Gas Group into a corporate group that is always chosen by customers and continues sustainable growth, while promptly and flexibly coping with highly uncertain and rapidly changing business environments, such as an unclear economic outlook, energy price fluctuations and a trend toward realizing a low-carbon society.

Giving top priority to maximizing customer value, the Osaka Gas Group has been conducting business based on its management principle, "Value Creation Management," which seeks to enhance value for all its stakeholders, including shareholders, society and employees, through fair and transparent business activities.

In the year ending March 2011, the Osaka Gas Group will take on the tasks of "improvement of service levels and realization of a low-carbon society," "expansion of business fields" and "fulfillment of social responsibilities (supply stability, safety and CSR)" to achieve the Group's long-term business vision and medium-term business plan, "Field of Dreams 2020" (established in March 2009).

(2) Targeted Management Indices

From the viewpoint of assuring profitability and business growth, the Company sets targets for shareholder value added (SVA), profit figures, earnings per share (EPS), return on equity (ROE), return on assets (ROA) and continued payment of stable dividends.

At the same time, to maintain its financial strength rating and other indications of financial soundness, the Company will endeavor to maintain the following financial soundness indicators: (1) the ratio of consolidated net worth to total assets to exceed 40%, and (2) the ratio of consolidated D/E (interest-bearing debts to net worth) at about 10%, while keeping the existing balance with SVA, free cash flow, the balance of interest-bearing debts and other indicators.

Opportunities to repurchase the Company's shares will be always examined to improve EPS and ROE. However, repurchase will be strategically implemented on the condition that growth investments have been implemented

and that there is excess cash flow available.

(3) Challenges for the Company

① Improvement of service levels and realization of a low-carbon society

The Company will contribute to the realization of an economical, comfortable, convenient and safe living and business environment and a low-carbon society by providing goods and services based on customers' needs and proposing energy uses, and seek growth in each business sphere, including the city gas business.

1) Efforts in the residential market

The Company will encourage a broad use of distributed power generation systems, such as "ECOWILL," a gas engine cogeneration system, and "ENE-FARM," a residential fuel cell, as well as "Eco-Jozu," an energy-saving water heater.

The Company will also begin marketing "a solar power generation system" on a full scale, and promote the widespread use of "Combined Power Generation," which combines a solar power generation system with ECOWILL or ENE-FARM.

In addition to efforts to provide safety and security to customers, such as the home security service, the gas and fire surveillance service and the emergency call-out service, the Company will strive to expand the lineup of services and improve the quality of services by creating a gas range leasing system and establishing a 24-hour customer support center.

2) Efforts in the non-residential market

In addition to promoting widespread and intensive use of natural gas, the Company will meet customers' needs by utilizing the superior engineering expertise that it has accumulated over a long period of time, such as utility management in the field of electricity, LPG, industrial gas (liquefied oxygen and nitrogen) and water treatment.

To be specific, the Company will encourage the intensive use of energy by offering a gas co-generation system and "High Power Excel," a gas heat-pump air conditioner that can generate electricity while cooling or heating air in the room.

In addition, the Company will contribute improving customers' convenience and cost effectiveness by promoting the spread of "Suzuchu," a commercial-use gas kitchen system that provides cool and comfortable working conditions, offering an IT-based remote energy facility surveillance service, creating a scheme to support its customers in introducing equipment by using financial engineering and encouraging the broad use of environment-friendly natural gas, including the spread of natural gas automobiles.

3) Technology development

The Company will conduct the following technology development activities with the aim of preventing global warming, contributing to energy conservation and improving customers' convenience.

- a. Further raising efficiency and reducing the production cost of ENE-FARM, a residential fuel cell
- b. Developing SOFC, a solid oxide fuel cell (completion target: early 2010s)
- c. Raising efficiency and capabilities of a commercial-use co-generation system
- d. Conducting demonstration tests of "Smart Energy House," which combines "Combined Power Generation" and a storage battery to realize further energy conservation by "energy cost visualization" and automatic control
- e. Conducting demonstration tests of a smart energy network, which combines energy-saving technologies (including electricity and thermal energies) and IT
- f. Commercializing "CMM compression technology," a technology to collect and utilize methane gas that is released into the atmosphere when mining coal
- g. Establishing "AATG," a synthetic gas production technology to utilize associated gas that is burnt off when mining crude oil

To improve the speed, quality and cost competitiveness of technology development, the Company will promote "open innovation," which involves applying outside knowledge to Osaka Gas technologies.

4) Reduction of environmental burdens in Group business activities

The Company will steadily implement the environment management system that is introduced in all Group companies to reduce environmental burdens.

②Expansion of business fields

The Company will aim to expand “the domestic energy service business,” encompassing city gas, electricity, LPG, etc., and to grow “the overseas energy value chain business” and “the environment and non-energy businesses.”

1) Domestic energy businesses

a. Electricity business

The Company will focus on steady operation and meticulous maintenance of in-house electricity facilities, including the Semboku Natural Gas Power Plant.

b. LPG business

The Company will strive to increase the number of customers and sales volume by utilizing its expertise to market equipment and energy systems. In addition, it will reduce costs by streamlining delivery and distribution to improve profitability.

c. Expansion of supply area

The Company will promote broad use of natural gas outside the current supply area by utilizing know-hows it has cultivated in the gas business inside the current supply area, while seeking alliance with energy operators in each region.

2) International energy businesses

To realize stable and flexible LNG procurement and increase earnings, the Company will promote projects to develop natural gas fields in which it has interests and try to acquire interests in new projects. The Company will also steadily operate the overseas IPP and natural gas pipeline businesses and examine the possibility of acquiring new projects, including LNG terminals and overseas gas distribution businesses.

3) Environment and non-energy businesses

The Company will further utilize the Group’s technologies and know-hows and form alliances with other companies, with the aim of expanding the environment business. It will bring the solar power generation business into full swing and commercialize the “AATG” and “CMM compression technology” that the Company has been studying.

In addition, in the non-energy business, mainly in the area of city development, information and advanced materials, the Company will continue to contribute to a better life or business growth for customers, while pursuing the expansion of its consolidated income, by delivering better products and services satisfying customer needs.

③Executing social responsibility

The Company will strengthen CSR by focusing on securing a stable supply of energy and safety.

1) Supply stability

To secure a stable supply of energy, the Company will strive to secure raw materials, such as natural gas, with future demand trends in mind, while conducting meticulous maintenance of energy manufacturing and supply facilities and systematically building up facilities from a long-term standpoint.

2) Securing safety

The Company will implement anti-earthquake measures and conduct preventive maintenance, including regular maintenance, and replacement works at energy manufacturing and supply facilities. It will also fully respond to emergencies, such as possible gas leakages, by utilizing a 24-hour contact/callout system. In addition, the Company will continue to give employees and workers educational training.

The Company will also regularly inspect customers’ facilities and try to raise customers’ awareness of safe use of gas facilities and equipment.

3) CSR

The Company will upgrade its CSR efforts in accordance with the Osaka Gas Group CSR Charter that defines the Group’s basic policy for corporate social responsibility.

Specifically, in addition to the above-mentioned (a) creation of value for customers, (b) contribution to harmonizing with the environment and to realizing a sustainable society, the Company will focus on (c) maintaining communication with society and contributing to society, (d) compliance with laws and regulations and respect for human rights, and (e) corporate management seeking human growth.

Regarding compliance, the Company will further promote the following three principal activities across the Group to ensure Group-wide compliance—“Be aware of legislation and regulations”; “Develop a culture of compliance and mechanisms to avoid violations”; and “Audit and monitor throughout the Group.”

The Osaka Gas Group will establish an internal control system in accordance with its business environment. Under a mechanism to monitor the appropriate implementation of the system, the Group is committed to addressing these challenges, pursuing its basic principle of Value Creation Management and continuing its constant efforts to achieve sustainable growth.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: one million yen)

	Previous Year As of March 31, 2009	Current Year As of Mar. 31, 2010
Fixed Assets		
Tangible fixed assets		
Production facilities	94,853	90,195
Distribution facilities	323,928	309,186
Administrative facilities	64,934	71,177
Other facilities	250,953	333,746
Construction in progress	87,634	22,524
Total tangible fixed assets	822,305	826,830
Intangible fixed assets		
Goodwill	6,585	5,046
Others	25,836	37,794
Total intangible fixed assets	32,422	42,840
Investments and other assets		
Investment in securities	133,554	147,185
Others	105,407	94,389
Allowance for bad debts	-1,029	-1,761
Total investments and other assets	237,931	239,812
Total fixed assets	1,092,659	1,109,484
Current assets		
Cash and deposits	44,828	95,411
Notes and trade accounts receivable	132,507	121,458
Short-term investment securities	-	24,482
Inventories	83,984	64,084
Deferred tax assets	23,409	-
Others	75,986	70,403
Allowance for bad debts	-918	-1,428
Total current assets	359,798	374,411
Total assets	1,452,457	1,483,895

(Unit: one million yen)

	Previous Year As of March 31, 2009	Current Year As of Mar. 31, 2010
Liabilities		
Fixed liabilities		
Bonds	261,200	260,790
Long-term loans payable	238,610	217,914
Deferred tax liabilities	15,776	15,964
Deferred tax liabilities related to revaluation	57	57
Reserve for severance benefits	13,821	13,598
Reserve for gasholder repair	1,726	1,732
Reserve for safety actions	–	11,569
Allowance for investment loss	–	3,280
Others	17,174	15,993
Total fixed liabilities	548,366	540,901
Current liabilities		
Current portion of fixed liabilities	38,616	22,655
Notes and trade accounts payable	74,909	70,322
Short-term loans payable	33,708	37,153
Corporate taxes payable	19,706	28,947
Reserve for safety actions	2,023	–
Others	100,369	93,353
Total current liabilities	269,334	252,432
Total liabilities	817,700	793,334
Net Worth		
Shareholder's equity		
Capital stock	132,166	132,166
Capital Surpluses	19,482	19,482
Retained earnings	459,658	492,974
Treasury stocks	-1,251	-3,530
Shareholder's equity total	610,056	641,093
Valuation and translation adjustments		
Difference between market price and acquisition cost of other securities	16,999	23,542
Deferred hedge gains/losses	-1,663	4,939
Land revaluation excess	-103	-103
Foreign exchange adjustment	-12,724	-2,782
Valuation and translation adjustments total	2,508	25,596
Minority interest	22,191	23,871
Net worth total	634,757	690,561
Liabilities and net worth total	1,452,457	1,483,895

(2) Consolidated Profit and Loss Statement

(Unit: million yen)

	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Operating revenues	1,326,785	1,096,628
Cost of sales	921,915	645,248
Gross profit on sales	404,870	451,380
Selling, general and administrative expenses	337,937	360,239
Operating profit	66,932	91,140
Non-operating revenues		
Interest income	1,695	694
Dividend income	2,269	2,228
Equity method investment gains	7,481	1,264
Foreign exchange gains	–	2,342
Miscellaneous income	6,609	5,580
Total non-operating revenues	18,056	12,110
Non-operating expenses		
Interest expenses	10,461	9,965
Derivative expenses	2,651	–
Provision of allowance for investment loss	–	3,280
Miscellaneous expenses	7,365	5,198
Non-operating expenses total	20,478	18,444
Ordinary profit	64,510	84,806
Extraordinary loss		
Loss on sales of non-current assets	–	140
Impairment loss	–	2,093
Total extraordinary loss	–	2,234
Net income before tax adjustments	64,510	82,572
Corporate, resident and business taxes	18,751	30,585
Adjustment for difference of tax allocation between financial accounting and tax accounting	6,425	2,312
Total corporate tax and other taxes	25,176	32,898
Minority interest	3,292	1,289
Net income	36,041	48,384

(3) Consolidated Statement of Changes in Shareholders' Equity

(Unit: million yen)

	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Shareholder's equity		
Capital stock		
Balance as of previous year-end	132,166	132,166
Balance as of current year-end	132,166	132,166
Capital surpluses		
Balance as of previous year-end	19,482	19,482
Balance as of current year-end	19,482	19,482
Retained earnings		
Balance as of previous year-end	439,226	459,658
Change during the year		
Dividends from retained earnings	-15,093	-15,061
Net income	36,041	48,384
Disposal of treasury stocks	-18	-4
Decrease due to decrease of consolidated companies	-	-1
Decrease resulting from change in affiliates' accounting standards	-498	-
Total changes during the year	20,431	33,316
Balance as of current year-end	459,658	492,974
Treasury stocks		
Balance as of previous year-end	-806	-1,251
Change during the year		
Repurchase of treasury stocks	-610	-2,315
Disposal of treasury stocks	165	36
Total changes during the year	-444	-2,278
Balance as of current year-end	-1,251	-3,530
Shareholder's equity total		
Balance as of previous year-end	590,069	610,056
Change during the year		
Dividends from retained earnings	-15,093	-15,061
Net income	36,041	48,384
Repurchase of treasury stocks	-610	-2,315
Disposal of treasury stocks	146	32
Decrease due to decrease of consolidated companies	-	-1
Decrease resulting from change in affiliates' accounting standards	-498	-
Total changes during the year	19,986	31,037
Balance as of current year-end	610,056	641,093

	Previous Year (April 1, 2008– March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Valuation and translation adjustments		
Difference between market price and acquisition cost of other securities		
Balance as of previous year-end	31,790	16,999
Change during the year		
Net changes in items other than shareholders' equity during the year	-14,790	6,542
Total changes during the year	-14,790	6,542
Balance as of current year-end	16,999	23,542
Deferred hedge gains (losses)		
Balance as of previous year-end	12,628	-1,663
Change during the year		
Net changes in items other than shareholders' equity during the year	-14,292	6,602
Total changes during the year	-14,292	6,602
Balance as of current year-end	-1,663	4,939
Land revaluation excess		
Balance as of previous year-end	83	-103
Change during the year		
Net changes in items other than shareholders' equity during the year	-186	–
Total changes during the year	-186	–
Balance as of current year-end	-103	-103
Foreign exchange adjustment		
Balance as of previous year-end	14,020	-12,724
Change during the year		
Net changes in items other than shareholders' equity during the year	-26,744	9,941
Total changes during the year	-26,744	9,941
Balance as of current year-end	-12,724	-2,782
Valuation and translation adjustments total		
Balance as of previous year-end	58,523	2,508
Change during the year		
Net changes in items other than shareholders' equity during the year	-56,014	23,087
Total changes during the year	-56,014	23,087
Balance as of current year-end	2,508	25,596
Minority interest		
Balance as of previous year-end	18,065	22,191
Change during the year		
Net changes in items other than shareholders' equity during the year	4,126	1,679
Total changes during the year	4,126	1,679
Balance as of current year-end	22,191	23,871
Total net worth		
Balance as of previous year-end	666,657	634,757
Change during the year		
Dividends from retained earnings	-15,093	-15,061
Net income	36,041	48,384
Repurchase of treasury stocks	-610	-2,315
Disposal of treasury stocks	146	32
Decrease due to decrease of consolidated companies	–	-1
Decrease resulting from change in affiliates' accounting standards	-498	–
Net changes in items other than shareholders' equity during the year	-51,887	24,767
Total changes during the year	-31,900	55,804
Balance as of current year-end	634,757	690,561

(4) Consolidated Cash Flow Statement

(Unit:one million yen)

	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Cash Flow from Operating Activities		
Net income before tax adjustments	64,510	82,572
Depreciation expenses	86,549	95,402
Write-off of long-term prepaid expenses	6,234	6,186
Impairment loss	–	2,093
Increase (decrease) in allowance for safety measures	–	9,546
Increase (decrease) in allowance for investment loss	–	3,280
(Increase) decrease in prepaid pension expenses	-5,943	3,471
Interest and dividends received	-3,965	-2,922
Interest expenses	10,461	9,965
Equity method investment gains (the minus mark (-) represents loss)	-7,481	-1,264
Loss from retirement of tangible fixed assets	–	1,751
(Increase) decrease in trade receivables	16,946	10,809
(Increase) decrease in inventories	-18,370	16,511
(Increase) decrease in trade payables	–	-4,201
Increase (decrease) in accrued expenses	2,990	-7,890
Others	-6,421	26,433
Total	145,510	251,746
Interest and dividends received	7,900	7,365
Interest paid	-10,122	-9,928
Corporate taxes paid	-22,597	-19,468
Net cash flow from operating activities	120,691	229,714
Cash Flow from Investment Activities		
Expenses for acquisition of tangible fixed assets	-100,626	-87,252
Expenses for acquisition of intangible fixed assets	-2,077	-10,254
Payment of long-term prepaid expenses	-7,193	-5,791
Proceeds from sales and redemption of investment securities	3,876	–
Expenses for acquisition of affiliates' shares	-4,323	-3,164
Proceeds from acquisition of shares of subsidiaries, resulting in consolidation scope change	6,682	–
Net (increase) decrease in short-term loans receivable	-2,741	–
Expense for depositing time deposits	-1,744	-4,314
Proceeds from withdrawal of time deposits	–	2,065
Others	46	-2,553
Net cash flow from investment activities	-108,102	-111,265
Cash Flow from Financial Activities		
Net increase (decrease) in short-term loans payable	-6,421	6,718
Net increase (decrease) in commercial paper	-64,000	–
Proceeds from long-term loans payable	42,848	6,439
Expenses for repayment of long-term loans payable	-18,702	-23,022
Proceeds from corporate bond issuance	90,000	–
Expenses for redemption of bonds	-30,660	-20,454
Expense for acquisition of treasury stocks	–	-2,315
Dividends paid	-15,071	-15,048
Others	-1,430	-1,870
Net cash flow from financial activities	-3,438	-49,553
Difference from Conversion of Cash and Cash Equivalents	-1,630	-1,654
Increase (Decrease) of Cash and Cash Equivalents	7,519	67,241
Cash and Cash Equivalents at Year-Beginning	39,244	46,764
Decrease of Cash and Cash Equivalents Due to Exclusion of Subsidiaries from the Consolidation	–	-6
Cash and Cash Equivalents at Year-End	46,764	113,998

(5) Notes regarding assumption of a going concern

Not applicable

(6) Significant changes in the basic information for consolidated financial statements preparation

① Change in Recognition Criteria for Contract Sales and Contract Costs

For recognizing sales and costs of construction contracts, the completed-contract method had mainly been applied. However, the Accounting Standard for Construction Contracts (ASBJ Statement No. 15, issued on December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18, issued on December 27, 2007) have been applied from the current consolidated accounting year. Regarding construction contracts that commenced in the current fiscal year, the percentage-of-completion method has been applied, if the outcome of the construction activity is deemed certain during the course of the activity; otherwise the completed contract method has been applied. The change has a minor effect on profit or loss for the year ended March 31, 2010.

② Application of Partial Amendments to the Accounting Standard for Retirement Benefits (Part3)

Partial Amendments to the Accounting Standard for Retirement Benefits (Part3) (ASBJ Statement No. 19, issued on July 31, 2008) have been applied from the current consolidated accounting year. The application has no effect on profit or loss for the year ended March 31, 2010.

Disclosure of information on other accounting standards is omitted, since there has been no significant change in those matters since the Company submitted the annual securities report on June 29, 2009.

(7) Notes to the Consolidated Financial Statements

① Segment Information

a. Segment information by business type

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(Unit:one 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
[1] Sales and operating profit and loss								
Operating revenues								
1. Sales to customers outside the Group	660,096	168,958	127,009	20,360	120,204	1,096,628	–	1,096,628
2. Internal sales or transfer among segments	13,957	2,350	506	12,405	40,784	70,005	(70,005)	–
Total	674,054	171,308	127,516	32,766	160,988	1,166,634	(70,005)	1,096,628
Operating expenses	620,980	150,568	126,079	26,350	152,673	1,076,651	(71,163)	1,005,488
Operating profit	53,073	20,740	1,437	6,415	8,315	89,983	1,157	91,140
[2] Assets, depreciation/ amortization and capital investments								
Assets	650,977	389,943	53,949	144,793	178,686	1,418,351	65,544	1,483,895
Depreciation expenses	60,895	23,008	51	5,075	6,877	95,908	(506)	95,402
Impairment loss	19	125			1,949	2,093	–	2,093
Capital investments	50,284	23,975	969	16,850	6,646	98,726	(479)	98,246

Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

(Unit:one 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
[1] Sales and operating profit and loss								
Operating revenues								
1. Sales to customers outside the Group	789,514	246,575	141,150	21,353	128,192	1,326,785	–	1,326,785
2. Internal sales or transfer among segments	24,841	3,029	439	11,834	37,085	77,231	(77,231)	–
Total	814,356	249,604	141,590	33,187	165,277	1,404,017	(77,231)	1,326,785
Operating expenses	776,674	240,493	138,976	26,276	155,650	1,338,071	(78,218)	1,259,852
Operating profit	37,682	9,110	2,613	6,911	9,627	65,945	987	66,932
[2] Assets, depreciation/ amortization and capital investments								
Assets	662,082	356,033	62,548	127,524	173,332	1,381,521	70,936	1,452,457
Depreciation expenses	60,805	15,108	354	4,574	6,257	87,099	(550)	86,549
Capital investments	46,175	42,400	533	9,379	8,012	106,501	(414)	106,087

(Notes)

1. The business segments are divided based on the sales summary classification in accordance with the Accounting Rules for Gas Business Operators.
2. Major products and services of business segments

Business Segment	Major Products and Services
Gas	Gas
LPG, Electricity and Other Energies	LPG, electric supply, thermal energy supply, industrial gas, processing of LNG by contract, etc.
Gas Appliances and House-pipe Installation	Gas equipment, housing equipment, gas piping installation work, recycling of excavated soil, etc.
Real Estate	Real estate development, leasing, etc.
Others	Fine materials and carbon material products, security and disaster prevention service, sports business, data processing service, engineering, leasing of automobile and equipment, etc.

b. Segment information by geographical area

Because more than 90% of sales by all segments of the Osaka Gas Group are earned in Japan and more than 90% of assets of all segments of the Group are in Japan, disclosure in this section is omitted.

c. Overseas sales

Because overseas sales account for less than 10% of the consolidated sales, disclosure in this section is omitted.

② Per Share Information

Current year (From April 1, 2009 to March 31, 2010)		Previous year (From April 1, 2008 to March 31, 2009)	
Net worth per share	310.39 yen	Net worth per share	284.21 yen
Earnings per share	22.50 yen	Earnings per share	16.72 yen

(Notes)

1. Since there were no potential shares that would have dilutive effective if issued, data on diluted earnings per share is not presented in this document.
2. The following data were used for calculating earnings per share:

	Current year (From April 1, 2009 to March 31, 2010)	Previous year (From April 1, 2008 to March 31, 2009)
Net income (million yen)	48,384	36,041
Net income attributable to shareholders of common shares (unit: one million yen)	48,384	36,041
Average issued shares during the year (unit: one thousand shares)	2,150,776	2,155,920

③ Significant Events after Closing of The Year

Not applicable

④ Other Information

Purchase prices for certain raw materials may be adjusted depending on renewal of contracts and price negotiation with suppliers.

Disclosure of notes regarding lease transactions, transactions with related parties, tax effect accounting, financial products, investment securities, derivative transactions, retirement benefits, stock options, corporate consolidation and held-for-rental real estates is omitted, since the necessity of disclosure of this information in this flash earnings report is considered minor.

5. Non-consolidated Financial Statements

(1) Balance Sheet

(Unit: one million yen)

	As of March 31, 2009	As of March 31, 2010
Assets		
Fixed Assets		
Tangible fixed assets		
Production facilities	93,120	88,436
Distribution facilities	322,828	308,665
Administrative facilities	64,086	70,289
Ancillary business facilities	4,156	5,146
Construction in progress	82,812	18,482
Total tangible fixed assets	567,003	491,020
Intangible fixed assets		
Patents	46	47
Leaseholds	2,877	2,741
Other intangible fixed assets	3,709	2,865
Total intangible fixed assets	6,634	5,654
Investments and other assets		
Investment in securities	40,958	46,684
Investment in affiliates	120,786	149,681
Long-term loans receivable from affiliates	73,440	149,755
Investment in capital	22	22
Long-term prepaid expenses	11,318	10,838
Prepaid pension expenses	46,652	43,181
Other investments	5,164	6,525
Allowance for bad debts	-615	-774
Total investments and other assets	297,729	405,915
Total fixed assets	871,366	902,590
Current assets		
Cash and deposits	18,771	69,188
Notes receivable	858	732
Accounts receivable	76,613	72,676
Trade accounts receivable from affiliates	5,875	8,813
Other accounts receivable	14,799	8,699
Short-term investment securities	-	20,012
Products	185	116
Raw materials	38,859	14,121
Stores	8,485	8,335
Short-term loans receivable from affiliates	55,246	44,729
Short-term accounts receivable from affiliates	3,819	3,007
Deferred tax assets	18,811	6,970
Other current assets	27,324	12,815
Allowance for bad debts	-539	-535
Total current assets	269,112	269,683
Total assets	1,140,479	1,172,273

(Unit: one million yen)

	As of March 31, 2009	As of March 31, 2010
Liabilities		
Fixed liabilities		
Bonds	255,624	255,631
Long-term loans payable	149,503	137,357
Long-term liabilities of affiliates	508	678
Deferred tax liabilities	9,299	6,863
Reserve for retirement benefits	4,195	4,397
Reserve for gasholder repair	1,675	1,677
Reserve for safety actions	–	11,569
Allowance for investment loss	–	3,280
Other fixed liabilities	3,836	1,181
Total fixed liabilities	424,644	422,637
Current liabilities		
Current portion of fixed liabilities	27,369	9,218
Trade accounts payable	48,802	48,111
Other accounts payable	22,796	21,636
Accrued expenses	38,465	37,266
Corporate taxes payable	12,830	21,589
Advances received	4,158	3,681
Deposits received	1,087	1,079
Short-term loans payable to affiliates	29,484	38,924
Short-term accounts payable to affiliates	14,549	25,287
Reserve for safety actions	2,023	–
Other current liabilities	6,279	800
Total current liabilities	207,847	207,595
Total liabilities	632,491	630,233
Net Worth		
Shareholder's equity		
Capital stock	132,166	132,166
Capital surpluses		
Capital reserve	19,482	19,482
Total capital reserves	19,482	19,482
Retained earnings		
Profit reserve	33,041	33,041
Other profit reserves		
Reserve for reduction of costs relating to replacement of specific assets, etc.	214	214
Reserve for write-off of specific gas piping works	129	64
Reserve for loss on overseas investments, etc.	9,380	11,093
Reserve for adjustment for cost fluctuation	89,000	89,000
Reserve for other specific purposes	62,000	62,000
Unappropriated retained earnings brought forward	153,796	177,114
Total profit reserves	347,562	372,529
Treasury stocks	-1,251	-3,530
Shareholder's equity total	497,960	520,647
Valuation and translation adjustments		
Difference between market price and acquisition cost of other securities	10,903	15,477
Deferred hedge gains (losses)	-876	5,914
Valuation and translation adjustments total	10,027	21,392
Total net worth	507,987	542,040
Liabilities and net worth total	1,140,479	1,172,273

(2) Profit and Loss Statement

	(Unit: one million yen)	
	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Product sales		
Gas sales	805,472	664,286
Total product sales	<u>805,472</u>	<u>664,286</u>
Cost of sales		
Opening inventories	148	185
Product manufacturing cost	502,521	320,535
Purchases during the year	0	0
Internal consumption	7,162	4,932
Closing inventories	185	116
Total cost of sales	<u>495,321</u>	<u>315,672</u>
Gross profit on sales	<u>310,150</u>	<u>348,613</u>
Selling, general and administrative expenses		
Selling expenses	223,084	244,529
General and administrative expenses	54,084	56,589
Total selling, general and administrative expenses	<u>277,169</u>	<u>301,118</u>
Core business profit	<u>32,980</u>	<u>47,495</u>
Miscellaneous operational revenues		
Revenues from house-pipe installation	28,060	21,405
Revenues from gas appliances sales	87,097	82,649
Revenues from consigned supply	2,250	2,183
Other miscellaneous operational revenues	1,641	3,242
Total miscellaneous operational revenues	<u>119,050</u>	<u>109,481</u>
Miscellaneous operational expenses		
Cost of house-pipe installation	27,259	21,890
Cost of gas appliances sales	86,561	82,109
Total miscellaneous operational expenses	<u>113,821</u>	<u>104,000</u>
Revenues from supplementary businesses		
Revenues from automatic call service	6,330	–
Revenues from electric supply	8,861	37,658
Revenues from LNG sales	26,718	21,095
Revenues from other supplementary businesses	5,442	11,504
Total revenues from supplementary businesses	<u>47,353</u>	<u>70,259</u>
Cost of supplementary businesses		
Cost of automatic call service	5,053	–
Cost of electric supply	9,570	34,001
Cost of LNG sales business	28,357	19,108
Cost of other supplementary businesses	4,701	9,650
Total cost of supplementary businesses	<u>47,683</u>	<u>62,760</u>
Operating profit	<u>37,881</u>	<u>60,474</u>

(Unit: one million yen)

	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Non-operating Revenues		
Interest income	1,554	1,993
Interest income on securities	0	67
Dividend income	1,102	848
Dividend income from affiliates	3,015	3,404
Rent income	1,501	–
Gain from foreign exchange	2,254	2,552
Proceeds from facility contribution	–	2,000
Miscellaneous revenues	3,656	5,135
Total non-operating revenues	13,084	16,002
Non-operating Expenses		
Interest expenses	2,559	2,523
Interest expense on corporate bonds	4,347	4,190
Amortization of bond issue costs	273	–
Derivative expenses	2,651	–
Provision of allowance for investment loss	–	3,280
Miscellaneous expenses	3,311	2,413
Total non-operating expenses	13,144	12,408
Ordinary profit	37,821	64,068
Extraordinary loss		
Loss on sales of non-current assets	–	140
Total extraordinary loss	–	140
Net income before tax	37,821	63,928
Corporate and other taxes	6,900	20,600
Tax adjustment and other adjustments	6,883	3,294
Total corporate tax and other taxes	13,783	23,894
Net income	24,038	40,033

(3) Statement of Changes in Shareholders' Equity

(Unit: one million yen)

	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Shareholder's equity		
Capital stock		
Balance as of previous year-end	132,166	132,166
Balance as of current year-end	132,166	132,166
Capital surpluses		
Capital reserve		
Balance as of previous year-end	19,482	19,482
Balance as of current year-end	19,482	19,482
Total capital reserves		
Balance as of previous year-end	19,482	19,482
Balance as of current year-end	19,482	19,482
Retained earnings		
Profit reserve		
Balance as of previous year-end	33,041	33,041
Balance as of current year-end	33,041	33,041
Other profit reserves		
Reserve for reduction of costs relating to replacement of specific assets, etc.		
Balance as of previous year-end	214	214
Balance as of current year-end	214	214
Reserve for write-off of specific gas piping works		
Balance as of previous year-end	193	129
Change during the year		
Reversal of Reserve for write-off of specific gas piping works	-64	-64
Total changes during the year	-64	-64
Balance as of current year-end	129	64
Reserve for loss on overseas investments, etc.		
Balance as of previous year-end	9,871	9,380
Change during the year		
Provisions to Reserve for loss on overseas investments, etc	749	2,953
Reversal of Reserve for loss on overseas investments, etc.	-1,240	-1,240
Total changes during the year	-490	1,713
Balance as of current year-end	9,380	11,093
Reserve for adjustment for cost fluctuation		
Balance as of previous year-end	89,000	89,000
Balance as of current year-end	89,000	89,000
Reserve for other specific purposes		
Balance as of previous year-end	62,000	62,000
Balance as of current year-end	62,000	62,000
Unappropriated retained earnings brought forward		
Balance as of previous year-end	144,314	153,796
Change during the year		
Reversal of Reserve for write-off of specific gas piping works	64	64
Provisions to Reserve for loss on overseas investments, etc	-749	-2,953
Reversal of Reserve for loss on overseas investments, etc.	1,240	1,240
Dividends from retained earnings	-15,093	-15,061
Net income	24,038	40,033
Disposal of treasury stocks	-18	-4
Total changes during the year	9,482	23,318
Balance as of current year-end	153,796	177,114

(Unit: one million yen)

	Previous Year (April 1, 2008 – March 31, 2009)	Current Year (April 1, 2009 – March 31, 2010)
Total profit reserves		
Balance as of previous year-end	338,635	347,562
Change during the year		
Reversal of Reserve for write-off of specific gas piping works	–	–
Provisions to Reserve for loss on overseas investments, etc	–	–
Reversal of Reserve for loss on overseas investments, etc.	–	–
Dividends from retained earnings	-15,093	-15,061
Net income	24,038	40,033
Disposal of treasury stocks	-18	-4
Total changes during the year	8,927	24,966
Balance as of current year-end	347,562	372,529
Treasury stocks		
Balance as of previous year-end	-806	-1,251
Change during the year		
Repurchase of treasury stocks	-610	-2,315
Disposal of treasury stocks	165	36
Total changes during the year	-444	-2,278
Balance as of current year-end	-1,251	-3,530
Shareholder's equity total		
Balance as of previous year-end	489,477	497,960
Change during the year		
Dividends from retained earnings	-15,093	-15,061
Net income	24,038	40,033
Repurchase of treasury stocks	-610	-2,315
Disposal of treasury stocks	146	32
Total changes during the year	8,482	22,687
Balance as of current year-end	497,960	520,647
Valuation and translation adjustments		
Difference between market price and acquisition cost of other securities		
Balance as of previous year-end	21,196	10,903
Change during the year		
Net changes in items other than shareholders' equity during the year	-10,292	4,574
Total changes during the year	-10,292	4,574
Balance as of current year-end	10,903	15,477
Deferred hedge gains (losses)		
Balance as of previous year-end	13,015	-876
Change during the year		
Net changes in items other than shareholders' equity during the year	-13,891	6,791
Total changes during the year	-13,891	6,791
Balance as of current year-end	-876	5,914
Valuation and translation adjustments total		
Balance as of previous year-end	34,211	10,027
Change during the year		
Net changes in items other than shareholders' equity during the year	-24,184	11,365
Total changes during the year	-24,184	11,365
Balance as of current year-end	10,027	21,392
Total net worth		
Balance as of previous year-end	523,689	507,987
Change during the year		
Dividends from retained earnings	-15,093	-15,061
Net income	24,038	40,033
Repurchase of treasury stocks	-610	-2,315
Disposal of treasury stocks	146	32
Net changes in items other than shareholders' equity during the year	-24,184	11,365
Total changes during the year	-15,701	34,053
Balance as of current year-end	507,987	542,040

(4) Notes regarding assumption of a going concern

Not applicable

6. Other information

(1) Change in officers

Information on changes in officers will be disclosed as soon as the decision is made (by the end of May).

(2) Others

There is no other information to be noted.