

**Summary of Consolidated Financial Statements for the Year Ending in March 2001**

May 21, 2001

Name of Listed Company: OSAKA GAS CO., LTD.

Listing in Stock Exchanges: Tokyo, Osaka and Nagoya

Code: 9532

Location of Head Office: Osaka Prefecture

Title of Contact Person: General Manager of Accounting Dept.

Name of Contact Person: Yoshishige Suzuma Phone: (06) 6205-4536

Date of Meeting of Board of Directors for Approval of Financial Statements: May 21, 2001

The company has not adopted the U.S. accounting standards.

**1. Consolidated Results for the Year Ending in March 2001 (April 1, 2000 to March 31, 2001)****(1) Consolidated operational Results** (Any amount less than one million yen is rounded down.)

	Sales		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Year ending in March 2001	951,926	12.1	74,055	18.1	63,849	40.0
Year ending in March 2000	849,225	2.1	62,723	-5.5	45,609	-13.6

	Net Income		Earnings Per Share	Diluted Earnings Per Share	Net Income to Shareholders' Equity	Ordinary Profit to Total Assets	Ordinary Profit to Sales
	Million yen	%	Yen	Yen	%	%	%
Year ending in March 2001	36,097	32.0	14.72	-	8.0	5.0	6.7
Year ending in March 2000	27,345	26.5	10.94	-	6.8	3.8	5.4

(Notes)

Profit (loss) from investment by equity method : Year ending in March 2001: - yen Year ending in March 2000: - yen

Average outstanding shares during the year (consolidated): 2,453,044,757 shares in the year ending in March 2001, and 2,498,670,120 shares in the year ending in March 2000

Change in the accounting method: there were no changes.

The percentages in Sales, Operating Profit, Ordinary Profit and Net Income shows increase/decrease from the previous year.

**(2) Consolidated Financial Conditions**

	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity Per Share
	Million yen	Million yen	%	Yen
Year ending in March 2001	1,310,976	475,019	36.2	195.52
Year ending in March 2000	1,219,514	428,523	35.1	172.95

(Note) Outstanding shares at the year-end (consolidated): 2,429,488,678 shares at the end of March 2001, and 2,477,722,079 shares at the end of March 2000

**(3) Consolidated Cash Flow**

	Cash Flow From Operating Activities	Cash Flow From Investment Activities	Cash Flow From Financial Activities	Cash and Cash Equivalents at the Year-End
	Million yen	Million yen	Million yen	Million yen
Year ending in March 2001	140,981	-109,047	-27,015	28,676
Year ending in March 2000	91,064	-103,525	-16,996	22,774

**(4) Scope of Consolidation and Application of Equity Method**

Subsidiaries consolidated: 35 subsidiaries Unconsolidated subsidiaries reported by the equity method: 0 subsidiary

Affiliates reported by the equity method: 0 affiliate

**(5) Change in Scope of Consolidation and Application of Equity Method**

Subsidiaries newly added to the consolidation: 11 subsidiaries Subsidiaries newly excluded from the consolidation: 1 subsidiary

Subsidiaries newly reported by the equity method: 0 subsidiary Subsidiaries newly excluded from the reporting by the equity method: 0 subsidiary

**2. Estimated Consolidated Results for the Year Ending in March 2002 (April 1, 2001 to March 31, 2002)**

	Sales	Ordinary Profit	Net Income
	Million yen	Million yen	Million yen
For the first-half year			
For the full year	1,000,000	72,000	43,000

(Reference) Estimated Earnings Per Share (for the full year): ¥17.70

May 21, 2001

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Overview of Consolidated Financial Statements for FY2001  
( T h e 1 8 3 r d B u s i n e s s Y e a r )  
(April 1, 2000 - March 31, 2001)

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Meeting of Board of Directors For Approving Financial Statements: May 21, 2001

OSAKA GAS CO., LTD.

# 1 Osaka Gas Group

The Osaka Gas Group (comprising 35 consolidated subsidiaries) is engaged in businesses relating to gas and by-products of gas, installation work, manufacture and sale of gas equipment, real estate leasing, food and food service and other businesses.

## < Segment >

### (1) Gas and by-products

Osaka Gas manufactures, supplies and sells gas. Cold air, which are by-products generated in the process of manufacturing gas, are sold to Liquid Gas Co., Ltd., a subsidiary of Osaka Gas.

### (2) Installation work

Osaka Gas provides installation work for indoor gas pipes at the request of customers and at the expenses of customers. Kinki Piping Co., Ltd. performs installation work of inside gas pipes under contract with Osaka Gas.

### (3) Gas equipment

Harman Co., Ltd. and other companies manufacture gas equipment, which is purchased wholesale by Osaka Gas. Besides the direct sale of gas equipment to end users, Osaka Gas sells gas equipment to shops in the Osaka Gas Service Chain.

### (4) Real estate leasing

Urbanex Co., Ltd. and other companies lease real estate to Osaka Gas and others and manage leased properties.

### (5) Food and Food Service

Kinrei Co., Ltd. (Over-The-Counter Trade Code: 2661), OG Royal Co., Ltd. and other companies manufacture and sell frozen foods and operate restaurant chains and other food service businesses.

### (6) Other businesses

Osaka Gas and other companies are engaged in the sale of thermal energy.

Liquid Gas Co., Ltd. sells liquefied wholesale and retail petroleum gas and operates cryogenic pulverizing of materials, utilizing cold air purchased from Osaka Gas. It also sells cold air to Cold Air Products Co., Ltd., CRYO-AIR Co. Ltd. and others. Cold Air Products, CRYO-AIR and others manufacture and sell industrial gases, utilizing cold air.

Nissho Iwai Petroleum Gas Co., Ltd. and others sell liquefied petroleum gas at wholesale and retail. Because Nissho Iwai Petroleum Gas was acquired in September 2000, only its balance sheet and the profit and loss statement for the latter half of the year were included in the consolidation for the year.

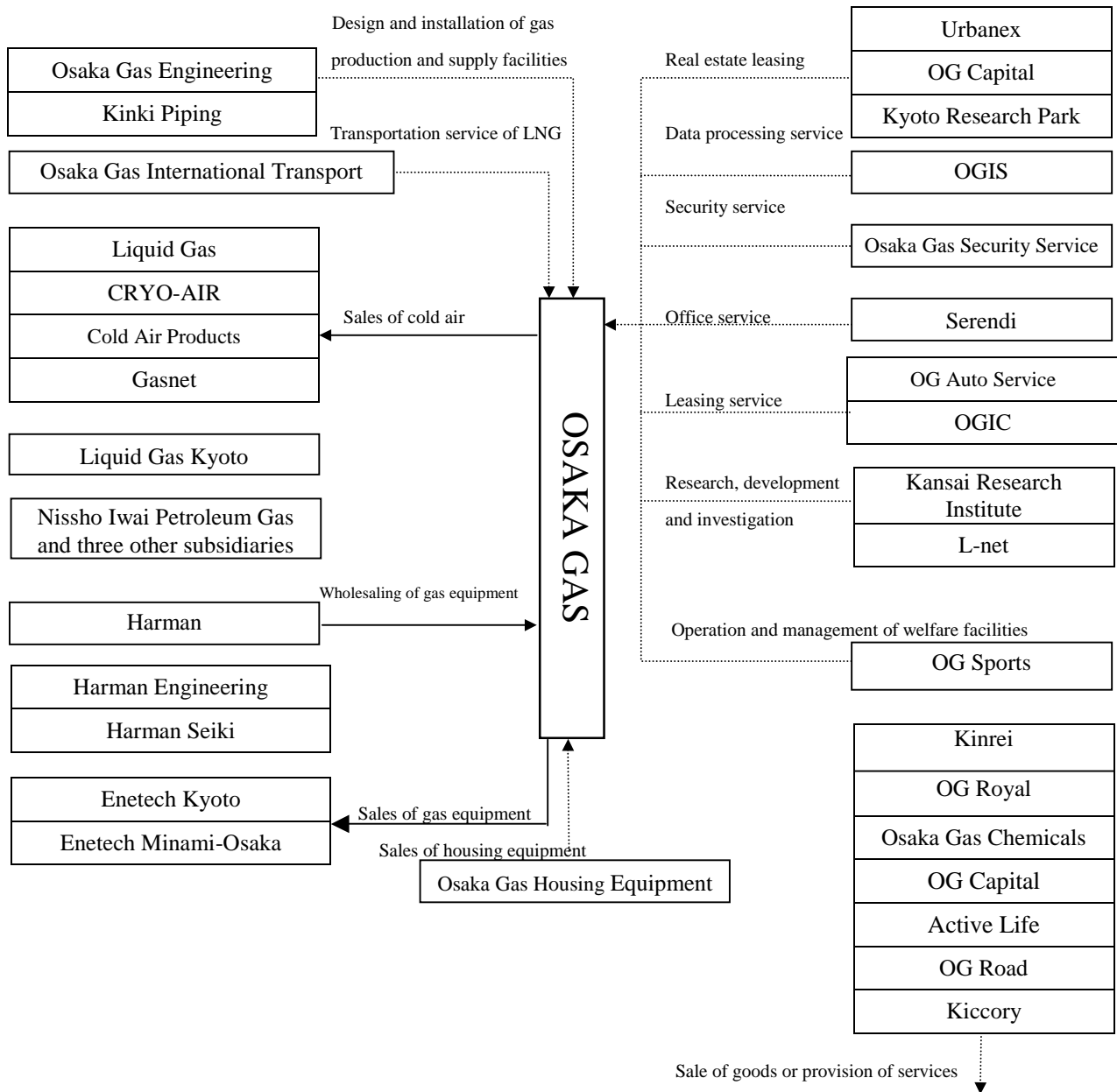
OGIS Research Institute Co., Ltd. and others provide computer data processing service for Osaka Gas and others.

Osaka Gas Chemicals Co., Ltd. manufactures and sells carbon products and related products and sells gas coke and other chemical products.

OG Capital Co., Ltd. provides financing service to companies in the Osaka Gas Group.

There are other subsidiaries engaging in engineering, research by contract, sale of housing equipment, security and disaster prevention services, sports businesses, services for aged people, operation of do-it-yourself stores, information service and other businesses.

<Chart of Business Organization>



—————> Flow of products  
 .....> Others

<List of Consolidated Subsidiaries>

	Name of Subsidiary	Location	Capital (Million yen)	Description of Business	Share -holding Rate	Remarks
Installation Work	Kinki Piping Co., Ltd.	Nishinari-ku, Osaka	112	- Gas piping works - Construction work and road paving - Sales and installation of housing equipment - Piping renewal work	100	
Gas Equipment	Harman Co., Ltd.	Higashi-osaka City, Osaka	1,483	- Manufacture and sale of gas equipment	100	
Real Estate Leasing	Urbanex Co. Ltd.	Chuo-ku, Osaka	983	- Management, maintenance and leasing of real estate - Surveys and research on urban development	100	
	OG Capital Co., Ltd.	Chuo-ku, Osaka	3,000	- Financing to companies in the Osaka Gas Group - Management control of affiliated companies - Management, maintenance and leasing of real estate	100	Part of its business is included in other segments.
	Kyoto Research Park Co., Ltd.	Shimogyo-ku, Kyoto	100	- Management of the Research Park, interchange between the industrial and the academic societies, development of venture businesses	100	
Foods	Kinrei Co., Ltd.	Chuo-ku, Osaka	966.44	- Manufacturing and sales of frozen foods - Operation of restaurants	74.6	OTC Trade Code:2661
	OG Royal Co., Ltd.	Chuo-ku, Osaka	100	- Operation of restaurant chains (Royal Host and others)	50	
Other Businesses	Enetech Kyoto Co., Ltd.	Minami-ku, Kyoto	30	- Design, installation, operation, maintenance and sales of air-conditioning, water supply/drainage, hot water supply, ventilation and kitchen facilities and equipment - Design and performance of piping work and electric work	100	
	Enetech Minami-Osaka Co., Ltd.	Sakai City, Osaka	20	- Design, installation, operation, maintenance and sales of air-conditioning, water supply/drainage, hot water supply, ventilation and kitchen facilities and equipment - Design and performance of piping work and electric work	100	
	Osaka Gas International Transport, Inc.	Chuo-ku, Osaka	3,190	- Vessel leasing	100	
	Osaka Gas Engineering Co., Ltd.	Higashinari-ku, Osaka	100	- Investigation, design, installation and technical consulting for gas facilities, facilities using cold air and facilities for environmental protection - Investigation, purchase and sales of industrial properties	100	
	Osaka Gas Chemicals Co., Ltd.	Chuo-ku, Osaka	480	- Manufacturing and sales of coke, chemical products and carbon products	100	
	Osaka Gas Housing Equipment Co., Ltd.	Nishi-ku, Osaka	450	- Sales of housing equipment - Design and performance of installation work of housing equipment - Sales of kitchen utensils - Construction of new housing and renovation of housing	100	
	Osaka Gas Security Service Co., Ltd.	Yodogawa-ku, Osaka	100	- Provision of security and disaster protection services - Maintenance and inspection of gas facilities and equipment - Sales, installation, maintenance and inspection of disaster protection equipment - Sales of home security systems	100	
	OG Auto Service Co., Ltd.	Kita-ku, Osaka	100	- Automobile leasing - Automobile maintenance - Automobile sales - Property insurance agency	100	
	Active Life Co., Ltd.	Chuo-ku, Osaka	900	- Operation and management of apartment complexes for the aged - Construction, planning and consulting on the operation of housing for the aged and nursing facilities	76.7	
	L-net Co., Ltd.	Nishi-ku, Osaka	40	- Publication of community papers - Market survey and research, and collection and provision of customer information	100	
	OG Sports Co., Ltd.	Chuo-ku, Osaka	100	- Management of sports facilities and resort facilities - Operation and management of sports facilities and sports schools - Construction of sports facilities - Sales of sports goods	100	
	OGIS Research Institute Co., Ltd.	Nishi-ku, Osaka	400	- Computer data processing service - Manufacturing, sales and leasing of computer-related equipment and software	100	
	OGIC Co., Ltd.	Chuo-ku, Osaka	600	- Leasing, consumer credit and telemarketing - Life insurance and property agency - Automatic collection service - Land and building dealer	100	
	OG Road Co., Ltd.	Konohana-ku, Osaka	50	- Investigation and design of recycling of excavated earth - Manufacturing and sales of materials for road construction - Design and performance of paving works	100	
	Gasnet Co., Ltd.	Chuo-ku, Osaka	46	- Manufacturing and sales of oxygen, nitrogen and other high-pressure gases - Sales of high-pressure gas equipment and facilities - Sales of welding rods and other welding equipment and materials	55	
	Kansai Research Institute	Shimogyo-ku, Kyoto	300	- Scientific and technical investigation, research and development services, investigation on commercialization of businesses and consulting - Development and sales of computer software - Provision of seminars and publication	100	
	Kiccory Co., Ltd.	Chuo-ku, Osaka	300	- Operation of DIY stores	100	
	CRYO-AIR Co., Ltd.	Sakai City, Osaka	480	- Manufacturing and sales of liquefied nitrogen, liquefied oxygen, liquefied argon and other liquefied materials	55	
	Cold Air Products Co., Ltd.	Takaishi City, Osaka	480	- Manufacturing and sales of liquefied nitrogen, liquefied oxygen, liquefied argon and other liquefied materials	55	
	Serendi	Chuo-ku, Osaka	100	- Management of real estate and operation and management of parking lots - Sales of office automation equipment and related products, development and sales of software - Domestic tourist bureau, travel agency, staffing service, and placement service - Office service, business service, and publishing	100	
Harman Engineering Co., Ltd.	Higashi-Osaka City, Osaka	50	- Cleaning of building exterior walls - Installation of pipe lining for water supply, drainage and hot water supply pipes - Manufacturing and sales of Astro Light (energy-saving lighting system) - Management and maintenance of water supply and drainage for air-conditioning and localized air-conditioning systems	100		

Harman Seiki Co., Ltd.	Higashi-osaka City, Osaka	50	- Manufacture of molds (for press and die-casting resin) - Assembly and processing of small lot items - Manufacturing of trial products and metal products	100	
Liquid Gas Co., Ltd.	Chuo-ku, Osaka	1,030	- Manufacturing, sales and transport of LNG and high-pressure gases - Sales of cold and hot air generated from the LNG production and sale of LPG	100	
Liquid Gas Kyoto	Uji City, Kyoto	40	- Gas piping works and sale of LPG, LPG equipment, kerosene and charcoal	100	
Nissho Iwai Petroleum Gas Co., Ltd.	Minato-ku, Tokyo	1,726.5	- Import and sale of LPG	70	
Nissho Propane Sekiyu Co., Ltd.	Chuo-ku, Sapporo	60	- Sale of LPG, gas equipment and petroleum	100	
Nissho Iwai Gas Co., Ltd.	Higashimurayama City, Tokyo	80	- Sale of LPG, gas equipment and petroleum	100	
Nissho Iwai Gas Energy Co., Ltd.	Daito City, Osaka	170	- Sale of LPG, gas equipment and petroleum	100	

## 2 Management Policy

### (1) Basic Management Policy

While the Japanese economy has been in the macro trend of low growth, globalization and deregulation, the Company established “Vision 2010” in October 1999 as the long-term management policy of the Osaka Gas Group in which the businesses in the Group were categorized into two business domains: the Energy Business and the Urban Business (non-energy) segments to promote the growth of each core company including Osaka Gas Co., Ltd. in these domains, and “Management for Creation of Value” was set its basic management policy.

FY2002 is the second year of the Mid-Term Business Plan (FY2001 - FY2003) developed as an action plan for the Vision. To promote further growth of the two business domains, and to maximize our corporate value comprised of (1) value for customers, (2) value for shareholders and (3) value for society, each core company will pursue management for creation of value under the principle of independent and self-supporting management.

In pursuing the business management of the Group, the ten core companies, including Osaka Gas, will promote management for creation of value to maximize the Group’s value for customers, shareholders and society under the principle of independence of responsibility and autonomy of management. Osaka Gas Co., Ltd., as the head office of the Osaka Gas Group, aims to be a small head office that develops business strategies for the entire Group and makes decision on significant matters affecting the entire Group. To ensure that the operation of each business contributes to improvement of the value for shareholders, each proposed investment in a business will be strictly assessed based on its Net Present Value (NPV) to determine whether it will generate proper profit. A performance evaluation system that evaluates the performance of each company under the Group based on its Shareholders’ Value Added (SVA) will be introduced in FY2002 on a trial basis, and will be started on a full scale in FY2003.

### (2) Challenges

In the Energy Business domain, we will develop a service structure that provides one-stop service and proposes the best mix of services to customers. To achieve this goal, we will endeavor to further develop the natural gas, electricity and LPG businesses in FY2002.

While the natural gas sector competes with other energy businesses, competition among providers of natural gas will also intensify. Taking the intensifying competition as an opportunity for growth, we will actively pursue overall improvement of operations and development of technology to enhance the competitiveness of our products and services both in price and quality and to maximize the benefit of natural gas as an energy source, and aim at becoming a company recognized and chosen by customers.

In the residential market, the “gas charge plan for the residential hot-water floor heating system using gas” (“Hotto Gas Charge” plan) introduced in January 2001, the “gas charge plan for residential gas air-conditioning system” with the expanded discount period and other gas charge plans advantageous for consumers will be actively marketed to expand the demand for gas. We will propose comfortable living to consumers by providing floor heating, bathroom heating and drying, residential air-conditioning and other systems and products using gas.

In the commercial and industrial market, we will provide customers with efficient energy systems using a combination of thermal energy and electricity. To expand the demand for gas in this market, high-quality service will be provided to customers, utilizing the know-how of engineering and maintenance we have cultivated for many years, and new gas charge plans that are not only advantageous for customers, but that also contribute to improvement of efficiency of our facilities, will be offered.

In the LPG business, we expect a synergistic effect from Liquid Gas Co., Ltd. and Nissho Iwai Petroleum Gas Co., Ltd., incorporated into the Osaka Gas Group in September 2000. Development of new customers and expansion of demand for LPG will be pursued, utilizing our ability to market equipment and energy systems cultivated in the city gas market. The electricity business will be developed mainly by Gas and Power Investment Co., Ltd.. Full-scale preparation for establishing an independent power producer (IPP) is progressing to start wholesaling of electricity from April 2002, and the retail business will be also started with a firm foundation.

To expand and develop our energy business, it is important to be able to provide high quality in security, service and environmental aspects as well as price competitiveness. We will continue our effort to enhance the quality level of our business in FY2002. Specifically, planned facility examination and regular inspection for preventive maintenance will be carried out to ensure security and safety, and the "Wide-Area Customer Center" opened in FY2001 will work for prompt and accurate handling of customers' requests and inquiries to ensure quality customer service. To contribute to environmental protection and improvement, programs to "reduce burdens on the environment caused by the operation of our businesses," "reduce burdens on the environment caused by our products," and "improve the environment in the local communities in and outside Japan" will be implemented. Moreover, to promote development of new applications of gas and other energies and cost reduction, we will continue to emphasize development of technology. Besides the development carried out by the Group, we will collaborate with other companies, and endeavor to speed up and reduce the cost of technical development by selecting and focusing on appropriate themes. Special emphasis will be placed on the development of cogeneration systems for residential use to realize their early introduction into the market.

The Urban Business domain comprises five business segments: urban development (Urbanex Co., Ltd.), food and food service (Kinrei Co., Ltd.), information and communication (OGIS Research Institute Co., Ltd.), coke, chemical products and carbon products (Osaka Gas Chemicals Co., Ltd.) and services (OG Capital Co., Ltd.). (The companies in parentheses are the core companies leading each business segment.) They will pursue expansion of their share in the industry and market, by selecting and concentrating their efforts on proper business lines. Collaboration with other companies outside the Group will be also actively promoted in each segment as needed to maximize the strengths and complement the weaknesses of the Group.

We will exert ourselves to address to the challenges described above based on flexible and quick management decisions and to enhance our sensitivity for compliance with stricter risk management to receive stronger support from customers, shareholders and society.

### (3) Targets of Mid-Term Business Plan

As the first step of Vision 2010, the targeted results to be achieved by the Osaka Gas Group in FY2003 (on consolidated basis) are as follows:

Ordinary profit:	over ¥75 billion
Net income:	over ¥40 billion
Return on equity (ROE):	over 9.0%
Return on assets (ROA):	over 3.5%
Free cash flow:	In black in FY2001 and increase afterwards

### (4) Dividend Policy



The Company has been trying to grow the business and improve the efficiency of operations, and 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, and for payment of steady dividends to shareholders.

For the current year, the Company has declared annual dividends of ¥5 per share (including interim dividends). The pay-out ratio for the current year (on a non-consolidated basis) was 37.1%. The ratio of net income to shareholders' equity was 8.2% and the ratio of dividends to shareholders' equity was 2.9%.

The Company will make efforts to continue the payment of steady dividends to shareholders in the future, taking future operational results, business plans, alternative profit distribution plans and other comprehensive factors into consideration. Internal reserves will be appropriated for capital expenditures, investment in new businesses and reinforcement of the financial structure of the Company.

### 3 Operational Results

#### (1) Results for the Year

Consolidated sales for the year increased to ¥951,900 million by ¥102,700 million from the prior year, primarily due to the growth of gas sales brought by the increased sales volume and the raising of the gas charge in accordance with the material cost adjustment system, as well as the addition of ten subsidiaries to the consolidation for the latter half of the year, by which the number of consolidated subsidiaries totaled 35. While the cost of sales increased due to the price hike of crude oil, the total cost was contained to a moderate level of ¥877,800 million, a ¥91,300 million increase from the prior year, due to the continued effort for strict control of the selling, general and administrative expenses. As a result, the operating profit for the year grew to ¥74,000 million, ¥11,300 million higher than the prior year. Including the non-operating profit and loss, the ordinary profit was ¥63,800 million, an increase of ¥18,200 million from the prior year. Net income grew by ¥8,700 million to ¥36,000 million.

(in 100 million yen)

Revenues and expenses (a)		Change from prior year		Non-consolidated results (b)	Ratio of consolidated results to non-consolidated results (a)/(b)
		Increase/Decrease	Percent (%)		
Sales	9,519	+1,027	+12.1%	7,541	1.26
Cost of sales	5,014	+891	+21.6%	3,680	1.36
Selling, general and administrative expenses	3,763	+21	+0.6%	3,267	1.15
Operating profit	740	+113	+18.1%	593	1.25
Ordinary profit	638	+182	+40.0%	539	1.18
Net income	360	+87	+32.0%	329	1.09

Return on Equity (ROE) 8.0%

Return on Assets (ROA) 2.9%

#### <Summary of Cash Flow>

(in 100 million)

	Current Year	Prior year	Change from prior year
Cash flow from operating activities	1,409	910	+499
Cash flow from investment activities	(1,090)	(1,035)	(55)
Cash flow from financial activities	(270)	(169)	(100)
Change in cash and cash equivalents	49	(294)	+343
Change in cash and cash equivalents by new inclusions in the consolidation	9	45	(35)
Cash and cash equivalents at year-end	286	227	+59
Balance of interest-bearing liabilities at year-end	5,101	4,910	+191
Free cash flow (*1)	405	189	+216

\*1) Free cash flow = Operating profit after tax + Depreciation expenses (including write-off of long-term prepaid expenses and change in reserves) - Capital expenditures

## <Operational Results by Segment>

### 1. Gas and by-products

Sales grew by ¥55,700 million (+10.6%) to ¥582,000 million, primarily due to the development of new markets mainly for industrial use, growth of demand for gas products for air-conditioning systems due to the high temperatures in the summer and the raising of the gas charge in accordance with the material cost adjustment system. Although the cost of sales rose due to the price hike of crude oil, operating profit increased by ¥8,000 million (+7.1%) to ¥121,800 million, as a result of the efforts for cost reduction implemented in all areas of the operation.

### 2. Installation work

Sales were ¥37,500 million, a ¥300 million decline (-0.9%) from the prior year, primarily due to a decrease in new orders for installation work. Operating profit increased significantly by ¥1,300 million (+490%), to ¥1,500 million, due to the cost reduction achieved in all areas of the operation.

### 3. Gas equipment

Supported by the strong sales of air-conditioning equipment, sales of this segment increased by ¥6,300 million (+5.3%), to ¥125,800 million. As a result of overall efforts for cost reduction, operating profit of ¥1,400 million was recorded, which was a ¥1,600 million increase from the prior year's operating loss of ¥200 million.

### 4. Real estate leasing

Supported by the strong leasing business, sales grew by ¥2,300 million (+12.5%), to ¥20,700 million from the prior year. As a result of cost control efforts, operating profit increased by ¥700 million (+18.4%) to ¥4,500 million.

### 5. Food and food service

Sales grew by ¥1,000 million (+3.2%) to ¥34,400 million, reflecting strong sales growth in the restaurant chain business. As a result of the efforts for cost reduction, which were partially offset by the incremental cost relating to the opening of new restaurants, operating profit was ¥1,900 million, a ¥300 million increase (+19.7%) from the prior year.

### 6. Other businesses

Sales grew by ¥38,300 million (+30.1%), to ¥165,800 million from the prior year, due to the addition of Nissho Iwai Petroleum Gas and other subsidiaries into the consolidation. Operating profit leveled off almost to the same level as the prior year at ¥15,600 million (+0.7%), due to the inclusion of the costs of these added subsidiaries.

(in 100 million yen)

	Gas and by-products	Installation work	Gas equipment	Real estate leasing	Food and food service	Other businesses	Elimination of internal transactions and transactions involving all companies	Consolidated results
Sales	+10.6% 5,820	-0.9% 375	+5.3% 1,258	+12.5% 207	+3.2% 344	+30.1% 1,658	(146)	+12.1% 9,519
Operating profit	+7.1% 1,218	+490% 15	--- 14	+18.4% 45	+19.7% 19	+0.7% 156	(730)	+18.1% 740

(2) Dividends

The Company has declared annual dividends of ¥5 per share (including the interim dividends) to shareholders.

(3) Projection for FY2002

It is projected that sales for FY2002 will grow 5.1% to ¥1,000,000 million from 2001, due to an increase in gas sales and the addition of seven subsidiaries to the consolidation, by which the total number of consolidated subsidiaries will be 42. Costs are also expected to increase, reflecting the hike in material costs due to the weaker yen and the addition of consolidated companies. We project operating profit will increase 1.3% to ¥75,000 million. Ordinary profit will increase 12.8% to ¥72,000 million by the improvement of non-operating profit and loss. Net income is projected to increase 19.1% to ¥43,000 million.

	Projection for FY2002	Change from prior year
Sales	¥1,000billion	+5.1%
Operating profit	¥75billion	+1.3%
Ordinary profit	¥72billion	+12.8%
Net income	¥43billion	+19.1%
Dividends	Targeted to pay annual dividends of ¥6 per share (including interim dividends)	

[Forecasted crude oil price: \$28 per bbl, forecasted exchange rate: ¥118 to \$1]

Return on equity (ROE)	8.7%
Return on assets (ROA)	3.2%
Free cash flow (*1)	¥45 billion

(\*1) Free cash flow = Operating profit after tax + Depreciation expenses (including write-off of long-term prepaid expenses and change in reserves) - Capital expenditures

(4) Capital Expenditure Plan for FY2002

(in 100 million yen)

FY2002 (Projection)	FY2001 (Actual results)	Businesses planned for FY2002
1,100	912	Construction of LNG tanks in plants, transport lines, and main and sub-service lines

## 4 Consolidated Financial Statements

### (1) Consolidated Balance Sheet

Account	End of FY 2001 (March 31, 2001)	End of FY 2000 (March 31, 2000)	Change
	Million yen	Million yen	Million yen
(Assets)			
[1] Fixed Assets	1,088,356	1,024,467	63,889
(1) Tangible Fixed Assets	850,090	842,770	7,320
1 Production facilities	134,814	126,063	8,751
2 Supply facilities	381,115	347,141	33,974
3 Operational facilities	90,206	91,553	(1,347)
4 Other facilities	183,900	161,812	22,088
5 Idle facilities	1,532	1,532	0
6 Construction in progress	58,521	114,667	(56,146)
(2) Intangible fixed assets	14,931	10,158	4,773
(3) Investments and other assets	223,334	171,539	51,795
1 Investment in securities	154,051	89,990	64,061
2 Long-term loans receivable	15,625	14,023	1,602
3 Deferred tax assets	19,687	34,372	(14,685)
4 Others	36,516	33,502	3,014
5 Allowance for bad debts	(2,547)	(349)	(2,198)
[2] Current Assets	222,613	195,046	27,567
1 Cash and deposits	29,120	16,624	12,496
2 Notes receivable and trade accounts receivable	111,001	94,227	16,774
3 Inventories	39,100	33,485	5,615
4 Deferred tax assets	11,377	7,775	3,602
5 Other current assets	32,920	43,661	(10,741)
6 Allowance for bad debts	(906)	(727)	(179)
[3] Deferred Assets	5		5
1 Premium on bonds	5		5
Assets total	1,310,976	1,219,514	91,462

Account	End of FY 2001 (March 31, 2001)	End of FY 2000 (March 31, 2000)	Change
	Million yen	Million yen	Million yen
(Liabilities)			
[1] Fixed Liabilities	565,770	499,952	65,818
1 Bonds	251,028	233,808	17,220
2 Long-term loans payable	192,472	150,380	42,092
3 Reserve for retirement allowances		96,706	(96,706)
4 Reserve for severance benefits	101,278		101,278
5 Reserve for gasholder repair	1,957	1,956	1
6 Other fixed liabilities	19,034	17,100	1,934
[2] Current Liabilities	263,501	287,099	(23,598)
1 Current portion of fixed liabilities	23,611	29,882	(6,271)
2 Notes payable and trade accounts payable	48,103	37,290	10,813
3 Short-term loans payable	43,079	47,362	(4,283)
4 Corporate taxes payable	25,261	23,787	1,474
5 Other current liabilities	123,446	148,776	(25,330)
<b>Total liabilities</b>	<b>829,272</b>	<b>787,051</b>	<b>42,221</b>
(Minority Interest)			
[1] Minority Interest	6,683	3,939	2,744
<b>Minority Interest total</b>	<b>6,683</b>	<b>3,939</b>	<b>2,744</b>
(Capital)			
[1] Capital	132,166	132,166	0
[2] Capital Reserve	19,482	19,482	0
[3] Consolidated Retained Earnings	288,140	276,882	11,258
[4] Difference in evaluation of other securities	35,253		35,253
	475,043	428,532	46,511
[5] Treasury Stocks	(23)	(8)	(15)
<b>Capital total</b>	<b>475,019</b>	<b>428,532</b>	<b>46,496</b>
<b>Liabilities, Minority Interest and Capital total</b>	<b>1,310,976</b>	<b>1,219,514</b>	<b>91,462</b>

## (2) Consolidated Profit and Loss Statement

Account	FY 2001	FY 2000	Change
	(April 1, 2000 - March 31, 2001)	(April 1, 1999 - March 31, 2000)	
	Million yen	Million yen	Million yen
[1] Sales	951,926	849,225	102,701
[2] Cost of Sales	501,490	412,302	89,188
Gross profit on sales	450,436	436,923	13,513
[3] Selling, General and Administrative Expenses	376,381	374,199	2,182
Operating Profit	74,055	62,723	11,332
[4] Non-Operating Revenues	9,272	6,396	2,876
1 Interest received	648	610	38
2 Dividends received	1,552	1,177	375
3 Foreign exchange gain		690	(690)
4 Gain from sales of investment in securities	1,916		1,916
5 Miscellaneous income	5,154	3,918	1,236
[5] Non-Operating Expenses	19,477	23,510	(4,033)
1 Interest paid	7,605	8,320	(715)
2 Loss from redemption of bonds		2,714	(2,714)
3 Loss from redemption of loans		3,084	(3,084)
4 Loss from valuation of investment in securities		3,986	(3,986)
5 Loss from valuation of investment in affiliates	4,402		4,402
6 Miscellaneous expenses	7,470	5,404	2,066
Ordinary Profit	63,849	45,609	18,240
[6] Extraordinary Profit	1,132	491	641
1 Gain from sales of fixed assets	1,132	491	641
[7] Extraordinary Loss	5,137	157	4,980
1 Loss from sales of fixed assets	1,817		1,817
2 Loss from reduction of fixed asset cost	590	157	433
3 Loss from the effect of the change in the accounting principle for severance benefits	2,729		2,729
Net Income Before Taxes and Other Adjustments	59,844	45,943	13,901
Corporate, Resident and Business Taxes	28,089	24,069	4,020
Adjustment of corporate taxes	(4,792)	(5,428)	636
Profit distributable to minority shareholders (reduction)	450	(42)	492
Net Income	36,097	27,345	8,752

## (3) Statement of Consolidated Retained Earnings

Account	FY 2001 (April 1, 2000 - March 31, 2001)	FY 2000 (April 1, 1999 - March 31, 2000)	Change
	Million yen	Million yen	Million yen
[1] Consolidated Retained Earnings at Year Beginning	276,882	265,788	11,094
1 Consolidated retained earnings brought forward from prior year	276,882	229,217	47,665
2 Adjustment of tax effect in prior years		36,571	(36,571)
[2] Increase of Retained Earnings	2,203	1,242	961
1 Increase due to addition of subsidiaries to the consolidation	2,203	1,242	961
[3] Decrease of Retained Earnings	27,044	17,492	9,552
1 Dividends	12,348	12,502	(154)
2 Directors' bonuses	66	67	(1)
3 Elimination of treasury stocks	14,629	4,923	9,706
[4] Net Income	36,097	27,345	8,752
[5] Consolidated Retained Earnings at Year End	288,140	276,882	11,258



## (4) Consolidated Cash Flow Statement

Account	FY 2001 (April 1, 2000 - March 31, 2001)	FY 2000 (April 1, 1999 - March 31, 2000)	Change
<b>I. Cash Flow from Operating Activities</b>	Million yen	Million yen	Million yen
Net income before taxes and other adjustments	59,844	45,943	13,901
Depreciation expenses	92,460	80,842	11,618
Increase of reserve for severance benefits		2,490	(2,490)
Decrease of reserve for severance benefits	(6,393)		(6,393)
Interest and dividends received	(2,201)	(1,787)	(414)
Interest paid	7,605	8,320	(715)
Loss from redemption of bonds		2,714	(2,714)
Loss from redemption of loans		3,084	(3,084)
Loss from evaluation of investment in securities	1,058	3,986	(2,928)
Loss from evaluation of stocks of subsidiaries and affiliates	4,402		4,402
Loss from disposal of tangible fixed assets	3,431		3,431
Decrease (increase) of trade receivables	(5,416)	3,462	(8,878)
Decrease (increase) of inventories	(3,754)	1,129	(4,883)
Increase (decrease) of trade payables	1,780	(10,906)	12,686
Increase of accrued expenses	8,583		8,583
Others	12,383	(9,518)	21,901
<b>Total</b>	<b>173,783</b>	<b>129,763</b>	<b>44,020</b>
Interest and dividends received	2,177	1,782	395
Interest paid	(7,427)	(9,150)	1,723
Corporate taxes paid	(27,552)	(31,330)	3,778
<b>Net Cash Flow From Operating Activities</b>	<b>140,981</b>	<b>91,064</b>	<b>49,917</b>
<b>II. Cash Flow from Investment Activities</b>			
Income from sales of securities			
Expense for acquisition of tangible fixed assets		13,263	(13,263)
Expense for acquisition of intangible fixed assets	(93,084)	(89,705)	(3,379)
Expense for acquisition of securities	(2,187)	(3,036)	849
Income from sales of securities	(1,998)	(2,270)	272
Expense for acquisition of stocks of subsidiaries and affiliates	13,268		13,268
Expense for acquisition of stocks of subsidiaries that change the scope of consolidation	(21,212)		(21,212)
Net increase of short-term loans receivable	(5,062)		(5,062)
Funds for long-term lending		(5,005)	5,005
Others	1,229	(13,723)	13,723
<b>Net Cash Flow from Investment Activities</b>	<b>(109,047)</b>	<b>(103,525)</b>	<b>(5,522)</b>
<b>III. Cash Flow from Financial Activities</b>			
Net increase (decrease) of short-term loans payable	(19,100)	14,423	(33,523)
Net increase (decrease) of commercial paper	(35,000)	4,000	(39,000)
Proceeds from long-term loans payable	54,381	35,775	18,606
Expense for repayment of long-term loans payable	(17,560)	(44,825)	27,265
Proceeds from issuance of bonds	29,994	29,988	6
Expense for redemption of bonds	(13,666)	(38,907)	25,241
Proceeds from issuance of subsidiaries' stocks	924		924
Expense for acquisition of treasury stocks for profit elimination purpose	(14,629)	(4,923)	(9,706)
Dividends paid	(12,282)	(12,502)	220
Dividends paid to minority shareholders	(61)	(35)	(26)
Others	(14)	10	(24)
<b>Net Cash Flow From Financial Activities</b>	<b>(27,015)</b>	<b>(16,996)</b>	<b>(10,019)</b>
<b>IV. Difference from conversion of cash and cash equivalents</b>	<b>(2)</b>	<b>(14)</b>	<b>12</b>
<b>V. Increase/decrease of cash and cash equivalents</b>	<b>4,915</b>	<b>(29,472)</b>	<b>34,387</b>
<b>VI. Cash and cash equivalents at year beginning</b>	<b>22,774</b>	<b>47,737</b>	<b>(24,963)</b>
<b>VII. Increase of cash and cash equivalents due to addition of subsidiaries to the consolidation</b>	<b>985</b>	<b>4,510</b>	<b>(3,525)</b>
<b>VIII. Cash and cash equivalents at year-end</b>	<b>28,676</b>	<b>22,774</b>	<b>5,902</b>

(Notes)

1. Basic information for preparing consolidated financial statements

(1) Scope of consolidation

1) Number of consolidated subsidiaries --- 35 subsidiaries

(Major consolidated subsidiaries) Osaka Gas Chemicals Co., Ltd., Urbanex Co., Ltd., OG Capital Co., Ltd., Osaka Gas Information System Research Institute Co., Ltd., Kinrei Co., Ltd., Harman Co., Ltd., Liquid Gas Co., Ltd., and Nissho Iwai Petroleum Gas Corp.

(Change in consolidation) Enetech Kyoto Co., Ltd., Enetech Minami-Osaka Co., Ltd., Gas Net Co., Ltd., Harman Engineering Co., Ltd., Harman Seiki Co., Ltd., Liquid Gas Kyoto Co., Ltd., Kyoto Research Park Co., Ltd., Nissho Iwai Gas Co., Ltd., Nissho Iwai Gas Energy Co., Ltd., Nissho Iwai Petroleum Gas Co., Ltd., and Nissho Propane Sekiyu Co., Ltd. are added to the consolidation from the current year because their importance to the Group's results has increased. Osaka Gas Iwasaki Development Co., Ltd., which was included in the consolidation for the prior year, was merged with OG Capital Co., Ltd. on July 1, 2000.

Because stocks of Nissho Iwai Gas, Nissho Iwai Gas Energy, Nissho Iwai Petroleum Gas Corp., and Nissho Propane Sekiyu were acquired in September 2000, only their balance sheets as of the end of the year and profit and loss statements for the latter half of the year were included in the consolidation.

2) Major non-consolidated subsidiaries

Major non-consolidated subsidiaries are: Gas and Power Investment Co., Ltd., Kansai Business Information, Inc. The aggregates of their sales, total assets and net income (in proportion to the shareholding by the Company) and retained earnings (in proportion to the shareholding by the Company) are minor respectively, and did not have a material effect on the consolidated financial statements as a whole.

(2) Application of equity method

There was no non-consolidated subsidiary or affiliate that was reported by the equity method.

Major non-consolidated subsidiaries or affiliates that were not reported by the equity method are: Gas and Power Investment Co., Ltd., Kansai Business Information, Inc., and Kansai International Airport Heating & Cooling Supply Co., Ltd. Because the results of these non-consolidated subsidiaries and affiliates have a minor effect on the consolidated net income and the consolidated retained earnings for the year and do not have great importance as a whole, investments in these companies are reported by the cost accounting method, instead of the equity method.

(3) Annual closing date of consolidated subsidiaries

Except OG Royal Co., Ltd., the annual closing date of all consolidated subsidiaries is the same as the consolidated closing date of the Group. OG Royal's annual closing date is December 31 every year. However, as the timing difference does not exceed three months, its financial statements as of December 31 were used for the consolidation without adjustment.

(4) Accounting principles

1) Basis and method of evaluation of significant assets

a. Inventories --- mainly at cost on the moving average basis

b. Securities

Other securities

With market price --- at the market, based on the market price on the closing date of the year

(All the difference from the acquired cost is accounted for by the direct inclusion to capital method, and the cost of sales is calculated by the moving average method.)

Without market price --- mainly at cost on the moving average basis

c. Derivative instruments --- at the market

2) Depreciation of significant depreciable assets

a. Tangible fixed assets

Most tangible fixed assets are depreciated by the declining balance method, except buildings (excluding structures attached to buildings) acquired on April 1, 1998 and thereafter, which are depreciated by the straight line method.

b. Intangible fixed assets

Intangible fixed assets are depreciated by the straight line method. Software programs for internal use are depreciated by the straight line method over their usable period within the organization.

3) Provision of significant allowances and reserves

The following significant reserves are provided:

a. Allowance for bad debts

For ordinary receivables, the amount of provision is determined based on the actual rate of bad debts in the past. In addition, specific doubtful accounts are examined for their recoverability individually and expected unrecoverable amounts are provided for such accounts.

b. Reserve for severance benefits

To prepare for payment of severance benefits to employees, the reserve for severance benefits is provided. It is provided based on the amount of severance benefits payable to employees at the end of the fiscal year and the expected value of the pension assets. The shortage of the reserve caused by the change in the accounting principle (¥2,729 million) was charged fully as an extraordinary loss for the year.

c. Reserve for gasholder repair

To prepare for payment of expenses needed for periodical repair of globular gasholders, the reserve for gasholder repair is provided for the expected repair cost needed in the next scheduled repair based on the actual cost paid in the last repair, over the period until the next scheduled repair.

4) Accounting of lease transactions

Finance lease transactions, except those in which the ownership of the leased properties is transferred to the lessees, are recorded by the accounting method used for regular lease transactions.

5) Accounting of significant hedge transactions

a. Method of hedge accounting

Deferred hedge accounting is adopted. In a case where required conditions are satisfied, special accounting of interest swap, and appropriation accounting of forward exchange contracts, etc. are adopted.

b. Hedge contracts and hedged transactions

Hedge contract

Interest swap

Currency swap

Forward exchange contract or currency option

Hedged transactions

Corporate bonds and loans payable

Corporate bonds and loans payable in foreign currency

Scheduled transactions in foreign currency (such as purchase of raw materials)

c. Hedge policy

In accordance with the internal rules, the Company and its group companies enter into hedge contracts to hedge risk of fluctuation of foreign exchange rates and interest within the Group. No derivative contracts for speculative purposes, which do not have actual transactions to be hedged, have been concluded.

6) Other important information for preparing consolidated financial statements

Consumption taxes are recorded by the tax-exclusion method.

(5) Scope of funds for Consolidated Cash Flow Statement

Funds included in the Consolidated Cash Flow Statement (cash and cash equivalents) comprise cash at hand, bank deposits that can be withdrawn anytime, and highly liquid short-term investments with minor risk of price fluctuation that will expire within three months from the acquisition date.

2. Additional information

(1) Accounting of severance benefits

Starting in FY 2001, the Osaka Gas Group has adopted the accounting principle regarding severance benefits (according to the “Statement Regarding Establishment of Accounting Principle for Severance Benefits” by the Council on Corporate Accounting, June 16, 1998). As a results, the cost of severance benefits increased by ¥458 million, the ordinary profit increased by ¥2,270 million, and net income before tax and other adjustments decreased by ¥458 million, respectively, compared with the results calculated by the former method.

Accrued liabilities relating to the reserve for retirement allowances and past service liabilities in the corporate pension plan were included in the reserve for severance benefits.

(2) Accounting of financial instruments

Starting in FY 2001, as the Osaka Gas Group has adopted the accounting principle regarding financial instruments (according to the “Statement Regarding Establishment of Accounting Principle for Financial Instruments” by the Council on Corporate Accounting, January 22, 1999), the evaluation method for securities was changed. As a result, the ordinary profit and net income before tax and other adjustments increased by ¥1,337 million, respectively, compared with the results calculated by the former method.

Investments in securities increased by ¥57,729 million, of which ¥35,253 million after deducting ¥22,475 million of deferred tax liabilities are recorded as “difference in evaluation of other securities” in the Capital section of the balance sheet.

(3) Accounting principles for transactions in foreign currency

Starting in FY 2001, the Osaka Gas Group has adopted the revised accounting principle for transactions in foreign currency (according to the “Statement Regarding Revision of Accounting Principle for Transactions in Foreign Currency” by the Council on Corporate Accounting, October 22, 1999). The effect of this change to the profit and loss for the year was minor.

3. Accumulated depreciation of tangible fixed assets	(FY 2001)	(FY 2000)
	¥1,512,826 million	¥1,437,248 million

4. Contingent liabilities	(FY 2001)	(FY 2000)
Guarantee of liabilities	¥16,200 million	¥19,864 million
Debt assumption agreements	83,051	105,453

5. Relationship of year-end balance of cash and cash equivalents and the values presented in the consolidated balance sheet

	(FY 2001)	(FY 2000)
Cash and bank deposits	¥29,120 million	¥16,624 million
Term deposits that expire more than three months later	(444)	(476)
Repurchase agreements with resale conditions (included in current assets)		6,627
<hr/>		
Cash and cash equivalents	¥28,676	¥22,774

## 5 Segment Information

### a. Segment information by business type

Current fiscal year for consolidation (April 1, 2000 - March 31, 2001)

	Gas and By-products	Installation Work	Gas Equipment	Real Estate Lease	Foods and Food Service	Other Businesses	Total	Elimination And corporate	Consolidation
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen
[1] Sales and Operating Profit and Loss									
Sales									
1.Sales to customers outside the Group	581,756	37,589	125,736	7,679	34,204	164,959	951,926	---	951,926
2.Internal sales or transfers among segments	267		109	13,035	279	917	14,609	(14,609)	---
Total	582,023	37,589	125,846	20,715	34,483	165,877	966,536	(14,609)	951,926
Operating Expenses	460,154	35,994	124,409	16,192	32,505	150,213	819,468	58,402	877,871
Operating Profit	121,869	1,594	1,437	4,522	1,978	15,664	147,067	(73,012)	74,055
[2] Assets, Depreciation and Capital Expenditures									
Assets	686,932	11,524	64,000	99,040	22,268	201,929	1,085,696	225,279	1,310,976
Depreciation Expenses	67,071	58	1,435	5,718	1,040	13,773	89,098	3,362	92,460
Capital Expenditures	62,484	0	1,221	7,178	1,508	16,525	88,918	2,315	91,233

Prior Fiscal Year for Consolidation (April 1, 1999 - March 31, 2000)

	Gas and By-products	Installation Work	Gas Equipment	Real Estate Lease	Foods and Food Service	Other Businesses	Total	Elimination And corporate	Consolidation
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen
[1] Sales and Operating Profit and Loss									
Sales									
1.Sales to customers outside the Group	526,055	37,947	119,345	5,945	33,100	126,831	849,225	---	849,225
2.Internal sales or transfers among segments	255		155	12,462	308	693	13,875	(13,875)	---
Total	526,311	37,947	119,501	18,407	33,408	127,524	863,100	(13,875)	849,225
Operating Expenses	412,505	37,676	119,756	14,586	31,756	111,969	728,249	58,251	786,501
Operating Profit	113,806	270	(254)	3,820	1,652	15,555	134,850	(72,126)	62,723
[2] Assets, Depreciation and Capital Expenditures									
Assets	702,131	11,454	60,208	95,677	21,049	139,918	1,030,439	189,074	1,219,514
Depreciation Expenses	59,256	54	1,580	5,819	1,146	9,324	77,181	3,660	80,842
Capital Expenditures	65,496	33	1,621	2,040	561	15,987	85,740	8,210	93,951

(Note)

1. The business segments are divided based on the sales summary classification in accordance with the Gas Business Accounting Rules.
  2. Major products and services of business segments
    - (1) Gas and by products --- Gas and cold air
    - (2) Installation work --- Installation of internal pipes at the expense of customers
    - (3) Gas equipment --- Gas equipment
    - (4) Real estate leasing --- Leasing and management of real estate
    - (5) Foods and food service --- Frozen foods and restaurants
    - (6) Other businesses --- Design and installation of LPG, liquefied oxygen and nitrogen, gas and environment-preservation-related facilities, sales of housing equipment, office equipment, etc., provision of data processing service, intermediary for installment purchases, automobile and office equipment leasing, leasing of LNG tankers, district air-conditioning services, LNG processing by contract, etc.
  3. Of Operating Expenses, the non-allocatable operating expenses included in “Elimination of internal transactions or transactions relating to all companies under the Group” are ¥71,918 million for FY 2000 and ¥73,141 million for FY 2001. They mainly comprise of general expenses relating to administrative departments of consolidated companies.
  4. Assets included in “Elimination of internal transactions or transactions relating to all companies under the Group” are ¥236,087 million for FY 2000 and ¥296,001 million for FY 2001. They mainly comprise of extra funds for investments (cash and securities), long-term investment funds (investment in securities) and assets relating to administrative department of consolidated companies.
- b. Segment information by geographical area
- Because the Company does not have a consolidated subsidiary outside 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.





## 7 Contract Price, Market Price and Profit and Loss Status of Derivative Transactions

(Current Fiscal Year for Consolidation)

### Interest

Classification	Type of transaction	As of March 31, 2001			
		Contract Price		Market Price	Evaluation Loss (Profit)
		Million Yen	Portion exceeding One year Million Yen		
Transactions other than market transactions	Interest swap	Million Yen	Million Yen	Million Yen	Million Yen
	Fixed interest receipt and variable interest payment	6,796	6,796	132	132
	Fixed interest payment and variable interest receipt	2,060	1,950	(46)	(46)
Total		8,856	8,746	85	85

(Notes)

1. Derivative transactions for which the hedge accounting applies are excluded.
2. Calculation of market prices is based on the prices announced by the financial institutions.

(Prior Fiscal Year for Consolidation)

### Interest

Classification	Type of transaction	As of March 31, 2000			
		Contract Price		Market Price	Evaluation Loss (Profit)
		Million Yen	Portion exceeding One year Million Yen		
Transactions other than market transactions	Interest swap	Million Yen	Million Yen	Million Yen	Million Yen
	Fixed interest receipt and variable interest payment	71,400	69,800	2,411	2,411
	Fixed interest payment and variable interest receipt	28,407	26,068	(983)	(983)
Total		99,807	95,868	1,428	1,428

(Notes)

1. Contract prices (or assumed principal) do not necessarily indicate risk of derivative transactions
2. Calculation of market prices is based on the prices announced by the financial institutions.

## 8 Transactions with Related Parties

### Subsidiaries and other related parties

Relation	Name	Location	Capital (million yen)	Business	Holding of voting rights or other similar rights	Detail of relationship		Transaction	Transaction amount (million yen)	Account	Year-end balance (million yen)
						Concurrent service of officers, etc.	Business relation				
Subsidiary	Gas and Power Co., Ltd.	Osaka City, Osaka	450	Electric power supply, etc.	100% indirect holding	One concurrent officer and two loaned officers	Not applicable	Financing	13,600	Long-term loans receivable	13,600

## 9 Severance Benefits

### 1. Outline of the Severance Benefit Plan adopted by the Company

The Company and its consolidated subsidiaries provide fixed-benefit type severance benefit plans consisting of the qualified retirement pension plan, the employees pension fund and the retirement bonus plan.

2. Reserve for severance benefits (as of March 31, 2001)                      ¥101,278 million

### 3. Disclosure on cost of severance benefits (April 1, 2000 ~ March 31, 2001)

(1) Service cost	¥10,534 million
(2) Interest cost	7,209
(3) Expected return on investment	(6,352)
(4) Charge of shortage resulting from the change in the accounting principle to cost	2,729
(5) Charge of actuarial difference to cost	0
(6) Charge of shortage of past service liabilities to cost	0
(7) Cost of severance benefits ((1)+(2)+(3)+(4)+(5)+(6))	¥14,120

(Note) The cost of severance benefits of consolidated subsidiaries that adopt the simplified accounting method are included in the "service cost."

### 4. Bases used for calculation of severance benefit liabilities, etc.

Allocation of expected severance benefit over the period	Allocation of fixed amount over the period
Discount rate	Mainly 2.7%
Rate of expected return on investment	Mainly 4.0%
Years for charging past service liabilities	Mainly one year
Years for charging actuarial difference	Mainly 10 years
Years for charging shortage resulting from the change in the accounting principle	One year

## Summary of Non-Consolidated Financial Statements for the Year Ending in March 2001 May 21, 2001

Name of Listed Company: OSAKA GAS CO., LTD.

Listing in Stock Exchanges: Tokyo, Osaka and Nagoya

Code: 9532

Location of Head Office: Osaka Prefecture

Title of Contact Person: General Manager of Accounting Dept.

Name of Contact Person: Yoshishige Suzuma Phone: (06) 6205-4536

Date of Meeting of Board of Directors

For Approval of Financial Statements: May 21, 2001

The company has an interim dividend system.

Date of General Meeting of Shareholders: June 28, 2001

### 1. Results of the Year Ending in March 2001 (April 1, 2000 to March 31, 2001)

#### (1) Operational Results

(Any amount less than one million yen is rounded down.)

	Sales		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Year ending in March 2001	754,127	8.5	59,320	18.2	53,929	36.6
Year ending in March 2000	695,125	-0.7	50,199	-7.1	39,465	-9.4

	Net Income		Earnings Per Share	Diluted Earnings Per Share	Net Income to Shareholders' Equity	Ordinary Profit to Total Assets	Ordinary Profit to Sales
	Million yen	%	Yen	Yen	%	%	%
Year ending in March 2001	32,992	34.5	13.45	-	8.2	5.2	7.2
Year ending in March 2000	24,527	43.2	9.82	-	6.7	3.9	5.7

(Notes)

Average outstanding shares during the year: 2,453,153,553 shares in the year ending in March 2001, and 2,498,716,322 shares in the year ending in March 2000

Change in the accounting method: there were no changes.

The percentages in Sales, Operating Profit, Ordinary Profit and Net Income shows increase/decrease from the previous year.

#### (2) Dividends

	Annual Dividends Per Share			Gross Dividends (Annual)	Payout Ratio	Dividends to Shareholders' Equity
	Yen	Interim Dividends	Year-End Dividends			
Year ending in March 2001	5.00	2.50	2.50	12,228	37.1	2.9
Year ending in March 2000	5.00	2.50	2.50	12,445	50.7	3.2

(Note) Breakdown of year-end dividends for the year ending in March 2001: Commemorative dividends ¥0.00, and special dividends ¥0.00

#### (3) Financial Conditions

	Total Assets	Shareholders' Equity	Shareholders' Equity to Total Assets	Shareholders' Equity Per Share
	Million yen	Million yen	%	Yen
Year ending in March 2001	1,067,154	418,037	39.2	172.06
Year ending in March 2000	1,013,011	385,402	38.0	155.54

(Note) Outstanding shares at the year-end: 2,429,563,630 shares at the end of March 2001, and 2,477,760,630 shares at the end of March 2000

### 2. Estimated Results for the Year Ending in March 2002 (April 1, 2001 to March 31, 2002)

	Sales	Ordinary Profit	Net Income	Annual Dividends Per Share		
				Interim Dividends	Year-End Dividends	Yen
For the first-half year	Million yen	Million yen	Million yen	Yen	Yen	Yen
For the full year	767,600	61,000	38,500	3.00	-	-
				-	3.00	6.00

(Reference) Estimated Earnings Per Share (for the full year): ¥15.85

May 21, 2001

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Overview of Non-Consolidated Financial Statements for FY2001  
( T h e 1 8 3 r d B u s i n e s s Y e a r )  
(April 1, 2000 - March 31, 2001)

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- Meeting of Board of Directors for Approving Financial Statements: May 21, 2001
- Annual General Meeting of Shareholders: June 28, 2001

OSAKA GAS CO., LTD.

# 1 Operational Results

## (1) Gas sales

The number of customers at the end of the year increased by 96 thousand from the prior year, to 6,401 thousand. The monthly average gas consumption per customer was the same as that in the prior year with 34.5 m<sup>3</sup>. Sales volume in the residential market increased 1.4% to 2,244 million m<sup>3</sup> due to the growth in the number of customers and our marketing efforts.

Sales volume to the commercial and industrial market grew 4.2% to 5,040 million m<sup>3</sup>, reflecting the increased sales of gas for air conditioning systems due to the high temperatures in the summer, as well as the addition of new demand through our marketing efforts. Sales volume grew 3.7% in the industrial market, 3.4% in the commercial market and 9.8% in the public and medical market.

As a result, total sales volume increased 3.5% to 7,407 million m<sup>3</sup> from the prior year.

		FY 2001 (00/04 - 01/03) A	FY2000 (99/04- 00/03) B	A-B	A/B
Number of Customers (Meters installed)	Residential	6,092 thousand	6,001 thousand	91 thousand	101.5%
	Non-Residential	309	304	5	101.5%
	Total	6,401	6,305	96	101.5%
Average monthly Consumption per customer	Residential	34.5 m <sup>3</sup> /month	34.5 m <sup>3</sup> /month	+0 m <sup>3</sup> /month	100.0%
	Average of all consumers	107.0	104.9	2.1	102.0%
Gas sales	Residential	2,244 million m <sup>3</sup>	2,213 million m <sup>3</sup>	31 million m <sup>3</sup>	101.4%
	Commercial and industrial	5,040	4,838	201	104.2%
		Industrial	3,656	3,526	129
	Commercial	913	883	30	103.4%
	Public and medical	471	429	42	109.8%
	Wholesale	124	109	15	114.0%
	Total	7,407	7,160	248	103.5%

[Reference]

- Average temperature ( )

FY 2001 (00/04-01/03) A	FY 2000 (99/04-00/03) B	A-B
17.3	17.1	+0.2

(2) Overview of Profit and Loss

(in 100 million yen)

Revenues			Change from prior year	
			Increase /decrease	Percent (%)
Product sales	Gas and by-products	5,820	557	110.6
	Installation work	375	(3)	99.1
Other sales	Gas equipment	1,013	57	106.0
	Other sales	331	(20)	94.2
	Total	1,721	32	101.9
Total sales		7,541	590	108.5
Non-operating revenues		71	3	105.0
Total revenues		7,612	593	108.5

Expenses		Change from prior year		
		Increase /decrease	Percent (%)	
Cost of sales		2,065	545	135.9
Selling, general and administrative expenses		3,267	(57)	98.3
Total		5,332	488	110.1
Other expenses	Operating expenses	359	(16)	95.5
	Gas equipment	1,002	42	104.4
	Other expenses	252	(15)	94.2
	Total	1,615	10	100.6
Operating expenses		6,948	498	107.7
Operating profit		593	91	118.2
Non-operating expenses		125	(50)	71.5
Total expenses		7,073	448	106.8

Ordinary profit	539	144	136.6
Net income	329	84	134.5

(Any amount less than ¥100 million is rounded down.)

Return on equity (ROE)	8.2%
Return on assets (ROA)	3.2%
Free cash flow (*1)	37,200 million yen

(\*1) Free cash flow

=Operating profit after tax + Depreciation expenses (including write-off of long-term prepaid expenses and change in reserves)

- Capital expenditures

[Reference]

- Cost of raw materials included in the cost of sales: ¥179,100 million (increased by ¥48,300 million, or 37.0% from the prior year)
- Exchange rate and cost of crude oil

	FY 2001 (00/04 - 01/03)	FY2000 (99/04- 00/03)	A - B
Exchange rate (¥/\$) *1	110.5	111.6	-1.1
Cost of crude oil (\$/bbl) *2	28.4	20.9	+7.5

\*1: TTM rate

\*2: All Japan CIF price

### (3) Projection for FY 2001

Sales volume is expected to increase both in the residential and the commercial market by 0.9% to 7,471 million m<sup>3</sup>. Sales will grow 1.8% to ¥767,600 million from the prior year due to an increase in sales volume and a raise of the gas charge in accordance with the raw material cost adjustment system. Although the cost will increase due to the weak yen that leads to a hike in the raw material costs, operating profit is expected to increase 2.2% to ¥60,600 million due to our continued efforts for cost reduction. Ordinary profit will increase 13.1% to ¥61,000 million due to improvement of non-operating profit. Net income for FY 2001 is expected to grow 16.7% to ¥38,500 million from FY 2000.

	Projection for FY 2001	Change from prior year
Gas sales volume	7,471 million m <sup>3</sup>	+0.9%
Sales	767,600 million	+1.8%
Operating profit	60,600 million	+2.2%
Ordinary profit	61,000 million	+13.1%
Net income	38,500 million	+16.7%

[Forecasted crude oil price: \$28 per bbl, forecasted exchange rate: ¥118 to \$1]

Return on equity (ROE)	9.0%
Return on assets (ROA)	3.5%
Free cash flow (*1)	¥33,500 million

(\*1) Free cash flow

= Operating profit after tax + Depreciation expenses (including write-off of long-term prepaid expenses and change in reserves)

- Capital expenditures

### (4) Capital Expenditure Plan for FY 2002

(in 100 million yen)

	FY 2002 (projection)	FY 2001 (actual results)	Description of expenditures planned for FY2002
Production facilities	95	115	Construction of electric power plant in Senboku Terminal, LNG tank in Himeji Terminal.etc
Supply facilities	492	493	Construction of transport lines, and main and branch pipelines; improvement of earthquake-resistance, etc.
Operational facilities, etc.	220	76	Regional business headquarters, branch offices, sales centers, research and development facilities, etc.
Total	807	685	

## 2 Non-Consolidated Financial Statements

### (1) Balance Sheet

(in million yen)

Account	As of March 31, 2001	As of March 31, 2000	Change	
			Amount	Percent (%)
(Assets)				
<b>Fixed Assets</b>	918,495	882,126	36,368	104.1
Tangible fixed assets	676,780	684,590	-7,809	98.9
Production facilities	135,887	127,072	8,815	106.9
Supply facilities	383,306	349,234	34,072	109.8
Operational facilities	90,353	91,696	-1,343	98.5
Supplementary business facilities	9,342	10,350	-1,007	90.3
Idle facilities	1,532	1,532	0	100.0
Construction in progress	56,357	104,705	-48,347	53.8
Intangible fixed assets	7,114	8,725	-1,611	81.5
Patents	8	11	-3	71.8
Leaseholds	2,591	2,172	419	119.3
Other intangible fixed assets	4,515	6,542	-2,026	69.0
Investments	234,600	188,810	45,789	124.3
Investments in securities	97,506	64,626	32,879	150.9
Investments in affiliates	80,705	59,243	21,462	136.2
Long-term internal loans receivable	245	308	-63	79.6
Long-term loans receivable from affiliates	26,591	17,400	9,191	152.8
Investment in capital	111	11	100	937.9
Long-term prepaid expenses	7,722	9,977	-2,255	77.4
Deferred tax assets	14,303	30,452	-16,149	47.0
Other investments	8,093	7,020	1,073	115.3
Allowance for bad debts	(680)	(229)	-450	295.9
<b>Current Assets</b>	148,653	130,884	17,768	113.6
Cash and deposits	17,617	10,842	6,774	162.5
Notes receivable	1,219	1,680	-461	72.6
Trade accounts receivable	66,123	57,713	8,409	114.6
Trade accounts receivable from affiliates	5,335	5,135	199	103.9
Other accounts receivable	14,025	18,046	-4,021	77.7
Securities	103	12	90	805.4
Products	97	75	22	129.2
Raw materials	15,138	11,868	3,270	127.6
Stores	10,398	11,497	-1,099	90.4
Short-term accounts receivable from affiliates	2,099	1,460	638	143.7
Deferred tax assets	9,252	6,514	2,737	142.0
Other current assets	7,847	6,537	1,310	120.0
Allowance for bad debts	(605)	(503)	-102	120.5
<b>Deferred Assets</b>	5	---	5	---
Premium on bonds	5	---	5	---
<b>Assets total</b>	<b>1,067,154</b>	<b>1,013,011</b>	<b>54,142</b>	<b>105.3</b>



(in million yen)

Account	As of March 31, 2001	As of March 31, 2000	Change	
			Amount	Percent (%)
<b>(Liabilities)</b>				
<b>Fixed Liabilities</b>	487,174	432,207	54,966	112.7
Bonds	250,808	233,808	17,000	107.3
Long-term loans payable	136,538	97,566	38,971	139.9
Reserve for retirement allowances	---	93,217	-93,217	0.0
Reserve for severance benefits	95,677	---	95,677	---
Reserve for gasholder repair	1,957	1,956	0	100.0
Other fixed liabilities	2,193	5,659	-3,465	38.8
<b>Current Liabilities</b>	161,942	195,401	-33,459	82.9
Current portion of fixed liabilities	14,008	18,932	-4,924	74.0
Trade accounts payable	12,696	9,714	2,982	130.7
Short-term loans payable	---	2,301	-2,301	0.0
Other accounts payable	27,406	31,005	-3,598	88.4
Accrued expenses	53,356	47,819	5,537	111.6
Corporate taxes payable	20,905	20,226	679	103.4
Advances received	12,830	11,228	1,601	114.3
Deposits received	764	808	-43	94.6
Short-term accounts payable to affiliates	16,847	16,317	530	103.3
Commercial paper	---	35,000	-35,000	0.0
Other current liabilities	3,125	2,048	1,077	152.6
<b>Liabilities total</b>	<b>649,116</b>	<b>627,609</b>	<b>21,507</b>	<b>103.4</b>
<b>(Capital)</b>				
<b>Capital</b>	132,166	132,166	0	100.0
<b>Legal Reserves</b>	52,524	51,927	596	101.1
Capital reserve	19,482	19,482	0	100.0
Profit reserve	33,041	32,445	596	101.8
<b>Retained Earnings</b>	206,660	201,307	5,352	102.7
Reserve for reduction of costs relating to replacement of specific assets, etc.	224	239	-14	93.9
Reserve for write-off of specific gas piping works	2,811	2,883	-71	97.5
Reserve for loss on overseas investments, etc.	70	323	-253	21.7
Reserve for adjustment for cost fluctuation	89,000	89,000	0	100.0
Reserve for other specific purposes	62,000	32,000	30,000	193.8
Unappropriated retained earnings (Net Income)	52,553 (32,992)	76,860 (24,527)	-24,307 (8,465)	68.4 (134.5)
<b>Difference on evaluation</b>	26,686	---	26,686	---
Difference on evaluation of other securities	26,686	---	26,686	---
<b>Capital total</b>	<b>418,037</b>	<b>385,402</b>	<b>32,635</b>	<b>108.5</b>
<b>Liabilities and Capital Total</b>	<b>1,067,154</b>	<b>1,013,011</b>	<b>54,142</b>	<b>105.3</b>

## (2) Profit and Loss Statement

(in million yen)

Account		FY 2001 (April 1, 2000 - March 31, 2001)	FY 2000 (April 1, 1999 - March 31, 2000)	Change		
				Amount	Percent (%)	
Ordinary Profit and Loss	Operating Profit and Loss	Product sales	582,023	526,311	55,712	110.6
		Gas sales	581,756	526,055	55,700	110.6
		By-product sales	267	255	11	104.6
		Cost of sales	206,558	151,969	54,589	135.9
		(Gross Profit on Sales)	(375,464)	(374,342)	(1,122)	(100.3)
		Selling expenses	253,595	260,535	-6,940	97.3
		General and administrative expenses	73,141	71,918	1,222	101.7
		(Core Business Profit)	(48,728)	(41,887)	(6,840)	(116.3)
		Miscellaneous operational revenues	139,140	133,731	5,409	104.0
		Revenues from installation works	37,589	37,947	-357	99.1
		Revenues from gas equipment sales	101,356	95,653	5,702	106.0
		Other miscellaneous operational revenues	194	129	64	149.6
		Miscellaneous operational expenses	136,261	133,703	2,558	101.9
		Cost of installation works	35,994	37,676	-1,682	95.5
		Cost of gas equipment sales	100,267	96,026	4,240	104.4
		Revenues from supplementary businesses	32,963	35,083	-2,119	94.0
		Cost of supplementary businesses	25,249	26,799	-1,549	94.2
	(Operating Profit)	(59,320)	(50,199)	(9,121)	(118.2)	
	Non-Operating Profit and Loss	Non-operating revenues	7,147	6,808	339	105.0
		Interest received	357	181	176	197.2
		Interest received on securities	178	220	-41	81.1
		Dividends received	1,691	1,447	244	116.9
		Lease income	1,550	1,527	22	101.5
		Foreign exchange gain	---	690	-690	0.0
		Miscellaneous revenues	3,368	2,740	628	122.9
		Non-operating expenses	12,538	17,541	-5,003	71.5
		Interest paid	1,816	2,236	-419	81.2
		Interest paid on corporate bonds	3,616	3,772	-156	95.9
		Amortization of bond premiums	0	12	-11	7.1
		Amortization of bond expenses	135	147	-11	92.0
		Loss from redemption of bonds	---	2,714	-2,714	0.0
		Loss from redemption of loans	---	3,084	-3,084	0.0
		Loss from valuation of investment in securities	---	3,786	-3,786	0.0
Loss from valuation of investment in affiliates		4,206	---	4,206	---	
Miscellaneous expenses	2,761	1,786	975	154.6		
(Ordinary Profit)	(53,929)	(39,465)	(14,464)	(136.6)		
Extraordinary Profit and Loss	Extraordinary Profit	---	151	-151	0.0	
	Gains from sales of fixed assets	---	151	-151	0.0	
	Extraordinary Loss	867	139	728	622.8	
	Loss from sales of fixed assets	252	---	252	---	
	Loss from reduction of fixed assets' cost	---	139	-139	0.0	
	Loss from the effect of the change in the accounting principle for retirement allowances	614	---	614	---	
(Net Income before Tax)		(53,062)	(39,477)	(13,584)	(131.4)	
Corporate taxes		21,800	19,150	2,650	113.8	
Adjustment for corporate taxes		-1,730	-4,199	2,469	41.2	
Net Income		32,922	24,527	8,465	134.5	
Profit brought forward from prior year		40,344	29,409	10,935	137.2	
Adjustment for tax effect of prior years		---	32,767	-32,767	0.0	
Reversal of reserve for reduction of costs relating to replacement of specific assets, etc. due to the application of the tax effect accounting		---	135	-135	0.0	
Reversal of reserve for write-off of specific gas piping works due to the application of the tax effect accounting		---	1,635	-1,635	0.0	
Reversal of reserve for loss from overseas investments, etc. due to the application of the tax effect accounting		---	183	-183	0.0	
Write-off of treasury stocks		14,629	4,923	9,706	297.2	
Interim dividends		6,154	6,251	-96	98.5	

Provision of profit reserve	---	625	-625	0.0
Unappropriated retained earnings	52,553	76,860	-24,307	68.4

Note: Regarding the values in Sales shown in (1) Operational Results, 1. Results of the Year Ending in March 2001 (April 1, 2000 to March 31, 2001) in Summary of Non-Consolidated Financial Statements for the Year Ending in March 2001 are the total of product sales, miscellaneous operational revenues and revenues from supplementary businesses.

(Notes)

### 1. Significant Accounting Policies

(1) Tangible fixed assets are depreciated by the declining balance method, except buildings (excluding fixtures attached to buildings) acquired on April 1, 1998 and thereafter, which are depreciated by the straight line method.

(2) Securities are evaluated by the following methods:

Securities of subsidiaries and affiliates: at cost on the moving average basis

Other securities

Securities having market price: at the market, based on the market price on the closing date of the year (All the difference from the acquired cost is accounted for by the direct inclusion to capital method, and the cost of sales is calculated by the moving average method.)

Securities having no market price: at cost on the moving average basis

(3) Products are evaluated at cost on the gross average basis. Raw materials and stores are evaluated at cost on the moving average basis.

(4) The following significant reserves are provided:

Reserve for severance benefits: To prepare for payment of severance benefits to employees, the reserve for severance benefits is provided. It is provided based on the amount of severance benefits payable to employees at the end of the fiscal year and the expected value of the pension assets. The shortage of the reserve caused by the change in the accounting principle (¥614 million) was charged fully as an extraordinary loss for the year.

Reserve for gasholder repair: To prepare for payment of expenses needed for periodical repair of globular gasholders, the reserve for gasholder repair is provided for the expected repair cost needed in the next scheduled repair based on the actual cost paid in the last repair, over the period until the next scheduled repair.

(5) Accounting of lease transactions

Finance lease transactions, except those in which the ownership of the leased properties is transferred to the lessees, are recorded by the accounting method used for regular lease transactions.

(6) Consumption taxes are recorded by the tax-exclusion method.

### 2. Additional Information

(1) Starting in FY 2000, the Company has adopted the accounting principle regarding severance benefits (according to the "Statement Regarding Establishment of Accounting Principle for Severance Benefits" by the Council on Corporate Accounting, June 16, 1998). As a result, the cost of severance benefits decreased by ¥1,325 million, and the ordinary profit and net income before tax increased by ¥1,940 million and ¥1,325 million, respectively, compared with the results calculated by the former method.

(2) Starting in FY 2000, the Company has adopted the accounting principle regarding financial instruments

(according to the “Statement Regarding Establishment of Accounting Principle for Financial Instruments” by the Council on Corporate Accounting, January 22, 1999). As a result, the ordinary profit and net income before tax increased by ¥1,241 million, respectively, compared with the results calculated by the former method. Investments in securities and securities increased by ¥41,828 million, of which ¥26,686 million after deducting ¥15,141 million of deferred tax liabilities are recorded as “difference in evaluation of other securities” in the Capital section of the balance sheet.

(3) Starting in FY 2000, the Company has adopted the accounting principle for transactions in foreign currency (according to the “Statement Regarding Revision of Accounting Principle for Transactions in Foreign Currency” by the Council on Corporate Accounting, October 22, 1999). The effect of this change to the profit and loss for the year was minor.

3. Accumulated Depreciation of Fixed Tangible Assets: ¥1,401,447 million (¥1,338,688 million in the prior year)

4. Guarantee of Liabilities: ¥28,036 million <including those assumed by the Company: ¥22,791 million> (¥30,669 million in the prior year <including those assumed by the Company: ¥24,546 million>)  
Contingent liabilities in connection with corporate bonds and loan contracts: ¥83,051 million (¥105,453 million in the prior year)

5. The Company eliminated the following treasury stocks during the year.

Number of shares eliminated: 48,197,000 shares Total acquisition cost: ¥14,629 million

### 3. Securities

Stocks of subsidiaries and affiliates having market price

As of the end of the business year (March 31, 2001)

	Value reported in the Balance Sheet	Market price	Difference
Stocks of subsidiaries	million yen 1,241	million yen 3,010	million yen 1,768

### 4. Proposed Appropriation of Retained Earnings (in million yen)

	FY 2001 (April 2000 - March 2001)	FY 2000 (April 1999 - March 2000)
Unappropriated retained earnings	52,553	76,860
Reversal of reserve for reduction of costs relating to replacement of specific assets, etc.		14
Reversal of reserve for write-off of specific gas piping work	236	236
Reversal of reserve for loss from overseas investments, etc.	37	253
Total	52,826	77,365
The above-mentioned profit will be appropriated as follows:		
Profit reserve		596
Dividends (per share)	6,073 (2.50yen)	6,194 (2.50yen)
Directors' bonuses	66	66
Reserve for write-off of specific gas piping work	11	164
Reserve for loss from overseas investments, etc.	6,202	
Reserve for other special purposes		30,000
Unappropriated retained earnings carried forward to next year	40,472	40,344

(Note) On December 8, 2000, interim dividends of ¥6,154 million (¥2.50 per share) were distributed to shareholders.