



For Year Ending March 31, 2005 Brief Report of Interim Consolidated Financial Statements

October 29, 2004

Name of Listed Company **Osaka Gas Co., Ltd.** Listed Exchanges : Tokyo, Osaka and Nagoya Exchanges
 Code **9532** Location of Head Office: Osaka Prefecture
 (URL <http://www.osakagas.co.jp>)
 Representative Officer Title: President Name: Hirofumi Shibano
 Contact: Title: Accounting Manager Name: Shingo Kamei TEL: +81 -6-6205-4537
 Date of Meeting of Board of Directors for Approving Interim Financial Statements: October 29, 2004
 Adoption of U.S. Accounting Standards: Not adopted

1.16. Financial results for the six months ended September 31, 2004 (April 1, 2005 - September 30, 2004)

(1) Consolidated operational results (Any amount less than one million yen is rounded down to the nearest million yen)

	Operating revenues		Operating profit		Ordinary profit	
	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2004	423,000	-0.5	25,675	-20.0	30,560	5.4
Six months ended September 30, 2003	424,969	3.8	32,092	18.0	29,006	52.1
Year ended March 31, 2004	951,324		92,096		81,446	

	Net income		Retained earning per share	Diluted retained earnings per share
	million yen	%	yen	yen
Six months ended September 30, 2004	9,244	-37.4	4.14	-
Six months ended September 30, 2003	14,771	68.3	6.43	-
Year ended March 31, 2004	47,065		20.56	-

(Notes) ① Profit (loss) from investment by equity method Six months ended September 30, 2004 188 million yen Six months ended September 30, 2003 - million yen Year ended March 31, 2004 - million yen

② Average number of outstanding shares during term (consolidated) Six months ended September 30, 2004 2,230,488,578 shares Six months ended September 30, 2003 2,297,105,895 shares Year ended March 31, 2004 2,285,781,631 shares

③ Change in accounting method: N/A

④ Percentages shown for sales, operating profit, ordinary profit and net income in tables above are percentages of change from the same period previous year.

(2) Consolidated financial position

	Total assets	Shareholder's equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	million yen	million yen	%	yen
As of September 30, 2004	1,169,197	490,515	42.0	219.95
As of September 30, 2003	1,181,870	480,024	40.6	208.99
As of March 31, 2004	1,199,228	495,635	41.3	222.15

(Notes) Shares outstanding as of term-end (consolidated) As of September 30, 2004 2,230,139,954 shares As of September 30, 2003 2,296,897,038 shares As of March 31, 2004 2,230,774,561 shares

(3) Consolidated statement of cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at term-end
	million yen	million yen	million yen	million yen
As of September 30, 2004	23,892	-28,792	3,351	15,412
As of September 30, 2003	25,612	-34,926	1,174	18,528
As of March 31, 2004	132,891	-67,877	-75,930	15,743

(4) Scope of consolidation and companies recorded by equity method

Consolidated subsidiaries 113 subsidiaries Non-consolidated subsidiaries recorded by equity method N/A Affiliates recorded by equity method Two affiliates

(5) Change in scope of consolidation and application of equity method

Consolidation (New) 38 subsidiaries (Excluded) Two subsidiaries Equity method (New) Two companies (Excluded) N/A

2. Forecast for the year ending March 31, 2005 (Consolidated) (April 1, 2004 - March 31, 2005)

	Operating revenues	Ordinary profit	Net income
	million yen	million yen	million yen
Full year	989,000	94,000	46,000

(Reference) Expected retained earning per share (for full year) 20.60 yen

* The above forecasts are based on information available as of the date of this document, and actual results may differ from these forecasts due to various factors affecting the Company's business performance. See "3 Operational Results, (3) Projection for the Year Ending March 31, 2005" in the attachments.

October 29, 2004

Overview of Consolidated Interim Financial Statements for
Year Ending March 31, 2005 (The 187th Business Year)
[April 1, 2004 - September 30, 2004]

Osaka Gas Co., Ltd.

1 Osaka Gas Group

The Osaka Gas Group (comprising 113 consolidated subsidiaries [38 added and 2 excluded], and 2 affiliates reported by the equity method [2 added]) is engaged in businesses relating to gas, LPG, Electricity and Other Energies, gas appliances and house-pipe installation, real estate, and others.

<Segment>

① Gas

Osaka Gas, Nabari Kintetsu Gas Co., Ltd. and other group companies manufacture, supply and sell gas.

② LPG, Electricity and Other Energies

Liquid Gas Co., Ltd., Nissho Petroleum Gas Co., Ltd. (formerly Nissho Iwai Petroleum Gas Co., Ltd., changing its name on July 1, 2004) and some other subsidiaries sell liquefied petroleum gas. Osaka Gas Co., Ltd., Gas and Power Co., Ltd., Nakayama Joint Power Generation Co., Ltd. and Nakayama Nagoya Joint Power Generation Co., Ltd. are engaged in the wholesaling business of electricity generation. Osaka Gas Co., Ltd. and Gas and Power Investment Co., Ltd. are engaged in the centralized community-based heating and air-conditioning businesses.

③ Gas Appliances and House-pipe Installation

Osaka Gas, Enetech Kyoto Co., Ltd., Hearts Co., Ltd. and other companies sell Gas Appliances. Osaka Gas provides installation work for indoor gas pipes at the request of and at the expense of customers. Kinpai Co., Ltd. performs installation work of indoor and outdoor gas pipes under contract with Osaka Gas.

④ Real estate

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

⑤ Others

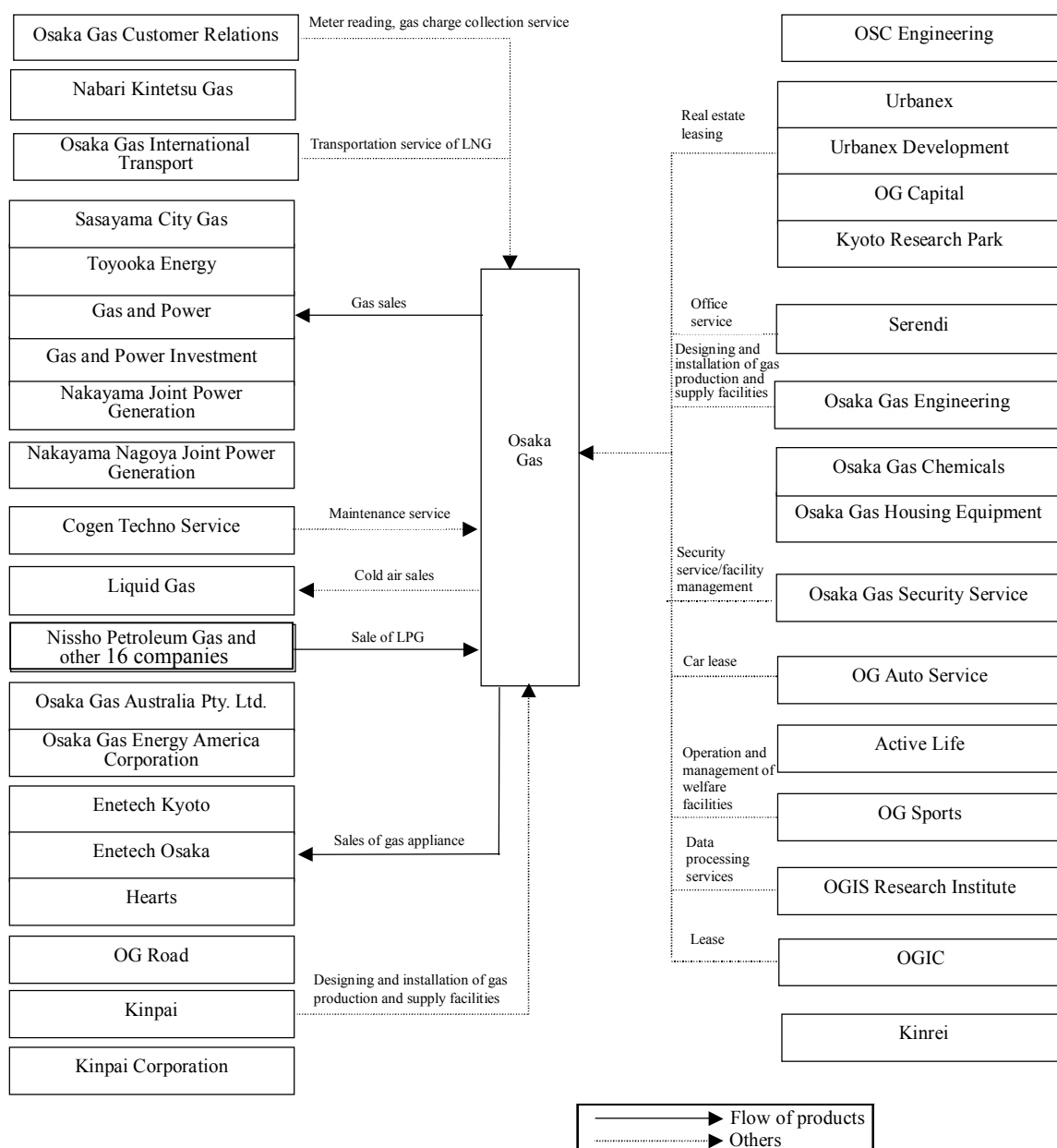
Kinrei Co., Ltd. (Over-The-Counter Trade Code: 2661) operates restaurant chains and other food service businesses, and manufactures and sells frozen foods.

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

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

There are other subsidiaries engaging in engineering, sale of housing equipment, security and disaster prevention services, sports businesses, services for aged people, information service and other businesses.

<<Chart of Major Consolidated Subsidiaries>>



<<Newly consolidated companies: 38>>

- Osaka Gas Customer Relations Co., Ltd
- Apriti Sesamo Co., Ltd
- Liquid Gas Shiga Co., Ltd.
- Diya Nensho Co., Ltd.
- Nagano Propane Gas Co., Ltd.
- Osaka Gas Energy America Corporation
- Other 26 subsidiaries

- Urbanex Development Co., Ltd.
- OUD Co., Ltd.
- Sasayama City Gas Co., Ltd.
- Toyooka Energy Co., Ltd.
- Nissei Co., Ltd.
- Osaka Gas Rusk Power, LLC

<<Affiliates reported newly by equity method: 2>>

- Osaka Rinkai Heat Energy Supply Co., Ltd.
- Universe Gas and Oil Co., Ltd.

<<Companies excluded from consolidation: 2>>

- Nissho Iwai System Sales Co., Ltd.
- Hokuriku Nissho Propane Co., Ltd.

<<List of Major Consolidated Subsidiaries (as of September 30, 2004)>>

	Name of Subsidiary	Location	Capital stock (million yen)	Description of Business	Shareholding Rate (%)	Remarks
Gas	Osaka Gas Customer Relations Co., Ltd.	Nishi-ku, Osaka	50	- Reading of gas meters - Collection of gas charges - Administrative services related to gas charges	100	
	Sasayama City Gas Co., Ltd.	Sasayama, Hyogo	100	- Sales of gas, installation of gas piping and sales and repair of housing equipment	66.7	
	Toyooka Energy Co., Ltd.	Toyooka, Hyogo	100	- Sales of gas, installation of gas piping and sales and repair of housing equipment	100	
	Nabari Kintetsu Gas Co., Ltd.	Nabari, Mie	100	- Sales of city gas, simplified gas, LPG, auto gas and gas appliances, and design and installation of piping	85	Some of its businesses are included in the LPG, Electricity and Other Energies segment
LPG, Electricity and Other Energies	Osaka Gas International Transport Inc.	Chuo-ku, Osaka	3,190	- Vessel leasing	100	
	Gas and Power Co., Ltd.	Chuo-ku, Osaka	450	- Electric power supply - Prospecting, development, production, and supply of petroleum and natural gas - Investment in energy infrastructure - Energy environmental service - Research and planning relating to the above-mentioned businesses	100	
	Gas and Power Co., Ltd.	Chuo-ku, Osaka	2,100	- Domestic and overseas energy businesses, and research, planning, development, and investment relating to these businesses	100	
	Cogen Techno Service Co., Ltd.	Nishi-ku, Osaka	400	- Design, installation and sale of cogeneration systems and service by contract - Processing of electric power and cold/hot air by contract	56	
	Liquid Gas Co., Ltd.	Chuo-ku, Osaka	1,030	- Manufacture, sale, and transport of LNG and high-pressure gases - Sale of cold air generated from LNG production and sale of LPG	100	
	Nakayama Joint Power Generation Co., Ltd.	Taisho-ku, Osaka	300	- Electric power supply	95	
	Nakayama Nagoya Joint Power Generation Co., Ltd.	Chita-gun, Aichi Prefecture	450	- Electric power supply	95	
	Nissho Petroleum Gas Co., Ltd.	Minato-ku, Tokyo	1,726	- Import and sale of LPG	70	The company name was changed from Nissho Iwai Petroleum Gas Co., Ltd. on July 1, 2004.
	Nissho Propane Sekiyu Co., Ltd.	Chuo-ku, Sapporo	60	- Sale of LPG, gas appliances, and petroleum	100	
	Osaka Gas Australia Pty.Ltd.	Australia	A\$157 million	- Mining of crude oil, natural gas and other mineral resources, and their development, production and sales	100	
	Osaka Gas Energy America Corporation	United States	US\$1	- Research, planning, development, and investment relating to energy supply businesses in the U.S.	100	
	Osaka Gas Rusk Power,LLC.	United States	US\$1	- Investment in Tenaska Gateway Power Plant in the U.S.	100	
	43 other companies					
Gas Appliances and House-pipe Installation	Enetech Kyoto Co., Ltd.	Minami-ku, Kyoto	30	- Design, installation, operation, maintenance, and sale 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 Osaka Co., Ltd.	Taisho-ku, Osaka	20	- Design, installation, operation, maintenance, and sale of air-conditioning, water supply/drainage, hot water supply, ventilation, and kitchen facilities and equipment	100	
	OG Road Co., Ltd.	Konohana-ku, Osaka	50	- Research on recycling of excavated soil, and related design - Manufacture and sale of road construction materials	100	
	Hearts Co., Ltd.	Sakai City, Osaka	85	- Sales and repair of gas appliances, gas works, piping works and house refurbishment	98.8	
	Kinpai Co., Ltd.	Nishinari-ku, Osaka	300	- Gas piping works - Construction work and road paving - Sales and installation of housing equipment- Piping renewal work	100	
	Kinpai Corporation	Nishinari-ku, Osaka	112	- Business management, administrative services relating to personnel affairs, accounting and general affairs of companies under the Kinpai Group	100	
	10 other companies					
Real estate	OSC Engineering Co., Ltd.	Fukushima-ku, Osaka	50	- Maintenance, security service, and cleaning of buildings, and facility designing and construction	67.3	
	Urbanex Co., Ltd.	Higashinari-ku, Osaka	1,570	- Management, maintenance, and leasing of real estate - Surveys and research on urban development	100	
	Urbanex Development Co., Ltd.	Higashinari-ku, Osaka	500	- Management, maintenance, leasing and sales/purchase of real estate	100	
	OG Capital Co., Ltd.	Chuo-ku, Osaka	3,000	- Management control of affiliated companies - Management, maintenance, and leasing of real estate	100	
	Serendi Co., Ltd.	Nishi-ku, Osaka	100	- Management of real estate and operation and management of parking lots - Sale of office automation equipment and other articles - Domestic tourist bureau, travel agency - Staffing and placement services - Office service and business service - Billing service	100	
	Kyoto Research Park Co., Ltd.	Shimogyo-ku, Kyoto	100	- Management of the Research Park, interchange between the industrial and academic societies, development of venture businesses	100	
	5 other companies					

Others	Osaka Gas Engineering Co., Ltd.	Konohana-ku, Osaka	100	- Investigation, design, installation, and technical consulting for gas facilities, facilities using cold air, and facilities for environmental protection - Investigation, purchase, and sale of industrial properties	100	
	Osaka Gas Chemicals Co., Ltd.	Chuo-ku, Osaka	480	- Manufacture and sale of chemical products and carbon products	100	
	Osaka Gas Housing Equipment Co., Ltd.	Nishi-ku, Osaka	450	- Sale of housing equipment - Design and performance of installation work of housing equipment - Sale 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 - Sale, lease, installation, maintenance, and inspection of security and disaster protection equipment - Sale of home security systems	100	
	OG Auto Service Co., Ltd.	Konohana-ku, Osaka	100	- Lease, maintenance and sale of automobiles - Non-life insurance agency	100	
	Active Life Co., Ltd.	Chuo-ku, Osaka	900	- Operation and management of nursing homes for the aged - Provision of home health care services - Health consulting service - Consulting on the operation of housing for the aged and nursing facilities	76.7	
	OG Sports Co., Ltd.	Chuo-ku, Osaka	100	- Management, construction, and operation of sports facilities and resort facilities - Sale of sports goods	100	
	OGIS Research Institute Co., Ltd.	Nishi-ku, Osaka	400	- Computer data processing services - Sale of computer-related equipment and software - Software development - Provision of computer education	100	
	OGIC Co., Ltd.	Chuo-ku, Osaka	600	- Leasing - Consumer credit - Telemarketing - Life and property insurance agency - Automatic collection service - Land and building dealer	100	
	Kinrei Co., Ltd.	Chuo-ku, Osaka	966	- Operation of restaurants - Manufacture and sale of frozen foods	74.8	Securities Identification Code: 2661
17 other companies						

<<List of Affiliates Reported Equity Method>> (as of September 30, 2004)

	Name of Subsidiary	Location	Capital stock (million yen)	Description of Business	Shareholding Rate (%)	Remarks
	Osaka Rinkai Heat Energy Supply Co., Ltd.	Konohana-ku, Osaka	1,000	- Provision of heat energy under the Heat Energy Business Operators Law and relevant businesses	40	
	Universe Gas and Oil Co., Ltd.	Shinagawa-ku, Tokyo	9,444	- Prospecting, development and mining of petroleum, natural gas and other hydrocarbon materials in the Republic of Indonesia	33.4	

2 Management Policy

(1) Basic Management Policy

Last year, Osaka Gas announced “Innovation Centennial,” a medium-term management plan to be implemented from FY 2004 to FY 2006. Currently, Osaka Gas and each of its core companies is working toward expanded growth in the Group’s two most important business domains, Energy Business and Non-energy Business in accordance with this medium-term plan. In so doing, we are promoting our basic management policy, “Management for the Creation of Value,” to maximize our corporate value which is comprised of (1) value for our customers, (2) value for our shareholders, and (3) value for society.

On April 1, 2003, the Company implemented organizational reforms, aiming at promoting “Innovation Centennial.” In Osaka Gas Co., Ltd., the conventional organization divided into regional business units was realigned into a new organization comprising five businesses units, each representing a respective stage of our business -from procurement, production, and transportation to sales of gas (Energy Resources Business Unit, LNG Terminal & Power Generation Business Unit, Pipeline Business Unit, Residential Energy Business Unit, and Commercial & Industrial Energy Business Unit). The functions of the head office were also restructured into five departments: Strategy and Finance Division, Communication & HR Division, Administration & General Affairs Division, Technology Division, and Tokyo Division.

The five business divisions and seven core companies of Osaka Gas are pursuing Management for Creation of Value, based on the principle of independent and autonomous management. The head office of Osaka Gas will serve as a lean and strategic corporate head office for all companies in the Group, and concentrates on the development and management of medium- and long-term strategies, risk management and provision of common services, for the entire Group. While striving for business expansion, each investment and proposal for investment will undergo strict scrutiny for profitability in accordance with the Osaka Gas Group’s uniform investment standards in order to minimize investment risks and maintain a sound financial structure.

(2) Challenges

The Japanese economy is beginning to show signs of recovery in production and capital investment, backed by the strong expansion of exports. However, sustainability of the recovery remains in doubt, and the future is fraught with uncertainty, with the prolonged rise in the crude oil price and slow-down of the world economy. In addition, accelerated deregulation in the energy market is likely to make the competition even more intense. In this kind of business environment, we must become a “company chosen by customers and local communities,” if we are to enjoy continued success in the market. We will also aggressively work to become a one-stop Multi-Energy Business to be able to satisfy the needs of our customers for natural gas, electricity, LPG, and other energies.

In the natural gas business, we will concentrate on providing customer services, and improve operational efficiency and price competitiveness. At the same time, we will strengthen our ability to offer the best solutions to our customers based on our expertise in service and engineering, while ensuring security and a stable supply of energy. We believe that by so doing, we will be able to increase the demand for natural gas, which will eventually result in enhanced customer convenience, industrial development, and environmental preservation. In the natural gas market, we will offer new gas price plans favorable to our customers and thus encourage an increase in the volume of gas sales. In the residential market, we will use marketing to promote “ECOWILL,” our residential gas engine cogeneration system, as well as natural gas floor heating systems, bathroom heater/dryer systems, residential air-conditioning units, forced-air space heaters, and other products that will create a comfortable gas-based living environment for our customers. Besides providing energy services, we will also offer an Internet-based security service, “I-rusu,” in cooperation with

our subsidiaries, thus satisfying customer needs from all angles. To serve the needs of industrial users, we will propose high-efficiency and high-functional gas cogeneration solutions to expand natural gas demand in the decentralized power source market. We will also promote the gas heat pump air-conditioner series, which includes a model with a power generation function. Wider use of natural gas vehicles will be also promoted. By capitalizing on our long accumulated expertise in engineering and maintenance, we can offer quality services tailored to the individual energy needs of our customers.

As for the electricity generation business, we plan to develop it into our second largest core business following the natural gas business, by continuing to pursue both the wholesale electricity business (IPP) and retail electricity business, taking full advantage of our existing business foundation and customer network.

The LPG business, led by Nissho Petroleum Gas Co., Ltd. and Liquid Gas Co., Ltd., will strive to increase retail customers and sales volume per household by utilizing our ability to market equipment and energy systems cultivated in the natural gas market.

To improve our customer service, we value opportunities to meet with our customers so that we can reflect their suggestions in the improvement of our operations, and respond to their needs more promptly and reliably. To ensure the safety of our production and supply facilities, we will keep up preventive maintenance and increase the awareness of our employees through safety training. We will also continue to make our customers aware of the need to renovate their facilities to maintain safety. In our efforts to ensure a stable gas supply, we will pursue diversification of supply sources of natural gas, and take all possible measures to establish and maintain a stable production and supply system.

In the area of environmental protection, we will promote the use of environmentally-friendly natural gas in line with the energy policies of the national government. Along with this, we will remain committed to reducing the environmental burden by offering environment-friendly products and services, and we will actively promote environmental preservation activities to join local, national, and international efforts to improve the environment. In the area of technical development, we will emphasize the development of residential fuel-cell systems as well as high-efficiency and highly-functional industrial gas cogeneration systems for increased customer convenience, in addition to the development of technologies contributing to environmental preservation and energy savings. Furthermore, we will offer services based on advanced information technology such as remote management systems to improve the efficiency of our customers' facilities.

The Non-energy 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.), 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.) Selection and concentration of businesses will be accelerated to encourage the expansion of these promising businesses and to enhance the corporate value of the Group.

The head office of Osaka Gas will serve as a lean and strategic corporate head office for all companies in the Group, and concentrates on the development and management of medium- and long-term strategies, risk management and provision of common services, for the entire Group. Osaka Gas and its core companies are pursuing Management for the Creation of Value, based on the principle of independent and autonomous management and in line with the Group-wide medium- and long-term strategies. While striving for business expansion, each investment and proposal for investment will undergo strict scrutiny for profitability in accordance with the Osaka Gas Group's uniform investment standards in order to minimize investment risks and maintain a sound financial structure. We will exert ourselves to address the challenges described above based on flexible and quick management decisions and to make unceasing efforts to comply with applicable laws and regulations, so that we can continue to move into the future.

(3) Interim Dividends

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 six months ended September 30, 2004, the Company will distribute interim dividends of 3 yen per share. We will aim at paying an annual dividend of 6 yen (including interim dividends), as in the last year.

The Company will try to continue paying steady dividends to shareholders, taking future operational results, business plans, alternative profit distribution plans and other comprehensive factors into consideration. Internal reserves will be appropriated for capital expenditures, and investment in new businesses.

(4) Corporate Governance

While adhering to its principle of Management for the Creation of Value, which pursues “customer value,” “shareholder value,” and “social value,” the Company is implementing a reform of its management organization that aims at ensuring sound business management while strengthening its competitiveness in the changing business environment.

All important transactions proposed are examined by the executive committee comprising directors engaged in management of the Company's operations, from professional viewpoints, and in accordance with the clearly defined internal rules. Final decisions are made by the board of directors based on the results of thorough examinations and discussions. The Board of Directors reviews important matters that affect the entire Group, including subsidiaries and affiliates, and is responsible for making correct and quick decisions and for overall governance and supervision.

A new internal auditor system was adopted at the annual general meeting of shareholders in June 2003 to satisfy the revised requirements for non-employee auditors in accordance with the “Law modifying part of the Commercial Law and the law regarding special regulations of the Commercial Law regarding internal auditors of corporations, etc.” (Law No. 149, 2001) The inclusion of non-employee auditors ensures the integrity of audits to confirm the appropriateness and legality of the directors’ performances.

In addition, an Auditors’ Office comprised of full-time staff members not under the direct command of the directors has been established to support the auditors by conducting investigation activities. The two non-employee auditors appointed do not have any special personal, capital, or business relationship with Osaka Gas, nor do they have any other interest in the company, thus preserving the independence of the auditors.

The Osaka Gas Group implemented organizational reforms in April 2003 to strengthen its managerial structure. As part of those reforms, an inspector was appointed within each business division to improve internal audit and oversight functions, while more authority was transferred to each division.

Moreover, the “Osaka Gas Group Code of Corporate Conduct” was established to achieve strict compliance with all applicable legal requirements by all the members of the Osaka Gas Group, including the directors and employees of Osaka Gas and its subsidiaries. To enhance the ability of the Group to ensure that its business activities comply with applicable laws, in 2003, we established the Compliance Committee, whose membership includes outside specialists, and also reorganized the compliance office, which had been a section within a unit, into the Compliance Department, an independent unit.

3 Operational Results

(1) Results for the Six Months Ended September 30, 2004

Although the sales increased in existing consolidated subsidiaries and some subsidiaries were newly added to the consolidation, consolidated sales for the six months ended September 30, 2004 decreased 0.5% to 423,000 million yen from the same period of the prior year, primary due to the reduction of gas rates in accordance with the fuel cost adjustment system and the decreased residential gas sales volume affected by the warmer weather. The operating profit decreased 20.0% to 25,600 million yen mainly due to the significant increase in the material prices. The consolidated ordinary profit increased 5.4% to 30,500 million yen, supported by the increased profit achieved by consolidated subsidiaries through sales increase and cost reductions, which were partially offset by the decreased profit recorded by Osaka Gas Co., Ltd. mainly due to a rise in the material costs although its non-operating profit was improved. Net income for the six months ended September 30, 2004 declined 37.4% to 9,200 million yen from the same period of the previous year, primarily due to the adoption of the asset-impairment accounting method that resulted in a significant increase in extraordinary loss.

(in 100 million yen)

Revenues and expenses (a)		Change from same period of prior year		Non-consolidated results (b)	Ratio of consolidated results to non-consolidated results (a)/(b)
		Change	Percent (%)		
Operating Revenues	4,230	-19	99.5	3,123	1.35
Cost of sales	2,283	32	101.5	1,562	-----
Selling, General and Administrative Expenses	1,689	11	100.7	1,421	-----
Operating profit	256	-64	80.0	139	-----
Ordinary profit	305	15	105.4	205	1.49
Net income	92	-55	62.6	64	1.44

<<Operational Results by Segment>>

① Gas

Gas sales decreased 2.9% to 247,900 million yen from the same period of the prior year, primarily due to the reduction of gas rates in accordance with the fuel cost adjustment system and the decreased residential gas sales volume affected by the warmer weather. Although efforts for cost reduction were implemented in all aspects of the operation, operating profit dropped by ¥6,300 million (-41.2%) to ¥9,000 million, affected by the significant rise in the material prices.

② LPG, Electricity and Other Energies

Sales revenue increased by 7,300 million yen (+11.8%) to 69,600 million yen mainly as a result of the addition of subsidiaries to the consolidation. Operating profit decreased by ¥600 million (-8.0%) to ¥7,000 million mainly due to the increased costs resulting from addition of subsidiaries to the consolidation and the rise in the material prices.

③ Gas Appliances and House-pipe Installation

Sales revenue decreased 3,800 million yen (-6.3%) to 58,000 million yen, and operating profit decreased 600 million yen (-20.5%) to 2,400 million yen, mainly due to the decline in sales of gas equipment and gas pipe installation works.

④ Real estate

Sales revenue increased by 1,000 million yen (+6.6%) to 17,400 million yen mainly as a result of the addition of subsidiaries to the consolidation and the completion of construction of new properties. Although the cost of sales increased accordingly, operating profit increased 300 million yen (+10.0%) to 3,900 million yen from the same period of the previous year.

⑤ Others

Sales revenue increased by 2,200 million yen (+3.9%) to 60,400 million yen mainly as a result of the addition of subsidiaries to the consolidation and strong sales recorded in some existing consolidated companies. Operating profit increased by ¥700 million (+41.9%) from the same period of the previous year to ¥2,400 million as a result of the sales expansion and cost reduction efforts.

(in 100 million yen)

(in 100 million yen)	Gas	LPG, Electricity and Other Energies	Gas Appliances and House-pipe Installation	Real estate	Others	Elimination of internal transactions and transactions involving all companies	Consolidation
Sales [Change from same period of previous year]	-2.9% 2,479 [-73]	+11.8% 696 [+73]	-6.3% 580 [-38]	+6.6% 174 [+10]	+3.9% 604 [+22]	(305) [-14]	-0.5% 4,230 [-19]
Operating Profit [Change from same period of previous year]	-41.2% 90 [-63]	-8.0% 70 [-6]	-20.5% 24 [-6]	+10.0% 39 [+3]	+41.9% 24 [+7]	7 [+1]	-20.0% 256 [-64]

(2) Interim Dividends

The Company will pay interim dividends of 3 yen per share.

(3) Projected Annual Results

Consolidated sales are projected to increase 4.0% to 989,000 million yen from the previous year because of the expected gas sales volume increase and an increase of consolidated subsidiaries. Operating profit is projected to increase 4.8% to 96,500 million yen. Ordinary profit will increase 15.4% from the prior year to 94,000 million yen due to the improvement in the non-operating profit. Net income for the year ending March 31, 2005 is projected to decrease 2.3% to 46,000 million yen primarily due to recognition of extraordinary loss by the adoption of the fixed asset impairment accounting method.

	Projected annual results for the year ending March 31, 2005	Change from previous year
Sales	989,000 million yen	+4.0%
Operating profit	96,500 million yen	+4.8%
Ordinary profit	94,000 million yen	+15.4%
Net income	46,000 million yen	-2.3%
Dividends	Targeted to pay annual dividends of 6 yen per share (including interim dividends)	

[Forecast crude oil cost: \$37 per bbl, forecasted exchange rate: 110 yen to \$1]

Return on Equity (ROE)	9.2%
Return on Assets (ROA)	3.9%
Shareholder Value Added (SVA)	23,500 million yen

4 Financial Position

(1) Cash Flow for the Six Months Ended September 30, 2004

Cash flow generated from operating activities during the six months ended September 30, 2004 decreased by 1,700 million yen to 23,800 million yen from the same period of the previous year mainly due the decrease in operating profit as a result of the rise in the material costs and the warmer weather.

Net cash used for investment activities was 28,700 million yen, a decrease by 6,100 million yen from the same period of the previous year mainly due to the increase in proceeds from securities sales, which was partially offset by the expenditures used for acquisition of tangible fixed assets.

Net cash used for financial activities was 3,300 million yen.

As a result, the balance of cash and cash equivalents as of September 30, 2004 decreased by 1,500 million yen to 15,400 million.

	Six months ended September 30, 2004	Six months ended September 30, 2003	Change
Cash flow from operating activities	23,800 million yen	25,600 million yen	-1,700 million yen
Cash flow from investment activities	-28,700 million yen	-34,900 million yen	6,100 million yen
Cash flow from financial activities	3,300 million yen	1,100 million yen	2,100 million yen
Increase/decrease of cash and cash equivalents	-1,500 million yen	-8,000 million yen	6,400 million yen
Cash and cash equivalents at end of period	15,400 million yen	18,500 million yen	-3,100 million yen
Balance of interest-bearing liabilities at the end of the period	468,500 million yen	502,500 million yen	33,900 million yen

(2) Cash Flow Indices

	As of September 30, 2004	As of September 30, 2003
Shareholders' equity ratio	42.0%	40.6%
Shareholders' equity ratio on market value	57.2%	59.3%

(3) Projected Annual Results

Annual capital expenditures are expected to be 96,800 million yen.

The free cash flow will be 72,100 million yen. The balance of interest-bearing liabilities will amount to 456,000 million yen.

<<Reference>> Equipment Investment Plan

Year ending March 31, 2005 (Projection)	Year ended March 31, 2004 (Actual results)	Description of expenditures planned for Year ending March 31, 2005
96,800 million yen	69,700 million yen	Construction of transport lines, main and sub service lines, power plants, etc.

5 Consolidated Interim Financial Statements

(1) Consolidated Interim Balance Sheet

(Unit: million yen)

Account	As of September 30, 2004	As of March 31, 2004	Change	As of September 30, 2003
(Assets)				
Fixed Assets	970,067	995,321	-25,254	991,836
Tangible fixed assets	779,521	795,820	-16,299	801,369
Production facilities	114,494	117,638	-3,144	122,242
Supply facilities	360,620	372,430	-11,810	341,691
Operational facilities	75,428	87,458	-12,030	90,381
Other facilities	200,316	189,614	10,702	193,178
Idle facilities	1,532	1,532	0	1,532
Construction in progress	27,129	27,146	-17	52,343
Intangible fixed assets	28,435	27,481	954	29,188
Acquisition cost of subsidiaries over net assets acquired	10,085	8,440	1,645	9,808
Other intangible fixed assets	18,350	19,040	-690	19,379
Investments and other assets	162,110	172,020	-9,910	161,277
Investment in securities	93,212	112,885	-19,673	97,137
Deferred tax assets	24,044	20,194	3,850	24,938
Other assets	47,472	41,924	5,548	42,163
Allowance for bad debts	-2,619	-2,984	365	-2,961
Current Assets	199,101	203,877	-4,776	190,003
Cash and deposits	19,690	19,997	-307	22,798
Notes and trade accounts receivable	86,316	108,084	-21,768	90,531
Inventories	45,318	31,825	13,493	41,536
Deferred tax assets	12,574	14,828	-2,254	11,115
Other current assets	35,913	29,927	5,986	24,867
Allowance for bad debts	-710	-786	76	-847
Deferred Assets	28	29	-1	31
Premium on bonds	28	29	-1	31
Assets Total	1,169,197	1,199,228	-30,031	1,181,870

(Unit: million yen)

Account	As of September 30, 2004	As of March 31, 2004	Change	As of September 30, 2003
(Liabilities)				
Fixed Liabilities	406,966	442,405	-35,439	488,372
Bonds	184,080	218,880	-34,800	229,880
Long-term loans payable	159,533	157,771	1,762	179,834
Reserve for severance benefits	41,554	42,889	-1,335	56,240
Reserve for gasholder repair	1,517	1,530	-13	1,728
Other fixed liabilities	20,279	21,334	-1,055	20,688
Current Liabilities	262,092	252,711	9,381	205,510
Current portion of fixed liabilities	67,935	29,987	37,948	34,453
Notes and trade accounts payable	33,106	35,778	-2,672	30,530
Short-term loans payable	21,161	23,189	-2,028	23,445
Corporate taxes payable	9,467	29,766	-20,299	8,467
Other current liabilities	130,421	133,989	-3,568	108,613
Liabilities Total	669,058	695,117	-26,059	693,883
(Minority Interest)				
Minority Interest	9,622	8,476	1,146	7,962
Minority interest Total	9,622	8,476	1,146	7,962
(Shareholders' Equity)				
Capital stock	132,166	132,166	0	132,166
Capital reserve	19,483	19,482	0	19,482
Consolidated retained earnings	349,601	346,558	3,043	321,155
Land revaluation excess	81	81	81	81
Difference Between Market Price and Acquisition Cost of Other Securities	28,567	35,903	-7,336	25,460
Foreign Exchange Adjustment	2,213	2,930	-717	3,001
Treasury stock	-41,597	-41,406	-191	-21,241
Shareholders' equity Total	490,515	495,635	-5,120	480,024
Liabilities, minority interest, and shareholders' equity total	1,169,197	1,199,228	-30,031	1,181,870

(2) Consolidated Interim Profit and Loss Statement

(Unit: million yen)

Account	Six months ended September 30, 2004	Six months ended September 30, 2003	Change	Year ended March 31, 2004
Operating Revenues	423,000	424,969	-1,969	951,324
Cost of sales	228,376	225,082	3,294	497,397
Gross profit on Sales	194,624	199,886	-5,262	453,926
Selling, General and Administrative Expenses	168,948	167,793	1,155	361,830
Operating Profit	25,675	32,092	-6,417	92,096
Non-operating Revenues	9,080	2,856	6,224	7,849
Interest income	115	153	-38	296
Dividend income	606	566	40	908
Gain from sales of securities	5,396	469	4,927	2,720
Miscellaneous income	2,960	1,667	1,293	3,923
Non-operating Expenses	4,195	5,942	-1,747	18,498
Interest expenses	3,105	3,991	-886	7,237
Loss from redemption of corporate bonds				3,742
Miscellaneous expenses	1,089	1,950	-861	7,518
Ordinary Profit	30,560	29,006	1,554	81,446
Extraordinary Profit		1,113	-1,113	1,555
Gain from sales of fixed assets		1,113	-1,113	1,555
Extraordinary Loss	13,910	3,791	10,119	4,840
Loss from impairment of fixed assets	13,910		13,910	
Loss from sales of fixed assets		3,791	-3,791	4,684
Loss from reduction of fixed assets' cost				156
Net income before taxes and minority interest	16,650	26,328	-9,678	78,161
Corporate, resident and business taxes	5,677	4,213	1,464	26,870
Adjustment for difference of tax allocation between financial accounting and tax accounting	1,439	7,153	-5,714	3,483
Less: minority interest	289	189	100	741
Net Income	9,244	14,771	-5,527	47,065

(3) Statement of Consolidated Interim Retained Earnings

(Unit: million yen)

Account	Six months ended September 30, 2004	Six months ended September 30, 2003	Change	Year ended March 31, 2004
(Capital Reserve)				
Consolidated Capital Reserve at Beginning of Period	19,482	19,482	0	19,482
Increase of Capital Reserve	0	0	0	0
Consolidated Capital Reserve at End of Period	19,483	19,482	0	19,482
(Profit Reserves)				
Consolidated Profit Reserve at Beginning of Period	346,558	312,830	33,728	312,830
Increase of Profit Reserve	9,820	15,297	-5,477	47,590
Net income	9,244	14,771	-5,527	47,065
Increase due to new inclusions to consolidation	576	492	84	492
Increase due to decrease of consolidated companies		32	-32	32
Decrease of Profit Reserve	6,777	6,972	-195	13,863
Dividends	6,692	6,891	-199	13,782
Directors' bonuses	85	80	5	80
Consolidated Profit Reserve at End of Period	349,601	321,155	28,446	346,558

(4) Consolidated Interim Cash Flow Statement

(Unit: million yen)

Account	Six months ended September 30, 2004	Six months ended September 30, 2003	Change	Year ended March 31, 2004
I. Cash Flow from Operating Activities				
Net income before taxes and minority interest	16,650	26,328	-9,678	78,161
Depreciation expenses	43,533	45,458	-1,925	89,564
Loss from impairment of fixed assets	13,910		13,910	
Decrease of reserve for severance benefits		-14,059	14,059	-27,411
Increase of prepaid pension expenses	-8,208		-8,208	
Interest and dividends received	-722	-719	-3	-1,205
Interest expenses	3,105	3,991	-886	7,237
Loss from redemption of corporate bonds				3,742
Gain from sales of securities	-5,396		-5,396	-2,720
Gain from sales of tangible fixed assets				-1,555
Loss from sales of tangible fixed assets		3,791	-3,791	4,684
Loss from retirement of tangible fixed assets				2,155
Decrease of trade receivables	23,389	19,440	3,949	1,911
Increase of inventories	-13,114	-12,946	-168	-3,237
Decrease of trade receivables	-4,019	-9,408	5,389	-4,178
Increase (decrease) of accrued expenses	-20,375	-17,675	-2,700	9,406
Others	1,910	-3,600	5,510	-2,530
Total	50,660	40,599	10,061	154,025
Interest and dividends received	903	719	184	1,229
Interest paid	-2,431	-3,477	1,046	-7,808
Corporate taxes paid	-25,241	-12,228	-13,013	-14,555
Net Cash Flow from Operating Activities	23,892	25,612	-1,720	132,891
II. Cash Flow from Investment Activities				
Expense for acquisition of tangible fixed assets	-31,867	-33,161	1,294	-68,115
Income from sales of tangible fixed assets		2,788	-2,788	4,501
Expense for acquisition of intangible fixed assets				-1,806
Income from sales of securities	7,487	2,438	5,049	5,521
Expense for acquisition of stocks of subsidiaries and affiliates	-5,337	-5,787	450	-6,605
Others	923	-1,204	2,127	-1,373
Net Cash Flow from Investment Activities	-28,792	-34,926	6,134	-67,877
III. Cash Flow from Financial Activities				
Net increase (decrease) of short-term loans payable	-3,073	4,295	-7,368	3,940
Net increase of commercial paper	10,000	11,000	-1,000	2,000
Proceeds from long-term loans payable	12,850	17,978	-5,128	44,284
Expense for repayment of long-term loans payable	-9,457	-25,020	15,563	-67,256
Expense for redemption of bonds				-24,742
Expense for acquisition of treasury stocks				-20,336
Dividends paid	-6,665	-6,867	202	-13,732
Dividends paid to minority shareholders	-111	-74	-37	-122
Others	-191	-136	-55	35
Net Cash flow from Financial Activities	3,351	1,174	2,177	-75,930
IV. Difference from Conversion of Cash and Cash Equivalents	-13	77	-90	70
V. Increase/decrease of Cash and Cash Equivalents	-1,562	-8,061	6,499	-10,846
VI. Cash and Cash Equivalents at Beginning of Period	15,743	26,093	-10,350	26,093
VII. Increase of Cash and Cash Equivalents Due to Addition of Subsidiaries to the Consolidation	1,312	1,095	217	1,095
VIII. Decrease of Cash and Cash Equivalents Due to Exclusion of Subsidiaries from the Consolidation	-80	-599	519	-599
IX. Cash and Cash Equivalents at End of Period	15,412	18,528	-3,116	15,743

(Notes)

1. Basic information for preparing consolidated interim financial statements

(1) Scope of consolidation

Consolidated subsidiaries

Number of consolidated subsidiaries --- 113 subsidiaries

(Major consolidated subsidiaries)

Osaka Gas Chemicals Co., Ltd., Urbanex Co., Ltd., OG Capital Co., Ltd., OGIS Research Institute Co., Ltd., Kinrei Co., Ltd., Liquid Gas Co., Ltd., and Nissho LP Gas Co., Ltd.

(Change in consolidation)

The following companies were added to the consolidation in the 1st Half of the current year as their significance for the Group increased: Enes Carry Corp.; Osaka Gas Customer Relations Co., Ltd.; Osaka Tansan Co., Ltd.; Urbanex Development Co., Ltd., Apriti Sesamo Co., Ltd.; OUD Co., Ltd.; Kinpai Engineering Co., Ltd.; Pado Media Center Co., Ltd.; Palette Co., Ltd.; HomePro Co., Ltd.; Honma Nenryoten Co., Ltd.; Mie Gas Terminal Co., Ltd.; Liquid Gas Osaka Co., Ltd.; Liquid Gas Shiga Co., Ltd.; Liquid Gas Nambu Co., Ltd.; Liquid Gas Hyogo Co., Ltd.; Respiratory and Allergy Center ESCO Co., Ltd.; Konan Yasu Gas Co., Ltd.; Sakai Wellness Co., Ltd.; Sasayama City Gas Co., Ltd.; Jonan Auto Gas Co., Ltd.; Daiya Nensho Co., Ltd.; Takara Enterprise Co., Ltd.; Tokai Nissho Gas Co., Ltd.; Toyooka Energy Co., Ltd.; Nagano Propane Gas Co., Ltd.; Nichigetsu Gas Equipment Co., Ltd.; Nissho Gas Service Hiroshima Co., Ltd.; Nissei Co., Ltd.; Maternal and Child Health Center ESCO Co., Ltd.; Home Gas Ebihara Co., Ltd.; ECO Tree Farm Pty.Ltd.; OGIS International,Inc.; OJV Cayman 1 Limited; OJV Cayman 2 Limited; Osaka Gas Energy America Corporation; Osaka Gas Gateway Power, LLC; and Osaka Gas Rusk Power,LLC.

Nissho Iwai System Sale Co, Ltd.(shares sold in April 2004) and Hokuriku Nissho Propane Co., Ltd. (shares sold in June 2004) are no longer included in the consolidation.

(2) Application of equity method

Affiliates reported by the equity method are Osaka Rinkai Thermal Energy Supply Co., Ltd. and Universe Gas and Oil Co., Ltd.

(3) Accounting principles

① Basis and method of evaluation of significant assets

a. Inventories mainly at cost on a moving average basis

b. Securities

Other securities

With market price at market, based on the market price on the interim closing date

(The entire difference between the acquisition cost and the market price is accounted for by the “direct-inclusion-to-capital” method, and the cost of sales is calculated by moving average method.)

Without market price mainly at cost on a moving average basis

c. Derivative instruments at 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 fixtures attached to buildings) acquired on and after April 1, 1998, 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
- 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 individually examined for their recoverability 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. An amount of accrued severance benefits payable to employees at the end of the current six-month period is provided based on severance benefit liabilities and the expected value of the pension assets.
- 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 by the next scheduled repair.
- ④ Accounting of significant 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 cases in which required conditions are satisfied, special accounting of interest swaps, and appropriation accounting of forward exchange contracts, etc. are adopted.
- b. Hedge contracts and hedged transactions
- | <u>Hedge contract</u> | <u>Hedged transactions</u> |
|--|--|
| Interest swap | Corporate bonds and loans payable |
| Currency swap | Corporate bonds and loans payable in foreign currency |
| Forward exchange contract or currency option | Scheduled transactions in foreign currency (such as for purchase of raw materials) |
| Swap and option for crude oil price | Purchase price of raw material |
- 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, interest, etc. 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 interim financial statements
Consumption taxes are recorded by the tax-exclusion method.

(4) Scope of funds for Consolidated Interim Cash Flow Statement

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

(5) Change in accounting policy

Accounting Standards for Impairment of Fixed Assets (Statement Regarding Establishment of Accounting Standards for Impairment of Fixed Assets) (issued by the Business Accounting Deliberation Council on August 9, 2004) and Guideline for Application of Accounting Standards for Impairment of Fixed Assets (Guideline No. 6 for application of business accounting standards, issued by the Accounting Standards Board on October 31, 2003) may be adopted for financial statements for the year ending March 31, 2004 and thereafter. Accordingly, the Company adopted these standards and guidelines for the 1st Half of the current year. Due to the adoption of the new accounting policy, net income before taxes and minority interest decreased by 13,910 million yen. The accumulated losses from impairment of fixed assets were directly deducted from the applicable fixed assets, in accordance with the revised Rules for Consolidated Interim Financial Statements.

2. Accumulated depreciation of fixed tangible assets

(As of September 30, 2004) (As of March 31, 2003)
1,707,541 million yen 1,670,893 million yen

3. Contingent liabilities

(As of September 30, 2004) (As of March 31, 2003)

Guarantee of liabilities	2,475 million yen	3,083 million yen
Acceptance of fulfillment of obligations of bonds and loans payable	60,799	82,706
Contingent liabilities under contracts		

4. Loss from impairment of fixed assets

(1) Grouping

- ① For the purpose of recognizing loss from impairment, all fixed assets used in processes related to the gas business from production to sales of gas are categorized into one asset group, because these assets generate cash flow from the gas business as one whole asset.
- ② Fixed assets used for other businesses are generally categorized into groups based on business divisions controlling such fixed assets.
- ③ Generally, other fixed assets are controlled individually.

(2) Loss from impairment of fixed assets

In accordance with the grouping described in (1) above, a loss of 13,910 million yen was recognized. Significant properties included in this loss are listed in the table below.

Asset	Location	Type	Loss from Impairment (million yen)
Land in Keihanna	Seika-cho and Kizu-cho, Kyoto Prefecture	Land	3,189
Land in Kamiyama	Kita-ku, Osaka City	Land	2,842
Land adjacent to Himeji Terminal	Himeji City	Land	1,607

Recoverable values of these assets are assessed based on selling prices in the market. The market prices are based on appraisal by real estate appraiser. These were assets acquired for future construction of facilities for operation, or operational facilities not currently in use. It was determined that recovery of these investments was difficult as there are no specific use plans for these assets under the current economic situation. Therefore, their book values were reduced to their recoverable values, and the differences were recorded as loss from impairment of fixed assets.

5. Relationship of period-end balance of cash and cash equivalents and the values presented on the consolidated interim balance sheet

	(As of September 30, 2004)	(As of September 30, 2003)
Cash and bank deposits	19,690 million yen	22,798 million yen
Term deposits that expire more than three months later	-4,277	-4,270
Cash and cash equivalents	15,412	18,528

6 Segment Information

a. Segment information by business type

Six months ended September 30, 2004 (April 1, 2004 to September 30, 2004)

(Unit: 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	Consolida- tion
Sales and Operating Profit and Loss								
Sales								
1. Sales to customers outside the Group	243,833	68,854	57,899	7,010	45,402	423,000	—	423,000
2. Internal sales or transfer among segments	4,109	767	197	10,426	15,064	30,565	(30,565)	—
Total	247,942	69,621	58,096	17,437	60,467	453,565	(30,565)	423,000
Operating Expenses	238,848	62,602	55,679	13,537	58,012	428,679	(31,354)	397,325
Operating Profit	9,094	7,018	2,417	3,900	2,454	24,885	789	25,675

Six months ended September 30, 2003 (April 1, 2003 to September 30, 2003)

(Unit: 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	Consolida- tion
Sales and Operating Profit and Loss								
Sales								
1. Sales to customers outside the Group	251,964	61,505	61,818	6,827	42,853	424,969	—	424,969
2. Internal sales or transfer among segments	3,303	742	152	9,537	15,352	29,087	(29,087)	—
Total	255,268	62,247	61,970	16,365	58,205	454,056	(29,087)	424,969
Operating Expenses	239,805	54,620	58,929	12,820	56,475	422,650	(29,773)	392,876
Operating Profit	15,462	7,627	3,040	3,544	1,730	31,406	686	32,092

Year ended March 31, 2004 (April 1, 2003 - March 31, 2004)

(Unit: 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	Consolida- tion
Sales and Operating Profit and Loss								
Sales								
1. Sales to customers outside the Group	568,047	130,670	143,164	13,744	95,697	951,324	—	951,324
2. Internal sales or transfer among segments	5,856	1,498	396	20,153	40,317	68,223	(68,223)	—
Total	573,903	132,169	143,561	33,898	136,014	1,019,547	(68,223)	951,324
Operating Expenses	515,859	116,428	141,330	26,820	128,529	928,968	(69,740)	859,228
Operating Profit	58,044	15,740	2,231	7,077	7,485	90,579	1,516	92,096

(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

(1) Gas..... Gas

(2) LPG, electricity and other energies

..... LPG, electric supply, thermal energy supply, processing of LNG by contract, industrial gas, etc.

(3) Gas appliances and house-pipe installation work

..... Gas appliances, in-house and road piping work, recycling of excavated soil, etc.

(4) Real estate Lease and management of real estates, etc.

(5) Others Frozen foods, restaurants, provision of data processing service, chemical products and carbon products, sales of housing equipment, design and installation of gas and environment-preservation-related facilities, security and disaster prevention service, sports businesses, automobile and office equipment lease, etc.

b. Segment information by geographical area

Because more than 90% of sales by all segments of the Osaka Gas Group is 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.

7 Securities

(1) Other securities that have market prices

(Unit: million yen)

Period Type of securities	As of September 30, 2004			As of March 31, 2004			As of September 30, 2003		
	Acquisition Cost	Value reported on Consolidated Interim Balance Sheet	Difference	Acquisition Cost	Value Reported on Consolidated Balance Sheet	Difference	Acquisition Cost	Value reported on Consolidated Interim Balance Sheet	Difference
1. Stocks	21,047	66,747	45,700	23,038	80,260	57,221	24,119	64,324	40,204
2. Bonds									
National and local government bonds	30	30	0	9	9	0	9	9	0
Total	21,077	66,778	45,700	23,048	80,270	57,221	24,129	64,334	40,204

(2) Major securities without market price and their values reported on the consolidated balance sheet

Other securities

(Unit: million yen)

	As of September 30, 2004	As of March 31, 2004	As of September 30, 2003
Unlisted Stocks (excluding over-the-counter stocks)	17,923	18,058	18,840

8 Contract Price, Market Price and Profit and Loss Status of Derivative Transactions

All derivative transactions outstanding at the end of this first six-month period are recorded by hedge accounting.