

Brief Report of Interim Consolidated Financial Statements for Year Ending March 31, 2002

November 20, 2001

Name of Listed Company: Osaka Gas Co., Ltd.

Listed Exchanges: Tokyo, Osaka and Nagoya Exchanges

Code : 9532

Location of Head Office:

Contact: Name: Yoshishige Suzuma

Osaka Prefecture

Title of Person in Charge: General Manager of Accounting Dept.

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Date of Meeting of Board of Directors for Approving Interim Financial

Statements: November 20, 2001

Name of Parent Company (Code:)

Holding of parent the company's shares

Application of U.S. Accounting Standards: N/A

by parent company: %

1. Consolidated financial results for six months ended September 30, 2001 (April 1, 2001 - September 30, 2001)

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

(1) Consolidated operational results

	Sales		Operation income		Ordinary income	
	(million yen)	%	(million yen)	%	(million yen)	%
Six months ended September 30, 2001	438,583	9.0	27,519	18.0	18,770	-9.6
Six months ended September 30, 2000	402,457	-	23,327	-	20,762	-
Year ended March 31, 2001	951,926		74,055		63,849	

	Net income		Retained earnings per share	Diluted retained earnings per share
	(million yen)	%	(yen)	(yen)
Six months ended September 30, 2001	10,964	-5.3	4.51	-
Six months ended September 30, 2000	11,580	-	4.70	-
Year ended March 31, 2001	36,097		14.72	-

(Notes) Profit (loss) from investment by equity method Six months ended September 30, 2001: - million yen

Six months ended September 30, 2000: - million yen Year ended March 31, 2001: - million yen

Average number of outstanding shares during term (consolidated) Six months ended September 30, 2001: 2,429,482,569 shares

Six months ended September 30, 2000: 2,464,060,265 shares Year ended March 31, 2001: 2,453,044,757 shares

Change in accounting method: N/A

Percentages shown in sales, operating income, ordinary income and net income in tables above are percentages of change from comparable term of previous year.

(2) Consolidated financial position

	Total assets	Shareholders' equity	Ration of shareholders' equity to total assets	Shareholders' equity per share
	(million yen)	(million yen)	%	(yen)
Six months ended September 30, 2001	1,264,587	475,718	37.6	195.81
Six months ended September 30, 2000	1,285,415	474,023	36.9	192.55
Year ended March 31, 2001	1,310,976	475,019	36.2	195.52

(Note) Shares outstanding as of term-end (consolidated) As of September 30, 2001: 2,429,534,101 shares

As of September 30, 2000: 2,461,808,615 shares As of March 31, 2001: 2,429,488,678 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)
Six months ended September 30, 2001	33,905	-51,324	4,664	16,367
Six months ended September 30, 2000	37,738	-62,555	16,888	15,826
Year ended March 31, 2001	140,981	-109,047	-27,015	28,676

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

Consolidated subsidiaries: 44 subsidiaries Non-consolidates subsidiaries recorded by equity method: N/A

Affiliates recorded by equity method: N/A

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

Consolidation: (New) 9 subsidiaries (Excluded) N/A Equity Method: (New) N/A (Excluded) N/A

2. Forecast for year ending March 31, 2002 (consolidated) (April 1, 2001 - March 31, 2002)

	Sales	Ordinary income	Net income
	(million yen)	(million yen)	(million yen)
Full year	985,000	72,000	43,000

(Reference) Expected earnings per share (for full year): ¥17.80 (The expected number of average outstanding shares during the year is used for the calculation instead of outstanding shares at the year-end.)

November 20, 2001

Overview of Consolidated Interim Financial Statements for
FY2002
(The 184th Business Year)
[April 1, 2001 – September 30, 2001]

- Meeting of Board of Directors for Approving Interim Financial Statements: November 20, 2001

OSAKA GAS CO., LTD.

1 Osaka Gas Group

The Osaka Gas Group (comprising 44 consolidated subsidiaries) is engaged in businesses relating to gas and by-products of gas, installation work, manufacture and sale of gas equipment, LPG and industrial gas, 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 is a by-product generated in the process of manufacturing gas, is 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 expense of customers. Kinki Piping Co., Ltd. performs installation work of indoor gas pipes under contract with Osaka Gas.

(3) Gas equipment

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

(4) LPG and industrial gas [These businesses are divided from the “Other Businesses” segment and a new segment of “LPG and industrial gas” was established from this interim six-month period ended September 30, 2001.]

Liquid Gas Co., Ltd. sells wholesale and retails liquefied 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 other affiliated companies market liquefied petroleum gas including wholesale and retail sale.

(5) Real estate leasing

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

(6) 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.

(7) Other businesses

Osaka Gas and others are engaged in the centralized community-based heating and air-conditioning business.

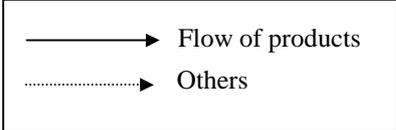
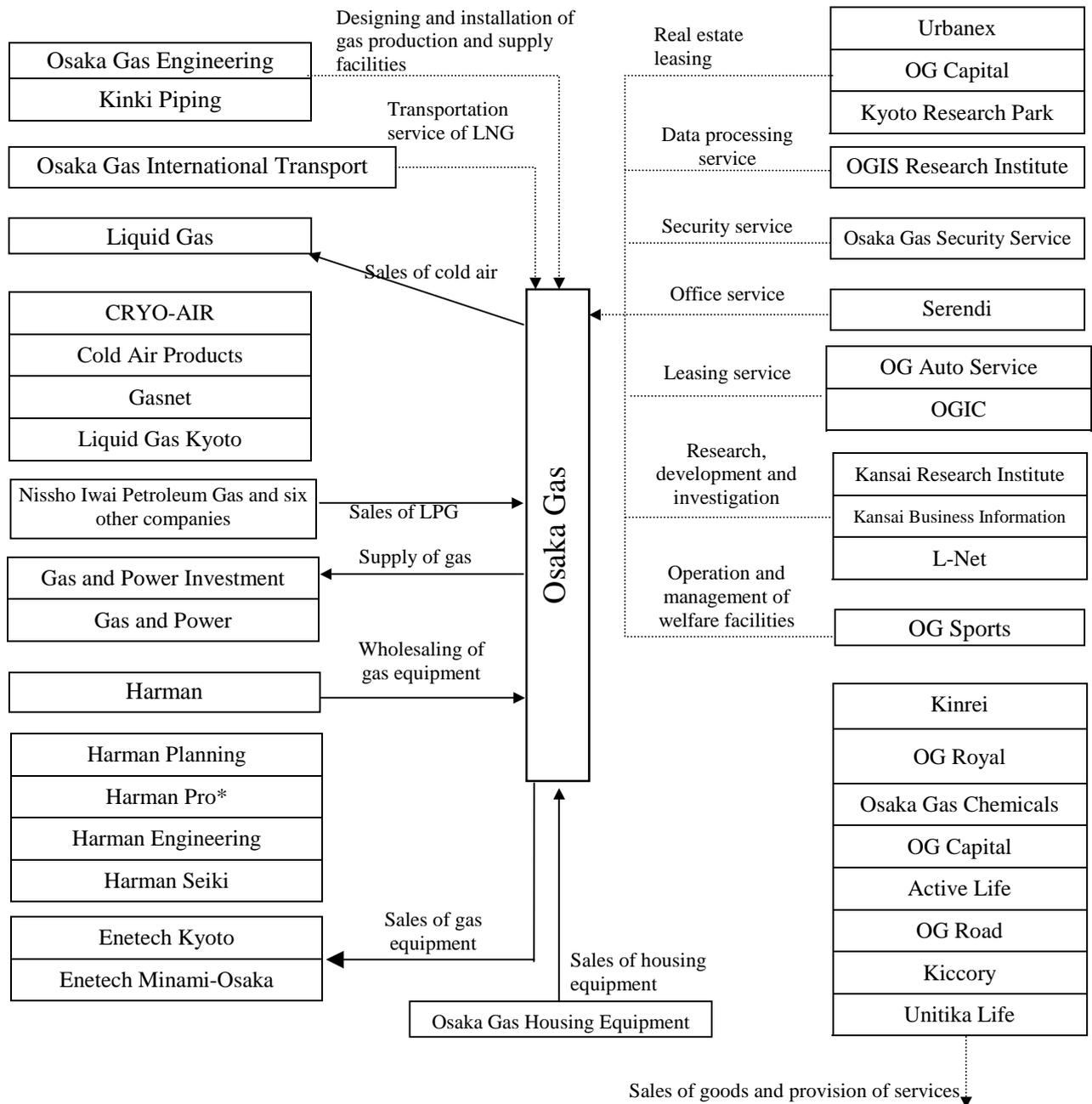
OGIS Research Institute Co., Ltd. and others provide computer data processing service for Osaka Gas and others.

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>>



* On October 1, 2001, Osaka Gas sold 90% of capital stock of Harman Pro to Noritz. Accordingly, Osaka Gas Group currently holds 10% of its capital stock.

◀◀List of Consolidated Subsidiaries▶▶

	Name of Subsidiary	Location	Capital (million yen)	Description of Business	Shareholding 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	
	Harman Co., Ltd.	Higashi-Osaka City, Osaka	300	- Sale of gas equipment and kitchen equipment	100	In September 2001, Harman was divided into the three companies.
Gas Equipment	Harman Planning Co., Ltd.	Higashi-Osaka City, Osaka	383	- Management of real estate, leasing, sale and purchase and brokerage of real estate	100	
	Harman Pro Co., Ltd.	Konohana-ku, Osaka	800	- Manufacture of gas equipment and kitchen equipment	100	
LPG and Industrial Gas	Ehime Nissho Propane Co., Ltd.	Iyo-gun, Ehime	20	- Sale of LPG, gas equipment and petroleum	66.7	
	Gasnet Co., Ltd.	Chuo-ku, Osaka	46	- Manufacture and sale of oxygen, nitrogen and other high-pressure gases, and manufacture and sale of related equipment and facilities - Sale of welding rods and other welding equipment and materials	55	
	CRYO-AIR Co., Ltd.	Sakai City, Osaka	480	- Manufacture and sale of liquefied nitrogen, liquefied oxygen, liquefied argon and other liquefied materials	55	
	Cold Air Products Co., Ltd.	Takaishi City, Osaka	480	- Manufacture and sale of liquefied nitrogen, liquefied oxygen, liquefied argon and other liquefied materials	55	
	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	
	Liquid Gas Kyoto Co., Ltd.	Uji City, Kyoto	40	- Gas piping work and sale of LPG and gas equipment	100	
	Kochi Nissho Propane Co., Ltd.	Kochi City, Kochi	50	- Sale of LPG, gas equipment and petroleum	100	
	Nissho Iwai Gas Co., Ltd.	Higasimurayama 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	
	Nissho Iwai Petroleum Gas Co., Ltd.	Minato-ku, Tokyo	1,726.5	- Import and sale of LPG	70	
	Nissho Gas Supply Co., Ltd.	Higasimurayama City, Tokyo	13	- Sale of LPG, gas equipment and petroleum	100	
Nissho Propane Sekiyu Co., Ltd.	Chuo-ku, Sapporo	60	- Sale of LPG, gas equipment and petroleum	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 the company's businesses is included in the "Other Businesses" segment.
	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	
Food and food service	OG Royal Co., Ltd.	Chuo-ku, Osaka	100	- Operation of restaurant chains (Royal Host and others)	50	
	Kinrei Co., Ltd.	Chuo-ku, Osaka	966.44	- Operation of restaurants - Manufacture and sale of frozen foods	74.7	Over-the-Counter trade code: 2661
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	- Manufacture and sale of coke, 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 - Sales of home security systems	100	

	Name of Subsidiary	Location	Capital (million yen)	Description of Business	Shareholding Rate (%)	Remarks
Other Businesses	OG Auto Service Co., Ltd.	Kita-ku, Osaka	100	- Automobile leasing - Automobile maintenance - Automobile sale - Property insurance agency	100	
	Active Life Inc.	Chuo-ku, Osaka	900	- Operation and management of nursing home for the aged - Provision of home health care service - Health consulting service - 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 - Operating Internet website - Marketing services using consumer network	100	
	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 service - 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	
	OG Road Co., Ltd.	Konohana-ku, Osaka	50	- Investigation and design of recycling of excavated earth - Manufacture and sale of materials for road construction - Design and performance of paving works	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 infrastructures - Energy environmental service - Research and planning relating to the above-mentioned businesses	100	
	Gas and Power Investment Co., Ltd.	Chuo-ku, Osaka	2,100	- Domestic and overseas energy businesses, and research, planning, development and investment relating to these businesses	100	
	Kansai Research Institute, Inc.	Shimogyo-ku, Kyoto	300	- Scientific/technical investigation and research/development services under contract, investigation on commercialization of businesses and consulting - Provision of seminars and publication	100	
	Kiccory Co., Ltd.	Chuo-ku, Osaka	300	- Operation of do-it-yourself stores - Landscaping, fence/gate construction, extension and remodeling work	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 related products - Domestic tourist bureau, travel agency - Staffing and placement service - Office service and business service - Billing service	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 - Manufacture and sale 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 - Manufacture of trial products and metal products	100	
Kansai Business Information Co., Ltd.	Chuo-ku, Osaka	100	- Consumer, industrial and technical trend research - Planning and research of city development - Architectural design - Office design - Publishing - Sales promotion - Multimedia - Operation of Osaka Gas Interior Design School - Staffing service - Staffing agency - Operation of call center by contract	100		
Unitika Life, Co., Ltd.	Chuo-ku, Osaka	10	- Management of apartment complexes - Management of buildings	90		

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 as 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 decides on significant matters affecting the entire Group. To ensure that the operation of each business contributes to improvement of 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 Shareholder Value Added (SVA) is to 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. In addition to the commencement of power generation business in April 2001, which targets power producers of a certain business size, full-scale preparation for establishing an independent power producer (IPP) is progressing, to start wholesaling of electricity from April 2002.

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 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, aiming at commencement of sale of gas engine cogeneration systems by the end of FY2003 and quickening commercialization of PEFC (polymer electrolyte fuel cell) cogeneration system.

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 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 results aimed for 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 six months ended September 30, 2001, the Company will distribute interim dividends of ¥3 per share, which is an increase of ¥0.50 from the same period of the previous year. We will aim at paying an annual dividend of ¥6 (including interim dividends).

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, investment in new businesses and reinforcement of the financial structure of the Company.

3 Operational Results

(1) Results for the six months ended September 30, 2001

Consolidated sales for the six months ended September 30, 2001 increased 9.0% to ¥438,500 million from the same period of the prior year, primarily due to the growth of gas sales resulting from the raising of the gas charge in accordance with the material cost adjustment system, as well as the addition of subsidiaries to the consolidation during the period. While the cost of sales increased due to the yen weakness, the operating profit for the period grew 18.0% to ¥27,500 million compared with the same period of the prior year due to the continued effort for strict control of the selling, general and administrative expenses. The ordinary profit was ¥18,700 million, a 9.6% decrease from the same period of the prior year, affected by valuation loss incurred on investment securities due to the stagnation in the stock market. Net income for the six months ended September 30, 2001 decreased 5.3% to ¥10,900 million from the same period of the prior year.

(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)
		Increase/decrease	Percent (%)		
Sales	4,385	361	109.0	3,351	1.31
Cost of sales	2,304	298	114.9	1,591	1.45
Selling, general and administrative expenses	1,806	20	101.2	1,537	1.17
Operating profit	275	41	118.0	221	1.24
Ordinary profit	187	-19	90.4	173	1.08
Net income	109	-6	94.7	108	1.01

Balance of interest-bearing liabilities as of September 30, 2001:

524,100 million yen

[Increase of 13,900 million yen from the end of the prior year (March 31, 2001)]

<<Summary of Cash Flow>>

	Six months ended September 30, 2001	Six months ended September 30, 2000	Change from same period of prior year
Cash flow from operating activities	33,900 million yen	37,700 million yen	-3,800 million yen
Cash flow from investment activities	(51,300 million yen)	(62,500 million yen)	11,200 million yen
Cash flow from financial activities	4,600 million yen	16,800 million yen	-12,200 million yen
Change in cash and cash equivalents	(12,700 million yen)	(7,900 million yen)	-4,800 million yen
Cash and cash equivalents at beginning of period	28,600 million yen	22,700 million yen	5,900 million yen
Increase in cash and cash equivalents by new inclusions in the consolidation	400 million yen	900 million yen	-500 million yen
Cash and cash equivalent at end of period	16,300 million yen	15,800 million yen	500 million yen
Free cash flow (*1)	(1,500 million yen)	(5,900 million yen)	4,400 million yen

*1) Free cash flow = Operating profit after tax + Depreciation expenses

(including write-off of long-term prepaid expenses and change in liability reserves) - Capital expenditures

<<Operational Results by Segment>>

(1) Gas and by-products

Although the sales volume of gas declined from the same period of the prior year after three years of growth, sale revenues grew by ¥11,600 million (+4.6%) to ¥263,800 million, due to 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 raw materials resulting from the weak yen, operating profit increased by ¥3,700 million (+8.4%) to ¥44,700 million, as a result of efforts for cost reduction implemented in all areas of the operation.

(2) Installation work

Sales were ¥17,400 million, a ¥1,800 million increase (+11.6%) from the same period of the prior year, primarily due to an increase in new orders for installation work. Operating profit increased significantly by ¥700 million (+191.3%), to ¥1,200 million, due to the cost reduction achieved in all areas of the operation.

(3) Gas equipment

Sales of this segment decreased by ¥2,600 million (-4.9%) to ¥51,000 million, primarily due to a decline in sales of air-conditioning equipment which were very strong in the same period of the prior year. As a result of overall efforts for cost reduction, an operating profit of ¥900 million was recorded, which was a ¥200 million increase (+26.3%) from the same period of the prior year.

(4) LPG and industrial gas [These business are divided from the “Other businesses” segment from this six-month period.]

Although new demand was created in the LPG business by our marketing effort, sales and operating profit were ¥32,100 million and ¥100 million respectively due to a decline in the demand for industrial gas under the weak economic circumstances.

(5) Real estate leasing

Due to a decline in lease revenues due to the economic depression, sales decreased by ¥200 million (-2.7%), to ¥9,800 million from the same period of the prior year. As a result of cost control efforts, operating profit increased by ¥200 million (+14.1%) to ¥2,400 million.

(6) Food and food service

Sales grew by ¥600 million (+4.3%) to ¥16,600 million, reflecting strong sales growth in the restaurant chain business. As a result of efforts for cost reduction, which were partially offset by incremental costs relating to the opening of new restaurants, operating profit was ¥800 million, a ¥100 million increase (+24.4%) from the same period of the prior year.

(7) Other businesses

While some subsidiaries were added to the consolidation, sales decreased by ¥4,400 million (-7.2%), to ¥57,500 million from the same period of the prior year because LPG and industrial gas businesses were separated from this segment in this six-month period. Operating profit declined by ¥1,700 million (-22.6%) to ¥6,000 million from the same period of the prior year.

(in 100 million yen)

	Gas and by-products	Installation work	Gas equipment	LPG and industrial gas	Real estate leasing	Food and food service	Other businesses	Elimination of internal transactions and transactions involving all companies	Consolidated results
Sales	+4.6%	+11.6%	-4.9%	----	-2.7%	+4.3%	-7.2%		+9.0%
	2,638	174	510	321	98	166	575	(100)	4,385
Operating profit	+8.4%	+191.3%	+26.3%	----	+14.1%	+24.4%	-22.6%		+18.0%
	477	12	9	1	24	8	60	(319)	275

(2) Interim Dividends

The Company will pay interim dividends of ¥3 per share, which is a ¥0.5 increase from the same period of the previous year.

(3) Projection for FY2002

It is projected that sales for FY2002 will grow 3.5% to ¥985,000 million from 2001, due to an increase in gas sales and the addition of subsidiaries to the consolidation. Costs are also expected to increase, reflecting the hike in material costs due to the expected weaker yen and the addition of consolidated companies. However, we project operating profit will increase 10.7% to ¥82,000 million through continued corporate-wide efforts for cost reduction. Operating profit will increase 10.7% to ¥82,000 million. Offset by extraordinary loss, ordinary profit will increase 12.8% to ¥72,000 million. Net income is projected to increase 19.1% to ¥43,000 million.

It is projected the pay-out ratio of annual dividends (on non-consolidated basis) will be 36.4%.

	Projection for FY2002	Change from prior year
Sales	¥985 billion	+3.5%
Operating profit	¥82 billion	+10.7%
Ordinary profit	¥72 billion	+12.8%
Net income	¥43 billion	+19.1%
Dividends	Targeted to pay annual dividends of ¥6 per share (including interim dividends)	

[Forecasted crude oil price in the latter half of the year: \$28 per bbl, forecasted exchange rate: ¥118 to \$1]

Return on equity (ROE)	9.0%
Return on assets (ROA)	3.2%
Free cash flow (*1)	¥48 billion

(*1) Free cash flow = Operating profit after tax + Depreciation expenses (including write-off of long-term prepaid expenses and change in liability 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 Interim Financial Statements

(1) Consolidated Interim Balance Sheet

(in million yen)

Account \ Period	As of September 30, 2001	As of March 31, 2001	Change	As of September 30, 2000
(Assets)				
[1] Fixed Assets	1,080,148	1,088,356	-8,208	1,102,492
(1) Tangible fixed assets	860,991	850,090	10,901	852,932
1. Production facilities	128,794	134,814	-6,020	121,829
2. Supply facilities	369,032	381,115	-12,083	340,810
3. Operational facilities	96,929	90,206	6,723	91,909
4. Other facilities	190,049	183,900	6,149	177,946
5. Idle facilities	1,532	1,532	0	1,532
6. Construction in progress	74,653	58,521	16,132	118,905
(2) Intangible fixed asset	14,967	14,931	36	15,167
(3) Investments and other assets	204,189	223,334	-19,145	234,392
1. Investment in securities	142,954	154,051	-11,097	166,301
2. Long-term loans receivable		15,625	-15,625	15,719
3. Deferred tax assets	24,154	19,687	4,467	17,784
4. Other assets	39,731	36,516	3,215	36,420
5. Allowance for bad debts	(2,651)	(2,547)	-104	(1,833)
[2] Current Assets	184,434	222,613	-38,179	182,917
1. Cash and deposits	16,428	29,120	-12,692	16,294
2. Notes and trade accounts receivable	82,986	111,001	-28,015	82,208
3. Inventories	46,317	39,100	7,217	45,732
4. Deferred tax assets	9,736	11,377	-1,641	6,537
5. Other current assets	29,802	32,920	-3,118	33,058
6. Allowance for bad debts	(837)	(906)	69	(914)
[3] Deferred Assets	4	5	-1	5
1. Premium on bonds	4	5	-1	5
Assets total	1,264,587	1,310,976	-46,389	1,285,415

(in million yen)

Account \ Period	As of September 30, 2001	As of March 31, 2001	Change	As of September 30, 2000
(Liabilities)				
[1] Fixed Liabilities	576,526	565,770	10,756	542,623
1. Bonds	249,728	251,028	-1,300	251,028
2. Long-term loans payable	202,217	192,472	9,745	161,989
3. Reserve for severance benefits	100,349	101,278	-929	104,956
4. Reserve for gasholder repair	2,064	1,957	107	2,078
5. Other fixed liabilities	22,165	19,034	3,131	22,570
[2] Current Liabilities	205,443	263,501	-58,058	262,412
1. Current portion of fixed liabilities	26,544	23,611	2,933	24,205
2. Note and trade accounts payable	33,913	48,103	-14,190	39,268
3. Short-term loans payable	35,739	43,079	-7,340	45,762
4. Corporate taxes payable	11,518	25,261	-13,743	11,381
5. Other current liabilities	97,727	123,446	-25,719	141,795
Liabilities total	781,969	829,272	-47,303	805,036
(Minority Interest)				
[1] Minority Interest	6,898	6,683	215	6,355
Minority interest total	6,898	6,683	215	6,355
(Capital)				
[1] Capital	132,166	132,166	0	132,166
[2] Capital Reserve	19,482	19,482	0	19,482
[3] Consolidated Retained Earnings	293,656	288,140	5,516	279,773
[4] Difference between Market Price and Acquisition Cost of Other Securities	30,424	35,253	-4,829	42,615
[5] Treasury Stock	475,730 (11)	475,043 (23)	687 12	474,038 (15)
Capital total	475,718	475,019	699	474,023
Liabilities, minority interest and capital total	1,264,587	1,310,976	-46,389	1,285,415

(2) Consolidated Interim Profit and Loss Statement

(in million yen)

Account	Period	Six months ended September 30, 2001	Six months ended September 30, 2000	Change	Year ended March 31, 2001
[1] Sales		438,583	402,457	36,126	951,926
[2] Cost of Sales		230,442	200,591	29,851	501,490
Gross Profit on Sales		208,141	201,866	6,275	450,436
[3] Selling, General and Administrative Expenses		180,621	178,538	2,083	376,381
Operating Profit		27,519	23,327	4,192	74,055
[4] Non-operating Revenues		3,217	3,291	-74	9,272
1. Interest income		205	290	-85	648
2. Dividend income		708	770	-62	1,552
3. Gain from sales of affiliates' stock			382	-382	
4. Miscellaneous income		2,303	1,848	455	7,070
[5] Non-operating Expenses		11,966	5,856	6,110	19,477
1. Interest expense		3,766	3,622	144	7,605
2. Loss from valuation of investment in securities		4,140		4,140	
3. Miscellaneous expenses		4,058	2,234	1,824	11,872
Ordinary Profit		18,770	20,762	-1,992	63,849
[6] Extraordinary Profit		450		450	1,132
1. Gain from sales of fixed assets		450		450	1,132
[7] Extraordinary Loss		443	1,620	-1,177	5,137
1. Loss from sales of fixed assets			270	-270	1,817
2. Loss from reduction of fixed assets' cost		443		443	590
3. Write-off of shortage of reserve arising from application of new accounting standard for severance benefits			1,349	-1,349	2,729
Net income before taxes and minority interest		18,776	19,141	-365	59,844
Corporate, resident and business taxes		7,664	7,915	-251	28,089
Adjustment for difference of tax allocation between financial accounting and tax accounting		61	(529)	590	(4,792)
Less: minority interest		86	173	-87	450
Net Income		10,964	11,580	-616	36,097

(3) Statement of Consolidated Interim Retained Earnings

(in million yen)

Period	Six months ended September 30, 2001	Six months ended September 30, 2000	Change	Year ended March 31, 2001
Account				
[1] Consolidated Retained Earnings at Beginning of Period	288,140	276,882	11,258	276,882
[2] Increase of Consolidated Retained Earnings	697	2,203	-1,506	2,203
1. Increased by addition of subsidiaries to consolidation	697	2,203	-1,506	2,203
[3] Decrease of Consolidated Retained Earnings	6,144	10,893	-4,749	27,044
1. Dividends	6,073	6,194	-121	12,348
2. Director's bonuses	70	66	4	66
3. Retirement of treasury stock		4,633	-4,633	14,629
[4] Net Income	10,964	11,580	-616	36,097
[5] Consolidated Retained Earnings at End of Period	293,656	279,773	13,883	288,140

(4) Consolidated Interim Cash Flow Statement

(in million yen)

Account	Period	Six months ended September 30, 2001	Six months ended September 30, 2000	Change	Year ended March 31, 2001
I. Cash Flow from Operating Activities					
Net income before taxes and minority interest		18,776	19,141	-365	59,844
Depreciation expenses		45,051	40,793	4,258	92,460
Decrease of reserve for severance benefits		(1,032)	(2,716)	1,684	(6,393)
Interest and dividends received		(913)	(1,060)	147	(2,201)
Interest paid		3,766	3,622	144	7,605
Loss from evaluation of investment in securities		4,140		4,140	1,058
Loss from disposal of tangible fixed assets		1,653	1,309	344	3,431
(Increase) decrease of trade receivables		29,664	23,376	6,288	(5,416)
(Increase) of inventories		(6,840)	(10,385)	3,545	(3,754)
Increase (decrease) of trade payables		(15,400)	(7,054)	-8,346	1,780
Increase (decrease) of accrued expenses		(24,729)	(20,096)	-4,633	8,583
Others		2,683	12,964	-10,281	16,785
Total		56,820	59,894	-3,074	173,783
Interest and dividends received		918	1,037	-119	2,177
Interest paid		(3,386)	(3,205)	-181	(7,427)
Corporate taxes paid		(20,447)	(19,986)	-461	(27,552)
Net Cash Flow from Operating Activities		33,905	37,738	-3,833	140,981
II. Cash Flow from Investment Activities					
Expense for acquisition of tangible fixed assets		(45,984)	(50,051)	4,067	(93,084)
Income from sales of investment in securities			11,029	-11,029	13,268
Expense for acquisition of stocks of subsidiaries and affiliates		(1,074)	(16,879)	15,805	(21,212)
Income from sales of stocks of subsidiaries and affiliates			1,467	-1,467	
Expense for acquisition of subsidiaries' stock, by which the subsidiaries are included to the consolidation			(5,062)	5,062	(5,062)
Expense for transfer of business		(3,005)		-3,005	
Net increase of short-term loans receivable			(1,029)	1,029	
Others		(1,260)	(2,029)	769	(2,957)
Net Cash Flow from Investment Activities		(51,324)	(62,555)	11,231	(109,047)
III. Cash Flow from Financial Activities					
Net (decrease) of short-term loans payable		(3,374)	(16,417)	13,043	(19,100)
Net increase (decrease) of commercial paper		10,000	20,000	-10,000	(35,000)
Proceeds from long-term loans payable		13,700	15,011	-1,311	54,381
Expense for repayment of long-term loans payable		(7,947)	(8,076)	129	(17,560)
Proceeds from issuance of bonds			19,994	-19,994	29,994
Expense for redemption of bonds		(1,579)	(3,666)	2,087	(13,666)
Proceeds from issuance of subsidiaries' stocks			924	-924	924
Expense for acquisition of treasury stocks for retirement by surplus			(4,633)	4,633	(14,629)
Dividends paid		(6,073)	(6,190)	117	(12,282)
Dividends paid to minority shareholders		(71)	(51)	-20	(61)
Others		11	(6)	17	(14)
Net Cash Flow from Financial Activities		4,664	16,888	-12,224	(27,015)
IV. Difference from Conversion of Cash and Cash Equivalents		(3)	(4)	1	(2)
V. Increase/decrease of Cash and Cash Equivalents		(12,757)	(7,933)	-4,824	4,915
VI. Cash and Cash Equivalents at Beginning of Period		28,676	22,774	5,902	22,774
VII. Increase of Cash and Cash Equivalents Due to Addition of Subsidiaries to the Consolidation		448	985	-537	985
VIII. Cash and Cash Equivalents at End of Period		16,367	15,826	541	28,676

(Notes)

1. Basic information for preparing consolidated interim financial statements

(1) Scope of consolidation

[1] Consolidated subsidiaries

Number of consolidated subsidiaries --- 44 subsidiaries

(Major consolidated subsidiaries)

Osaka Gas Chemicals Co., Ltd., Urbanex Co., Ltd., OG Capital Co., Ltd., OGIS Research Institute Co., Ltd., Gas and Power Investment Co., Ltd., Kinrei Co., Ltd., Harman Co., Ltd., Liquid Gas Co., Ltd., and Nissho Iwai Petroleum Gas Co., Ltd.

(Change in consolidation)

Gas and Power Co, Ltd., Gas and Power Investment Co., Ltd., Ehime Nissho Propane Co., Ltd., Kansai Business Information Co., Ltd., Kochi Nissho Propane Co.,Ltd., Nissho Gas Sales Co., Ltd. and Unitika Life Co., Ltd. are added to the consolidation from the current six-month period because their importance to the Group's results has increased.

Harman Co., Ltd. changed its name to Harman Planning Co., Ltd. on August 31, 2001.

Harman Planning Co., Ltd. was divided into three companies on September 1, 2001: Harman Planning Co., Ltd., Harman Co., Ltd. and Harman Pro Co., Ltd.

[2] Major non-consolidated subsidiaries

Major non-consolidated subsidiaries are: Ashiyahama Energy Service Co., Ltd. and Urbanex Service Co., Ltd. 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 material effect on the consolidated interim 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: Ashiyahama Energy Service Co., Ltd, Urbanex Service Co., Ltd. and Kansai International Airport Energy 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 six months ended September 30, 2001 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) Interim closing date of consolidated subsidiaries

Except OG Royal Co., Ltd, the interim closing date of all consolidated subsidiaries is the same as the consolidated interim closing date of the Group, which is September 30 every year. OG Royal's interim closing date is June 30 every year. However, as the timing difference does not exceed three months, its financial statements as of June 30 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 a moving average basis

b. Securities

Other securities

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

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 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. It is provided based on the amount of severance benefits payable to employees at the end of the current six-month period based on the severance benefit liabilities the expected value of the pension assets at the end of the current 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 by 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 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

Hedge contract

Interest swap

Currency swap

Forward exchange contract or currency option

Swap and option for crude oil price

Hedged transactions

Corporate bonds and loans payable

Corporate bonds and loans payable in foreign currency

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

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 and raw material prices. 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.

(5) 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.

2. Accumulated depreciation of tangible fixed assets	(Six months ended September 30, 2001)	(Six months ended September 30, 2000)
	¥1,524,800 million	¥1,476,078 million
3. Contingent liabilities	(Six months ended September 30, 2001)	(Six months ended September 30, 2000)
Guarantee of liabilities	¥15,371 million	¥18,640 million
Acceptance of fulfillment of obligations of bonds and loans payable	81,746	83,034
Contingent liabilities under contracts		
4. Relationship of period-end balance of cash and cash equivalents and the values presented on the consolidated interim balance sheet	(Six months ended September 30, 2001)	(Six months ended September 30, 2000)
Cash and bank deposits	¥16,428 million	¥16,294 million
Term deposits that expire more than three months later	(61)	(527)
Public bond investment trust (included in current assets)		60
Cash and cash equivalents	¥16,367	¥15,826

5. Significant events after closing of six-month period ended September 30, 2001

In the meeting on November 20, 2001, the Board of Directors decided to purchase the Company's stock to hold as treasury stock in accordance with the provisions in Articles of Association of the Company under Article 3.4 of the Amendment to the Commercial Law enforced in Year 2000, as follows:

Type of stock to be purchased : Ordinary stock of the Company
Total number of shares to be purchased : 60,000,000 shares
Aggregate value of shares to be purchased: 20,000 million yen

5. Segment Information

a. Segment information by business type

Six months ended September 30, 2001 (April 1, 2001 to September 30, 2001)

	Gas and By-products	Installation Works	Gas Equipment	LPG and Industrial Gas	Real Estate Lease	Foods and Food Service	Other Businesses	Total	Elimination of Internal Transactions or Transactions Relating to All Companies under the Group	Consolidation
Sales and Operating Profit and Loss	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen
1. Sales to customers outside the Group	262,671	17,494	51,016	30,953	3,320	16,510	56,616	438,583	-	438,583
2. Internal sales or transfer among segments	1,166		40	1,239	6,538	118	936	10,040	(10,040)	-
Total	263,837	17,494	51,057	32,192	9,859	16,629	57,552	448,623	(10,040)	438,583
Operating Expenses	216,044	16,293	50,062	32,060	7,437	15,811	51,455	389,165	21,898	411,063
Operating Profit	47,792	1,200	994	132	2,422	817	6,097	59,457	(31,938)	27,519

Six months ended September 30, 2000 (April 1, 2000 to September 30, 2000)

	Gas and By-products	Installation Works	Gas Equipment	LPG and Industrial Gas	Real Estate Lease	Foods and Food Service	Other Businesses	Total	Elimination of Internal Transactions or Transactions Relating to All Companies under the Group	Consolidation
Sales and Operating Profit and Loss	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen
1. Sales to customers outside the Group	252,094	15,675	53,633	-	3,655	15,803	61,595	402,457	-	402,457
2. Internal sales or transfer among segments	135		56	-	6,481	145	453	7,272	(7,272)	-
Total	252,229	15,675	53,690	-	10,137	15,948	62,048	409,729	(7,272)	402,457
Operating Expenses	208,150	15,263	52,902	-	8,014	15,291	54,173	353,795	25,335	379,130
Operating Profit	44,079	412	787	-	2,123	657	7,874	55,934	(32,607)	23,327

Year ended March 31, 2001 (April 1, 2000 to March 31, 2001)

	Gas and By-products	Installation Works	Gas Equipment	LPG and Industrial Gas	Real Estate Lease	Foods and Food Service	Other Businesses	Total	Elimination of Internal Transactions or Transactions Relating to All Companies under the Group	Consolidation
Sales and Operating Profit and Loss	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen	million yen
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 transfer 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

(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 hot and cold air
 - (2) Installation works ······ Installation of internal pipes at the expense of customers
 - (3) Gas equipment ······ Gas equipment
 - (4) LPG and industrial gas ······ LPG, liquefied oxygen and nitrogen
 - (5) Real estate lease ······ Lease and management of real estates
 - (6) Foods and food service ······ Frozen foods and restaurants
 - (7) Other businesses ······ Design and installation of 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 lease, lease of LNG tankers, community-based centralized air-conditioning services, LNG processing by contract, etc.
3. Of operating expenses, the non-allocable operating expenses included in “Elimination of internal transactions or transactions relating to all companies under the Group” are ¥32,615 million for the six months ended September 30, 2000 and ¥32,176 million for the six months ended September 30, 2001. They mainly comprise general expenses relating to administrative departments of consolidated companies.
4. LPG and industrial gas businesses, which were included in the “Other Businesses” segment in the prior fiscal year, were separated as the “LPG and Industrial Gas” segment from the current six-month period as their importance increased due to inclusion of additional subsidiaries to the consolidation.

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.

6. Securities

(1) Other securities that have market prices

(in million yen)

Period Type of Securities	As of September 30, 2001			As of March 31, 2001			As of September 30, 2000		
	Acquisition Cost	Value Reported on Consolidated Balance Sheet	Difference	Acquisition Cost	Value Reported on Consolidated Balance Sheet	Difference	Acquisition Cost	Value Reported on Consolidated Balance Sheet	Difference
1. Stocks	44,397	94,894	50,497	43,834	101,693	57,858	42,598	111,142	68,543
2. Bonds									
National and local government bonds	27	28	1	17	17	0	17	17	0
Corporate bonds	10,100	8,610	(1,490)	10,100	8,893	(1,206)	10,100	10,047	(52)
Other bonds				9	10	1	9	11	1
Total	54,524	103,533	49,009	53,961	110,615	56,653	52,725	121,217	68,492

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

Other Securities

(in million yen)

	Value Reported on Consolidated Interim Balance Sheet as of September 30, 2001	Value Reported on Consolidated Balance Sheet as of March 31, 2001	Value Reported on Consolidated Interim Balance Sheet as of September 30, 2000
Unlisted Stocks (excluding over-the-counter stocks)	9,966	9,685	11,197
Public Bond Investment Trust			60

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

(in million yen)

Period Type of Transaction	As of September 30, 2001			As of March 31, 2001			As of September 30, 2000		
	Contract Price	Market Price	Evaluation Profit/loss	Contract Price	Market Price	Evaluation Profit/loss	Contract Price	Market Price	Evaluation Profit/loss
Interest Swap									
	Fixed receipt and variable payment	7,106	89	89	6,796	132	132	5,300	133
Fixed payment and variable receipt	2,761	(57)	(57)	2,060	(46)	(46)	300	(1)	(1)
Total	9,868	32	32	8,856	85	85	5,600	131	131

(Note) Derivative transactions recorded by hedge accounting are excluded.