



**For Year Ending March 31, 2007**  
**Brief Report of Interim Consolidated Financial Statements**

October 30, 2006

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 & Finance Manager Name: Shingo Kamei TEL: +81 -6-6205-4537  
 Date of Meeting of Board of Directors for Approving Financial Statements: October 30, 2006  
 Adoption of U.S. Accounting Standards: Not adopted

1. Financial results for the six months ended September 30, 2006 (April 1, 2006 - September 30, 2006)

(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, 2006	533,085	17.5	44,496	22.1	45,319	12.1
Six months ended September 30, 2005	453,654	7.2	36,448	42.0	40,434	32.3
Year ended March 31, 2006	1,065,961		100,657		103,308	

	Net income		Retained earning per share	Diluted retained earnings per share
	million yen	%	yen	yen
Six months ended September 30, 2006	27,709	12.2	12.44	—
Six months ended September 30, 2005	24,696	167.2	11.08	—
Year ended March 31, 2006	80,710		36.18	—

- (Notes) ① Profit (loss) from investment by equity method Six months ended September 30, 2006 2,016 million yen Six months ended September 30, 2005 1,323 million yen Year ended March 31, 2006 2,435 million yen  
 ② Average number of outstanding shares during term (consolidated) Six months ended September 30, 2006 2,227,287,188 shares Six months ended September 30, 2005 2,228,399,110 shares Year ended March 31, 2006 2,228,101,663 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	Net worth	Ratio of total net worth to total assets	Net worth per share
	million yen	million yen	%	yen
As of September 30, 2006	1,376,788	666,000	47.0	290.85
As of September 30, 2005	1,256,009	561,296	44.7	251.92
As of March 31, 2006	1,398,692	628,510	44.9	282.12

- (Notes) Shares outstanding as of term-end (consolidated) As of September 30, 2006 2,226,993,281 shares As of September 30, 2005 2,228,111,074 shares As of March 31, 2006 2,227,520,553 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, 2006	11,242	-49,931	19,990	28,909
As of September 30, 2005	35,297	-96,957	35,887	18,543
As of March 31, 2006	152,935	-162,989	13,245	47,726

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

Consolidated subsidiaries 133 subsidiaries Non-consolidated subsidiaries recorded by equity method N/A  
 Affiliates recorded by equity method 4 affiliates

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

Consolidation (New) 1 subsidiary (Excluded) 4 subsidiaries Equity method (New) N/A (Excluded) N/A

2. Forecast for the year ending March 31, 2007 (Consolidated) (April 1, 2006 - March 31, 2007)

	Operating revenues	Ordinary profit	Net income
	million yen	million yen	million yen
Full year	1,193,500	81,000	46,000

(Reference) Expected retained earning per share (for full year) 20.66 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) Projected Annual Results" in the attachments.

October 30, 2006

---

---

**Overview of Consolidated Interim Financial Statements for  
Year Ending March 31, 2007 (The 189th Business Year)**  
[April 1, 2006 - September 30, 2006]

---

---

Osaka Gas Co., Ltd.

# 1. Osaka Gas Group

The Osaka Gas Group (comprising 133 consolidated subsidiaries [one added and four excluded], and four affiliates reported by the equity method [no change]) 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. Osaka Gas Customer Relations Co., Ltd. maintains and inspects gas facilities and equipment and provides gas meter reading and payment collection services.

LPG, electricity and other energies

Among other group companies, Liquid Gas Co., Ltd. and Nissho Petroleum Gas Corporation sell liquefied petroleum gas, Osaka Gas, Gas and Power Co., Ltd., Nakayama Joint Power Generation Co., Ltd., and Nakayama Nagoya Joint Power Generation Co., Ltd. supply electricity, Osaka Gas Summit Resources Co., Ltd. invests in and develops oil and natural gas resources, Osaka Gas and Gas and Power Investment Co., Ltd. provide district heating and cooling services, Cogeneration Technology Service Co., Ltd. designs, installs, sells, and maintains cogeneration systems, and Osaka Gas Energy America Corporation conducts research on and invests in the energy supply business.

Gas appliances and house-pipe installation

Osaka Gas, Enetec Kyoto Co., Ltd., Osaka Gas Housing & Equipment Co., Ltd. and Hearts Co., Ltd., and other companies sell gas appliances and housing equipment, Osaka Gas provides installation work for indoor gas pipes at the request of and at the expense of customers, and Kinpai Co., Ltd. performs gas piping installation work under contract for Osaka Gas Co., Ltd.

Real estate

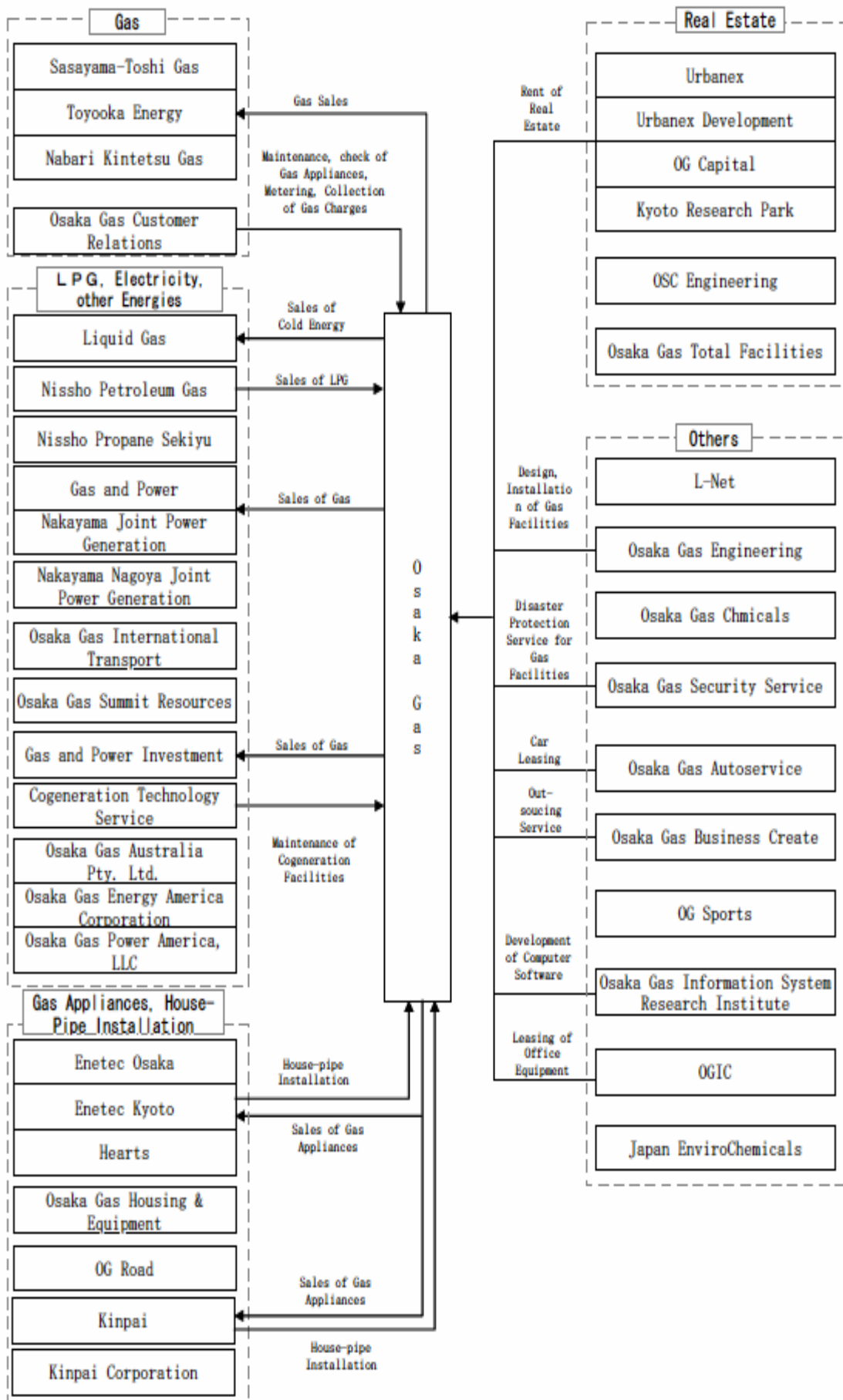
Urbanex Co., Ltd., OG Capital Co., Ltd., and other companies develop, lease, manage, and subdivide real estate, and OSC Engineering Co., Ltd. operates, manages, and maintains buildings and facilities.

Others

Osaka Gas Chemicals Co., Ltd. manufactures and sells carbon and chemical products, Osaka Gas Security Service Co., Ltd. provides safety and security services and sells home security systems, OG Sports Co., Ltd. administers and operates sports facilities under contract, and Osaka Gas Information System Research Institute Co., Ltd. develops software and provides data processing services.

Activities of other subsidiaries include publication of a regional magazine, engineering, leasing of automobiles and office equipment, and provision of office services.

<<Chart of Major Consolidated Subsidiaries>>



## List of Major Consolidated Subsidiaries (as of end of September, 2006)

	Name of subsidiary	Location	Capital (million yen)	Main business activities	Osaka Gas Shareholding (%)	Notes
Gas	Osaka Gas Customer Relations Co., Ltd.	Nishi-ku, Osaka	50	Maintenance checks on gas equipment and appliances, checking gas meters and collection of gas charges	100	
	Sasayama-Toshi Gas Co., Ltd.	Sasayama, Hyogo	100	Manufacture, supply, and sale of gas	66.7	
	Toyooka Energy Co., Ltd.	Toyooka, Hyogo	100	Manufacture, supply, and sale of gas	100	
	Nabari Kintetsu Gas Co., Ltd.	Nabari, Mie	100	Manufacture, supply, and sale of gas Sale of LPG, etc.	85	Partially included in the LPG, electric power, and other energies segment
LPG, Electricity and Energies	Osaka Gas International Transport Inc.	Chuo-ku, Osaka	3,190	Leasing of LNG carriers	100	
	Osaka Gas Summit Resources Co., Ltd.	Chuo-ku, Osaka	100	Development of and investment in petroleum and natural gas resources	70	
	Gas and Power Co., Ltd.	Chuo-ku, Osaka	450	Electric power supply	100	
	Gas and Power Investment Co., Ltd.	Chuo-ku, Osaka	2,148	Heat supply services	100	
	Cogeneration Technology Service Co., Ltd.	Nishi-ku, Osaka	400	Installation, sale, and maintenance of cogeneration systems	56	
	Nakayama Joint Power Generation Co., Ltd.	Taisho-ku, Osaka	300	Electric power supply	95	
	Nakayama Nagoya Joint Power Generation Co., Ltd.	Chita-gun, Aichi	450	Electric power supply	95	
	Nissho Petroleum Gas Corporation	Minato-ku, Tokyo	1,726	Sale of LPG, etc.	52.5	
	Nissho Propane Sekiyu Co., Ltd.	Chuo-ku, Sapporo	60	Sale of LPG, etc.	100	
	Liquid Gas Co., Ltd.	Chuo-ku, Osaka	1,030	Sale of LPG and gas for industrial use	100	
	Osaka Gas Australia Pty.Ltd.	Australia	A\$184 million	Development of and investment in petroleum and natural gas resources	100	
	Osaka Gas Energy America Corporation	United States	US\$1	Research and investment concerning the energy supply business	100	
Osaka Gas Power America, LLC	United States		Research and investment concerning the energy supply business	100		
Gas Appliances and House-pipe Installation	Enetec Osaka Co., Ltd.	Taisho-ku, Osaka	20	Sale of gas appliances/housing equipment and gas plumbing work	100	
	Enetec Kyoto Co., Ltd.	Minami-ku, Kyoto	30	Sale of gas appliances/housing equipment and gas plumbing work	100	
	Osaka Gas Housing & Equipment Co., Ltd.	Nishi-ku, Osaka	450	Sale of housing equipment and appliances	100	
	OG Road Co., Ltd.	Konohana-ku, Osaka	50	Recycling of excavated soil, etc.	100	
	Kinpai Co., Ltd.	Nishinari-ku, Osaka	300	Sale of gas appliances/housing equipment and gas plumbing work	100	
	Kinpai Corporation	Nishinari-ku, Osaka	112	Business management of Kinpai Group	100	
Hearts Co., Ltd.	Kita-ku, Sakai	85	Sale of gas appliances/housing equipment and gas plumbing work	98.8		
Real Estate	Urbanex Co., Ltd.	Higashinari-ku, Osaka	1,570	Development, leasing, management, and subdivision of real estate	100	
	Urbanex Development Co., Ltd.	Higashinari-ku, Osaka	500	Development, leasing, management, and subdivision of real estate	100	
	OSC Engineering Co., Ltd.	Fukushima-ku, Osaka	50	Operation, management, and maintenance of buildings and facilities	67.3	
	Osaka Gas Total Facilities Co., Ltd.	Higashinari-ku, Osaka	100	Operation, management, and maintenance of buildings and facilities	100	
	OG Capital Co.,Ltd.	Chuo-ku, Osaka	3,000	Development, leasing, and management of real estate	100	
	Kyoto Research Park Corporation	Shimogyo-ku, Osaka	100	Development, leasing, and management of real estate	100	
Others	L-Net Co.,Ltd.	Nishi-ku, Osaka	40	Publication of regional magazine, etc.	100	
	Osaka Gas Engineering Co.,Ltd.	Konohana-ku, Osaka	100	Design and installation of gas production and supply facilities and other plant	100	
	Osaka Gas Chemicals Co., Ltd.	Chuo-ku, Osaka	2,500	Manufacture and sale of chemical products and carbon products	100	
	Osaka Gas Security Service Co., Ltd.	Yodogawa-ku, Osaka	100	Provision of security and disaster protection services and sale of home security systems	100	
	Osaka Gas Autoservice Co., Ltd.	Konohana-ku, Osaka	100	Leasing and servicing of automobiles	100	
	Osaka Gas Business Create Co., Ltd.	Nishi-ku, Osaka	100	Outsourcing and temporary staffing services	100	
	OG Sports Co., Ltd.	Chuo-ku, Osaka	100	Management and operation under contract of sports facilities	100	
	Osaka Gas Information System Research Institute Co., Ltd.	Nishi-ku, Osaka	400	Software development and data processing services	100	
	OGIC Co., Ltd.	Chuo-ku, Osaka	600	Arrangement of credit for purchase of gas appliances and leasing of office equipment	100	
	Japan EnviroChemicals.,Ltd.	Chuo-ku, Osaka	2,055	Manufacture and sale of activated carbon and protective wood coatings	100	
Total number of consolidated subsidiaries:133						

**<<List of Affiliates Reported Equity Method>> (as of September 30, 2006)**

Affiliates' Name	Location	Capital stock (million yen)	Description of Business	Shareholding Rate (%)	Remarks
Idemitsu Snorre Oil Development Co., Ltd.	Minato-ku, Tokyo	15,120	- Research, development, production and sale of petroleum and natural gas, and investment in businesses related to these activities	49.5	
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	9,443	- Prospecting, development and mining of petroleum, natural gas and other hydrocarbon materials in the Republic of Indonesia	33.4	
Bizkaia Energia, S.L.	Spain	3000 euros	- Electric power supply	50	

**<<Newly consolidated company: 1>>**

- Osaka Housing Service Co., Ltd.

**<<Companies excluded from consolidation: 4>>**

- Palette Co., Ltd.

- Mie Nissho Gas Corporation

- Nissho Gas Kanto Corporation

- Home Gas Ebihara Co., Ltd.

## 2. Management Policy

### (1) Basic Management Policy

The Japanese economy started to recover and entered an expansionary phase as the increase in production and equipment investment indicated robust corporate activities and the forecast for employment and consumer spending improved. However, crude oil prices remained high for a long time and concerns over slowing overseas economies lingered, giving no grounds for optimism for the nation's economic future. Meanwhile, as regulatory reforms in the energy markets have progressed steadily, keen competition is expected to continue.

In this business environment, it is of paramount importance for the corporate group to continue to be chosen by customers and the local community. We are operating on the Osaka Gas Group's management philosophy "Value Creating Management" in order to enhance the values of all stakeholders, such as shareholders, members of the public, and employees, focusing on maximizing the values of customers, through fair and transparent business activities. In accordance with this management philosophy, we formulated a medium-term three-year management plan "Design 2008" for the period from fiscal 2007 to fiscal 2009 in November 2005, in accordance with which we will develop our operations in order to lay the foundations for the continued growth of the Osaka Gas Group as it enters a second century of business.

### (2) Challenges

In the energy business, while sustaining and developing the existing natural gas business, we will make use of the new opportunity that has emerged from deregulation 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 city gas market, we will concentrate on providing customer service and further improve our operational efficiency and price competitiveness. In addition, while ensuring security and a stable supply of energy, we will offer new gas price plans and aggressively provide the best solutions for our customers based on our expertise in service and engineering so as to increase the demand for natural gas, which will eventually result in enhanced customer convenience, industrial development and environmental preservation.

In the residential market, we intend to promote products that help customers achieve a gas-based environment-friendly, economical, comfortable, convenient and secure life, "living with gas", through a customer-centered approach. We will thus propose home power generation with a household gas engine "ECOWILL" cogeneration system, "My Home-Beauty Treatment" with a mist sauna, and "My Home-Cooking", an all-round gas-fired cooking system. In cooperation with our subsidiaries, we provide not only energy supply services but also the Internet-based "I-rusu" security service to cater to customers' needs in all aspects of their lives.

In the commercial/industrial segment, we will continue to diffuse our innovative products, which are: a high-efficiency and high-performance gas cogeneration system, the gas heat pump "High Power Excel" air-conditioning system capable of generating electricity while cooling facilities, the commercial gas kitchen "Cool Kitchen" system for creating a cool kitchen, and natural gas-fueled vehicles. Making the most of natural gas technologies, such as combustion and air-conditioning technologies, and maintenance skills developed over the years, we will propose optimum energy systems that answer differing needs of different customers.

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.

In order to create a much safer environment, we will carry out thorough preventive maintenance for manufacturing and supply facilities and equipment and run training programs for employees and workers. We will regularly inspect customers' facilities and continue an initiative to advise customers to make improvements promptly. We will also further raise safety by, among other things, promoting the replacement of instantaneous gas water heaters lacking incomplete combustion prevention devices, and the equipping of all Osaka Gas tabletop stoves and other gas burners with safety devices to prevent fires caused by cooking oil fires.

To ensure supply stability, we will continue to diversify natural gas supply sources and improve the manufacturing and supply system by, for example, completing the Shiga Line by the end of this year.

As for the electricity generation business, we plan to develop it into our second-largest core business following the natural gas business. While continuing to pursue the wholesale electricity business (IPP), which has already started, we will proceed as planned and start construction of the Senboku natural gas-fired power plant during the current year and promote a one-stop service to supply both electricity and city gas by making the most of our business infrastructure.

The LPG business will strive to increase retail customers and sales volume by utilizing our ability to market the equipment and energy systems we have cultivated in the natural gas market.

In the non-energy business category, our core policy will be to contribute to customers' comfortable lives and the growth of their businesses and to expand consolidated profits by offering better products and services that suit customers' needs. Selection and concentration of businesses will be accelerated to encourage the expansion of these promising businesses and to enhance the value of the Group.

In the area of environmental protection, we will reduce the environmental burden of our business activities by offering environmentally friendly products and services through promotion of energy-saving activities and utilization of renewable resources. Along with this, by promoting the use of environmentally friendly natural gas in line with the energy policies of the national government, we will remain committed to reducing the environmental burden by offering environmentally friendly products and services. We will actively promote environmental preservation activities and 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 saving. Furthermore, we will utilize a remote control system and other information technologies to contribute to the effective operation of customers' facilities.

Although on the compliance front we have taken robust steps to fulfill our social responsibilities as a corporation, suspected infringements of the Antimonopoly Law by group companies have come to light. In order to prevent a recurrence of such actions, the Osaka Gas Group will work to further strengthen compliance.

In order to deal appropriately with these issues, we will put the principle of "Value Creating Management" that is at the core of our business approach into practice. We will also observe the Osaka Gas Group CSR Charter that spells out the basic principle of fulfilling the Group's corporate social responsibility (CSR) and strive to evolve the Group.



### (3) Dividend Policy

The Company has been trying to grow its business and improve the efficiency of its operations, and has appropriated 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. Pursuant to our basic policy of securing steady interim and term-end dividends for shareholders, we will continue to pay reasonable dividends in line with performance, future management plans and other measures to pass on the benefits to shareholders. We will strive to keep the dividend propensity at 20% or higher. Retained earnings will be appropriated for equipment investment and investment in new projects.

### (4) Parent Company

Not applicable.

## 3. Operational Results

### (1) Highlights of Results for the Six Months Ended September 2006

Sales revenue increased by 79.4 billion yen (17.5%) from a year earlier to 533.0 billion yen, due primarily to increased gas sales volume, a rise in the unit gas rate compared with a year earlier to reflect higher LNG prices under the fuel cost adjustment system, and business expansion by consolidated subsidiaries. Operating profit grew 8.0 billion yen (22.1%) to 44.4 billion yen owing to an increase in gas sales revenue and consolidated subsidiaries' contribution to profits. Ordinary profit registered a 4.8 billion yen (12.1%) increase to 45.3 billion yen. Net income for the six months ended September 30, 2006, rose 3.0 billion yen (12.2%) from a year earlier to 27.7 billion yen.

(in 100 million yen)

Revenues and expenses (a)		Change from same period of previous year		Non-consolidated results (b)	Parent ratio (a)/(b)
		Change	Percent (%)		
Operating Revenues	5,330	+ 794	+ 17.5	3,843	1.39
Cost of sales	3,355	+ 765	+ 29.5	2,273	---
Selling, General and Administrative Expenses	1,530	-51	-3.3	1,264	---
Operating profit	444	+ 80	+ 22.1	304	1.46
Ordinary profit	453	+ 48	+ 12.1	347	1.30
Net income	277	+ 30	+ 12.2	232	1.19

### Operational Results by Segment

#### Gas

Sales revenue increased by 49.1 billion yen (18.8%) from a year earlier to 310.6 billion yen, due mainly to an increase in gas sales volume owing to lower temperatures compared with the same period a year earlier, and a rise in the unit gas rate compared with a year earlier to reflect higher LNG prices under the fuel cost adjustment system. Despite a considerable increase in fuel prices, operating profit grew by 10.5 billion yen (53.9%) to 30.1 billion yen thanks to growth in gas sales volume.

### LPG, electricity and other energies

As business expanded, sales revenue increased by 30.9 billion yen (39.9%) to 108.5 billion yen. Operating profit rose 1.1 billion yen (19.1%) to 7.1 billion yen, due in large part to the contribution of consolidated subsidiaries to profits, which offset the increase in costs incurred by business expansion and higher fuel prices.

### Gas appliances and house-pipe installation

Sales revenue increased by 5.1 billion yen (7.9%) to 70.5 billion yen. Operating profit registered a decline of 4.1 billion yen (-87.6%) to 500 million yen, mainly due to increased costs in conjunction with higher sales of gas appliances and the cost of inspection of bathroom heaters and dryers.

### Real estate

Propelled by growth in new real estate properties, sales revenues rose 500 million yen (4.2%) to 13.2 billion yen, and operating profit increased by 400 million yen (11.9%) to 4 billion yen.

### Others

Due in large part to the sell-off of consolidated subsidiaries, sales revenue declined by 4.8 billion yen (-7.2%) to 63.1 billion yen. Operating profit decreased 50 million (-2.6%) to 2.0 billion 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	+ 18.8% 3,106 [ + 491]	+ 39.9% 1,085 [ + 309]	+ 7.9% 705 [ + 51]	+ 4.2% 132 [ + 5]	-7.2% 631 [-48]	(330) [-14]	+17.5% 5,330 [ + 794]
Operating Profit	+ 53.9% 301 [ + 105]	+ 19.1% 71 [ + 11]	-87.6% 5 [-41]	+11.9% 40 [ + 4]	-2.6% 20 [-0.5]	5 [ + 0.8]	+22.1% 444 [ + 80]

The percentage in the upper left corner and the figure in brackets in each box respectively indicate the percentage change and the change in absolute value compared with the same period of the previous year.

## (2) Interim Dividend

For the six months ended September 30, 2006, the Company will distribute an interim dividend of 3.5 yen per share.

## (3) Projected Annual Results

Sales revenue is projected to increase by 12.0% from the previous year to 1,193.5 billion yen, due principally to an increase in gas sales revenue as a result of an increase in gas sales volume and a rise in the unit gas rate under the fuel cost adjustment system, together with business expansion by consolidated subsidiaries. Operating profit is projected to decrease by 20.0% to 80.5 billion yen as a consequence of the revision of LNG service contracts and the reduction of gas rates for small-volume users effective from November 1 2006, while ordinary profit and net income for the year are expected to respectively decline by 21.6% to 81.0 billion yen and by 43.0% to 46.0 billion yen.

Payment of an annual dividend of 7 yen per share (including the interim dividend) is targeted.

( in 100 million yen )

	Projections for year ending March 2007	Yearly change	
		Change	Percent ( % )
Operating revenues	11,935	+ 1,275	+ 12.0
Operating profit	805	-201	-20.0
Ordinary profit	810	-223	-21.6
Net income	460	-347	-43.0

Projections for the second half year are premised on a crude oil price (ALL Japan CIF price) of \$65 per barrel and exchange rate (TTM rate) of ¥120 against the U.S. dollar.

Projections for other major indicators than the above are as follows:

Shareholders' Value Added (SVA)	19.7 billion yen
Earnings per Share (EPS)	20.66 yen
Return on Equity (ROE)	7.2%
Return on Total Assets (ROA)	3.2%

## 4. Financial Position

### (1) Summary of Cash Flow for the Six Months Ended September 30, 2006

Cash flow generated from operating activities during the six months ended September 30, 2006, decreased by 24.0 billion yen from a year earlier to 11.2 billion yen, due in large part to an increase in inventories such as feedstock. Net cash used for investment activities was 49.9 billion yen, down 47.0 billion yen due principally to reduced spending on purchases of shares in subsidiaries and affiliates compared with the same period a year earlier. Net cash provided by financial activities decreased by 15.8 billion yen to 19.9 billion yen, a result mainly of reduced income from issuance of commercial papers compared with the same period a year earlier.

As a result, the balance of cash and cash equivalents as of September 30, 2006, increased by 10.3 billion yen to 28.9 billion yen compared with the balance a year earlier.

(in 100 million yen)

	Six months ended September 30, 2006	Six months ended September 30, 2005	Change
Cash flow from operating activities	112	352	-240
Cash flow from investing activities	-499	-969	+ 470
Cash flow from financial activities	199	358	-158
Increase/decrease of cash and cash equivalents	-188	-257	+ 69
Cash and cash equivalents at end of period	289	185	+ 103
Balance of interest-bearing liabilities at end of period	5,158	4,941	+ 216

Free cash flow<sup>1</sup> -25.2 billion yen [ -1.5 billion yen in the same period of the previous year ]

1. Free cash flow: (cash flow from operating activities) – (capital-expenditure spending)

### (2) Cash Flow Indices

	As of September 30, 2006	As of September 30, 2005
Shareholders' equity ratio	47.0%	44.7%
Shareholders' equity ratio based on market value	66.6%	70.4%

### (3) Full Year Projection

Capital expenditure is projected to be 101.4 billion yen.

The free cash flow will be 26.1 billion yen. The balance of interest-bearing liabilities at the end of the term is expected to increase by 38.4 billion yen to 526 billion yen.

#### <<Reference>> Capital Expenditure Plan ( in 100 million yen )

Term ending March 2007 (Projection)	Term ended March 2006 (Actual result)	Description of expenditures planned for the year ending March 2007
1,014	1,174	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, 2006	As of March 31, 2006	Change	As of September 30, 2005
(Assets)				
Fixed Assets	1,102,868	1,113,438	-10,570	1,030,595
Tangible fixed assets	784,356	785,045	-689	765,303
Production facilities	102,900	104,801	-1,901	107,771
Distribution facilities	335,463	343,110	-7,647	345,288
Operational facilities	64,930	65,699	-769	67,052
Other facilities	206,738	205,699	1,039	208,063
Idle facilities	1,532	1,532	0	1,532
Construction in progress	72,792	64,202	8,590	35,594
Intangible fixed assets	29,552	29,178	374	31,393
Goodwill	8,076	8,112	-36	11,098
Other intangible fixed assets	21,475	21,066	409	20,294
Investments and other assets	288,960	299,213	-10,253	233,898
Investment in securities	178,713	189,200	-10,487	161,264
Other assets	111,740	111,678	62	74,545
Allowance for bad debts	-1,493	-1,664	171	-1,910
Current Assets	273,919	285,194	-11,275	225,351
Cash and deposits	30,591	49,495	-18,904	22,743
Notes and trade accounts receivable	109,505	126,800	-17,295	92,744
Inventories	75,948	44,868	31,080	53,495
Deferred tax assets		13,139	-13,139	11,202
Other current assets	58,693	51,741	6,952	45,879
Allowance for bad debts	-819	-851	32	-715
Deferred Assets		60	-60	62
Premium on bonds		60	-60	62
Assets Total	1,376,788	1,398,692	-21,904	1,256,009

(Unit: million yen)

Account	As of September 30, 2006	As of March 31, 2006	Change	As of September 30, 2005
<b>(Liabilities)</b>				
Fixed Liabilities	441,720	442,782	-1,062	451,754
Bonds	197,133	188,694	8,439	224,080
Long-term loans payable	198,752	199,359	-607	183,312
Differed Tax Liabilities	21,079	23,266	-2,187	
Deferred tax liabilities associated with revaluation	75	42	33	55
Reserve for severance benefits	8,866	8,731	135	14,662
Reserve for gasholder repair	1,808	1,729	79	1,700
Other fixed liabilities	14,004	20,957	-6,953	27,943
Current Liabilities	269,067	308,724	-39,657	232,315
Current portion of fixed liabilities	75,993	71,091	4,902	21,546
Notes and trade accounts payable	42,598	45,802	-3,204	36,528
Short-term loans payable	24,601	31,943	-7,342	28,840
Corporate taxes payable	16,675	39,771	-23,096	12,773
Other current liabilities	109,197	120,114	-10,917	132,626
Liabilities Total	710,787	751,506	-40,719	684,070
<b>(Minority Interest)</b>				
Minority Interest		18,675		10,642
Minority interest Total		18,675		10,642
<b>(Shareholders' Equity)</b>				
Capital stock		132,166		132,166
Capital reserve		19,521		19,511
Consolidated retained earnings		410,682		362,293
Land revaluation excess		62		81
Difference Between Market Price and Acquisition Cost of Other Securities		63,648		45,888
Foreign Exchange Adjustment		4,986		3,657
Treasury stock		-2,556		-2,302
Shareholders' equity Total		628,510		561,296
Liabilities, minority interest, and shareholders' equity total		1,398,692		1,256,009
<b>(Net worth)</b>				
Shareholder's Equity	579,373			
Capital stock	132,166			
Capital surplus	19,526			
Retained earnings	430,457			
Treasury stock	-2,777			
Valuation and translation adjustments	68,353			
Difference between market price and acquisition cost of other securities	53,757			
Deferred gains or losses on the hedging transactions	7,869			
Land revaluation	109			
Foreign Exchange Adjustment	6,617			
Minority Interest	18,273			
Minority Interest	18,273			
Total net worth	666,000			
Total liabilities and net worth	1,376,788			

## (2) Consolidated Interim Profit and Loss Statement

(Unit: million yen)

Account	Six months ended September 30, 2006	Six months ended September 30, 2005	Change	Year ended March 31, 2006
Operating revenues	533,085	453,654	79,431	1,065,961
Cost of sales	335,564	259,025	76,539	636,478
Gross profit on Sales	197,521	194,628	2,893	429,482
Selling, General and Administrative Expenses	153,024	158,180	-5,156	328,825
Operating Profit	44,496	36,448	8,048	100,657
Non-operating Revenues	6,913	8,396	-1,483	13,938
Interest income	627	248	379	758
Dividend income	957	988	-31	1,353
Gain from sales of securities	1,337	4,101	-2,764	5,088
Equity in earning of affiliates	2,016	1,323	693	2,435
Miscellaneous income	1,974	1,735	239	4,303
Non-operating Expenses	6,091	4,410	1,681	11,287
Interest expenses	4,715	3,310	1,405	6,474
Miscellaneous expenses	1,376	1,100	276	4,813
Ordinary Profit	45,319	40,434	4,885	103,308
Extraordinary Profit		1,515	-1,515	29,085
Gain from sales of fixed assets		488	-488	661
Gain from sales of subsidiaries' shares		1,026	-1,026	5,400
Gain from LNG handling facilities adjustment				23,024
Net income before taxes and minority interest	45,319	41,949	3,370	132,393
Corporate, resident and business taxes	13,050	8,541	4,509	41,803
Adjustment for difference of tax allocation between financial accounting and tax accounting	4,029	8,600	-4,571	9,134
Less: minority interest	529	111	418	744
Net Income	27,709	24,696	3,013	80,710

### (3) Consolidated Interim Statement of Changes in Shareholders' Equity

Current consolidated interim period (April 1 to September 30, 2006)

(in million yen)

	Shareholders' equity					Valuation and translation adjustments					Minority interests	Total net worth
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Difference between market price and acquisition cost of other securities	Deferred hedge gains (losses)	Revaluation reserve for land	Foreign currency translation adjustments	Total valuation and translation adjustments		
Amount as of March 31, 2006	132,166	19,521	410,682	-2,556	559,814	63,648	-	62	4,986	68,696	18,675	647,186
Change during consolidated interim period												
Dividends from retained earnings			-7,796		-7,796							-7,796
Bonuses to directors			-90		-90							-90
Net income			27,709		27,709							27,709
Purchase of treasury stock				-246	-246							-246
Disposal of treasury stock		5		25	31							31
Reversal of land revaluation			-47		-47							-47
Change in items other than shareholders' equity during consolidated interim period (net)						-9,891	7,869	47	1,630	-343	-401	-744
Total change during consolidated interim period		5	19,774	-220	19,559	-9,891	7,869	47	1,630	-343	-401	18,814
Amount as of September 30, 2006	132,166	19,526	430,457	-2,777	579,373	53,757	7,869	109	6,617	68,353	18,273	666,000



#### (4) Statement of Consolidated Interim Retained Earnings

(Unit: million yen)

Account	Six months ended September 30, 2005	Year ended March 31, 2006
(Capital Reserve)		
Consolidated Capital Reserve at Beginning of Period	19,497	19,497
Increase of Capital Reserve	13	23
Consolidated Capital Reserve at End of Period	19,511	19,521
(Profit Reserves)		
Consolidated Profit Reserve at Beginning of Period	384,350	384,350
Increase of Profit Reserve	24,696	80,884
Net income	24,696	80,710
Increase due to new inclusions to consolidation		154
Reversal of land revaluation		19
Decrease of Profit Reserve	46,753	54,551
Dividends	6,686	14,484
Directors' bonuses	86	86
Retirement of treasury stock	39,978	39,978
Decrease due to decrease of consolidated companies	1	1
Consolidated Profit Reserve at End of Period	362,293	410,682

## (5) Consolidated Statement of Cash Flows (in million yen)

Account	Current consolidated interim period (Apr.-Sep. 2006)	Previous consolidated interim period (Apr.-Sep. 2005)	Change	Previous consolidated full year (Apr. 2005-Mar. 2006)
<b>I. Cash Flow from Operating Activities</b>				
Net income before taxes and minority interests	45,319	41,949	3,370	132,393
Depreciation expenses	41,105	42,047	-942	84,250
Amortization of long-term prepaid expenses	1,986		1,986	2,243
Increase (decrease) in employees' retirement benefits		-4,098	4,098	-9,653
Increase (decrease) in prepaid pension expenses	-6,331	-1,830	-4,501	-2,703
Interest and dividends received	-1,584	-1,236	-348	-2,112
Interest expenses	4,715	3,310	1,405	6,474
Investment profit on equity method	-2,016		-2,016	-2,435
Gain on sales of investment securities	-1,337	-4,101	2,764	-5,088
Gain on sales of shares of subsidiaries				-5,400
Loss on disposal of tangible fixed assets				2,349
Increase (decrease) in trade receivables	17,256	26,845	-9,589	-8,329
Increase (decrease) in inventories	-31,151	-9,514	-21,637	-2,269
Increase (decrease) in notes and accounts payable, trade	-3,155	-9,472	6,317	
Increase (decrease) in accrued expenses	-13,117	-18,545	5,428	6,509
Others	-6,684	-7,607	923	-10,224
Subtotal	45,002	57,746	-12,744	186,005
Interest and dividends received	6,183	1,171	5,012	1,977
Interest paid	-3,786	-2,723	-1,063	-6,496
Corporate taxes paid	-36,157	-20,898	-15,259	-28,551
<b>Net Cash Flow from Operating Activities</b>	<b>11,242</b>	<b>35,297</b>	<b>-24,055</b>	<b>152,935</b>
<b>II. Cash Flow from Investment Activities</b>				
Expenses for acquisition of tangible fixed assets	-41,002	-49,848	8,846	-115,243
Expenses for acquisition of intangible fixed assets	-1,512		-1,512	-2,462
Increase in long-term prepaid expenses	-3,186		-3,186	-5,941
Expenses for acquisition of investment securities	-2,610		-2,610	-2,741
Proceeds from sale of investment securities	1,642	5,444	-3,802	12,260
Expenses for acquisition of stocks of subsidiaries and affiliates	-3,600	-37,392	33,792	-40,037
Proceeds from sales of shares of subsidiaries and affiliates		2,738	-2,738	2,748
Acquisition of shares of subsidiaries resulting from changes in the scope of consolidation		-10,299	10,299	-22,554
Proceeds from sales of shares of subsidiaries resulting from changes in the scope of consolidation				11,509
Net increase (decrease) in short-term loans				-1,539
Outlays for long-term loans issued		-5,882	5,882	-6,985
Proceeds from collection of long-term loans				3,098
Proceeds from maturity of time deposits				2,563
Others	338	-1,717	2,055	2,334
<b>Net Cash Flow from Investment Activities</b>	<b>-49,931</b>	<b>-96,957</b>	<b>47,026</b>	<b>-162,989</b>
<b>III. Cash Flow from Financial Activities</b>				
Net increase (decrease) in short-term loans payable	-7,342		-7,342	
Net increase (decrease) in commercial paper	23,000	40,000	-17,000	
Proceeds from long-term loans payable	13,598	28,950	-15,352	54,224
Expenses for repayment of long-term loans payable	-9,481	-11,552	2,071	-21,989
Income from bonds issued	9,992	19,976	-9,984	19,976
Expenses for redemption of bonds		-35,000	35,000	-35,000
Dividends paid	-7,769	-6,660	-1,109	-14,437
Dividends paid to minority shareholders	-1,303	-106	-1,197	-150
Proceeds from issuance of common stock to minority shareholders				9,795
Others	-703	280	-983	826
<b>Cash flow from Financial Activities</b>	<b>19,990</b>	<b>35,887</b>	<b>-15,897</b>	<b>13,245</b>
<b>IV. Difference from Conversion of Cash and Cash Equivalents</b>				
	-118	54	-172	273
<b>V. Increase/Decrease of Cash and Cash Equivalents</b>	<b>-18,817</b>	<b>-25,719</b>	<b>6,902</b>	<b>3,464</b>
<b>VI. Cash and Cash Equivalents at Beginning of Period</b>	<b>47,726</b>	<b>44,279</b>	<b>3,447</b>	<b>44,279</b>
<b>VII. Decrease of Cash and Cash Equivalents Due to Exclusion of Subsidiaries from Consolidation</b>		-16	16	-16
<b>VIII. Cash and Cash Equivalents at End of Interim Period</b>	<b>28,909</b>	<b>18,543</b>	<b>10,366</b>	<b>47,726</b>

(Notes)

1. Basic information for preparing consolidated interim financial statements

(1) Scope of consolidation

Number of consolidated subsidiaries --- 133 subsidiaries

(Major consolidated subsidiaries)

Osaka Gas Chemicals Co., Ltd., Urbanex Co., Ltd., Osaka Gas Information System Research Institute Co., Ltd., Liquid Gas Co., Ltd., Nissho Petroleum Gas Corporation

(Change in consolidation)

Osaka Housing Service Co., Ltd. is included in the consolidated subsidiaries from the current consolidated interim period due to having become a subsidiary upon acquisition of shares in the company by the Osaka Gas Group.

Palette Co., Ltd. and three other companies ceased to be consolidated subsidiaries of Osaka Gas due to sale of shares and/or other investments in them.

(2) Application of equity method

Affiliates reported by equity method .....Four

(Name of major affiliates reported by equity method)

Idemitsu Snorre Oil Development Co., Ltd., Osaka Rinkai Energy Service Corporation

(3) Significant accounting principles

Basis and method of evaluation of significant assets are as follows:

a. Inventories.....Inventories are mainly valued at moving-average cost.

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 the moving average method.)

Without market price.....mainly at cost on a moving average basis

c. Derivative instruments..... at market

② Tangible fixed assets are depreciated by the declining balance method, except in the case of buildings (excluding fixtures attached to buildings) acquired on and after April 1, 1998, which are depreciated by the straight line method.

③ Significant allowances and reserves are provided on the following basis:

a. 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.

b. 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.

d. Evaluation of effectiveness of hedges

Effectiveness of a hedge is evaluated by confirming the relation between the hedge contract and the transaction hedged by that contract.

⑥ Other important information for preparing consolidated interim financial statements

Consumption taxes are recorded by the tax-exclusion method.

(4) Evaluation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are evaluated by the all fair value method.

(5) Method and period of amortization of goodwill

Goodwill is equally amortized over 20 years or less after posting. However, small amounts are posted as profit or loss as incurred in full.

(6) 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. Change in Accounting Policy

### (1) Accounting Standard for Presentation of Net Assets in the Balance Sheet

The Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5 issued on December 9, 2005) and Implementation Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8 issued on December 9, 2005) are adopted from the current consolidated interim period. The amount corresponding to “Shareholders’ Equity” to date is ¥639,857 million.

### (2) Practical Solution on Accounting for Deferred Assets

The Practical Solution on Accounting for Deferred Assets (ASBJ PITF No. 19 issued on August 11, 2006) is adopted from the current consolidated interim period. The premium on bonds of ¥66 million included in deferred assets in the previous consolidated interim period is presented deducted from bonds from the current consolidated interim period.

### (3) Accounting Standard for Financial Instruments

The revised Accounting Standard for Financial Instruments (ASBJ Statement No. 10 final revision issued on August 11, 2006) is adopted from the current consolidated interim period.

## 3. Accumulated depreciation of fixed tangible assets

	(As of September 30, 2006)	(As of March 31, 2006)
	1,838,416 million yen	1,805,978 million yen

## 4. Assets provided as collateral

	(As of September 30, 2006)	(As of March 31, 2006)
	85,187 million yen	88,447 million yen

## 5. Contingent liabilities

	(As of September 30, 2006)	(As of March 31, 2006)
--	----------------------------	------------------------

Guarantee of liabilities	2,696 million yen	2,864 million yen
Acceptance of fulfillment of obligations of bonds and loans payable	19,654	21,412
Contingent liabilities under contracts		

## 6. Type and total number of shares outstanding and type and number of treasury stock

(1,000 shares)

	Number at end of previous consolidated full year	Increase during current consolidated interim period	Decrease during current consolidated interim period	Number at end of current consolidated interim period
Shares outstanding				
Common stock	2,235,669	-	-	2,235,669
Treasury stock				
Common stock	8,148	607	80	8,676

### Notes

1. The 607,000 share increase in the number of common shares of treasury stock was due to

the purchase of odd stock.

2. The 80,000 share decrease in the number of common shares of treasury stock was due to the disposal of odd stock.

#### 7. Share warrants

Not applicable

#### 8. Dividends

##### (1) Dividends paid

At the Annual General Meeting of Shareholders held on June 29, 2006, it was resolved as follows designating March 31, 2006, as the record date. The effective date is June 29, 2006.

Dividends on common shares

Total value of dividends	¥7,796 million
Dividend paid per common share	¥3.50

##### (2) Dividends whose record date occurs during the current consolidated interim period and effective date is after the current consolidated interim period

At the meeting of the Board of Directors held on October 30, 2006, it was resolved as follows designating September 30, 2006, as the record date. (Dividends are based on retained earnings.)

Dividends on common shares

Total value of dividends	¥7,794 million
Dividend paid per share	¥3.50
Effective date	November 30, 2006

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

	(As of September 30, 2006)	(As of September 30, 2005)
Cash and bank deposits	30,591 million yen	22,743 million yen
Term deposits that expire more than three months later	-1,682	-4,200
Cash and cash equivalents	28,909	18,543

#### 10. Important events subsequent to the financial statements

On October 2, 2006, the Company submitted to the Minister of Economy, Trade and Industry notification of changes in service and optional agreements consisting, among other things, of a 2.33% reduction from the present rate for all small-volume users effective from November 1, 2006.

## 6 Segment Information

### (1) Segment information by business type

Six months ended September 30, 2006 (April 1, 2006 - September 30, 2006)

(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	302,335	107,093	70,412	6,894	46,350	533,085	—	533,085
2. Internal sales or transfer among segments	8,321	1,416	154	6,349	16,782	33,024	(33,024)	—
Total	310,657	108,509	70,566	13,243	63,133	566,110	(33,024)	533,085
Operating Expenses	280,523	101,388	69,988	9,174	61,048	522,122	(33,533)	488,588
Operating Profit	30,133	7,121	578	4,069	2,084	43,988	508	44,496

Six months ended September 30, 2005 (April 1, 2005 - September 30, 2005)

(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	255,516	76,507	65,049	6,283	50,296	453,654	—	453,654
2. Internal sales or transfer among segments	5,949	1,058	378	6,430	17,721	31,538	(31,538)	—
Total	261,466	77,565	65,428	12,713	68,018	485,192	(31,538)	453,654
Operating Expenses	241,880	71,584	60,747	9,078	65,877	449,167	(31,961)	417,205
Operating Profit	19,586	5,981	4,681	3,635	2,141	36,025	422	36,448

Year ended March 31, 2006 (April 1, 2005 - March 31, 2006)

(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	608,142	186,342	155,339	12,908	103,227	1,065,961	—	1,065,961
2. Internal sales or transfer among segments	11,613	2,660	620	12,819	42,124	69,839	(69,839)	—
Total	619,756	189,003	155,960	25,727	145,352	1,135,800	(69,839)	1,065,961
Operating Expenses	557,945	170,483	150,748	19,101	137,600	1,035,879	(70,575)	965,303
Operating Profit	61,811	18,519	5,212	6,626	7,752	99,921	736	100,657

(Notes)

Business segments are categorized mainly by aggregate sale category in accordance with the Gas Business Accounting Regulations.

Main products and services in each segment

Business segment	Main products and services
Gas	Gas
LPG, Electricity and Other Energies	LPG, power supply, heat services, LNG processing under contract, industrial gas
Gas Appliances and House-pipe Installation	Gas appliances, housing equipment, gas plumbing work, recycling of excavated soil
Real Estate	Development and leasing of real estate
Others	Chemical and carbon products, safety and security services, sports business, data processing services, engineering, leasing of automobiles and office equipment

(2) 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.

(3) 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, 2006			As of March 31, 2006			As of September 30, 2005		
	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	22,010	107,879	85,868	21,391	123,006	101,614	21,514	94,804	73,289
2. Bonds									
National and local government bonds	109	107	-1	10	9	0	10	9	0
Others	50	50	0	100	96	-3	100	100	0
<b>Total</b>	<b>22,170</b>	<b>108,037</b>	<b>85,867</b>	<b>21,501</b>	<b>123,113</b>	<b>101,611</b>	<b>21,624</b>	<b>94,914</b>	<b>73,289</b>

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

Other securities

(Unit: million yen)

	As of September 30, 2006	As of March 31, 2006	As of September 30, 2005
Unlisted Stocks (excluding over-the-counter stocks)	15,228	13,538	17,711