



For Year Ending March 2007

Summary of Financial and Business Results for the Third Quarter Ended December 31, 2006 (Consolidated)

January 30, 2007

Name of Listed Company: **Osaka Gas Co., Ltd.** (Code: **9532**) Tokyo, Osaka and Nagoya
 (URL: <http://www.osakagas.co.jp>)

Representative Officer: Title: President Name: Hirofumi Shibano
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1. Information regarding Preparation of Quarterly Financial Statements

- (1) Adoption of the simplified method in accounting procedure: Adopted
 (Details)
- Tax effect accounting of consolidated subsidiaries is by the simplified method.
 - The simplified procedure is used for certain items with negligible effect, such as omission of physical stocktaking.
- (2) Change in the accounting procedure from the last consolidated fiscal year: None
- (3) Scope of consolidation and application of equity method
 Consolidated subsidiaries: 132
 Non-consolidated subsidiaries recorded by equity method: 0
 Affiliates recorded by equity method: 4
- (4) Change in scope of consolidation and application of equity method
 Consolidation (New): 1 subsidiary
 (Excluded): 5 subsidiaries
 Equity method (New): 0 companies
 (Excluded): 0 companies

2. Summary of the Financial and Business Results for the Third Quarter of the Year Ending March 2007 (April 1, 2006 to December 31, 2006)

(1) Development of Operating Results (Consolidated) (Any amount less than one million yen is rounded down to the nearest million yen)

	Operating revenues		Operating profit		Ordinary profit		Net income for the quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
3Q of the year ending 3/ 2007	815,986	15.3	57,282	12.6	59,354	7.2	35,952	-1.0
3Q of the year ending 3/ 2006	707,967	7.7	50,857	-5.9	55,370	-5.0	36,275	38.1
(Reference) year ending 3/ 2006	1,065,961		100,657		103,308		80,710	

	Net income per share for the quarter	Diluted net income per share for the quarter
	yen	yen
3Q of the year ending 3/ 2007	16.14	-
3Q of the year ending 3/ 2006	16.28	-
(Reference) year ending 3/ 2006	36.18	-

Note: The percentages shown for sales and operating profit in the tables above indicate percentages of change from the same quarter of the previous year.

[Qualitative Information on Development of the Operating Results (Consolidated)]

During the third quarter, consolidated sales increased to JPY 815.9 billion, up by JPY 108.0 billion from the same quarter of the previous year due to the increased volume of gas sales in the first half of the year and higher gas rates than a year earlier resulting from the feedstock cost adjustment scheme, and growth in sales of consolidated subsidiaries. Operating profit rose JPY 6.4 billion from a year earlier to JPY 57.2 billion owing to growth in the

volume of gas sales and increased profits of consolidated subsidiaries. There was also growth in ordinary profit, which increased by JPY 3.9 billion from a year earlier to JPY 59.3 billion. Net profit in the third quarter fell JPY 300 million to JPY 35.9 billion owing to the gain on sale of shares in a subsidiary in the same quarter of the previous year.

(2) Changes in the Financial Position (Consolidated)

	Total assets	Net worth	Total net worth / Total assets ratio	Net worth per share
	million yen	million yen	%	yen
3Q of the year ending 3/ 2007	1,414,342	666,332	45.8	290.92
3Q of the year ending 3/ 2006	1,299,489	578,793	44.5	259.81
(Reference) year ending 3/ 2006	1,398,692	628,510	44.9	282.12

【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
3Q of the year ending 3/ 2007	6,795	-75,044	46,687	26,216
3Q of the year ending 3/ 2006	33,327	-102,328	44,672	19,850
(Reference) year ending 3/ 2006	152,935	-162,989	13,245	47,726

[Qualitative Information on Changes in the Financial Position (Consolidated)]

Total assets at the end of the third quarter came to JPY 1,414.3 billion, an increase of JPY 15.6 billion compared with at the end of the previous quarter. The main changes were a JPY 39.4 billion increase in inventories owing to high crude oil prices and seasonal factors, and a JPY 17.9 billion decrease in investment and other assets, such as investments in securities, due to a decline in unrealized gain on investments.

Net worth came to JPY 666.3 billion, yielding a total net worth / total assets ratio of 45.8%.

【Consolidated Cash Flow】

Cash and cash equivalents at the term-end decreased JPY 21.5 billion to JPY 26.2 billion compared with the at the end of the previous term. Main details are as follows:

(Cash Flow from Operating Activities)

Net income for the quarter before taxes was JPY 59.3 billion. However, cash flow from operating activities in the third quarter was JPY 6.7 billion due to an increase in inventories and decrease in accrued expenses.

(Cash flow from Investment Activities)

Due to expenditure of JPY 63.4 billion owing to the acquisition of supply facilities such as gas pipelines and other tangible fixed assets, funds used for investment activities came to JPY 75.0 billion in the third quarter.

(Cash flow from Financial Activities)

JPY 62.5 billion net was raised from corporate bonds, debts payable, and commercial papers. After deduction of dividend payments, etc., cash flow from financial activities in the third quarter was JPY 46.6 billion.

(Reference 1) Summary of Quarterly Non-consolidated Operational Results (April 1, 2006 to December 31, 2006)

	Operating revenues		Operating profit		Ordinary profit		Net income for the quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
3Q of the year ending 3/ 2007	587,710	13.9	35,277	1.2	40,998	2.1	27,136	-7.1
3Q of the year ending 3/ 2006	516,170	6.7	34,844	-2.0	40,141	-3.3	29,219	48.1
(Reference) year ending 3/ 2006	786,350		76,619		82,040		70,632	

	Total assets	Net worth
	million yen	million yen
3Q of the year ending 3/ 2007	1,090,137	530,044
3Q of the year ending 3/ 2006	1,015,466	474,037
(Reference) year ending 3/ 2006	1,078,437	518,171

Note: The percentages shown for sales and operating profit in the tables above indicate percentages of change from the same quarter of the previous year.

3. Forecast for year ending March 2007 (Consolidated) (April 1, 2006 to March 31, 2007)

	Projected Operating Revenues	Projected Ordinary profit	Projected 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

[Qualitative Information on Business Forecast]

No particular adjustment was made to the business forecast.

(Reference 2) Forecast for the year ending March 2007 (Non-consolidated) (April 1, 2006 to March 31, 2007)

	Projected Operating revenues	Projected Ordinary profit	Projected Net income
	million yen	million yen	million yen
Full year	845,500	63,000	42,500

(Reference) Expected retained earning per share (for full year): 19.09 yen

Note: The above forecasts are based on information available as of the date of this document; actual results may differ from these forecasts due to various factors affecting the Company's business performance.

(1) Consolidated Quarterly Balance Sheet

(Unit: million yen)

Account	As of December 31, 2006	As of March 31, 2006	Change	As of December 31, 2005
(Assets)				
Fixed assets	1,116,249	1,113,438	2,811	1,038,895
Tangible fixed assets	805,941	785,045	20,896	757,988
Intangible fixed assets	28,995	29,178	-183	31,009
Investments and other assets	281,312	299,213	-17,901	249,897
Current assets	298,092	285,194	12,898	260,532
Cash and deposits	28,133	49,495	-21,362	24,351
Notes and trade accounts receivable	123,310	126,800	-3,490	114,285
Inventories	84,367	44,868	39,499	63,251
Other current assets	62,281	64,029	-1,748	58,644
Deferred assets		60	-60	61
Assets total	1,414,342	1,398,692	15,650	1,299,489
(Liabilities)				
Fixed liabilities	449,100	442,782	6,318	457,584
Bonds	216,040	188,694	27,346	224,080
Long-term loans payable	180,885	199,359	-18,474	181,937
Reserve for severance benefits	8,972	8,731	241	12,245
Other fixed liabilities	43,202	45,995	-2,793	39,321
Current liabilities	298,909	308,724	-9,815	245,013
Notes and trade accounts payable	50,482	45,802	4,680	46,849
Short-term loans payable	26,180	31,943	-5,763	27,456
Other current liabilities	222,245	230,977	-8,732	170,707
Liabilities total	748,009	751,506	-3,497	702,598

Minority interest	-	18,675	-	18,096
Minority interest total	-	18,675	-	18,096
(Shareholders' equity)				
Capital stock	-	132,166	-	132,166
Capital reserve	-	19,521	-	19,516
Retained earnings	-	410,682	-	366,074
Land revaluation excess	-	62	-	81
Difference between market price and acquisition cost of other securities	-	63,648	-	58,843
Foreign exchange adjustment	-	4,986	-	4,553
Treasury stock	-	-2,556	-	-2,441
Shareholders' equity total	-	628,510	-	578,793
Liabilities, minority interest, and shareholders' equity total	-	1,398,692	-	1,299,489
(Net assets)				
Shareholder's equity	579,614	-	-	-
Capital stock	132,166	-	-	-
Capital surplus	19,529	-	-	-
Retained earnings	430,905	-	-	-
Treasury stock	-2,987	-	-	-
Valuation and translation adjustments	68,115	-	-	-
Difference between market price and acquisition cost of other securities	54,676	-	-	-
Deferred gains or losses on the hedging transactions	6,869	-	-	-
Land revaluation excess	109	-	-	-
Foreign exchange adjustment	6,459	-	-	-
Minority interest	18,602	-	-	-
Minority interest	18,602	-	-	-
Total net worth	666,332	-	-	-
Total liabilities and Net worth	1,414,342	-	-	-

(2) Consolidated Quarterly Profit and Loss Statement

(Unit: million yen)

Account	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Change	Year ended March 31, 2006
Operating revenues	815,986	707,967	108,019	1,065,961
Cost of sales	528,541	422,200	106,341	636,478
Gross profit on sales	287,445	285,767	1,678	429,482
Selling, general, and administrative expenses	230,162	234,909	-4,747	328,825
Operating profit	57,282	50,857	6,425	100,657
Non-operating revenues	11,645	11,379	266	13,938
Interest income	945	438	507	758
Dividend income	1,359	1,329	30	1,353
Gain from sales of securities	3,115	4,221	-1,106	5,088
Equity in earning of affiliates	3,262	2,276	986	2,435
Miscellaneous income	2,962	3,113	-151	4,303
Non-operating expenses	9,574	6,866	2,708	11,287
Interest expenses	7,168	4,795	2,373	6,474
Miscellaneous expenses	2,405	2,070	335	4,813
Ordinary profit	59,354	55,370	3,984	103,308
Extraordinary profit		5,593	-5,593	29,085
Gain from sales of fixed assets		629	-629	661
Gain from sales of subsidiaries' shares		4,964	-4,964	5,400
Gain from LNG handling facilities adjustment				23,024
Net income before taxes	59,354	60,963	-1,609	132,393
Corporate taxes	22,461	24,267	-1,806	50,938
Minority interest	940	420	520	744
Net income	35,952	36,275	-323	80,710

Note: Corporate taxes are expressed inclusive of adjustment to corporate taxes.

(3) Consolidated Quarterly Statement of Changes in Shareholders' Equity

Current 3 quarters (April 1, 2006 to December 31, 2006)

(Unit: 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
Changes during nine months period												
Dividends from retained earnings			-15,590		-15,590							-15,590
Bonuses to directors			-90		-90							-90
Net income			35,952		35,952							35,952
Purchase of treasury stock				-466	-466							-466
Disposal of treasury stock		8		34	43							43
Reversal of land revaluation			-47		-47							-47
Change in items other than shareholders' equity during nine months period (net amount)						-8,972	6,869	47	1,473	-581	-72	-654
Total changes during nine months period		8	20,222	-431	19,800	-8,972	6,869	47	1,473	-581	-72	19,146
Amount as of December 31, 2006	132,166	19,529	430,905	-2,987	579,614	54,676	6,869	109	6,459	68,115	18,602	666,332

(4) Consolidated Quarterly Cash Flow Statement

Account	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Change	Year ended March 31, 2006
I. Cash flow from Operating Activities				
Net income before taxes	59,354	60,963	-1,609	132,393
Depreciation expenses	60,960	62,174	-1,214	84,250
Increase (decrease) in employees' retirement benefits		-6,140	-6,140	-9,653
Increase (decrease) in prepaid pension expenses	-9,088		-9,088	-2,703
Gain on sales of shares of subsidiaries		-4,964	4,964	-5,400
Increase (decrease) in inventories	-39,555	-20,666	-18,889	-2,269
Increase (decrease) in accrued expenses	-21,599	-20,906	-693	6,509
Others	43,275	-37,131	-6,144	-50,191
Cash flow from Operating Activities	6,795	33,237	-26,532	152,935
II. Cash flow from Investment Activities				
Expenses for acquisition of tangible fixed assets	-63,452	-69,410	5,958	-115,243
Expenses for acquisition of investment securities	-3,049		3,049	-2,741
Proceeds from sale of investment securities	3,850	11,269	-7,419	12,260
Expenses for acquisition of shares of subsidiaries and affiliates	-4,578	-37,403	32,825	-40,037
Proceeds from sales of shares of subsidiaries and affiliates		13,997	-13,997	14,258
Expenses for acquisition of shares of subsidiaries resulting from changes in the scope of consolidation		-10,328	10,328	-22,554
Expenses for long-term loans receivable		-6,910	6,910	-6,985
Others	-7,814	-3,541	-4,273	-1,946
Cash flow from Investment Activities	-75,044	-102,328	27,284	-162,989
III. Cash flow from Financial Activities				
Increase/decrease in corporate bonds, debts payable, and commercial papers	62,589	48,621	13,968	18,492
Dividends paid	-14,290	-13,174	-1,116	-14,437
Income from payment by minority shareholders		9,719	-9,719	-150
Others	-1,611	-495	-1,116	9,340
Cash flow from Financial Activities	46,687	44,672	2,015	13,245
IV. Difference from conversion of cash and cash equivalents	50	90	-40	273
V. Increase/decrease in cash and cash equivalents	-21,510	-24,237	2,727	3,464
VI. Cash and cash equivalents at beginning of period	47,726	44,279	3,447	44,279
VII. Increase/decrease in cash and cash equivalents due to changes in scope of consolidation		-190	190	-16
VIII. Cash and cash equivalents at end of period	26,216	19,850	6,366	47,726

(5) Segment Information

[Segment information by business type]

Nine months ended December 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	Consolidation
Sales	468,402	167,676	114,213	20,055	95,743	866,092	(50,105)	815,986
Operating expenses	434,914	157,427	111,464	13,673	91,872	809,352	(50,648)	758,704
Operating profit	33,488	10,249	2,749	6,381	3,870	56,739	543	57,282

Nine months ended December 31, 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	Consolidation
Sales	406,276	124,958	106,246	18,987	98,924	755,392	(47,424)	707,967
Operating expenses	381,930	116,384	97,991	13,498	95,366	705,171	(48,061)	657,110
Operating profit	24,345	8,574	8,254	5,488	3,557	50,220	636	50,857

(6) Quarterly Gas Sales (Non-consolidated)

		Nine months ended December 31, 2006	Nine months ended December 31, 2005	Change	Percentage change	
Customers (Meters installed) (1,000 households)	Residential	6,471	6,413	58	0.9%	
	Non-residential	323	321	2	0.6%	
	Total	6,794	6,733	60	0.9%	
Monthly average usage per residential customer household (m ³ /month)		27.4	26.8	0.6	2.4%	
Gas sales volume (million m ³)	Residential	1,411	1,368	44	3.2%	
	Non-residential	Industrial	3,222	2,977	245	8.2%
		Commercial	802	805	-2	-0.3%
		Public and medical	455	447	8	1.8%
		Wholesale	290	253	37	14.7%
	Total	6,181	5,849	332	5.7%	

[Reference]
Average temperature (°C)

Nine months ended December 31, 2006	Nine months ended December 31, 2005	Change
20.4	20.3	0.1