



For Year Ending March 2008

Summary of Financial and Business Results for the First Quarter Ended June 30, 2007 (Consolidated)

July 27, 2007

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

Listed Exchanges: Part I of Tokyo, Osaka and Nagoya

Code: **9532**URL: <http://www.osakagas.co.jp>

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Contact:

Title: Accounting & Finance Manager

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

1. Summary of the Financial and Business Results for the First Quarter of the Year Ending March 2008 (April 1, 2007 to June 30, 2007)

(1) Consolidated Operating Results

(The percentages in the tables indicate percentages of change from the same quarter of the previous year.)

	Operating revenues		Operating profit		Ordinary profit		Net income for the quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q of the year ending 3/ 2008	286,532	2.9	34,682	-17.9	38,904	-10.9	23,841	-12.1
1Q of the year ending 3/ 2007	278,335	18.2	42,268	23.7	43,657	22.7	27,132	21.7
Year ending 3/ 2007	1,174,456		93,729		89,550		52,929	

	Net income per share for the quarter	Diluted net income per share for the quarter
	yen	yen
1Q of the year ending 3/ 2008	10.72	-
1Q of the year ending 3/ 2007	12.18	-
Year ending 3/ 2007	23.77	-

(2) Consolidated Financial Position

	Total assets	Net worth	Total net worth / Total assets ratio	Net worth per share
	million yen	million yen	%	yen
1Q of the year ending 3/ 2008	1,439,962	704,709	47.7	308.63
1Q of the year ending 3/ 2007	1,361,637	669,310	47.8	300.50
year ending 3/ 2007	1,405,682	686,664	47.6	300.61

(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
1Q of the year ending 3/ 2008	3,340	-26,053	35,398	37,117
1Q of the year ending 3/ 2007	-15,107	-24,352	16,496	24,652
year ending 3/ 2007	98,354	-99,765	-22,009	24,476

2. Forecast for the Year Ending March 2008 (Consolidated) (April 1, 2007 to March 31, 2008)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	535,000	0.4	27,500	-38.2	27,500	-39.3	16,000	-42.3	7.19
Full year	1,190,500	1.4	84,500	-9.8	83,000	-7.3	49,000	-7.4	22.03

No particular adjustment was made to the forecast.

4. Other information

(1) Significant changes in subsidiaries during the year (changes in certain subsidiaries resulting in a change in the consolidation scope): None

(2) Scope of consolidation and companies recorded by equity method
127 consolidated subsidiaries: (New) 3 (Excluded) 8 4 equity method affiliates: (New) 0, (Excluded) 0

(3) Adoption of the simplified method in accounting procedure: Adopted
(Note) For detailed information, refer to "4 Other information" in P3.

(4) Change in the accounting procedure from the last consolidated fiscal year: None

(Reference 1) Summary of Quarterly Non-consolidated Operational Results (April 1, 2007 to June 30, 2007)

(The percentages in the tables indicate percentages of change from the same quarter of the previous year.)

	Operating revenues		Operating profit		Ordinary profit		Net income for the quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q of the year ending 3/ 2008	208,181	2.1	27,567	-23.4	32,898	-12.3	21,320	-11.4
1Q of the year ending 3/ 2007	203,917	15.9	35,976	22.9	37,495	19.4	24,071	18.6
Year ending 3/ 2007	851,299		63,927		68,299		44,235	

	Total assets	Net worth
	million yen	million yen
1Q of the year ending 3/ 2008	1,092,265	562,955
1Q of the year ending 3/ 2007	1,050,072	539,661
Year ending 3/ 2007	1,076,946	548,721

(Reference 2) Forecast for the Year Ending March 2008 (Non-consolidated) (April 1, 2007 to March 31, 2008)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Interim	386,500	0.6	16,500	-45.9	19,500	-43.9	12,500	-46.3	5.62
Full year	872,000	2.4	57,000	-10.8	60,500	-11.4	39,000	-11.8	17.53

No particular adjustment was made to the forecast.

* Notes on proper use of forecasts and other matters

Statements in this document relating to future matters including operational forecasts are based on information available to the Company and certain assumptions that the Company believes are reasonable. Actual results may differ from these forecasts, affected by various factors.

【Qualitative Information/Financial Statements etc.】

1. Qualitative information regarding consolidated operating results

Sales for the first quarter of this FY amounted to 286.5 billion yen, an 8.1 billion yen increase y/y, due to increased gas sales, upward transition of gas prices y/y caused by feedstock price sliding system, sales increase of the consolidated subsidiary etc. Operating income has decreased y/y by 7.5 billion yen, to 34.6 billion yen, due to the influence of price reduction of small-scale services, changes in the depreciation system etc. Current income decreased 4.7 billion yen y/y to 38.9 billion yen, and net income for this first quarter decreased 3.2 billion yen y/y to 23.8 billion yen, after corporate tax adjustment etc.

Since our consolidated performance is largely affected by the gas business, we have seasonal factors to consider; larger sales are reported before, during and after winter (December to May). On the other hand, fixed cost is generated at a relatively constant amount each month. Therefore, the first quarter of every year is always higher than the second quarter with regard to profit-related items.

2. Qualitative information regarding consolidated financial status

Total assets for this first quarter reached 1 trillion and 439.9 billion yen, a 34.2 billion yen increase y/y. This is due to an increase of 16.8 billion yen in inventory assets, caused by increased crude oil prices and seasonal factors.

Net assets reached 704.7 billion yen, and capital-to-asset ratio 47.7%.

【Consolidated Cash Flow】

Cash and cash equivalents reached 37.1 billion yen at the end of this first quarter, a 12.6 billion yen increase y/y. Major components are as follows:

(Cash Flow Due to Marketing Activities)

Net profit before tax and adjustments for the quarter was 38.9 billion yen, but due to decrease in accrued expenses and increase in inventory assets, the cash flow due to marketing activities for this first quarter is 3.3 billion yen.

(Cash Flow Due to Investment Activities)

Due to expenditure of 24.2 billion yen for acquisition of tangible fixed assets, such as distribution equipment including gas conduit pipes, as well as other expenditures, capital used for investment activities for this first quarter amounts to 26 billion yen.

(Cash Flow Due to Financial Activities)

A net amount of 41.7 billion yen has been acquired through loans and commercial paper, and after subtracting delivery of dividends etc., the total cash inflow due to financial activities for this first quarter is 35.3 billion yen.

3. Qualitative information regarding consolidated business forecasts

This first quarter has resulted in revenue increase and profit decrease y/y, but things are proceeding according to the initial plan; there are no changes to the business forecasts for the interim period or for the full fiscal year that were announced on April 26, 2007.

4. Other

(1) Changes in significant subsidiaries during the fiscal period (changes in specified subsidiaries that would result in change in scope of consolidation)

None.

(2) Adoption of compendium method in accounting procedure

- Compendium method is used for income tax allocation accounting for consolidated subsidiaries.
- Compendium method is used partially for items with slight financial effect, such as omission of physical stocktaking.

(3) Changes in method of accounting procedure since the most recent consolidated fiscal year

None.

5. Consolidated Financial Statement

(1) Consolidated Quarterly Balance Sheet

(Unit: million yen)

Account	As of June 30, 2007	As of March 31, 2007	Change	As of June 30, 2006
(Assets)				
Fixed assets	1,139,400	1,124,100	15,300	1,101,431
Tangible fixed assets	810,712	805,534	5,178	785,700
Intangible fixed assets	34,415	28,562	5,853	28,778
Investments and other assets	294,272	290,003	4,269	286,952
Current assets	300,562	281,581	18,981	260,137
Cash and deposits	38,803	27,070	11,733	26,029
Notes and trade accounts receivable	122,424	135,468	-13,044	111,951
Inventories	70,169	53,366	16,803	64,153
Other current assets	69,164	65,676	3,488	58,002
Deferred assets				67
Assets total	1,439,962	1,405,682	34,280	1,361,637
(Liabilities)				
Fixed liabilities	448,697	417,663	31,034	441,802
Bonds	185,652	186,957	-1,305	197,658
Long-term loans payable	204,036	176,514	27,522	197,331
Reserve for severance benefits	9,559	8,909	650	8,775
Other fixed liabilities	49,449	45,281	4,168	38,037
Current liabilities	286,554	301,354	-14,800	250,523
Notes and trade accounts payable	47,712	45,443	2,269	40,763
Short-term loans payable	31,562	27,491	4,071	45,961
Other current liabilities	207,279	228,419	-21,140	163,798
Liabilities total	735,252	719,017	16,235	692,326
(Net assets)				
Shareholder's equity	611,774	595,939	15,835	578,981
Capital stock	132,166	132,166	0	132,166
Capital surplus	19,538	19,534	4	19,523
Retained earnings	463,951	447,909	16,042	429,928
Treasury stock	-3,882	-3,670	-212	-2,637
Valuation and translation adjustments	74,825	72,947	1,878	71,447
Difference between market price and acquisition cost of other securities	54,001	55,508	-1,507	55,223
Deferred gains or losses on the hedging transactions	11,731	9,180	2,551	11,028
Land revaluation excess	83	83	0	62
Foreign exchange adjustment	9,008	8,175	833	5,132
Minority interest	18,110	17,777	333	18,882
Minority interest	18,110	17,777	333	18,882
Total net worth	704,709	686,664	18,045	669,310
Total liabilities and Net worth	1,439,962	1,405,682	34,280	1,361,637

(2) Consolidated Quarterly Profit and Loss Statement

(Unit: million yen)

Account	Three months ended June 30, 2007	Three months ended June 30, 2006	Change	Year ended March 31, 2007
Operating revenues	286,532	278,335	8,197	1,174,456
Cost of sales	175,093	161,685	13,408	755,693
Gross profit on sales	111,439	116,649	-5,210	418,762
Selling, general, and administrative expenses	76,756	74,381	2,375	325,033
Operating profit	34,682	42,268	-7,586	93,729
Non-operating revenues	7,158	4,364	2,794	13,775
Interest income	287	281	6	1,312
Dividend income	863	812	51	1,414
Gain from sales of securities	2,953	1,028	1,925	3,274
Equity in earning of affiliates	1,431	1,249	182	3,328
Miscellaneous income	1,622	991	631	4,445
Non-operating expenses	2,935	2,975	-40	17,954
Interest expenses	2,320	2,257	63	9,584
Loss from redemption of corporate bonds				3,122
Miscellaneous expenses	615	718	-103	5,247
Ordinary profit	38,904	43,657	-4,753	89,550
Extraordinary profit				1,233
Gain from sales of fixed assets				1,233
Extraordinary loss				2,704
Loss from sales of fixed assets				832
Loss from impairment				1,871
Net income before taxes	38,904	43,657	-4,753	88,078
Corporate taxes	14,520	16,196	-1,676	33,951
Minority interest	542	327	215	1,197
Net income	23,841	27,132	-3,291	52,929

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

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

Current 1Quarter (April 1, 2007 to June 30, 2007)

(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, 2007	132,166	19,534	447,909	-3,670	595,939	55,508	9,180	83	8,175	72,947	17,777	686,664
Changes during three months period												
Dividends from retained earnings			-7,787		-7,787							-7,787
Net income			23,841		23,841							23,841
Purchase of treasury stock				-224	-224							-224
Disposal of treasury stock		3		12	16							16
Decrease of consolidated subsidiaries			-11		-11							-11
Change in items other than shareholders' equity during Three months period (net amount)						-1,506	2,550		833	1,877	333	2,210
Total changes during Three months period		3	16,042	-211	15,834	-1,506	2,550		833	1,877	333	18,045
Amount as of June 30, 2006	132,166	19,538	463,951	-3,882	611,774	54,001	11,731	83	9,008	74,825	18,110	704,709

Previous 1Quarter (April 1, 2006 to June 30, 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 three months period												
Dividends from retained earnings			-7,796		-7,796							-7,796
Bonuses to directors			-90		-90							-90
Net income			27,132		27,132							27,132
Purchase of treasury stock				-91	-91							-91
Disposal of treasury stock		2		10	13							13
Change in items other than shareholders' equity during Three months period (net amount)						-8,425	11,028		146	2,750	206	2,957
Total changes during Three months period		2	19,245	-80	19,167	-8,425	11,028		146	2,750	206	22,124
Amount as of June 30, 2006	132,166	19,523	429,928	-2,637	578,981	55,223	11,028	62	5,132	71,447	18,882	669,310

(4) Consolidated Quarterly Cash Flow Statement

Account	Three months ended June 30, 2007	Three months ended June 30, 2006	Change	Year ended March 31, 2007
I. Cash flow from Operating Activities				
Net income before taxes	38,904	43,657	-4,753	88,078
Depreciation expenses	23,541	20,018	3,523	84,031
Increase/decrease in trade receivables and payables	15,565	9,808	5,757	-9,018
Increase (-)/decrease in inventories	-16,674	-19,279	2,605	-8,549
Increase /decrease(-) in accrued expenses	-22,633	-22,967	334	-2,339
Others	-35,362	-46,343	10,981	-53,848
Cash flow from Operating Activities	3,340	-15,107	18,447	98,354
II. Cash flow from Investment Activities				
Expenses for acquisition of tangible fixed assets	-24,208	-22,445	-1,763	-85,835
Expenses and proceeds for acquisition and sales of investment securities, shares of subsidiaries and affiliates	543	-975	1,518	-7,425
Others	-2,388	-931	-1,457	-6,504
Cash flow from Investment Activities	-26,053	-24,352	-1,701	-99,765
III. Cash flow from Financial Activities				
Increase/decrease(-) in corporate bonds, debts payable, and commercial papers	41,791	22,647	19,144	-2,997
Dividends paid	-6,087	-6,010	-77	-15,544
Others	-305	-140	-165	-3,468
Cash flow from Financial Activities	35,398	16,496	18,902	-22,009
IV. Difference from conversion of cash and cash equivalents	6	-110	116	170
V. Increase/decrease in cash and cash equivalents	12,692	-23,074	35,766	-23,249
VI. Cash and cash equivalents at beginning of period	24,476	47,726	-23,250	47,726
VII. Increase/decrease in cash and cash equivalents due to changes in scope of consolidation	-52		-52	
VIII. Cash and cash equivalents at end of period	37,117	24,652	12,465	24,476

(5) Segment Information

[Segment information by business type]

Three months ended June 30, 2007

(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
Operating revenues	172,371	58,314	32,848	6,073	31,410	301,019	(14,486)	286,532
Operating expenses	146,817	54,356	31,253	4,059	30,103	266,590	(14,739)	251,850
Operating profit	25,554	3,958	1,595	2,014	1,306	34,429	253	34,682

Three months ended June 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	Consolidation
Operating revenues	168,565	54,708	33,095	6,086	30,280	292,736	(14,400)	278,335
Operating expenses	136,136	51,320	29,641	4,040	29,586	250,726	(14,658)	236,067
Operating profit	32,429	3,387	3,454	2,045	693	42,010	258	42,268

(6) Quarterly Gas Sales (Non-consolidated)

		Three months ended June 30, 2007	Three months ended June 30, 2006	Change	Percentage change	
Customers (Meters installed) (1,000 households)	Residential	6,505	6,444	+60	+0.9	
	Non-residential	323	322	+ 1	+0.4	
	Total	6,827	6,766	+61	+0.9	
Monthly average usage per residential customer household (m ³ /month)		33.4	36.1	-2.7	-7.5	
Gas sales volume (million m ³)	Residential	576	619	-43	-7.0	
	Non-residential	Industrial	1,082	1,017	+65	+6.4
		Commercial	218	231	-13	-5.5
		Public and medical	119	129	-10	-7.8
		Wholesale	119	92	+27	+29.7
		Total	2,115	2,089	+26	+1.3

Average temperature (°C)	Three months ended June 30, 2007	Three months ended June 30, 2006	Change
		19.3	19.2