

For Year Ending March 31, 2003

Brief Report of Interim Consolidated Financial Statements

November 15, 2002

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: Akio Nomura

Contact: Title: General Manager, Accounting Dept.

Name: Yoshishige Suzuma

TEL +81-6-6205-4536

Date of Meeting of Board of Directors for Approving Interim Financial Statements: November 15, 2002

Adoption of U.S. Accounting Standards: Not adopted

1. Financial results for six months ended September 30, 2002 (April 1, 2002 - September 30, 2002)

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

	Sales		Operating profit		Ordinary profit	
	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2002	409,319	-6.7	27,189	-1.2	19,069	1.6
Six months ended September 30, 2001	438,583	9.0	27,519	18.0	18,770	-9.6
Year ended March 31, 2002	973,565		96,676		75,983	

	Net income		Retained earnings per share	Diluted retained earnings per share
	million yen	%	yen	yen
Six months ended September 30, 2002	8,775	-20.0	3.70	---
Six months ended September 30, 2001	10,964	-5.3	4.51	---
Year ended March 31, 2002	39,418		16.33	---

(Note) (1) Profit (loss) from investment by equity method

Six months ended September 30, 2001: - million yen

Six months ended September 30, 2002: - million yen

Year ended March 31, 2002: - million yen

(2) Average number of outstanding shares during term (consolidated)

Six months ended September 30, 2002: 2,368,635,338 shares

Six months ended September 30, 2001: 2,429,482,569 shares

Year ended March 31, 2002: 2,413,863,151 shares

(3) Change in accounting method: N/A

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

(2) Consolidated financial position

	Total assets	Shareholders equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	million yen	million yen	%	yen
Six months ended September 30, 2002	1,174,681	470,337	40.0	198.62
Six months ended September 30, 2001	1,264,587	475,718	37.6	195.81
Year ended March 31, 2002	1,243,520	468,706	37.7	197.85

(Note) Shares outstanding as of term-end (consolidated)

As of September 30, 2002: 2,368,082,014 shares

As of September 30, 2001: 2,429,534,101 shares

As of March 31, 2002: 2,368,978,457 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, 2002	27,662	(19,671)	(4,587)	16,646
Six months ended September 30, 2001	33,905	(51,324)	4,664	16,367
Year ended March 31, 2002	155,121	(88,546)	(82,868)	12,837

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

Consolidated subsidiaries: 54 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)14 subsidiaries (Excluded)3 subsidiaries Equity Method: (New)N/A (Excluded) N/A

2. Forecast for year ending March 31, 2003 (consolidated) (April 1, 2002 - March 31, 2003)

	Sales	Ordinary profit	Net income
	million yen	million yen	million yen
Full year	960,000	65,000	38,000

(Reference) Expected earnings per share (for full year): 16.05 yen

*Forecasts above are based on information available as of the date of this document, and actual results may differ from these forecasts due to various factors affecting the Company's business performance. See "3. Operational Results, (3) Projection for Annual Results" in Attachment, P9.

November 15, 2002

Overview of Consolidated Interim Financial Statements
for Year Ending March 31, 2003
(The 185th Business Year)
[April 1, 2002 - September 30, 2002]

- Date of Meeting of Board of Directors for
Approving Interim Financial Statements: November 15, 2002

Osaka Gas Co., Ltd.

1 Osaka Gas Group

The Osaka Gas Group (comprising 54 consolidated subsidiaries) is engaged in businesses relating to gas, installation work, manufacture and sale of gas equipment, LPG and industrial gas, and real estate leasing, and other businesses.

<Segment>

(1) Gas

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

(2) Installation work

Osaka Gas provides installation service for indoor gas pipes at the request of 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

Osaka Gas and Harman Co., Ltd. sell gas equipment.

(4) LPG and industrial gas

Liquid Gas Co., Ltd. wholesales 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 other companies. Cold Air Products, CRYO-AIR, and other companies manufacture and sell industrial gases, utilizing cold air. Nissho Iwai Petroleum Gas Co., Ltd. and other 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 other companies, and manage leased properties.

(6) Other businesses

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

Osaka Gas and Gas and Power Co., Ltd. are engaged in the electricity generation business for wholesaling.

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

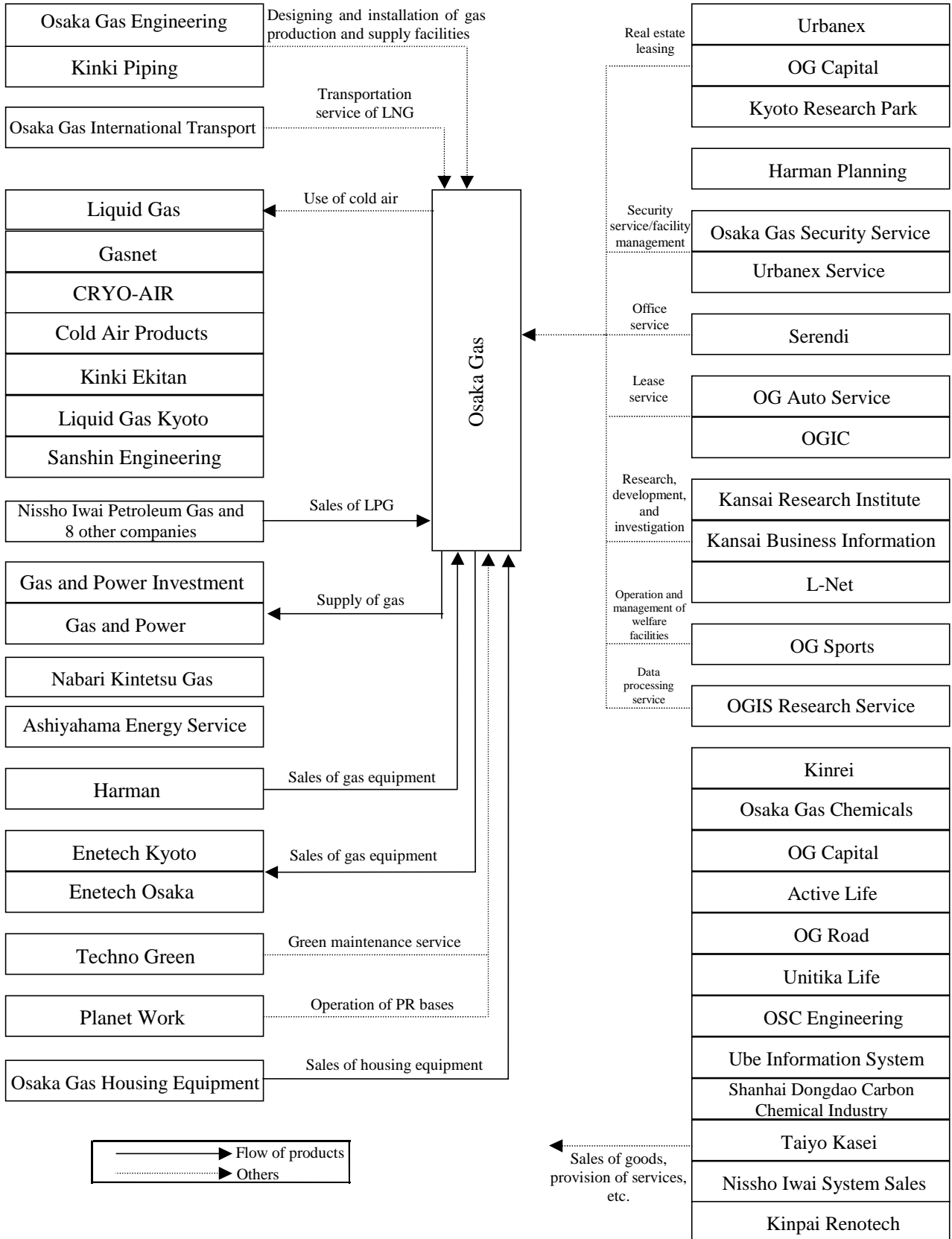
Osaka Gas Chemicals Co., Ltd. manufactures and sells carbon products and related products and sells gas coke and other chemical products.

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

OG Capital Co., Ltd. provides financing service to companies in the Osaka Gas Group.

There are other subsidiaries engaged in engineering, research by contract, sale of housing equipment, security and disaster prevention services, sports businesses, services for aged people, information services, and other businesses.

<<Chart of Business Organization>>



<<List of Consolidated Subsidiaries(as of September 30, 2002)>>

	Name of Subsidiary	Location	Capital (million yen)	Description of Business	Shareholding Rate (%)	Remarks
Gas	Nabari Kintetsu Gas Co., Ltd.	Nabari City, Mie	100	- General gas business, simplified gas business, sales of LPG, and related installation work of indoor gas pipes and gas equipment under contract	85	Some of its businesses are included in the Industrial Gas segment.
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	
Gas Equipment	Harman Co., Ltd.	Konohana-ku, Osaka	300	- Sale of gas equipment and kitchen equipment	60	
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	- Sale of LPG and gas equipment and gas piping work	100	
	Kinki Ekitan Co., Ltd.	Chuo-ku, Osaka	50	- Manufacture and sale of liquefied carbon dioxide	51	
	Sanshin Engineering Co., Ltd.	Ikeda City, Osaka	20	- Installation work, maintenance, and management of LPG generators and LPG supply equipment - Sale of LPG	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	1,726.50	- 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	
	Hokuriku Nissho Propane Co., Ltd.	Kanazawa City, Ishikawa	30	- Sale of LPG, gas equipment, and petroleum	70	
Mie Nissho Gas Co., Ltd.	Owase City, Mie	90	- Sale of LPG, gas equipment, and petroleum	100		
Real Estate Leasing	Urbanex Co., Ltd.	Chuo-ku, Osaka	1,421.96	- Management, maintenance, and leasing of real estate - Surveys and research on urban development	100	
	OG Capital Co., Ltd.	Chuo-ku, Osaka	3,000	- Financing of companies in the Osaka Gas Group - Management control of affiliated companies - Management, maintenance, and leasing of real estate	100	Some of the company's businesses are included in the "Other Businesses" segment.
	Harman Planning Co., Ltd.	Konohana-ku, Osaka	383	- Management, leasing, sale, purchase, and brokerage of real estate	100	
	Kyoto Research Park Co., Ltd.	Shimogyo-ku, Kyoto	100	- Management of the Research Park, interchange between the industrial and academic societies, development of venture businesses	100	
Other Businesses	Ashiyama Energy Service Co., Ltd.	Ashiya City, Hyogo	50	- Heat supply business and other associated businesses	60	
	Enetech Kyoto Co., Ltd.	Minami-ku, Kyoto	30	- Design, installation, operation, maintenance, and sale of air-conditioning, water supply/drainage, hot water supply, ventilation, and kitchen facilities and equipment - Design and performance of piping work and electric work	100	
	OSC Engineering Co., Ltd.	Fukushima-ku, Osaka	50	- Maintenance, security service, and cleaning of buildings, and facility designing and construction	67.3	
	Osaka Gas International Transport Inc.	Chuo-ku, Osaka	3,190	- Vessel leasing	100	
	Osaka Gas Engineering Co., Ltd.	Konohana-ku, Osaka	100	- Investigation, design, installation, and technical consulting for gas facilities, facilities using cold air, and facilities for environmental protection - Investigation, purchase, and sale of industrial properties	100	
	Osaka Gas Chemicals Co., Ltd.	Chuo-ku, Osaka	480	- Manufacture and sale of 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	

	Name of Subsidiary	Location	Capital (million yen)	Description of Business	Shareholding Rate (%)	Remarks
Other Businesses	Osaka Gas Security Service Co., Ltd.	Yodogawa-ku, Osaka	100	- Provision of security and disaster protection services - Maintenance and inspection of gas facilities and equipment - Sale, lease, installation, maintenance, and inspection of security and disaster protection equipment - Sale of home security systems	100	
	OG Auto Service Co., Ltd.	Kita-ku, Osaka	100	- Automobile leasing - Automobile maintenance - Automobile sales - Property insurance agency	100	
	Active Life Inc.	Chuo-ku, Osaka	900	- Operation and management of nursing homes for the aged - Provision of home health care services - Health consulting service - Consulting on the operation of housing for the aged and nursing facilities	76.7	
	Ube Information System Co., Ltd.	Ube City, Yamaguchi	100	- Computer data processing services - Sale of computer-related equipment and software - Software development - Provision of computer education	51	
	Urbanex Service Co., Ltd.	Chuo-ku, Osaka	100	- Operation, maintenance, and management of buildings, equipment, facilities attached to buildings, heat supplying facilities, and electricity generating facilities - Repair, refitting and designing, installation, and control of above-mentioned facilities	100	
	Enetech Osaka Co., Ltd.	Taisho-ku, Osaka	20	- Design, installation, operation, maintenance, and sale of air-conditioning, water supply/drainage, hot water supply, ventilation, and kitchen facilities and equipment - Design and performance of piping work and electric work	100	
	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 services - Sale of computer-related equipment and software - Software development - Provision of computer education	100	
	OGIC Co., Ltd.	Chuo-ku, Osaka	600	- Leasing - Consumer credit - Telemarketing - Life and property insurance agency - Automatic collection service - Land and building dealer	100	
	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 infrastructure - 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	
	Kinpai Renotech Co., Ltd.	Nishinari-ku, 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	
	Kinrei Co., Ltd.	Chuo-ku, Osaka	966.44	- Operation of restaurants - Manufacture and sale of frozen foods	74.8	Over-the-Counter Trade Code Code: 2661
	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 services - Office service and business service - Billing service	100	
	Techno Green Co., Ltd.	Takaishi City, Osaka	30	- Greening works and green maintenance works - Growing and sale of orchids and other decorative plants - Manufacture and sale of microbiological materials - Investigation and research, observation, and preservation of ecosystems and natural environment	100	
	Planet Work Co., Ltd.	Chuo-ku, Osaka	40	- Planning and operation of cultural facilities, showrooms, and PR facilities - Planning and operation of events - Bridal planning service	100	

	Name of Subsidiary	Location	Capital (million yen)	Description of Business	Shareholding Rate (%)	Remarks
Other Businesses	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	
	Shanghai Dongdao Carbon Chemical Industry	Shanghai, ROC	five million US dollars	- Manufacture and sale of isotropic pitches, etc.	51	
	Taiyo Kasei Co., Ltd.	Yodogawa-ku, Osaka	10	- Sale of chemical products and mixtures - Paving works	100	
	Nissho Iwai System Sales Co., Ltd.	Marugame City, Kagawa	10	- Sale of computers, and development and sale of computer software - Accounting service	60	
	Unitika Life Co., Ltd.	Chuo-ku, Osaka	20	- Management of apartment complexes - Management of buildings	100	

(1) Basic Management Policy

While the Japanese economy was 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.

FY2003 is the last year of the Mid-Term Business Plan (FY2001 - FY2003) developed as an action plan for the Vision. Osaka Gas and each core company will pursue further growth of the two business domains, the Energy Business and the Urban Business (non-energy segment), and promote “management for creation of value” to maximize our corporate value comprised of (1) value for customers, (2) value for shareholders, and (3) value for society.

In pursuing the business management of the Group, the ten core companies will promote management for creation of value under the principle of independence of responsibility and autonomy of management. Osaka Gas Co., Ltd. aims to be a small head office of the Osaka Gas Group that develops business strategies for the entire Group and decides on significant matters affecting the entire Group. Each proposed investment in a business will be strictly assessed based on its Net Present Value (NPV)^{*1} to determine whether it will generate sufficient profit. A performance evaluation system that evaluates the performance of each company under the Group based on its Shareholder Value Added (SVA)^{*2} was introduced in FY2003.

*1: An index to determine the profitability of an investment based on the aggregate present value of the free cash flow.

*2: $SVA = \text{Operating profit after tax} - (\text{interest-bearing liabilities} + \text{shareholders' equity}) \times \text{WACC}$
[WACC: weighted average cost of capital (rate of earning expected by creditors and shareholders)]

(2) Challenges

In the Energy Business domain, we will exploit new business opportunities emerging as a result of the deregulation, in addition to the existing businesses. We will continue our efforts to expand the natural gas, electricity, and LPG businesses to develop a service structure that provides one-stop service and proposes the best mix of services to customers.

The natural gas business will continue efforts to improve overall operational efficiency, price competitiveness, and engineering and technical abilities, including maintenance, safety, and quality of service, in order to expand the demand for city gas. The Company has revised its gas charge system to serve various needs of customers more flexibly, including lowering the gas prices for small supplies on 1 March this year, revising structures of contracts for general gas supply, and creating new selective contracts.

In the residential market, the gas price was further lowered for the selective gas charge system under the “gas charge plan for the residential hot-water floor heating system using gas” (“Hotto Gas Charge” plan) and the “gas charge plan for residential gas air-conditioning system.” In combination with these selective gas charge menus offered to customers, we will propose comfortable living to consumers by providing and proposing floor heating, bathroom heating and drying, residential air-conditioning, and other systems and products using natural gas in order to expand residential gas sales volume.

In the commercial and industrial market, we will improve our price competitiveness through lowering of gas prices and creation of new selective contracts, and propose an energy plan that best fits specific needs of each customer, including gas air-conditioning and cogeneration systems. To differentiate Osaka Gas from competitors, high-quality service will be provided to customers, utilizing the know-how of engineering and maintenance we have cultivated for many years. We will also work to expand the sales of cogeneration systems outside the service area of Osaka Gas, which will be led by Cogene Techno Service, established in June, 2001.

The LPG business will continue pursuing a synergistic effect from Liquid Gas Co., Ltd. and Nissho Iwai Petroleum Gas Co., Ltd. and strengthen its competitiveness through improvement of efficiency of the overall business operation. 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. In the electricity business, development of the electricity wholesaling (as an independent power producer: IPP) and retailing businesses, which started in April 2002, will be steadily promoted mainly by Gas and Power Investment Co., Ltd.

To expand and develop our energy business, it is important to be able to provide high quality in terms of security, service and the environment. Thorough preventive maintenance will be performed to ensure safety of our production and supply facilities. In addition, to ensure the safety of the customers' facilities, we will continue to communicate to customers the necessity of improvement of their facilities and propose proper renovation and improvement. To improve our customer service, we value opportunities to meet with customers, so that we can reflect customers' opinions in the improvement of our operations. While efforts for improving the operational efficiency are implemented to strengthen our competitiveness, we will endeavor to respond more quickly and more accurately to the requests and needs of customers. To ensure a stable gas supply, we will pursue diversification of supply sources of natural gas, and take all possible measures to establish and maintain the stable production and supply system. For further development of businesses, innovation of business and operation will be actively promoted through computerization and technical development. In the technical development area, special emphasis will be placed on development of cogeneration systems for residential use, including prompt commercialization of gas-engine cogeneration systems for residential use and development of fuel cells for residential use.

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.) Each segment is strengthening its core competence, and aiming at expansion of shares in its industry and market and improvement of profitability of each group led by each core company. They will pursue expansion of their shares in the industry and market, by selecting and concentrating their efforts on proper business lines. Acquisition and sale of businesses, and 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 make harder efforts for compliance with stricter risk management to remain as a sound corporate group in the 21st century.

(3) Dividends 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, 2002, the Company will distribute interim dividends of ¥3 per share. We will aim at paying an annual dividend of ¥6 (including interim dividends), as in the last year.

The Company will try to continue paying steady dividends to shareholders, taking future operational results, business plans, alternative profit distribution plans, and other comprehensive factors into consideration. Internal reserves will be appropriated for capital expenditures, 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, 2002

Consolidated sales for the six months ended September 30, 2002 decreased 6.7% to ¥409,300 million from the same period of the prior year, primarily due to the lowering of the gas charge in March 2002 by 5.04% in average and exclusion of sales by companies which were excluded from the consolidation in this six-month period, while the number of companies included in the consolidation increased by 11 (14 companies were newly included and three companies were excluded). While the cost of sales decreased as a result of continued efforts for strict control of the selling, general, and administrative expenses, in addition to the decreased raw material costs and decreased sales, the operating profit for the period declined 1.2 % to ¥27,100 million compared with the same period of the prior year. While the ordinary profit increased 1.6% to ¥19,000 million due to the improvement of non-operating revenues, net income for the six months ended September 30, 2002 decreased 20.0 % to ¥8,700 million from the same period of the prior year, because extraordinary loss was recorded for sales of fixed assets.

(in 100 million yen)

Revenues and expenses (a)		Change from same period of prior year		Non-consolidated results (b)	Ratio of consolidated results to non-consolidated results (a)/(b)
		Change	Percent (%)		
Sales	4,093	-292	93.3	3,116	1.31
Cost of sales	2,088	-216	90.6	1,404	----
Selling, general, and administrative expenses	1,733	-73	96.0	1,522	----
Operating profit	271	-3	98.8	189	1.44
Ordinary profit	190	2	101.6	139	1.36
Net income	87	-21	80.0	85	1.02

<<Operational Results by Segment>>

(1) Gas

Sales revenues decreased by ¥16,200 million (-6.2%) to ¥247,500 million from the same period of the prior year mainly due to lowering of the gas charge in March 2002 and decreased gas sales volume. Although the raw material cost decreased and efforts for cost reduction were implemented in all aspects of the operation, operating profit dropped by ¥2,800 million (-5.9%) to ¥44,900 million.

(2) Installation work

Sales were ¥15,100 million, a ¥2,300 million decrease (-13.6%) from the same period of the prior year, primarily due to a decrease in new orders for installation work. Operating profit decreased by ¥500 million (-45.8%) to ¥600 million, although the cost decreased due to the drop in installation works..

(3) Gas equipment

Sales of this segment decreased by ¥4,100 million (-8.0%) to ¥46,900 million, a rebound from high sales in the same period of the prior year supported by sales of large items for commercial customers. As a result of overall efforts for cost reduction, an operating profit of ¥1,700 million was recorded, which was a ¥700 million increase (+73.5%) from the same period of the prior year.

(4) LPG and industrial gas

Although sales remained at the same level of the same period of the prior year, operating profit increased ¥700 million (+537.4%) to ¥800 million as a result of the decreased raw material cost.

(5) Real estate leasing

Sales decreased by ¥500 million (-5.2%) to ¥9,300 million as a result of the sale of the real estate in Kobe Harborland to improve the efficiency of the business operation. As a result of cost control efforts, operating profit increased by ¥500 million (+20.7%) to ¥2,900 million.

(6) Other businesses

As a result of the inclusion and exclusion of subsidiaries from the consolidation and because the “Food and Food Service” segment was combined into this segment, sales of the Other Businesses segment increased by ¥11,700 million (+20.4%) to ¥69,200 million, and operating profit increased by ¥2,100 million (+36.1%) to ¥8,200 million, from the same period of the prior year.

(in 100 million yen)

	Gas	Installation work	Gas equipment	LPG and industrial gas	Real estate leasing	Other Businesses	Elimination of internal transactions and transactions involving all companies	Consolidated results
Sales	-6.2%	-13.6%	-8.0%	-0.2%	-5.2%	+20.4%		-6.7%
	2,475	151	469	321	93	692	(110)	4,093
Operating profit	-5.9%	-45.8%	+73.5%	+537.4%	+20.7%	+36.1%		-1.2%
	449	6	17	8	29	82	(322)	271

(2) Interim Dividends

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

(3) Projected Annual Results

Consolidated sales are projected to decrease 1.4% to ¥960,000 from the prior year because gas sales revenues will decline due to the lowering of the gas charge, while sales by consolidated companies will increase. We will continue our cost reduction efforts in all areas of the operation. However, operating profit is expected to decline to ¥74,500 million, a 22.9% decrease from the prior year, affected by the lowering of the gas charge. Ordinary profit, which includes operating and non-operating profit (loss), is expected to decrease 14.5% to ¥65,000 million. Net income is projected to be ¥38,000 million, a 3.6% decline from the prior year.

	Projected annual results	Change from prior year
Sales	960,000 million yen	-1.4%
Operating profit	74,500 million yen	-22.9%
Ordinary profit	65,000 million yen	-14.5%
Net income	38,000 million yen	-3.6%
Dividends	Targeted to pay annual dividends of ¥6 per share (including interim dividends)	

[Forecasted crude oil cost during the six months ending March 31, 2003: \$28 per bbl, forecasted exchange rate: 123 yen to \$1]

Return on Equity (ROE)	7.9%
Return on Assets (ROA)	3.1%
Shareholder Value Added (SVA)	11,400 million yen

4 Financial position

(1) Cash Flow for the Six Months Ended September 30, 2002

Cash flow generated from operating activities during the six months ended September 30, 2002 decreased by ¥6,200 million to ¥27,600 million from the same period of the prior year mainly due the drop in net income as a result of the lowering of the gas charge and increase in corporate taxes payable. Net cash used for investment activities was ¥19,600 million, a decrease by ¥31,600 million from the same period of the prior year mainly due to decreased capital expenditures and sales of fixed assets. Net cash used for financial activities was ¥4,500 million.

As a result, the balance of cash and cash equivalents as of September 30, 2002 increased by ¥200 million to ¥16,600 million from that as of September 30, 2001.

	Six months ended September 30, 2002	Six months ended September 30, 2001	Increase/decrease
Cash flow from operating activities	27,600 million yen	33,900 million yen	- 6,200 million yen
Cash flow from investment activities	(19,600 million yen)	(51,300 million yen)	+31,600 million yen
Cash flow from financial activities	(4,500 million yen)	4,600 million yen	- 9,200 million yen
Increase/decrease of cash and cash equivalents	3,300 million yen	(12,700 million yen)	+16,100 million yen
Increase in cash and cash equivalents by new inclusions in the consolidation	2,100 million yen	400 million yen	+1,600 million yen
Cash and cash equivalent at end of period	16,600 million yen	16,300 million yen	+200 million yen
Balance of interest-bearing liabilities at the end of the period	460,000 million yen	524,100 million yen	- 64,000 million yen

(2) Projected Annual Results

Although capital expenditures during the second half of the year will decrease from the first half of the year, capital expenditures during the full year will be ¥84,500 million as initially scheduled at the beginning of the year.

Free cash flow ^(*) will be ¥26,000 million as scheduled at the beginning of the year. The balance of interest-bearing liabilities will decrease by ¥18,600 to ¥484,500 million.

^(*) Free cash flow = Cash flow from operating activities – capital expenditures

<<Reference>> Capital Expenditure Plan for FY2003 (in 100 million yen)

FY2003 (Projection)	FY2002 (Actual results)	Description of expenditures planned for Year ending March 31, 2003
845	899	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, 2002	As of March 31, 2002	Change	As of September 30, 2002
(Assets)				
[1] Fixed Assets	994,321	1,049,544	-55,223	1,080,148
(1) Tangible fixed assets	795,683	837,627	-41,944	860,991
1. Production facilities	118,298	122,346	-4,048	128,794
2. Supply facilities	352,440	363,465	-11,025	369,032
3. Operational facilities	94,652	96,928	-2,276	96,929
4. Other facilities	164,978	186,546	-21,568	190,049
5. Idle facilities	1,532	1,532	0	1,532
6. Construction in progress	63,780	66,807	-3,027	74,653
(2) Intangible fixed asset	15,066	14,431	635	14,967
(3) Investments and other assets	183,571	197,486	-13,915	204,189
1. Investment in securities	113,609	128,351	-14,742	142,954
2. Deferred tax assets	38,242	35,483	2,759	24,154
3. Other assets	34,226	36,123	-1,897	39,731
4. Allowance for bad debts	(2,507)	(2,471)	-36	(2,651)
[2] Current Assets	180,354	193,971	-13,617	184,434
1. Cash and deposits	16,808	12,892	3,916	16,428
2. Notes and trade accounts receivable	83,781	105,579	-21,798	82,986
3. Inventories	39,218	32,289	6,929	46,317
4. Deferred tax assets	11,497	11,777	-280	9,736
5. Other current assets	29,788	32,196	-2,408	29,802
6. Allowance for bad debts	(740)	(764)	24	(837)
[3] Deferred Assets	5	3	2	4
1. Premium on bonds	5	3	2	4
Assets total	1,174,681	1,243,520	-68,839	1,264,587

(in million yen)

Account	Period	As of September 30, 2002	As of March 31, 2002	Change	As of September 30, 2001
(Liabilities)					
[1] Fixed Liabilities		503,045	513,300	-10,255	576,526
1. Bonds		219,880	199,880	20,000	249,728
2. Long-term loans payable		169,864	189,127	-19,263	202,217
3. Reserve for severance benefits		90,264	98,548	-8,284	100,349
4. Reserve for gasholder repair		1,696	1,602	94	2,064
5. Other fixed liabilities		21,339	24,142	-2,803	22,165
[2] Current Liabilities		194,268	254,374	-60,106	205,443
1. Current portion of fixed liabilities		33,598	29,819	3,779	26,544
2. Note and trade accounts payable		36,437	39,716	-3,279	33,913
3. Short-term loans payable		21,834	31,425	-9,591	35,739
4. Corporate taxes payable		13,626	30,976	-17,350	11,518
5. Other current liabilities		88,772	122,436	-33,664	97,727
Liabilities total		697,314	767,675	70,361	781,969
(Minority Interest)					
[1] Minority Interest		7,029	7,139	-110	6,898
Minority interest total		7,029	7,139	-110	6,898
(Shareholders' Equity)					
[1] Capital stock		132,166	132,166	0	132,166
[2] Capital Reserve		19,482	19,482	0	19,482
[3] Consolidated Retained Earnings		299,024	296,338	2,686	293,656
[4] Difference between Market Price and Acquisition Cost of Other Securities		19,854	20,729	-875	30,424
[5] Foreign exchange adjustment		79		79	
[6] Treasury Stock		(269)	(10)	-259	(11)
Shareholders' equity total		470,337	468,706	1,631	475,718
Liabilities, minority interest, and shareholders' equity total		1,174,681	1,243,520	-68,839	1,264,587

(Note) Some items under the Shareholders' Equity category as of March 31, 2002 were restated to conform with the new classification in accordance with the revised Rules for Consolidated Interim Financial Statements.

(2) Consolidated Interim Profit and Loss Statement

(in million yen)

Account	Period	Six months ended September 30, 2002	Six months ended September 30, 2001	Change	Year ended March 31, 2002
[1] Sales		409,319	438,583	-29,264	973,565
[2] Cost of Sales		208,812	230,442	-21,630	500,586
Gross Profit on Sales		200,507	208,141	-7,634	472,979
[3] Selling, General and Administrative Expenses		173,317	180,621	7,304	376,302
Operating Profit		27,189	27,519	-330	96,676
[4] Non-operating Revenues		2,897	3,217	-320	7,253
1. Interest income		148	205	-57	416
2. Dividend income		605	708	-103	1,222
3. Miscellaneous income		2,143	2,303	-160	5,614
[5] Non-operating Expenses		11,018	11,966	-948	27,947
1. Interest expense		3,106	3,766	-660	7,338
2. Loss from redemption of corporate bonds					3,315
3. Loss from valuation of investment in securities			4,140	-4,140	7,266
4. Loss from valuation of investment in securities of affiliates		4,396		4,396	
5. Miscellaneous expenses		3,515	4,058	-543	10,026
Ordinary Profit		19,069	18,770	299	75,983
[6] Extraordinary Profit		7,898	450	7,448	918
1. Gain from sales of fixed assets		1,483	450	1,033	918
2. Gain from sales of securities		6,415		6,415	
[7] Extraordinary Loss		11,653	443	11,210	11,537
1. Loss from sales of fixed assets		11,469		11,469	422
2. Loss from reduction of fixed assets' cost		183	443	-260	732
3. Loss from cancellation of Tsuruga Base Construction Project					10,381
Net income before taxes and minority interest		15,315	18,776	-3,461	65,363
Corporate, resident and business taxes		9,305	7,664	1,641	33,491
Adjustment for difference of tax allocation between financial accounting and tax accounting		(2,985)	61	-3,046	(7,719)
Less: minority interest		219	86	133	173
Net Income		8,775	10,964	-2,189	39,418

(3) Statement of Consolidated Interim Retained Earnings

(in million yen)

Account	Period	Six months ended September 30, 2002	Six months ended September 30, 2001	Change	Year ended March 31, 2002
(Capital Reserve)					
[1] Consolidated Capital Reserve at Beginning of Period		19,482	19,482	0	19,482
[2] Increase of Capital Reserve					
[3] Decrease of Capital Reserve					
[4] Consolidated Capital Reserve at End of Period		19,482	19,482	0	19,482
(Profit Reserves)					
[1] Consolidated Profit Reserve at Beginning of Period		296,338	288,140	8,198	288,140
[2] Increase of Profit Reserve		10,406	11,661	-1,255	40,143
1. Net income		8,775	10,964	-2,189	39,418
2. Increase due to new inclusions to consolidation		1,631	697	934	697
3. Increase due to decrease of consolidated companies					27
[3] Decrease of Profit Reserve		7,720	6,144	1,576	31,945
1. Dividends		7,106	6,073	1,033	13,362
2. Director's bonuses		71	70	1	70
3. Retirement of treasury stock					18,512
4. Decrease due to decrease of consolidated companies		541		541	
[4] Consolidated Profit Reserve at End of Period		299,024	293,656	5,368	296,338

(Note) Some items for the year ended March 31, 2002 were restated to conform with the new classification in accordance with the revised Rules for Consolidated Interim Financial Statements.

(4) Consolidated Interim Cash Flow Statement

(in million yen)

Account	Period	Six months ended September 30, 2002	Six months ended September 30, 2001	Change	Year ended March 31, 2002
I.	Cash Flow from Operating Activities				
	Net income before taxes and minority interest	15,315	18,776	-3,461	65,363
	Depreciation expenses	42,391	45,051	-2,660	88,793
	Decrease of reserve for severance benefits	(8,263)	(1,032)	-7,231	(2,333)
	Interest and dividends received	(754)	(913)	159	(1,638)
	Interest paid	3,106	3,766	-660	7,338
	Loss from redemption of corporate bonds				3,315
	Gain from sales of investment in securities	(6,415)		-6,415	
	Loss from evaluation of investment in securities		4,140	-4,140	7,266
	Loss from evaluation of investment in securities of affiliates	4,396		4,396	
	Loss from sales of tangible fixed assets	11,469		11,469	
	Loss from retirement of tangible fixed assets	2,107	1,653	454	4,044
	Loss from cancellation of Tsuruga Base Construction Project				10,381
	Decrease of trade receivables	24,680	29,664	-4,984	7,100
	(Increase) decrease of inventories	(7,751)	(6,840)	-911	4,112
	Decrease of trade payables	(3,767)	(15,400)	11,633	(6,527)
	Decrease of accrued expenses	(21,934)	(24,729)	2,795	(8,230)
	Others	694	2,683	-1,989	10,256
	Total	55,274	56,820	-1,546	189,245
	Interest and dividends received	750	918	-168	1,642
	Interest paid	(2,685)	(3,386)	701	(7,691)
	Corporate taxes paid	(25,677)	(20,447)	-5,230	(28,074)
	Net Cash Flow from Operating Activities	27,662	33,905	-6,243	155,121
II.	Cash Flow from Investment Activities				
	Expense for acquisition of tangible fixed assets	(35,290)	(45,984)	10,694	(82,619)
	Income from sales of tangible fixed assets	11,012		11,012	
	Expense for acquisition of intangible fixed assets				(1,803)
	Expense for acquisition of securities	(8,665)		-8,665	
	Income from sales of securities	16,578		16,578	
	Expense for acquisition of stocks of subsidiaries and affiliates	(2,930)	(1,074)	-1,856	(5,071)
	Income from sales of stocks of subsidiaries and affiliates	1,644		1,644	3,070
	Expense for transfer of business		(3,005)	3,005	(3,005)
	Net decrease of short-term loans receivable	1,978		1,978	
	Others	(4,001)	(1,260)	-2,741	881
	Net Cash Flow from Investment Activities	(19,671)	(51,324)	31,653	(88,546)
III.	Cash Flow from Financial Activities				
	Net decrease of short-term loans payable	(8,133)	(3,374)	-4,759	(5,832)
	Net increase of commercial paper		10,000	-10,000	15,000
	Proceeds from long-term loans payable		13,700	-13,700	20,668
	Expense for repayment of long-term loans payable	(10,505)	(7,947)	-2,558	(31,140)
	Proceeds from issuance of bonds	19,998		19,998	
	Expense for redemption of bonds		(1,579)	1,579	(49,615)
	Expense for acquisition of treasury stocks				(18,522)
	Dividends paid	(7,079)	(6,073)	-1,006	(13,355)
	Dividends paid to minority shareholders	(72)	(71)	-1	(94)
	Others	1,205	11	1,194	23
	Net Cash Flow from Financial Activities	(4,587)	4,664	-9,251	(82,868)
IV.	Difference from Conversion of Cash and Cash Equivalents	(19)	(3)	-16	6
V.	Increase/decrease of Cash and Cash Equivalents	3,384	(12,757)	16,141	(16,287)
VI.	Cash and Cash Equivalents at Beginning of Period	12,837	28,676	-15,839	28,676
VII.	Increase of Cash and Cash Equivalents Due to Addition of Subsidiaries to the Consolidation	2,118	448	1,670	448
VIII.	Decrease of Cash and Cash Equivalents Due to Exclusion of Subsidiaries from the Consolidation	(1,693)		-1,693	
IX.	Cash and Cash Equivalents at End of Period	16,646	16,367	279	12,837

(Notes)

1. Basic information for preparing consolidated interim financial statements

(1) Scope of consolidation

[1] Consolidated subsidiaries

Number of consolidated subsidiaries ······ 54 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)

Ashiyahama Energy Service Co., Ltd., OSC Engineering Co., Ltd., Urbanex Service Co., Ltd., Ube Information System Co., Ltd., Techno Green Co., Ltd., Planet Work Co., Ltd., Kinki Ekitan Co., Ltd., Sanshin Engineering Co., Ltd., Shanghai Dongtao Carbon Chemical Industry, Taiyo Kasei Co., Ltd., Nabari Kintetsu Gas Co., Ltd., Nissho Iwai System Sales Co., Ltd., Hokuriku Nissho Propane Co., Ltd. and Mie Nissho Gas Co., Ltd. were added to the consolidation in this six-month period as their significance for the Group increased.

OG Royal Co., Ltd. (stocks sold in April 2002), Harman Seiki Co., Ltd. (dissolved in April 2002) and Kiccory (stocks sold in May 2002) were excluded from the consolidation.

[2] Major non-consolidated subsidiaries

Major non-consolidated subsidiaries are: Apriti Sesamo Co., Ltd. and Cogene Techno 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: Apriti Sesamo Co., Ltd., Cogene Techno Service Co., Ltd. and Kansai International Airport Thermal 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, 2002 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 OSC Engineering, Shanghai Dongtao Carbon Chemical Industry, Nabari Kintetsu Gas, and Hokuriku Nissho Propane, 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.

The interim closing date is June 30 every year in Shanghai Dongtao Carbon Chemical Industry, Nabari Kintetsu, and Hokuriku Nissho Propane, and August 31 every year in OSC Engineering. However, as the timing difference does not exceed three months, their financial statements for the six-month period ended on their respective interim closing date 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
(The entire difference between the acquisition cost and the market price is accounted for by the “direct-inclusion-to-capital” method, and the cost of sales is calculated by moving average method.)
 - Without market price mainly at cost on a moving average basis
- c. Derivative instruments ... at market

[2] Depreciation of significant depreciable assets

- a. Tangible fixed assets
 - Most tangible fixed assets are depreciated by the declining balance method, except buildings (excluding fixtures attached to buildings) acquired on and after April 1, 1998, which are depreciated by the straight line method.
- b. Intangible fixed assets
 - Intangible fixed assets are depreciated by the straight-line method.
 - Software programs for internal use are depreciated by the straight-line method over their usable period within the organization.

[3] Provision of significant allowances and reserves

- a. Allowance for bad debts
 - For ordinary receivables, the amount of provision is determined based on the actual rate of bad debts in the past. In addition, specific doubtful accounts are individually examined for their recoverability and expected unrecoverable amounts are provided for such accounts.
- b. Reserve for severance benefits
 - To prepare for payment of severance benefits to employees, the reserve for severance benefits is provided. An amount of accrued severance benefits payable to employees at the end of the current six-month period is provided based on severance benefit liabilities and the expected value of the pension assets.
- c. Reserve for gasholder repair
 - To prepare for payment of expenses needed for periodical repair of globular gasholders, the reserve for gasholder repair is provided for the expected repair cost needed in the next scheduled repair based on the actual cost paid in the last repair, over the period by the next scheduled repair.

[4] Accounting of significant lease transactions

Finance lease transactions, except those in which the ownership of the leased properties is transferred to the lessees, are recorded by the accounting method used for regular lease transactions

[5] Accounting of significant hedge transactions

- a. Method of hedge accounting
 - Deferred hedge accounting is adopted. In cases in which required conditions are satisfied, special accounting of interest swaps, and appropriation accounting of forward exchange contracts, etc. are adopted.
- b. Hedge contracts and hedged transactions

<u>Hedge contract</u>	<u>Hedged transactions</u>
Interest swap	Corporate bonds and loans payable
Currency swap	Corporate bonds and loans payable in foreign currency
Forward exchange contract or currency option	Scheduled transactions in foreign currency (such as for purchase of raw materials)
Swap and option for crude oil price	Purchase price of raw material

c. Hedge policy

In accordance with the internal rules, the Company and its group companies enter into hedge contracts to hedge risk of fluctuation of foreign exchange rates, interest, etc.

No derivative contracts for speculative purposes, which do not have actual transactions to be hedged, have been concluded.

- [6] Other important information for preparing consolidated interim financial statements
Consumption taxes are recorded by the tax-exclusion method.

(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. Additional information

Starting from this six-month period, the Company adopts "Accounting Standards for Treasury Stocks, Withdrawal of Legal Reserves, etc." (Corporate Accounting Standards No. 1). This adoption had no effect on profit or loss for the six months ending September 30, 2002.

As the Rules for Consolidated Interim Financial Statements were revised, items under the Shareholders' Equity category on the Consolidated Interim Balance Sheet and the Statement of Consolidated Interim Retained Earnings for the six months ended September 31, 2002 were presented in accordance with the revised Rules for Consolidated Interim Financial Statements.

3. Accumulated depreciation of fixed tangible assets

	(Six months ended September 30, 2002)	(Six months ended September 30, 2001)
	1,562,606 million yen	1,524,800 million yen

4. Contingent liabilities

	(Six months ended September 30, 2002)	(Six months ended September 30, 2001)
Guarantee of liabilities	6,893 million yen	15,371 million yen
Acceptance of fulfillment of obligations of bonds and loans payable	123,534	81,746
Contingent liabilities under contracts		

5. 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, 2002)	(Six months ended September 30, 2001)
Cash and bank deposits	16,808 million yen	16,428 million yen
Term deposits that expire more than three months later	(162)	(61)
Cash and cash equivalents	16,646	16,367

6. Significant events after closing of six-month period ended on September 30, 2002

In the past, the Company provided placement services for employees to assist them in starting a second independent career. Now we also offer an employee an early retirement program with premium retirement benefits for a limited period.

Application period	November 1, 2002 to December 10, 2002 (Retirement date: March 31, 2003)
Eligible employees	Employees who joined the Company on or before April 1, 1993 and will be younger than 60 years old on the retirement date
Number of applicants and financial effect	Because the application period is not closed yet, it is difficult to estimate financial effect.

5. Segment Information

a. Segment information by business type

Six months ended September 30, 2002 (April 1, 2002 to September 30, 2002)

	Gas	Installation Works	Gas Equipment	LPG and Industrial Gas	Real Estate Lease	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
1. Sales to customers outside the Group	245,382	15,123	46,910	30,850	3,459	67,593	409,319	-	409,319
2. Internal sales or transfer among segments	2,173		41	1,276	5,890	1,703	11,086	(11,086)	-
Total	247,556	15,123	46,952	32,126	9,349	69,297	420,405	(11,086)	409,319
Operating Expenses	202,589	14,472	45,225	31,282	6,425	61,000	360,995	21,133	382,129
Operating Profit	44,966	650	1,726	844	2,924	8,296	59,409	(32,219)	27,189

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

Year ended March 31, 2002 (April 1, 2001 to March 31, 2002)

	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	591,877	39,353	113,024	67,035	7,068	34,511	120,694	973,565	-	973,565
2. Internal sales or transfer among segments	2,702		86	3,476	12,871	236	1,681	21,055	(21,055)	-
Total	594,579	39,353	113,110	70,511	19,940	34,748	122,376	994,620	(21,055)	973,565
Operating Expenses	455,262	36,781	112,298	69,307	15,504	32,906	107,146	829,207	47,681	876,888
Operating Profit	139,317	2,572	812	1,204	4,435	1,841	15,230	165,413	(68,736)	96,676

(Notes)

1. The business segments are divided based on the sales summary classification in accordance with the Accounting Rules for Gas Business Operators.
 2. Major products and services of business segments
 - (1) Gas Gas
 - (2) 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 estate
 - (6) 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, frozen foods, restaurants, 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 ¥32,176 million for the six months ended September 30, 2001 and ¥32,557 million for the six months ended September 30, 2002. They mainly comprise general expenses relating to administrative departments of consolidated companies.
 4. Because sales of cold air which were recorded as sales of by-products in the Gas and By-products segment in the past are now recorded in the Non-Operating Revenues category, the Gas and By-products segment was renamed the Gas segment from this six-month period ended September 30, 2002.
 5. The Foods and Food Service segment separately recorded in the past is combined into the Other Businesses segment in this six-month period ended September 30, 2002 because its significance was reduced due to the decreased number of consolidated companies.
- b. Segment information by geographical area
Because more than 90% of sales by all segments of the Osaka Gas Group is earned in Japan and more than 90% of assets of all segments of the Group are in Japan, disclosure in this section is omitted.
- c. Overseas sales
Because overseas sales account for less than 10% of the consolidated sales, disclosure in this section is omitted.

6. Securities

(1) Other securities that have market prices

(in million yen)

Period Type of Securities	As of September 30, 2002			As of March 31, 2002			As of September 30, 2001		
	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	38,657	70,887	32,229	39,402	76,217	36,814	44,397	94,894	50,497
2. Bonds									
National and local government bonds	19	20	0	27	28	0	27	28	1
Corporate bonds				10,000	75,22	(2,478)	10,100	8,610	(1,490)
Total	38,677	70,907	32,229	49,430	83,767	34,337	54,524	103,533	49,009

(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, 2002	Value Reported on Consolidated Balance Sheet as of March 31, 2002	Value Reported on Consolidated Interim Balance Sheet as of September 30, 2001
Unlisted Stocks (excluding over-the-counter stocks)	20,531	12,028	9,966

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

(in million yen)

Period Type of Transaction	As of September 30, 2002			As of March 31, 2002			As of September 30, 2001		
	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	2,962	94	94	2,106	95	95	7,106	89	89
Fixed payment and variable receipt	3,158	(68)	(68)	2,669	(79)	(79)	2,761	(57)	(57)
Total	6,120	25	25	4,776	15	15	9,868	32	32

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