

Brief Report of Consolidated Financial Statements for Year Ending March 31, 2002 May 20, 2002

Name of Listed Company Osaka Gas Co., Ltd.

Listed Exchanges: Tokyo, Osaka and Nagoya

Code 9532

Location of Head Office: Osaka Prefecture

(URL <http://www.osakagas.co.jp>)

Contact: Yoshishige Suzuma

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

Date of Meeting of Board of Directors for Approving Financial Statements: May 20, 2002

Tel +81-6-6205-4536

Name of Parent Company (Code:)

Holding of the Company's Shares by Parent Company: %

Application of U.S. Accounting Standards No

1. Financial results for year ending March 31, 2002 (April 1, 2001 - March 31, 2002)

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

	Sales		Operating income		Ordinary income	
	(million yen)	%	(million yen)	%	(million yen)	%
ending March 31, 2002	973,565	2.3	96,676	30.5	75,983	19.0
ending March 31, 2001	951,926	12.1	74,055	18.1	63,849	40.0

	Net income		Retained earnings per share	Diluted retained earnings per share	Return on equity	Ratio of ordinary income to capital	Ratio of ordinary income to sales
	(million yen)	%	(yen)	(yen)	%	%	%
ending March 31, 2002	39,418	9.2	16.33	-	8.4	5.9	7.8
ending March 31, 2001	36,097	32.0	14.72	-	8.0	5.0	6.7

(Notes) (1) Profit (loss) from investment by equity met Year ending March 31, 2002: --- million yen Year ending March 31, 2001: --- million yen

(2) Average number of outstanding shares during term (consolidated) Year ending March 31, 2002: 2,413,863,151 shares Year ending March 31, 2001: 2,453,044,757

(3) Change in accounting method: N/A

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

(2) Consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	(million yen)	(million yen)	%	(yen)
ending March 31, 2002	1,243,520	468,706	37.7	197.85
ending March 31, 2001	1,310,976	475,019	36.2	195.52

(Note) Shares outstanding as of term end (consolidated) As of March 31, 2002: 2,368,978,457 shares As of March 31, 2001: 2,429,488,678 shares

(3) Consolidated statement of cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at term end
	(million yen)	(million yen)	(million yen)	(million yen)
ending March 31, 2002	155,121	-88,546	-82,868	12,837
ending March 31, 2001	140,981	-109,047	-27,015	28,676

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

Consolidated subsidiaries: 43 subsidiaries Non-consolidated 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

Consolidated: (New) 9 subsidiaries (Excluded) 1 subsidiary 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 income	Net income
	(million yen)	(million yen)	(million yen)
Interim	415,000	15,000	7,000
Full year	960,000	65,000	38,000

(Reference) Expected earnings per share (for full year): 16.04 yen

* The above projections are based on the information available to the Company as of the date of this document.

These projections and estimates may be affected by various factors beyond the control of the Company.

Please refer to "3. Operational Results, (3) Projection for FY03" on page 7 of the supplement for a more detailed explanation of the above projections and estimates.

May 20, 2002

Overview of Consolidated Financial Statements
for the Year Ended March 31, 2002
(The 184th Business Year)
[April 1, 2001 to March 31, 2002]

* Date of Meeting of Board of Directors for Approving Financial Statements: May 20, 2002

Osaka Gas Co., Ltd.

1. Osaka Gas Group

The Osaka Gas Group (comprising 43 consolidated subsidiaries) is engaged in businesses related to gas and gas by-products, installation work, manufacture and sale of gas equipment, LPG and industrial gas, real estate leasing, food and food services, and other businesses.

Segments

(1) Gas and gas by-products

Osaka Gas processes, supplies and sells gas. Cold air, which is a by-product generated from processing gas, is sold to Liquid Gas Co., Ltd.

(2) Installation work

The Company installs indoor gas pipes upon customer request. Kinki Piping Co., Ltd. conducts this installation work under contract with Osaka Gas.

(3) Gas equipment

Osaka Gas sells gas equipment directly to end users and wholesale to members of the Osaka Gas Service Chain. The former Harman Co., Ltd., which manufactured gas equipment, was divided into three companies: Harman Co., Ltd., Harman Planning Co., Ltd. and Harman Pro Co., Ltd. Among them, Harman Pro Co., Ltd., a gas equipment manufacturing company, is no longer included as a consolidated subsidiary since the majority of capital stock was sold to an external company in October 2001. Harman Planning Co., which is engaged in the management of real estate and other operations, is included in the real estate leasing segment.

(4) LPG and industrial gas (Separated from the "Other Businesses" segment from the fiscal year under review)

Liquid Gas Co., Ltd. sells LPG both wholesale and retail, markets industrial gas, and also operates a cryogenic pulverizing business by utilizing cold air purchased from Osaka Gas. In addition, it sells cold air to Cold Air Products Co., Ltd., CRYO-AIR Co., Ltd. and others. Cold Air Products, CRYO-AIR, and others manufacture and sell industrial gas by utilizing this cold air.

Nissho Iwai Petroleum Gas Co., Ltd. and six other subsidiaries market LPG as primary distributors, wholesalers and retailers.

(5) Real estate leasing

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

(6) Food and food services

Kinrei Co., Ltd. (Over-the-Counter Trade Code: 2661), OG Royal Co., Ltd., and other companies manufacture and sell frozen food products and operate restaurant chains and other food service businesses. OG Royal Co., Ltd. will not be included as a consolidated subsidiary of Osaka Gas from the next fiscal year due to the sale of a portion of its capital stock to an external company in April 2002.

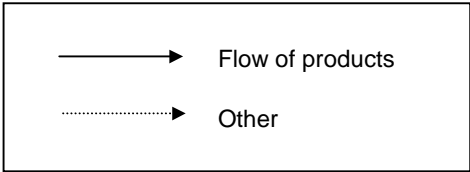
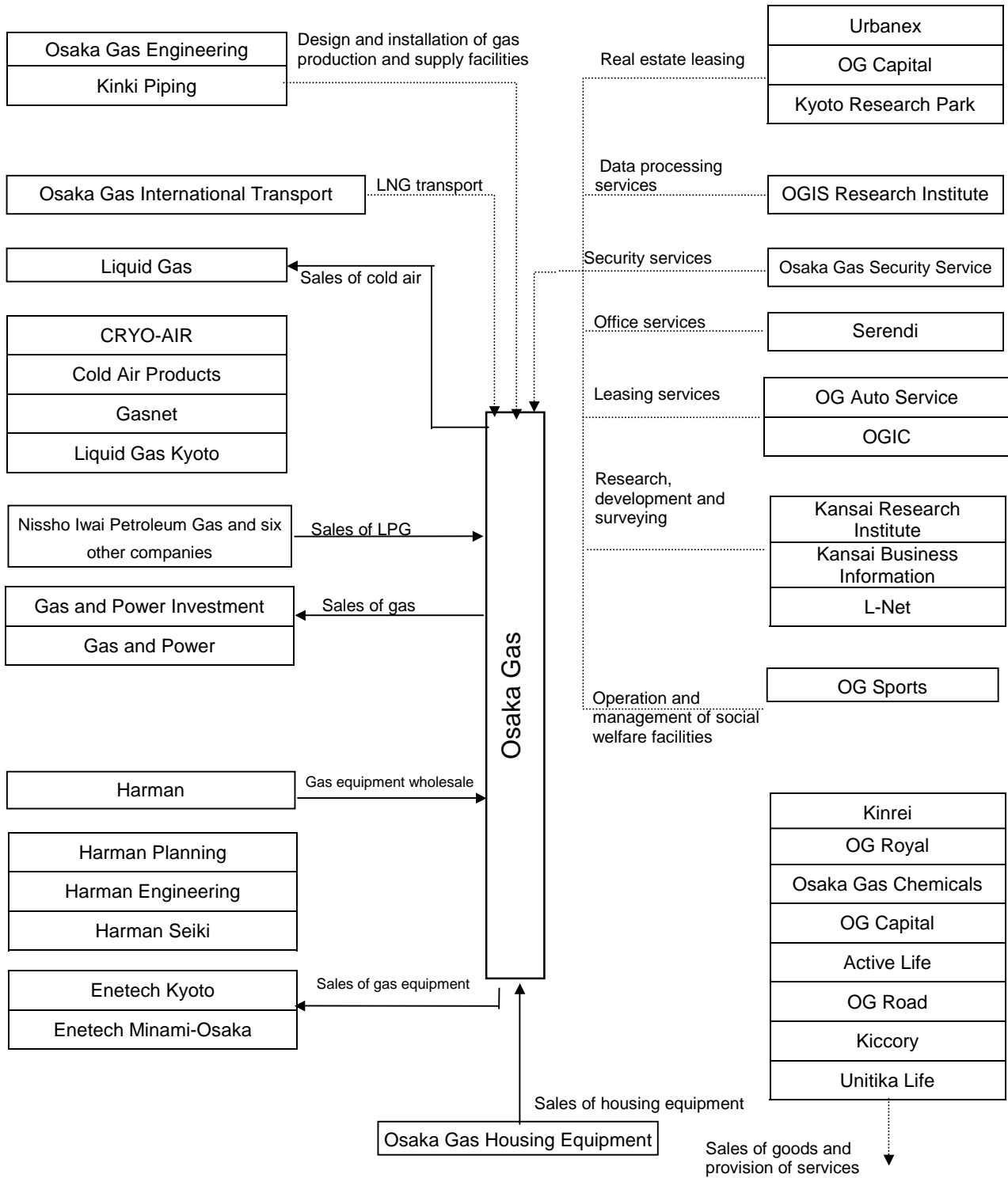
(7) Other businesses

Osaka Gas and Gas and Power Investment Co., Ltd. are engaged in the business of heat supply.

OGIS Research Institute Co., Ltd. and others provide computer data processing services for

Osaka Gas and others. Osaka Gas Chemicals Co., Ltd. manufactures and sells carbon products and related products, and sells gas coke and other chemical products. OG Capital Co., Ltd. provides financing services to companies in the Osaka Gas Group. There are also other subsidiaries engaged in engineering, research under contract, housing equipment sales, security and disaster prevention services, sports businesses, services for the elderly, information services and other businesses. Kiccory Co., Ltd. will not be included as a consolidated subsidiary of Osaka Gas from the next fiscal year due to the sale of all of its capital stock to an external company in May 2002. Harman Seiki Co., Ltd. was dissolved in April 2002.

Business Organization



Consolidated Subsidiaries (as of March 31, 2002)

	Name of Subsidiary	Location	Capital (in millions of yen)	Description of Business	Sharehold ing Rate (%)	Remarks
Installation Work	Kinki Piping Co., Ltd.	Nishinari-ku, Osaka	112	<ul style="list-style-type: none"> Gas piping work Civil engineering and road paving work Sales and installation of housing equipment Piping renewal work 	100	
	Gas Equip- -ment	Harman Co., Ltd.	Higashi-Osaka City, Osaka	300	<ul style="list-style-type: none"> Sales of gas equipment and kitchen equipment 	60
LPG and Industrial Gas	Ehime Nissho Propane Co., Ltd.	Iyo-gun, Ehime	20	<ul style="list-style-type: none"> Sales of LPG, gas equipment and petroleum products 	66.7	
	Gasnet Co., Ltd.	Chuo-ku, Osaka	46	<ul style="list-style-type: none"> Processing and sales of oxygen, nitrogen and other high-pressure gases, and manufacture and sales of related equipment and facilities Sales of welding rods and other welding equipment and materials 	55	
	CRYO-AIR Co., Ltd.	Sakai City, Osaka	480	<ul style="list-style-type: none"> Processing and sales of liquefied nitrogen, liquefied oxygen, liquefied argon and other liquefied materials 	55	
	Cold Air Products Co., Ltd.	Takaishi City, Osaka	480	<ul style="list-style-type: none"> Processing and sales of liquefied nitrogen, liquefied oxygen, liquefied argon and other liquefied materials 	55	
	Liquid Gas Co., Ltd.	Chuo-ku, Osaka	1,030	<ul style="list-style-type: none"> Processing, sales and transportation of LNG and high-pressure gases Sales of cold air generated from LNG processing, and sales of LPG 	100	
	Liquid Gas Kyoto Co., Ltd.	Uji City, Kyoto	40	<ul style="list-style-type: none"> Sales of LPG and gas equipment, and gas piping work 	100	
	Kochi Nissho Propane Co., Ltd.	Kochi City, Kochi	50	<ul style="list-style-type: none"> Sales of LPG, gas equipment and petroleum products 	100	
	Nissho Iwai Gas Co., Ltd.	Higashimuraya ma City, Tokyo	80	<ul style="list-style-type: none"> Sales of LPG, gas equipment and petroleum products 	100	
	Nissho Iwai Gas Energy Co., Ltd.	Daito City, Osaka	170	<ul style="list-style-type: none"> Sales of LPG, gas equipment and petroleum products 	100	
	Nissho Iwai Petroleum Gas Co., Ltd.	Minato-ku, Tokyo	1,726.5	<ul style="list-style-type: none"> Import and sales of LPG 	70	
	Nissho Gas Supply Co., Ltd.	Higashimuraya ma City, Tokyo	13	<ul style="list-style-type: none"> Sales of LPG, gas equipment and petroleum products 	100	
	Nissho Propane Sekiyu Co., Ltd.	Chuo-ku, Sapporo, Hokkaido	60	<ul style="list-style-type: none"> Sales of LPG, gas equipment and petroleum products 	100	
Real Estate Leasing	Urbanex Co., Ltd.	Chuo-ku, Osaka	1,421.9	<ul style="list-style-type: none"> Management, maintenance and leasing of real estate Surveys and research on urban development 	100	
	OG Capital Co., Ltd.	Chuo-ku, Osaka	3,000	<ul style="list-style-type: none"> Financing for companies in the Osaka Gas Group Management supervision of affiliated companies Management, maintenance and leasing of real estate 	100	Part of the company's business is included in the "Other Businesses" segment.
	Harman Planning Co., Ltd.	Higashi-Osaka City, Osaka	383	<ul style="list-style-type: none"> Management, leasing, sales, purchase and brokerage of real estate 	100	
	Kyoto Research Park Co., Ltd.	Shimogyo-ku, Kyoto	100	<ul style="list-style-type: none"> Research Park management, liaison between industrial and academic societies, and development of venture businesses 	100	
Food and Food Services	OG Royal Co., Ltd.	Chuo-ku, Osaka	100	<ul style="list-style-type: none"> Operation of restaurant chains (Royal Host and others) 	50	To be excluded in the next fiscal term.
	Kinrei Co., Ltd.	Chuo-ku, Osaka	966.44	<ul style="list-style-type: none"> Operation of restaurants Manufacture and sales of frozen food products 	74.7	Over-the-Counter trade code: 2661
Other Businesses	Enetech Kyoto Co., Ltd.	Minami-ku, Kyoto	30	<ul style="list-style-type: none"> Design, installation, operation, maintenance and sales of air conditioning, water supply/drainage, hot water supply, ventilation and kitchen equipment and facilities Design and execution of piping work and electric work 	100	
	Enetech Minami-Osaka Co., Ltd.	Sakai City, Osaka	20	<ul style="list-style-type: none"> Design, installation, operation, maintenance and sales of air conditioning, water supply/drainage, hot water supply, ventilation and kitchen equipment and facilities Design and execution of piping work and electric work 	100	
	Osaka Gas International Transport Inc.	Chuo-ku, Osaka	3,190	<ul style="list-style-type: none"> Vessel leasing 	100	
	Osaka Gas Engineering Co., Ltd.	Higashinari-ku, Osaka	100	<ul style="list-style-type: none"> Survey, design, installation and technical consulting for gas facilities, facilities using cold air and facilities for environmental conservation Survey, sales and purchase of industrial properties 	100	
	Osaka Gas Chemicals Co., Ltd.	Chuo-ku, Osaka	480	<ul style="list-style-type: none"> Processing and sales of coke, chemical products and carbon products 	100	
	Osaka Gas Housing Equipment Co., Ltd.	Nishi-ku, Osaka	450	<ul style="list-style-type: none"> Sales of housing equipment Design and installation of housing equipment Sales of kitchen utensils Construction of new housing and renovation of housing 	100	
	Osaka Gas Security Service Co., Ltd.	Yodogawa-ku, Osaka	100	<ul style="list-style-type: none"> Provision of security and disaster protection services Maintenance and inspection of gas equipment and facilities Sales, leasing, installation, maintenance and inspection of security and disaster protection equipment Sales of home security systems 	100	
	OG Auto Service Co., Ltd.	Kita-ku, Osaka	100	<ul style="list-style-type: none"> Automobile leasing Automobile maintenance Automobile sales Property insurance agency 	100	

Active Life Co., Ltd.	Chuo-ku, Osaka	900	<ul style="list-style-type: none"> • Operation and management of facilities for the elderly • Provision of home health care services • Health consulting services • Consulting relating to facilities for the elderly 	76.7	
L-Net Co., Ltd.	Nishi-ku, Osaka	40	<ul style="list-style-type: none"> • Production and issuing of community publications • Operation of Internet Web sites • Marketing services using consumer networks 	100	
OG Sports Co., Ltd.	Chuo-ku, Osaka	100	<ul style="list-style-type: none"> • Management, construction and operation of sports and resort facilities • Sales of sporting goods 	100	
OGIS Research Institute Co., Ltd.	Nishi-ku, Osaka	400	<ul style="list-style-type: none"> • Computer data processing services • Sales of computer-related equipment and software • Software development • Computer-based education services 	100	
OGIC Co., Ltd.	Chuo-ku, Osaka	600	<ul style="list-style-type: none"> • Leasing • Consumer credit • Telemarketing • Life and property insurance agency • Automatic payment collection services • Real estate brokerage 	100	
OG Road Co., Ltd.	Konohana-ku, Osaka	50	<ul style="list-style-type: none"> • Survey and design for the recycling of excavated earth • Manufacture and sales of road construction materials • Design and execution of paving work 	100	
Gas and Power Co., Ltd.	Chuo-ku, Osaka	450	<ul style="list-style-type: none"> • Electric power supply • Exploration, development, processing and supply of petroleum and natural gas • Investment in energy infrastructures • Energy environmental services • Research and planning relating to the above-mentioned businesses 	100	
Gas and Power Investment Co., Ltd.	Chuo-ku, Osaka	2,100	<ul style="list-style-type: none"> • Domestic and overseas energy businesses, and research, planning, development and investment related to these businesses 	100	
Kansai Research Institute, Inc.	Shimogyo-ku, Kyoto	300	<ul style="list-style-type: none"> • Scientific/technical surveys, research and development services by contract; investigation of commercialization of businesses; and consulting • Provision of seminars, and publications 	100	
Kiccory Co., Ltd.	Chuo-ku, Osaka	300	<ul style="list-style-type: none"> • Operation of do-it-yourself stores • Landscaping, fence/gate construction, and extension and remodeling work 	100	To be excluded in the next fiscal term.
Serendi Co., Ltd.	Nishi-ku, Osaka	100	<ul style="list-style-type: none"> • Management of real estate, and operation and management of parking facilities • Sales of office automation equipment and related products • Domestic tourist bureau and travel agency • Staffing and placement services • Office and secretarial services • Billing services 	100	
Harman Engineering Co., Ltd.	Higashi-Osaka City, Osaka	50	<ul style="list-style-type: none"> • Cleaning of building exterior walls • Installation of pipe linings for water supply, drainage and hot water supply pipes • Manufacture and sales of Astro Light (an energy-saving lighting system) • Management and maintenance of water supply and drainage for air conditioning and district heating and cooling systems 	100	
Harman Seiki Co., Ltd.	Higashi-Osaka City, Osaka	50	<ul style="list-style-type: none"> • Manufacture of molds (for presses and die-cast resin) • Assembly and processing of small-lot items • Manufacture of metal products for trial/prototype production 	100	To be excluded in the next fiscal term.
Kansai Business Information Co., Ltd.	Chuo-ku, Osaka	100	<ul style="list-style-type: none"> • Consumer, industrial and technical trend research • Planning and research for city development • Architectural design • Office design • Publication • Sales promotion • Multimedia • Operation of Osaka Gas Interior Design School • Staffing services • Staffing agency • Operation of call centers under contract 	100	
Unitika Life Co., Ltd.	Chuo-ku, Osaka	10	<ul style="list-style-type: none"> • Management of apartment complexes • Maintenance of buildings 	90	

2. Management Policy

(1) Basic Management Policy

With the Japanese economy in a macro trend of low growth, globalization and deregulation, the Company established "Vision 2010" in October 1999 as a long-term management policy of the Osaka Gas Group, which positioned Energy Business and Urban Business (non-energy) as the two main business domains of focus for promoting the business operations of Osaka Gas Co., Ltd. and other core companies of the Osaka Gas Group, and also declared "Management for Creation of Value" as its main management policy.

FY2002 is the final year of the Mid-Term Business Plan (FY2000-FY2002) that was developed as an action plan for the Group's "Vision 2010" long-term management policy. Osaka Gas and other core Group companies will promote further growth in the two business domains -- Energy Business and Urban Business (non-energy) -- and work to maximize corporate value, which is comprised of (1) value for customers, (2) value for shareholders, and (3) value for society.

In the overall management of Group business, the ten core companies will promote value-creating management in line a principle of independent, self-supporting management. Osaka Gas Co., Ltd., which serves as the head office for the Osaka Gas Group, will maintain compact efficiency while developing business strategies and making Group-related decisions. Investment in each business is strictly assessed based on its Net Present Value^{*1} (NPV) to determine whether it will generate sufficient profit. The performance of each company in the Group is evaluated based on its Shareholder Value Added^{*2} (SVA), a concept introduced in FY2002.

*1: Method of judging the profitability of investment based on the cumulative total of the current value of free cash flow.

*2: $SVA = NOPAT - (\text{Interest-bearing debts} + \text{Shareholders' equity}) \times WACC$
[WACC refers to a weighted average of the earning rate expected by creditors and shareholders.]

(2) Challenges

In the Energy Business domain, we will promote existing businesses and strive to develop new businesses by drawing on new business opportunities brought about by regulatory reforms.

To that end, we will continue to develop natural gas, electricity and LPG businesses to establish a service structure that provides one-stop energy services and provides the best mix of energy sources.

In the natural gas business, we will improve overall management efficiency, boost price competitiveness, and enhance engineering, maintenance and service technologies and quality with the aim of expanding natural gas demand. As part of these efforts, we reduced the gas rate for small volume users on March 1, 2002, reviewed the fee system of the general gas supply plan, and established new optional plans so that our fee system can flexibly meet customer needs.

In the residential market, we further reduced the fee rates in our optional plans -- "gas charge plan for residential hot-water floor heating systems using gas ("Hotto Gas Charge") plan) and "gas charge plan for residential gas air-conditioning systems." By offering special rates and proposing comfortable living styles to consumers with floor heating, bathroom heating and drying, residential air conditioning and other systems and products that use natural gas, we will expand sales of natural gas in the residential market.

In the commercial and industrial market, we are improving our price competitiveness by reducing fee rates and offering new optional plans. We are also proposing gas air-conditioning systems and other systems with high energy efficiency. By utilizing the engineering and maintenance know-how that we have cultivated over the years, we will continue to provide services that are both distinctive and high in quality.

Moreover, sales of cogeneration systems are being promoted outside our service area. This activity is led by Co-gene Techno Service Co., Ltd. established in June, 2001.

In LPG business, while striving to achieve synergetic effects from Liquid Gas Co., Ltd. and Nissho Iwai Petroleum Co., Ltd., we will continue to hone a competitive edge by improving overall business efficiency. We will also draw on our ability to propose equipment and energy systems, which has been cultivated in marketing natural gas, to develop new customers and expand the demand. For the electricity business, Gas and Power Investment Co., Ltd. is charged with the task of promoting the independent power producer (IPP) business and electricity retail business, which began supplying electricity in April, 2002.

To expand and develop energy businesses, it is important to improve both security and services, while ensuring a stable supply and reducing environmental impact. For security, we are conducting extensive preventive maintenance at our processing and supply facilities, and continuing efforts to inform customers of the need for equipment improvement to ensure a high level of equipment safety. In a bid to enhance the quality of services, we are placing high importance on each opportunity we have to meet with customers, reflecting customer opinions in our improvement activities, streamlining business operations to hone our competitive edge, and conducting business operations to respond promptly and accurately to customer requests. To ensure a stable supply, we promote the diversification of natural gas suppliers and the continual improvement of our processing and supply systems. We will also address business and operational innovation through IT and other forms of technical development.

Development efforts will be focused on the early commercialization of residential gas engine cogeneration systems and the development of residential fuel cells and cogeneration systems. The Urban Business domain comprises five business segments: urban development (Urbanex Co., Ltd.), food and food services (Kinrei Co., Ltd.), information and communications (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 lead each business segment.) By strengthening core competence, they endeavor to increase their share of the industry and market, and to expand their profits. In carrying out their operations, they will focus on "selection and concentration" to further solidify the Group's strengths and eliminate weaknesses. To that end, we will actively promote the purchase and sale of businesses and collaboration with other companies whenever necessary.

Based on flexible and quick management decisions, Osaka Gas will address the challenges described above and enhance our compliance measures and risk management in order to maintain sound conditions for the Osaka Gas Group in the 21st century.

(3) Dividend Policy

The Company has worked to expand business and improve operating efficiency, and has appropriated the increased profits resulting from these efforts for internal reserves aimed at achieving future business growth and strengthening the financial structure of the Company, and for the payment of steady dividends to our shareholders.

For the year ended March 31, 2002, the Company will distribute dividends of 6 yen per share (including interim dividends). The dividend payout ratio for the fiscal year is 38.2% (on a

non-consolidated basis).

The Company will strive 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. Business Results

(1) Results for the fiscal year ended March 31, 2002

Consolidated sales for the fiscal year ended March 31, 2002, increased 21,600 million yen from the previous fiscal year, to 973,500 million yen, primarily due to the growth of gas sales resulting from an upward adjustment of the gas unit price in accordance with the material cost adjustment system and the increase of the number of consolidated subsidiaries from 35 companies in the previous fiscal year to 43, although the volume of gas sales decreased. Operating profit increased 22,600 million yen from the previous reporting period, to 96,600 million yen, due to continued efforts to maintain the cost of sales, supply, general and administrative expenses at about the same levels as the preceding fiscal year. Operating profit after deducting non-operating losses grew 12,100 million yen, to 75,900 million yen. Net income for the fiscal year rose 3,300 million yen from the previous fiscal year, to 39,400 million yen.

(in 100 million yen)

Revenues and expenses (a)		Change from previous fiscal year		Non-consolidated results (b)	Ratio of consolidated results to non-consolidated results (a)/(b)
		Increase/decrease	Percent (%)		
Sales	9,735	+216	+2.3%	7,510	1.30
Cost of sales	5,005	-9	-0.2%	3,467	1.44
Sales and supply, general and administrative expenses	3,763	-0	-0.0%	3,225	1.17
Operating profit	966	+226	+30.5%	817	1.18
Ordinary profit	759	+121	+19.0%	703	1.08
Net income	394	+33	+9.2%	376	1.05

Return on equity (ROE)

8.4%

Return on assets (ROA)

3.1%

Shareholder Value Added (SVA)

13,100 million yen

Business Results by Segment

1) Gas and gas by-products

Although the sales volume of gas declined from the previous fiscal year due to a warm winter and the sluggish economy, sales revenues grew by 12,500 million yen (+2.2%) from the preceding year, to 594,500 million yen, due to an upward adjustment of the gas unit price in accordance with the material cost adjustment system. Operating profit increased by 17,400 million yen (+14.3%), to 139,300 million yen, due to the reduced cost of raw materials resulting from the lower sales volume and cost-cutting efforts in all areas of operation.

2) Installation work

Sales increased by 1,700 million yen (+4.7%), to 39,300 million yen, primarily due to an increase in orders for large-scale work, although the number of new orders decreased. Operating profit climbed by 900 million yen (+61.4%) from the preceding period, to 2,500 million yen.

million yen, due to cost reductions achieved in all areas of operation.

3) Gas equipment

Sales in this segment decreased by 12,700 million yen (-10.1%) from the previous fiscal year, to 113,100 million yen, mainly due to a decline in the sales of air-conditioning equipment, which had performed strongly in the previous reporting period. Operating profit dropped by 600 million yen (-43.5%) from the preceding term, to 800 million yen.

4) LPG and industrial gas [Separated from the "Other Businesses" segment from the fiscal year under review]

Although new demand was created in LPG business by our marketing efforts, sales and operating profit were 70,500 million yen and 1,200 million yen, respectively, due to a decline in demand for industrial gas under weak economic conditions.

5) Real estate leasing

Sales decreased by 700 million yen (-3.7%) from the prior period, to 19,900 million yen, due to reduced lease revenues brought about by the sluggish economy. Operating profit dropped by 80 million yen (-1.9%) from the previous fiscal year, to 4,400 million yen.

6) Food and food services

Sales totaled 34,700 million yen (+0.8%) and maintained about the same level as the previous fiscal year, primarily from the restaurant chain business and frozen food products. However, since expenditures grew due to the opening of new restaurants, operating profit decreased by 100 million yen (-6.9%) from the previous reporting period, to 1,800 million yen.

7) Other businesses

While the number of consolidated subsidiaries increased, sales from other businesses dropped by 43,500 million yen (-26.2%) from the preceding period, to 122,300 million yen, on account of separating the LPG and industrial gas businesses from this segment. Consequently, operating profit declined by 400 million yen (-2.8%), to 15,200 million yen.

(Unit: 100 millions of yen)

	Gas and gas by-products	Installation work	Gas equipment	LPG and industrial gas	Real estate leasing	Food and food services	Other businesses	transactions or transactions involving all	Consolidated results
Sales	+ 2.2% 5,945	+ 4.7% 393	-10.1% 1,131	---	-3.7% 199	+ 0.8% 347	-26.2% 1,223	(210)	+ 2.3% 9,735
Operating profit	+ 14.3% 1,393	+ 61.4% 25	-43.5% 8	---	-1.9% 44	-6.9% 18	-2.8% 152	(687)	+ 30.5% 966

(2) Dividends

The Company will pay annual dividends of 6 yen per share (including interim dividends).

(3) Projection for the Next Term

It is projected that sales for the next fiscal year will decrease 1.4% from the year under review, to 960,000 million yen, and operating profit will decline 22.9%, to 74,500 million yen, due to the reduction of gas charges implemented in March, despite the increase in the number of

consolidated subsidiaries from 43 to 54 companies. Ordinary profit is expected to increase 14.5% from the current fiscal year, to 65,000 million yen, as a result of improved non-operating revenues. Consequently, it is projected that net income will increase 3.6% from the year under review, to 38,000 million yen.

	Projection for FY2002	Change from previous fiscal year
Sales	960 billion yen	-1.4%
Operating profit	74.5 billion yen	-22.9%
Ordinary profit	65 billion yen	-14.5%
Net income	38 billion yen	-3.6%
Dividends	Targeted to pay annual dividends of 6 yen per share (including interim dividends).	

[Forecasted crude oil price: \$20 per bbl, forecasted exchange rate: 135 yen to \$1]

Return on equity (ROE) 7.9%
 Return on assets (ROA) 2.9%
 Shareholder Value Added (SVA) 11,400 million yen

4. Financial Status

(1) Overview of cash flow in the fiscal year ended March 31, 2002

Cash from operating activities during the fiscal year ended March 31, 2002, increased 14,100 million yen from the previous fiscal year, to 155,100 million yen, due to the increased operating profit resulting from the growth of gas sales and efforts in reducing sales and supply, general and administrative expenses. Cash used for investment activities decreased 20,500 million yen from the prior reporting period, to 88,500 million yen, on account of reduced capital expenditures and fewer new investment projects. Cash used for financial activities increased 55,800 million yen from the previous term, to 82,800 million yen, reflecting the effective use of cash to compress interest-bearing debts and to retire treasury stocks with the aim of strengthening the financial structure.

As a result of the cash flow activities discussed above, cash and cash equivalents at the end of the fiscal year amounted to 12,800 million yen, a decrease of 15,800 million yen from the balance at the beginning of the period.

	Fiscal year ended March 31, 2002	Previous fiscal year	Increase/decrease
Cash flow from operating activities	155,100 million yen	140,900 million yen	+14,100 million yen
Cash flow from investment activities	-88,500 million yen	-109,000 million yen	+20,500 million yen
Cash flow from financial activities	-82,800 million yen	-27,000 million yen	-55,800 million yen
Increase/decrease of cash and cash equivalents	-16,200 million yen	4,900 million yen	-21,200 million yen
Increase/decrease of cash and cash equivalents due to addition of new subsidiaries to the consolidation	400 million yen	900 million yen	-500 million yen
Cash and cash equivalent at end of period	12,800 million yen	28,600 million yen	-15,800 million
Interest-bearing debts at end of period	465,000 million yen	510,100 million yen	-45,100 million yen
Free cash flow (*1)	70,600 million yen	40,500 million yen	+30,100 million yen

(*1) Free cash flow = Cash flow from operating activities - Capital expenditures

(2) Projection for the Next Term

Cash will be procured from financial activities in order to respond to the needs created by the reduction in gas charges implemented in March, 2002, and scheduled investments in energy businesses, although capital expenditures will decrease.

Free cash flow in the amount of 26,000 million yen is expected for the next fiscal year, and interest-bearing debts at the end of the period are forecast at 503,100 million yen.

Reference information -- Capital expenditure plans (Unit: 100 millions of yen)

FY2002 (projection)	FY2001 (results)	FY2002 plans
845	899	Construction of LNG tanks at terminals, transmission pipelines and district main pipes

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Account	As of March 31, 2002	As of March 31, 2001	Increase/ decrease
(Assets)	(million yen)	(million yen)	(million yen)
Fixed Assets	1,049,544	1,088,356	-38,812
(1) Tangible fixed assets	837,627	850,090	-12,463
1 Production facilities	122,346	134,814	-12,468
2 Supply facilities	363,465	381,115	-17,650
3 Operational facilities	96,928	90,206	6,722
4 Other facilities	186,546	183,900	2,646
5 Idle facilities	1,532	1,532	0
6 Construction in progress	66,807	58,521	8,286
(2) Intangible fixed assets	14,431	14,931	-500
(3) Investments and other assets	197,486	223,334	-25,848
1 Investments in securities	128,351	154,051	-25,700
2 Long-term loans receivable		15,625	-15,625
3 Deferred tax assets	35,483	19,687	15,796
4 Other investments	36,123	36,516	-393
5 Allowance for bad debts	-2,471	-2,547	76
Current Assets	193,971	222,613	-28,642
1 Cash and deposits	12,892	29,120	-16,228
2 Notes and trade accounts receivable	105,579	111,001	-5,422
3 Inventory	32,289	39,100	-6,811
4 Deferred tax assets	11,777	11,377	400
5 Other current assets	32,196	32,920	-724
6 Allowance for bad debts	-764	-906	142
Deferred Assets	3	5	-2
1 Premium on bonds	3	5	-2
Total assets	1,243,520	1,310,976	-67,456

Account	As of March 31, 2002	As of March 31, 2001	Increase/ decrease
	(million yen)	(million yen)	(million yen)
(Liabilities)			
Fixed Liabilities	513,300	565,770	-52,470
1 Corporate bonds	199,880	251,028	-51,148
2 Long-term loans payable	189,127	192,472	-3,345
3 Reserve for retirement benefits	98,548	101,278	-2,730
4 Reserve for gasholder repair	1,602	1,957	-355
5 Other fixed liabilities	24,142	19,034	5,108
Current Liabilities	254,374	263,501	-9,127
1 Current portion of fixed liabilities	29,819	23,611	6,208
2 Notes and trade accounts payable	39,716	48,103	-8,387
3 Short-term loans payable	31,425	43,079	-11,654
4 Corporate taxes payable	30,976	25,261	5,715
5 Other current liabilities	122,436	123,446	-1,010
Total liabilities	767,675	829,272	-61,597
(Minority Interest)			
[1] Minority Interest	7,139	6,683	456
Minority interest total	7,139	6,683	456
(Capital)			
[1] Capital	132,166	132,166	0
[2] Legal Reserves	19,482	19,482	0
[3] Consolidated Retained Earnings	296,338	288,140	8,198
[4] Difference between market price and acquisition cost of other securities	20,729	35,253	-14,524
	468,716	475,043	-6,327
[5] Treasury Stocks	-10	-23	13
Total capital	468,706	475,019	-6,313
Liabilities, minority interest and capital total	1,243,520	1,310,976	-67,456

(2) Consolidated Profit and Loss Statement

Account	Year ended March 31, 2002 (April 1, 2001 to March 31, 2002)	Year ended March 31, 2001 (April 1, 2000 to March 31, 2001)	増減
	(million yen)	(million yen)	(million yen)
[1] Sales	973,565	951,926	21,639
[2] Cost of Sales	500,586	501,490	-904
Gross Profit on Sales	472,979	450,436	22,543
[3] Supply Sales, General and Administrative Expenses	376,302	376,381	-79
Operating Profit	96,676	74,055	22,621
[4] Non-operating revenues	7,253	9,272	-2,019
1 Interest income	416	648	-232
2 Dividends income	1,222	1,552	-330
3 Gain from sales of affiliates' stocks		1,916	-1,916
4 Miscellaneous revenues	5,614	5,154	460
[5] Non-operating expenses	27,947	19,477	8,470
1 Interest expense	7,338	7,605	-267
2 Loss from redemption of bonds	3,315		3,315
3 Loss from valuation of investment in securities	7,266		7,266
4 Loss from valuation of investment in affiliates		4,402	-4,402
5 Miscellaneous expenses	10,026	7,470	2,556
Ordinary Profit	75,983	63,849	12,134
[6] Extraordinary profit	918	1,132	-214
1 Loss from sales of fixed assets	918	1,132	-214
[7] Extraordinary loss	11,537	5,137	6,400
1 Loss from sales of fixed assets	422	1,817	-1,395
2 Loss from reduction of fixed assets' cost	732	590	142
3 Loss from the cancellation of plan for Tsuruga Plant	10,381		10,381
4 Write-off of shortage of reserve arising from application of new accounting standard for retirement benefits		2,729	-2,729
Net income before taxes and minority interest	65,363	59,844	5,519
Corporate, resident and business taxes	33,491	28,089	5,402
Adjustment for difference of tax allocation between financial accounting and tax accounting	-7,719	-4,792	-2,927
Less: minority interest	173	450	-277
Net income	39,418	36,097	3,321

(2) Statement of Consolidated Retained Earnings

Account	Year ended March 31, 2002 (April 1, 2001 to March 31, 2002)	Year ended March 31, 2001 (April 1, 2000 to March 31, 2001)	Increase/ decrease
[1] Consolidated Retained Earnings at Beginning of Period	288,140	276,882	11,258
[2] Increase of Consolidated Retained Earnings	725	2,203	1,478
1 Increase by addition of subsidiaries to consolidation	697	2,203	1,506
2. Increase by reduction of consolidated subsidiaries	27		27
[3] Decrease of Consolidated Retained Earnings	31,945	27,044	4,901
1 Dividends	13,362	12,348	1,014
2 Directors' bonuses	70	66	4
3 Retirement of treasury stocks	18,512	14,629	3,883
[4] Net income	39,418	36,097	3,321
[5] Consolidated Retained Earnings at End of Period	296,338	288,140	8,198

(4) Consolidated Cash Flow Statement

Account	Year ended March 31, 2002 (April 1, 2001 to March 31, 2002)	Year ended March 31, 2001 (April 1, 2000 to March 31, 2001)	Increase/d ecrease
I. Cash Flow from Operating Activities			
Net income before taxes and minority interest	65,363	59,844	5,519
Depreciation expenses	88,793	92,460	-3,667
Decrease of reserve for retirement benefits	-2,333	-6,393	4,060
Interest and dividends received	-1,638	-2,201	563
Interest paid	7,338	7,605	-267
Loss from redemption of bonds	3,315		3,315
Loss from evaluation of investment in securities	7,266	1,058	6,208
Loss from evaluation of stocks of subsidiaries and affiliates		4,402	-4,402
Loss from disposal of tangible fixed assets	4,044	3,431	613
Loss from cancellation of Tsuruga terminal construction plan	10,381		10,381
Increase/decrease of trade receivable	7,100	-5,416	12,516
Increase/decrease of inventory	4,112	-3,754	7,866
Increase/decrease of trade payable	-6,527	1,780	-8,307
Increase/decrease of accrued expenses	-8,230	8,583	-16,813
Others	10,256	12,383	-2,127
Total	189,245	173,783	15,462
Interest and dividends received	1,642	2,177	-535
Interest paid	-7,691	-7,427	-264
Corporate taxes paid	-28,074	-27,552	-522
Net Cash Flow from Operating Activities	155,121	140,981	14,140
II. Cash Flow from Investment Activities			
Expense for acquisition of tangible assets	-82,619	-93,084	10,465
Expense for acquisition of intangible assets	-1,803	-2,187	384
Expense for acquisition of securities for investment		-1,998	1,998
Income from sales of securities for investment		13,268	-13,268
Expense for acquisition of stocks of subsidiaries and affiliates	-5,071	-21,212	16,141
Income from sales of stocks of subsidiaries and affiliates	3,070		3,070
Expense for acquisition of subsidiaries' stocks, by which the subsidiaries are included to the consolidation		-5,062	5,062
Expense for transfer of business	-3,005		-3,005
Others	881	1,229	-348
Net Cash Flow from Investment Activities	-88,546	-109,047	20,501
III. Cash Flow from Financial Activities			
Net decrease of short-term loans payable	-5,832	-19,100	13,268
Net increase/decrease of commercial paper	15,000	-35,000	50,000
Proceeds from long-term loans payable	20,668	54,381	-33,713
Expense for repayment of long-term loans payable	-31,140	-17,560	-13,580
Proceeds from issuance of bonds		29,994	-29,994
Expense for redemption of bonds	-49,615	-13,666	-35,949
Proceeds from issuance of subsidiaries' stocks		924	-924
Expense for acquisition of treasury stocks for retirement by surplus	-18,522	-14,629	-3,893
Dividends paid	-13,355	-12,282	-1,073
Dividends paid to minority shareholders	-94	-61	-33
Others	23	-14	37
Net Cash Flow from Financial Activities	-82,868	-27,015	-55,853
IV. Difference from Conversion of Cash and Cash Equivalents	6	-2	8
V. Increase/Decrease of Cash and Cash Equivalents	-16,287	4,915	-21,202
VI. Cash and Cash Equivalents at Beginning of Period	28,676	22,774	5,902
VII. Increase of Cash and Cash Equivalents Due to Addition of Subsidiaries to this Consolidation	448	985	-537
VIII. Cash and Cash Equivalents at End of Period	12,837	28,676	-15,839

(Notes)

1. Basic information for preparing the consolidated financial statements

(1) Scope of consolidation

1) Consolidated subsidiaries

Number of consolidated subsidiaries ----- 43

(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)

Ehime Nissho Propane Co., Ltd., Gas and Power Co., Ltd., Gas and Power Investment Co., Ltd., Kansai Business Information Co., Ltd., Kochi Nissho Propane Co., Ltd., Nissho Gas Supply Co., Ltd. and Unitika Life Co., Ltd. are added to the consolidation from the current consolidated accounting year because their importance to the Group's results has increased. Harman Co., Ltd. changed its name to Harman Planning Co., Ltd. in August 2001, then Harman Planning Co., Ltd was divided into three companies in September 2001: Harman Planning Co., Ltd., Harman Co., Ltd. and Harman Pro Co., Ltd. Harman Pro's stocks were sold in October 2001, reducing the Company's voting stock holding rate to 10%; as a result, Harman Pro was excluded from the consolidation.

2) Major non-consolidated subsidiaries

Major non-consolidated subsidiaries are: Ashiyahama Energy Service Co., Ltd. and Urbanex Service Co., Ltd. The aggregates of non-consolidated subsidiaries' sales, total assets and net income (in proportion to the shares held by the Company) and retained earnings (in proportion to the shares held by the Company) are minor respectively, and did not have material effect on the consolidated financial statements as a whole.

(2) Application of equity method

There were no non-consolidated subsidiaries or affiliates reported by the equity method. The major non-consolidated subsidiaries or affiliates that were not reported by the equity method are Ashiyahama Energy Service Co., Ltd., Urbanex Service Co., Ltd. and Kansai International Airport Energy Supply Co., Ltd. Because the results of these non-consolidated subsidiaries and affiliates have a minor effect on the consolidated net income and the consolidated retained earnings for the year ended March 31, 2002, and do not have significant importance as a whole, investments in these companies are reported by the cost accounting method, instead of the equity method.

(3) Closing date of consolidated subsidiaries

The annual closing date of all consolidated subsidiaries other than OG Royal Co., Ltd. is the same as the consolidated annual closing date of the Group, which is March 31. The annual closing date of OG Royal Co., Ltd. is December 31. However, as the timing difference does not exceed three months, its financial statements as of December 31 were used for the consolidated financial statements of the Group.

(4) Accounting principles

- 1) Basis and method of evaluation of significant assets
 - a. Inventory --- mainly at cost on a moving average basis
 - b. Securities
 - Other securities
With market price --- at market, based on the market price on the closing date (All of the difference from the acquired cost is accounted for by the direct inclusion to capital method, and the cost of sales is calculated by the moving average method.)
Without market price --- mainly at cost on a moving average basis
 - c. Derivative instruments --- at market price
- 2) Depreciation of significant depreciable assets
 - a. Tangible fixed assets
Most tangible fixed assets are depreciated by the declining balance method, except buildings (excluding structures attached to buildings) acquired on or 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 retirement benefits
To prepare for the payment of retirement benefits to employees, a reserve for retirement benefits is provided based on the retirement benefit liabilities and the expected value of the pension assets at the end of the current consolidated accounting year.
 - c. Reserve for gasholder repair
To prepare for the payment of expenses needed for periodic repair of globular gasholders, a 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

Hedge contract	Hedged transactions
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 internal rules, the Company and its Group companies enter into hedge contracts to hedge the risk of fluctuations in foreign exchange rates, interest and raw material prices. No derivative contracts for speculative purposes, which are not based on actual transactions to be hedged, have been concluded.

d. Method of evaluation of effectiveness of hedging

The effectiveness of hedging is verified through the confirmation of relationships between the means for hedging and the targets of hedging.

6) Other important information for preparing consolidated financial statements

Consumption taxes are recorded by the tax-exclusion method.

(5) Scope of funds for Consolidated Cash Flow Statement

Funds included in the Consolidated Cash Flow Statement (cash and cash equivalents) comprise cash on hand; bank deposits that can be withdrawn at any time; and highly liquid short-term investments with minor risk of price fluctuation, that will expire within three months from the acquisition date.

2. Accumulated depreciation of tangible fixed assets

(Year ended March 31, 2002)	(Year ended March 31, 2001)
1,544,086 million yen	1,512,826 million yen

3. Contingent liabilities

	(Year ended March 31, 2002)	(Year ended March 31, 2001)
Guarantee of liabilities	7,492 million yen	16,200 million yen
Acceptance of bonds and loans payable	125,302	83,051
Contingent liabilities under contracts		

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

	(Year ended March 31, 2002)	(Year ended March 31, 2001)
Cash and bank deposits	12,892 million yen	29,120 million yen
Term deposits that expire more than three months later		
	-55	-444
Cash and cash equivalents	12,837	28,676

5. Significant post-term events

In a meeting held in April 2002, the Board of Directors of Urbanex Co., Ltd. decided to sell the Kobe Gas Building and Augusta Plaza Building, and reached a basic agreement regarding the transfer of ownership to a Morgan Stanley Group company on May 10, 2002. This resulted in a loss from sales of fixed assets amounting to approximately 10,400 million yen. It will be appropriated as an extraordinary loss in FY2002.

6. Segment Information

a. Segment information by business type

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

	Gas and gas by-products	Installation work	Gas equipment	LPG and industrial gas	Real estate leasing	Food and food services	Other businesses	Total	transactions or transactions involving all	Consolidate d results
[1] Sales and Operating Profit and Loss	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen
Sales										
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
[2]Assets, Depreciation Expenses and Capital Expenditures										
Assets	677,662	10,429	42,481	45,931	108,666	23,341	189,722	1,098,235	145,284	1,243,520
Depreciation Expenses	63,259	52	628	2,767	5,524	1,015	12,317	85,567	3,225	88,793
Capital Expenditures	50,500	36	471	1,814	12,047	1,367	10,982	77,219	12,719	89,938

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

	Gas and gas by-products	Installation work	Gas equipment	LPG and industrial gas	Real estate leasing	Food and food services	Other businesses	Total	transactions or transactions involving all	Consolidate d results
[1] Sales and Operating Profit and Loss	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen	in million yen
Sales										
1. Sales to customers outside the Group	581,756	37,589	125,736	-	7,679	34,204	164,959	951,926	-	951,926
2. Internal sales or transfer among segments	267		109	-	13,035	279	917	14,609	(14,609)	-
Total	582,023	37,589	125,846	-	20,715	34,483	165,877	966,536	(14,609)	951,926
Operating Expenses	460,154	35,994	124,409	-	16,192	32,505	150,213	819,468	58,402	877,871
Operating Profit	121,869	1,594	1,437	-	4,522	1,978	15,664	147,067	(73,012)	74,055
[2]Assets, Depreciation Expenses and Capital Expenditures										
Assets	686,932	11,524	64,000	-	99,040	22,268	201,929	1,085,696	225,279	1,310,976
Depreciation Expenses	67,071	58	1,435	-	5,718	1,040	13,773	89,098	3,362	92,460
Capital Expenditures	62,484	0	1,221	-	7,178	1,508	16,525	88,918	2,315	91,233

(Note)

1. The business segments are divided based on the sales summary classification in accordance with the Gas Business Accounting Rules.
 2. Major products and services of business segments
 - (1) Gas and gas by-products --- Gas and cold air
 - (2) Installation work --- 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 leasing --- Leasing and management of real estate
 - (6) Food and food services --- Frozen food products and restaurants
 - (7) Other businesses --- Design and installation of gas and environment-preservation-related facilities; sales of housing equipment, office equipment, etc.; provision of data processing services; intermediary for installment purchases, leasing of automobiles and office equipment; leasing of LNG tankers; district heating and cooling system services, LNG processing under contract, etc.
 3. Among operating expenses, the non-allocable operating expenses included in "Elimination of internal transactions or transactions involving all Group companies" are 73,141 million yen for the year ended March 31, 2001 and 69,276 million yen for the year ended March 31, 2002. They mainly comprise general expenses related to administrative departments of consolidated companies.
 4. Among assets, the assets of all Group companies included in "Elimination of internal transactions or transactions involving all Group companies" are 296,001 million yen for the year ended March 31, 2001 and 232,909 million yen for the year ended March 31, 2002. They mainly comprise surplus fund operating assets (cash and securities), long-term investment funds (securities for investment) and assets related to administrative departments of consolidated companies.
- b. Segment information by geographical area
Because the Company does not have a consolidated subsidiary outside Japan, disclosure in this section is omitted.
- c. Overseas sales
Because overseas sales account for less than 10% of the consolidated sales, disclosure in this section is omitted.

7. Securities

(1) Other securities with market prices

(Unit: Millions of yen)

Period	As of March 31, 2002			As of March 31, 2001		
	Acquisition cost	Value reported on consolidated balance sheet	Difference	Acquisition cost	Value reported on consolidated balance sheet	Difference
Type of securities						
1. Stocks	39,402	76,217	36,814	43,834	101,693	57,858
2. Bonds						
National and local government bonds	27	28	0	17	17	0
Corporate bonds	10,000	7,522	-2,478	10,100	8,893	-1,206
Other bonds				9	10	1
Total	49,430	83,767	34,337	53,961	110,615	56,653

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

Other securities

(Unit: Millions of yen)

	Value report on consolidated balance sheet as of March 31, 2002	Value report on consolidated balance sheet as of March 31, 2001
Unlisted stocks (excluding over-the-counter stocks)	12,028	9,685

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

Period	As of March 31, 2002			As of March 31, 2001		
	Contract price	Market price	Evaluation profit/loss	Contract price	Market price	Evaluation profit/loss
Type of transaction						
Interest swaps						
Fixed receipt and variable payment	2,106	95	95	6,796	132	132
Fixed payment and variable receipt	2,669	-79	-79	2,060	-46	-46
Total	4,776	15	15	8,856	85	85

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

9. Retirement benefits

(1) Outline of retirement benefits

The Company and the majority of its consolidated subsidiaries provide defined retirement benefit plans for employees. The Company and some of its consolidated subsidiaries adopt the retirement lump sum payment plans, while some consolidated subsidiaries adopt Tax Qualified pension funds.

The Company adopted the tax qualified pension fund on November 1, 1974.

(2) Reserve for retirement benefits (as of March 31, 2001) 98,548 million yen

(3) Retirement benefit cost (April 1, 2001 to March 31, 2002)

1) Service cost	10,911 million yen
2) Interest cost	7,233
3) Expected return on plan assets	-4,129
4) Amortization of actuarial difference	1,770
5) Amortization of past service liabilities	614
6) Retirement benefit cost ((A) + (B) + (C) + (D) + (E))	16,399

(Note) Retirement benefit costs of consolidated subsidiaries that use a simplified method are included in "Service cost."

4. Basis of calculation of retirement benefit obligations

Method of allocating expected retirement benefits to each year	Years of Service Approach
Discount rate	Primarily 2.7%
Expected return on plan assets	Primarily 2.7%
Number of years for amortization of past service liabilities	Primarily 1 year
Number of years for amortization of actuarial difference	Primarily 10 years