

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: Name: Yoshishige Suzuma

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

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

Interim Dividend System: existent

Date of Regular Shareholders Meeting: June 27, 2002

Unit Stock System: existent (1,000 shares per unit)

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

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

	Sales		Operating income		Ordinary income	
	(million yen)	%	(million yen)	%	(million yen)	%
ending March 31, 2002	751,042	-0.4	81,705	37.7	70,327	30.4
ending March 31, 2001	754,127	8.5	59,320	18.2	53,929	36.6

	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	37,693	14.2	15.62	-	9.1	6.8	9.4
ending March 31, 2001	32,992	34.5	13.45	-	8.2	5.2	7.2

(Note) (1) Average number of outstanding shares during year ending March 31, 2002: 2,413,863,151 share; Year ending March 31, 2001: 2,453,153,553

(2) Change in accounting method: N/A

(3) 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) Dividends

	Dividends per share			Total dividends paid (full-year) (million yen)	Payout ratio (%)	Dividend rate for stockholder's (%)
	(yen)	Interim (yen)	Term-end (yen)			
ending March 31, 2002	6.00	3.00	3.00	14,395	38.2	3.5
ending March 31, 2001	5.00	2.50	2.50	12,228	37.1	2.9

Note: Details of dividends for year ending March 31, 2002 Commemorative dividends: 0.00 yen, Special dividends: 0.00 yen

(3) 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	1,004,378	405,922	40.4	171.35
ending March 31, 2001	1,067,154	418,037	39.2	172.06

Note: (1) Shares outstanding as of term-end: 2,369,011,539 shares as of March 31, 2002 2,429,563,630 shares as of March 31, 2001

(2) Treasury stocks at term-end: 33,082 as of March 31, 2002 74,952 as of March 31, 2001

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

	Sales	Ordinary income	Net income	Final dividends per share		
				Interim	Term-end	
	(million yen)	(million yen)	(million yen)	(yen)	(yen)	(yen)
Interim	316,900	11,500	7,000	3.00	—	—
Full year	723,800	54,000	33,000	—	3.00	6.00

Reference: Expected earnings per share (full year): 13.93 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 Projections for FY03, page 25 of the supplement, for a more detailed explanation of the above projections and estimates.

May 20, 2002

Overview of Non-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
- Date of Regular Shareholders Meeting: Jun 27, 2002

Osaka Gas Co., Ltd.

1. Operational Results

(1) Gas Sales

The number of customers increased 83,000 year-on-year to 6,448,000. Sales volume for residential gas, however, decreased 2.2% to 2,194 million m³, due to a 3.6% drop in monthly average use per household to 33.3 m³, owing to the warm winter throughout the country last year.

Commercial/industrial gas sales declined 1.1% to 4,982 million m³, with a year-on-year increase in sales to the commercial market (+3.2%) and to the public and medical institution market (+4.6%) offset by a 3.0% contraction in sales to industrial customers in the recessive economy in Japan.

As a result, total gas sales fell 1.3% to 7,309 million m³.

		FY01 (‘01/4-‘02/3) A	FY00 (‘00/4-‘01/3) B	A-B	A/B	
Customers (Meters installed)	Residential	6,172 thousand	6,092 thousand	80 thousand	101.3%	
	Commercial/ industrial	312	309	3	101.1%	
	Total	6,484	6,401	83	101.3%	
Monthly average usage per customer	Residential	33.3 m ³ /month	34.5 m ³ /month	-1.2 m ³ /month	96.4%	
	Average of all customers	104.0	107.0	-3.0 m ³ /month	97.2%	
Gas sales	Residential	2,194 million m ³	2,244 million m ³	-50 million m ³	97.8%	
	Commercial/ industrial	Commercial	4,982	5,040	-57	98.9%
		Industrial	3,547	3,656	-108	97.0%
		Public and medical institutions	943	913	29	103.2%
	Wholesale	492	471	22	104.6%	
	Wholesale	132	124	9	106.9%	
	Total	7,309	7,407	-98	98.7%	

[Reference] Average temperature
(°C)

FY01 (‘01/4-‘02/3) A	FY00 (‘00/4-‘01/3) B	A/B
17.5	17.3	+0.2

(2) Overview of Profit and Loss

(million yen)

Revenues			Change from previous year	
			Increase/decrease	Percentage (%)
Product sales	Gas and by-products	5,945	125	102.2
	Installation work	393	17	104.7
Other sales	Gas equipment	918	-94	90.6
	Other sales	252	-79	76.1
	Total	1,564	-156	90.9
Total sales		7,510	-30	99.6
Non-operating revenues		74	3	104.7
Total revenues		7,585	-27	99.6

Expenses		Change from previous year		
		Increase/decrease	Percentage (%)	
Cost of sales		2,019	-45	97.8
Selling, general and administrative expenses		3,225	-41	98.7
Total		5,245	-87	98.4
Other expenses	Installation work	367	7	102.2
	Gas equipment	901	-101	89.9
	Other sales	178	-73	70.8
	Total	1,447	-167	89.7
Operating expenses		6,693	-254	96.3
Operating profits		817	223	137.7
Non-operating expenses		188	63	150.4
Total expenses		6,882	-191	97.3

Ordinary income	703	163	130.4
Net income	376	47	114.2

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

Return on Equity (ROE)	9.1%
Return on Assets (ROA)	3.6%
Shareholder Value Added (SVA)	15,700 million yen
Free Cash Flow*	67,300 million yen

* Free cash flow = Cash flows from operating activities – Capital expenditures

[Reference]

- Cost of raw materials included in cost of sales: 176,900 million yen (down 2,100 million yen or 1.2% year-on-year)
- Exchange rate and cost of crude oil

	FY01 ('01/4-'02/3) A	FY00 ('00/4-'01/3) B	A-B
Exchange rate (yen/dollar) *1	125.0	110.5	+14.5
Cost of crude oil (dollar/bbl) *2	23.8	28.4	-4.5

*1 TTM rate

*2 All Japan CIF price

(3) Projections for FY02

Gas sales volume is projected to grow 2.2% year-on-year to 7,470 million m³ due to the increase in the number of customers and continued efforts to exploit new demand. Despite the increase in sales volume, sales are expected to decline 3.6% to 723,800 million yen, and operating profits 31.3% to 56,100 million yen, behind the reduction in rates, which averages 5.04%.

With the prospect of improvement in the non-operating balance, we expect ordinary profits to decrease 23.2% to 54,000 million yen, and net profits 12.5% to 33,000 million yen.

	FY02 projections	% change
Gas sales volume	7,470 million m ³	+ 2.2%
Sales	723,800 million yen	-3.6%
Operating profit	56,100 million yen	-31.3%
Ordinary profit	54,000 million yen	-23.2%
Net income	33,000 million yen	-12.5%

[Forecasted crude oil cost during FY02: \$20 per bbl, assumed exchange rate: 135 yen to \$1]

Return on Equity (ROE)	7.8%
Return on Assets (ROA)	3.0%
Shareholder Value Added (SVA)	11,800 million yen
Free Cash Flow	21,500 million yen

(4) Capital Expenditure Plan for FY02

(Yen in 100 millions)

	FY02 (plan)	FY01 (results)	Descriptions of expenditures planned for FY02
Production facilities	67	80	LNG tank for Himeji Terminal, etc.
Supply facilities	456	401	Transport trunk lines, main/sub service lines, etc.
Operational facilities, etc.	82	168	Regional business HQs, experiment and research facilities, etc.
Total	604	650	

2 Non-Consolidated Financial Statements

(1) Balance Sheet

(million yen)

Account	As of March 31, 2002	As of March 31, 2001	Change from previous year	
			Increase/ decrease	Percentage (%)
(Assets)				
Fixed Assets	879,951	918,495	-38,544	95.8
Tangible fixed assets	651,172	676,780	-25,607	96.2
Production facilities	123,245	135,887	-12,642	90.7
Supply facilities	365,467	383,306	-17,838	95.3
Operational facilities	97,057	90,353	6,704	107.4
Supplementary business facilities	773	9,342	-8,569	8.3
Idle facilities	1,532	1,532	0	100.0
Construction in progress	63,097	56,357	6,739	112.0
Intangible fixed assets	6,296	7,114	-818	88.5
Patents	0	8	-8	3.4
Leaseholds	2,853	2,591	262	110.1
Other intangible fixed assets	3,442	4,515	-1,072	76.2
Investments	222,481	234,600	-12,118	94.8
Investments in securities	62,813	97,506	-34,693	64.4
Investments in affiliates	83,002	80,705	2,296	102.8
Long-term internal loans receivable	-	245	-245	0.0
Long-term loans receivable from affiliates	34,741	26,591	8,150	130.6
Investment in capital	104	11	-7	93.3
Long-term prepaid expenses	4,032	7,722	-3,690	52.2
Deferred tax assets	30,847	14,303	16,544	215.7
Other investments	7,693	8,093	-399	95.1
Allowance for bad debts	-752	-680	-72	110.7
Current Assets	124,423	148,653	-24,230	83.7
Cash and deposits	3,869	17,617	-13,747	22.0
Notes receivable	1,017	1,219	-202	83.4
Trade accounts receivable	60,428	66,123	-5,695	91.4
Trade accounts receivable from affiliates	4,637	5,335	-698	86.9
Other accounts receivable	12,732	14,025	-1,292	90.8
Securities	-	103	-103	0.0
Products	87	97	-10	89.7
Raw materials	12,799	15,138	-2,339	84.5
Stores	8,810	10,398	-1,587	84.7
Short-term accounts receivable from affiliates	6,582	2,099	4,482	313.5
Deferred tax assets	9,392	9,252	139	101.5
Other current assets	4,639	7,847	-3,208	59.1
Allowance for bad debts	-573	-605	32	94.6
Deferred Assets	3	5	-1	77.8
Premium on bonds	3	5	-1	77.8
Total assets	1,004,378	1,067,154	-62,775	94.1

(million yen)

Account	As of March 31, 2002	As of March 31, 2001	Change from previous year	
			Increase/ decrease	Percentage (%)
(Liabilities)				
Fixed Liabilities	426,224	487,174	-60,949	87.5
Corporate bonds	199,660	250,808	-51,148	79.6
Long-term loans payable	128,466	136,538	-8,071	94.1
Reserve for retirement benefits	93,716	95,677	-1,960	98.0
Reserve for gasholder repair	1,602	1,957	-355	81.8
Other fixed liabilities	2,779	2,193	586	126.7
Current Liabilities	172,231	161,942	10,289	106.4
Current portion of fixed liabilities	18,354	14,008	4,346	131.0
Trade accounts payable	10,520	12,696	-2,176	82.9
Other accounts payable	25,296	27,406	-2,110	92.3
Accrued expenses	48,916	53,356	-4,440	91.7
Corporate taxes payable	28,308	20,905	7,403	135.4
Advances received	9,169	12,830	-3,660	71.5
Deposits received	1,339	764	575	175.2
Short-term accounts payable to affiliates	13,303	16,847	-3,543	79.0
Commercial paper	15,000	-	15,000	-
Other current liabilities	2,021	3,125	-1,103	64.7
Total liabilities	598,456	649,116	-50,660	92.2
(Capital)				
Capital	132,166	132,166	0	100.0
Legal Reserves	52,524	52,524	0	100.0
Capital reserve	19,482	19,482	0	100.0
Profit reserve	33,041	33,041	0	100.0
Retained Earnings	212,413	206,660	5,752	102.8
Reserve for reduction of costs relating to replacement of specific assets, etc.	224	224	0	100.0
Reserve for write-off of specific gas piping works	2,587	2,811	-224	92.0
Reserve for loss on overseas investments, etc.	6,235	70	6,165	8871.1
Reserve for adjustment for cost fluctuation	89,000	89,000	0	100.0
Reserve for other specific purposes	62,000	62,000	0	100.0
Unappropriated retained earnings	52,365	52,553	-188	99.6
(Net income)	(37,693)	(32,992)	(4,700)	(114.2)
Difference between Market Price and Acquisition Cost	8,828	26,686	-17,858	33.1
Difference between market price and acquisition cost of other securities	8,828	26,686	-17,858	33.1
Treasury Stocks	-10	-	-10	-
Treasury stocks	-10	-	-10	-
Total capital	405,922	418,037	-12,115	97.1
Profit reserve	1,004,378	1,067,154	-62,775	94.1

(2) Profit and Loss Statement

(million yen)

Account		Year ending March 31, 2002 ('01/04-'02/03)	Year ending March 31, 2001 ('00/04-'01/03)	Change from previous year		
				Increase/ decrease	Percentage (%)	
Ordinary Profit and Loss	Operating Profit and Loss	Product sales	594,579	582,023	12,556	102.2
		Gas sales	594,338	581,756	12,582	102.2
		By-product sales	240	267	-26	90.0
		Cost of sales	201,974	206,558	-4,583	97.8
		(Gross Profit on Sales)	(392,604)	(375,464)	(17,140)	(104.6)
		Selling expenses	253,287	253,595	307	99.5
		General and administrative expenses	69,276	73,141	-3,864	94.7
		(Core Business Profit)	(70,040)	(48,728)	(21,312)	(143.7)
		Miscellaneous operational revenues	131,553	139,140	-7,586	94.5
		Revenues from installation work	39,353	37,589	1,764	104.7
		Revenues from gas equipment sales	91,879	101,356	-9,477	90.6
		Other miscellaneous operational revenues	32	194	126	165.0
		Miscellaneous operational expenses	126,925	136,261	-9,336	93.1
		Cost of installation work	36,781	35,994	786	102.2
		Cost of gas equipment sales	90,144	100,267	-10,122	89.9
		Revenues from supplementary businesses	24,909	32,963	-8,054	75.6
		Cost of supplementary businesses	17,873	25,249	-7,376	70.8
	(Operating Profit)	(81,705)	(59,320)	(22,384)	(137.7)	
	Non-Operating Profit and Loss	Non-operating revenues	7,486	7,147	338	104.7
		Interest income	423	357	65	118.3
		Interest income on securities	121	178	-57	68.0
		Dividends income	523	1,691	-1,167	31.0
		Dividends income from affiliates	1,009	-	1,009	-
		Lease income	1,638	1,550	88	105.7
		Miscellaneous revenues	3,769	3,368	400	111.9
		Non-operating expenses	18,863	12,538	6,324	150.4
		Interest expense	2,039	1,816	222	112.3
		Interest expense on corporate bonds	3,215	3,516	-401	88.9
		Amortization of bond premiums	1	0	0	133.3
		Amortization of bond expenses	-	135	-135	0.0
		Loss from redemption of bonds	3,315	-	3,315	-
		Loss from valuation of investment in securities	6,649	-	6,649	-
Loss from valuation of investment in affiliates		-	4,206	-4,206	0.0	
Miscellaneous expenses	3,641	2,761	879	131.9		
(Ordinary Profit)	(70,327)	(53,929)	(16,398)	(130.4)		
Extraordinary Profit and Loss	Extraordinary profit	610	-	610	-	
	Gains from sales of fixed assets	610	-	610	-	
	Extraordinary loss	11,325	867	10,458	1305.8	
	Loss from sales of fixed assets	343	252	91	136.1	
	Loss from reduction of fixed assets' cost	600	-	600	-	
	Loss from the cancellation of plan for Tsuruga Plant	10,381	-	10,381	-	
	Write-off of shortage of reserve arising from application of new accounting standard for retirement benefits	-	614	-614	0.0	
(Net income before tax)	(59,612)	(53,062)	(6,549)	(112.3)		
Corporate taxes	28,470	21,800	6,670	130.6		
Adjustment for difference of tax allocation between financial accounting and tax accounting	-6,551	-1,730	-4,821	378.6		
Net income	37,693	32,992	4,700	114.2		
Profit brought forward from previous period	40,472	40,344	128	100.3		
Write-off of treasury stocks	18,512	14,629	3,882	126.5		
Interim dividends	7,288	6,154	1,134	118.4		
Unappropriated retained earnings	52,365	52,553	-188	99.6		

Note: Regarding the values in Sales shown in (1) Operational Results, 1. Results of Year Ending March 31, 2002 in Summary of Non-consolidated Financial Statements are the total of product sales, miscellaneous operational revenues and revenues

from supplementary businesses.

(Notes)

1. Significant Accounting Policies

- (1) 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.
- (2) Securities are evaluated by the following methods:
Securities of subsidiaries and affiliates: at cost on a moving average basis
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
- (3) Products are evaluated at cost on a gross average basis. Raw materials and stores are evaluated at cost on a moving average basis.
- (4) The following significant reserves are provided:
Reserve for retirement benefits: To prepare for payment of retirement benefits to employees, the reserve for retirement benefits is provided. It is provided based on the amount of retirement benefits payable to employees at the end of the year under review and the expected value of the pension assets.
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.
- (5) Accounting of 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.
- (6) Consumption taxes are recorded by the tax-exclusion method.

2. Additional Information

With the revision in the accounting rules for gas businesses, treasury stock (23 million yen), which had appeared under "Other current assets" until the previous term, is now represented as "Treasury Stock" in the equity section.

3. Accumulated Depreciation of Fixed Tangible Assets: 1,427,652 million yen (1,401,447 million yen in the previous year)
4. Guarantee of Liabilities: 17,038 million yen (including those assumed by the Company: 12,671 million yen)
(28,036 million yen in the previous year, including 22,791 million yen assumed by the Company)

Contingent liabilities in connection with corporate bonds and loan contracts: 125,302 million yen (83,051 million yen in the previous year)

5. During the year ending March 31, 2002, the Company purchased back its own stock as follows:

Total number of shares purchased: 60,552,091

Aggregate value of shares purchased: 18,512 million yen

3. Securities

Information on stocks of subsidiaries and affiliates having market price

(1) As of March 31, 2002

	Value reported on balance sheet	Market price	Difference
Subsidiaries' stocks	1,241 million yen	3,483 million yen	2,241 million yen

(2) As of March 31, 2001

	Value reported on balance sheet	Market price	Difference
Subsidiaries' stocks	1,241 million yen	3,010 million yen	1,768 million yen

4. Proposed Appropriation of Retained Earnings (Million yen)

	FY01 ('01/4-'02/3)	FY00 ('00/4-'01/3)
Unappropriated retained earnings	52,365	52,553
Application of reserves to write-off of specific gas piping works	306	236
Application of reserves to losses on overseas investments, etc.	8	37
Total	52,680	52,826
The above retained earnings shall be appropriated as follows:		
Cash dividend (per share)	7,106 (3.00 yen)	6,073 (2.50 yen)
Director bonuses	60	66
Reserves for write-off of specific gas piping works	8	11
Reserves for losses on overseas investments, etc.		6,202
Earnings carried forward	45,504	40,472

- (Notes)
- Interim dividends of 7,288,602,303 yen (3.00 per share yen) were paid on December 10, 2001.
 - Reserve amounts applied to the write-off of specific gas piping works and losses on overseas investments, etc., were calculated in accordance with the provisions of the Special Taxation Measures Law, and are represented here after adjustments resulting from the changeover to the deferred tax accounting system.