



First Quarter of the Fiscal Year Ending March 31, 2016 **Brief Report of Consolidated Financial Statements (Japanese GAAP)**

July 30, 2015

Name of Listed Company	: Osaka Gas Co., Ltd.	Listed Exchanges:	1 st Section of Tokyo and Nagoya
Code No.	: 9532	URL:	http://www.osakagas.co.jp
Representative Officer	: Title: President	Name:	Takehiro Honjo
Contact	: Title: Manager, Finance Dept.	Name:	Kazushige Nomura
Scheduled Date of Financial Report Filing with the Finance Ministry	: August 13, 2015		
Scheduled Date of Dividend Payment	: —		
Preparation of Supplementary Explanation Documents for Operating Results	: Yes		
Holding of an Informational Meeting for Operating Results	: Yes (for institutional investors and analysts)		

(Amounts less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 — June 30, 2015)

(1) Consolidated Operating Results (Percentages (%) represent changes from the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Three months ended June 30, 2015	341,532	-5.7	72,394	84.0	74,103	75.1	52,130	41.4
Three months ended June 30, 2014	362,151	6.6	39,346	40.1	42,327	39.8	36,868	75.1

(Note) Comprehensive income Three months ended June 30, 2015 44,711 million yen (18.5 % YoY)
Three months ended June 30, 2014 37,716 million yen (2.8 % YoY)

	Earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2015	25.05	—
Three months ended June 30, 2014	17.72	—

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth /Total assets
	millions of yen	millions of yen	%
As of June 30, 2015	1,834,048	954,564	50.3
As of March 31, 2015	1,862,201	918,869	47.7

<Reference> Net worth: As of June 30, 2015 922,790 million yen As of March 31, 2015 888,496 million yen

2. Dividends

(Record date)	Dividends per share				
	June 30	September 30	December 31	March 31	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2015	—	4.50	—	5.00	9.50
Year ending March 31, 2016	—				
Year ending March 31, 2016 (Forecast)		5.00	—	5.00	10.00

(Note) Revision of the dividend forecast previously announced: None

Dividends for interim and year ending March 31, 2016: Ordinary dividend 4.50 yen, Commemorative dividend 0.50 yen

3. Forecasts of Consolidated Operating Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 — March 31, 2016)

(Percentages (%) represent changes from the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Interim	640,000	-8.3	83,500	55.1	85,000	46.9	59,000	24.2	28.35
Full year	1,368,500	-10.4	113,500	8.0	110,000	1.7	73,500	-4.2	35.32

(Note) Revision of the forecasts previously announced: None

*Notes

(1) Changes in significant subsidiaries during three months ended June 30, 2015(changes in certain subsidiaries resulting in a change in the consolidation scope): None

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: Adopted

*Note: For detailed information, please refer to “2. (1) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements” on Page 3 of the Attachment to this Quarterly Brief Report of Consolidated Financial Statements.

(3) Changes in accounting policies and estimation methods, corrections and restatements

(i) Changes in accounting policies in response to revisions in accounting standards, etc.: Adopted

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates : None

(iv) Corrections and restatements : None

(4) Issued shares (common shares)

(i) Number of shares issued and outstanding at the end of each period (including treasury shares)

: As of June 30, 2015 2,083,400,000 shares

As of March 31, 2015 2,083,400,000 shares

(ii) Number of treasury shares at the end of each period: : As of June 30, 2015 2,584,425 shares

As of March 31, 2015 2,532,646 shares

(iii) Average number of shares issued and outstanding in each period : Three months ended June 30, 2015 2,080,840,622 shares

Three months ended June 30, 2014 2,081,148,085 shares

*Statement regarding implementation of quarterly review procedures

At the time of disclosure of this Quarterly Brief Report of Consolidated Financial Statements, the review of quarterly consolidated financial statements in accordance with the Financial Instruments and Exchange Act has not been completed.

*Notes on proper use of forecasts and other matters

1. Forward-looking statements in this document, including operating results forecasts, are based on information currently available to Osaka Gas (the Company) and certain assumptions that the Company regards as reasonable. Actual results may significantly differ from these forecasts, affected by various factors. As for notes regarding assumptions used for operating forecasts and regarding the use of operating forecasts, refer to “1. (3) Forecasts of Consolidated Operating Results” on Page 2 of the Attachment to this Quarterly Brief Report of Consolidated Financial Statements.
2. The Company is planning to hold a conference call for institutional investors and analysts on July 31, 2015. Immediately after the meeting, the presentation materials used on that day will be made available on the Company’s web site.

(Reference) Forecasts of Non-Consolidated Operating Results for the Fiscal Year Ending March 31, 2016

(April 1, 2015—March 31, 2016)

(Percentages (%) represent changes from the same period in the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Interim	514,500	-10.1	69,500	69.3	80,000	72.9	60,000	41.4	28.83
Full year	1,064,500	-15.0	74,000	-7.7	84,000	-4.8	63,000	-10.4	30.27

(Note) Revision of the forecasts previously announced: None

Table of Contents for the Attachment

1. Overview of Quarterly Consolidated Financial Results	2
(1) Consolidated Operating Results	2
(2) Consolidated Financial Position	2
(3) Forecasts of Consolidated Operating Results	2
2. Summary Information (Notes)	3
(1) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements	3
(2) Changes in Accounting Policies in Accordance with Changes in Accounting Standards, Accounting Estimates and Restatement	3
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes on the Quarterly Consolidated Financial Statements	8
(Notes Regarding Uncertainties of Entity's Ability to Continue as Going Concern)	8
(Notes Regarding Significant Changes in the Value of Shareholders' Equity)	8
(Segment Information)	8
4. Reference Information	9
(1) Overview of Quarterly Non-Consolidated Financial Results	9
(2) Quarterly Non-Consolidated Gas Sales	9

1. Overview of Quarterly Consolidated Financial Results

(1) Consolidated Operating Results

Consolidated net sales for the first quarter (three months ended June 30, 2015) decreased by ¥20.6 billion year-on-year to ¥341.5 billion, due to a decrease in gas sales volume and lower gas unit selling prices of Gas business. Consolidated ordinary income increased by ¥31.7 billion year-on-year to ¥74.1 billion, primarily due to an increase in profit of Gas business stemming from a decrease in raw material costs associated with a fall in LNG prices. Profit attributable to owners of parent increased by ¥15.2 billion year-on-year to ¥52.1 billion.

Non-consolidated operating results of Osaka Gas are presented in “4. (1) Overview of Quarterly Non-Consolidated Financial Results” on Page 9.

(2) Consolidated Financial Position

Total assets as of June 30, 2015 decreased by ¥28.1 billion compared with the year ended March 31, 2015 to ¥1,834 billion, primarily due to a decrease in current assets, including the amounts of notes and accounts receivable – trade, from seasonal factors. Net assets totaled ¥954.5 billion and the ratio of net worth to total assets was 50.3%.

(3) Forecasts of Consolidated Operating Results

There has been no revision made from the previous forecasts of the operating results announced on April 27, 2015.

2. Summary Information (Notes)

(1) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements

(Calculation of tax expenses)

For major consolidated subsidiaries, effective tax rates (after applying tax effect accounting) expected to be imposed on their income before income taxes applicable to the tax year in which the current first quarter is included were estimated based on reasonable assumptions. Then, tax expenses for the first quarter were calculated by multiplying the income before income taxes of respective subsidiaries for the quarter by the estimated effective tax rates.

(2) Changes in Accounting Policies in Accordance with Changes in Accounting Standards, Accounting Estimates and Restatement

(Changes in accounting policies in accordance with changes in accounting standards)

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21 of September 13, 2013), “Accounting Standard for Consolidated Financial Statements (ASBJ Guidance No. 22 of September 13, 2013), “Accounting Standard for Business Divestiture” (ASBJ Statement No.7 of September 13, 2013) and related standards have been applied from the beginning of this fiscal year. Accordingly, the accounting method has been changed in such manners as the difference associated with changes in the Company’s equity stakes in subsidiaries remaining under its control is recorded as capital surplus, and acquisition related costs are recorded as expenses for the fiscal year in which the costs are incurred. In addition, the presentation method of net income was amended as well as the amendment of “minority interests” to “non-controlling interests”. To reflect the changes, the quarterly consolidated financial statements and consolidated financial statements in the previous fiscal year have been reclassified.

With respect to the application of the Accounting Standard for Business Combinations and its related standards, the transitional treatments stipulated in the provisions of Article 58-2(4) of Accounting Standard for Business Combinations, Article 44-5(4) of Accounting Standard for Consolidated Financial Statements, and Article 57-4(4) of Accounting Standard for Business Divestiture have been applied from the beginning of this fiscal year.

As a result of these changes, capital surplus decreased by ¥102 million as of June 30, 2015.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	75,370	74,715
Distribution facilities	304,286	300,379
Service and maintenance facilities	64,206	63,444
Other facilities	295,387	296,325
Construction in progress	156,146	165,061
Total property, plant and equipment	895,398	899,926
Intangible assets		
Goodwill	21,183	19,122
Other	77,497	75,524
Total intangible assets	98,680	94,647
Investments and other assets		
Investment securities	230,958	239,255
Other	100,741	103,620
Allowance for doubtful accounts	-1,914	-2,148
Total investments and other assets	329,784	340,727
Total non-current assets	1,323,864	1,335,300
Current assets		
Cash and deposits	147,426	95,178
Notes and accounts receivable - trade	187,482	155,306
Securities	23,521	73,511
Inventories	103,420	109,671
Other	77,802	66,300
Allowance for doubtful accounts	-1,315	-1,220
Total current assets	538,337	498,747
Total assets	1,862,201	1,834,048

Osaka Gas Co., Ltd. (9532)
Brief Report of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2016

(millions of yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Non-current liabilities		
Bonds payable	240,666	240,667
Long-term loans payable	309,848	311,535
Provision for gas holder repairs	1,722	1,775
Provision for safety measures	8,451	7,782
Allowance for investment loss	6,999	6,999
Provision for loss on guarantees	1,589	1,700
Provision for gas appliance warranties	2,895	2,973
Net defined benefit liability	16,484	16,916
Other	70,136	79,466
Total non-current liabilities	658,794	669,817
Current liabilities		
Notes and accounts payable - trade	54,610	64,784
Short-term loans payable	26,832	26,448
Income taxes payable	30,835	20,798
Other	172,259	97,635
Total current liabilities	284,537	209,666
Total liabilities	943,331	879,484
Net assets		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surplus	19,488	19,386
Retained earnings	648,896	690,623
Treasury shares	-938	-964
Total shareholders' equity	799,613	841,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,868	56,084
Deferred gains or losses on hedges	-6,519	-13,581
Revaluation reserve for land	-737	-737
Foreign currency translation adjustment	39,341	33,770
Remeasurements of defined benefit plans	5,929	6,043
Total accumulated other comprehensive income	88,882	81,578
Non-controlling interests	30,373	31,774
Total net assets	918,869	954,564
Total liabilities and net assets	1,862,201	1,834,048

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

	(millions of yen)	
	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	362,151	341,532
Cost of sales	240,042	186,590
Gross profit	122,109	154,941
Selling, general and administrative expenses	82,763	82,547
Operating income	39,346	72,394
Non-operating income		
Interest income	196	136
Dividend income	1,803	2,039
Miscellaneous income	4,298	2,511
Total non-operating income	6,298	4,688
Non-operating expenses		
Interest expenses	2,220	2,598
Miscellaneous expenses	1,095	380
Total non-operating expenses	3,316	2,979
Ordinary income	42,327	74,103
Extraordinary income		
Gain on sales of investment securities	12,444	—
Total extraordinary income	12,444	—
Income before income taxes	54,771	74,103
Income taxes	17,158	21,420
Profit	37,612	52,682
Profit attributable to non-controlling interests	744	552
Profit attributable to owners of parent	36,868	52,130

Quarterly Consolidated Statements of Comprehensive Income

(millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	37,612	52,682
Other comprehensive income		
Valuation difference on available-for-sale securities	3,582	5,296
Deferred gains or losses on hedges	-783	-2,683
Foreign currency translation adjustment	-3,895	-5,000
Remeasurements of defined benefit plans	35	169
Share of other comprehensive income of entities accounted for using equity method	1,163	-5,752
Total other comprehensive income	103	-7,970
Comprehensive income	37,716	44,711
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	36,989	44,826
Comprehensive income attributable to non-controlling interests	726	-114

(3) Notes on the Quarterly Consolidated Financial Statements

(Notes Regarding Uncertainties of Entity's Ability to Continue as Going Concern)

Not applicable

(Notes Regarding Significant Changes in the Value of Shareholders' Equity)

Not applicable

(Segment Information)

Three months ended June 30, 2014(April 1, 2014 — June 30, 2014) (millions of yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	269,794	56,509	3,418	46,418	376,141	-13,989	362,151
Segment income							
Operating income	23,183	12,394	791	2,312	38,681	664	39,346
Share of profit (loss) of entities accounted for using equity method	1	-108	2,424	85	2,402	—	2,402
Total	23,184	12,285	3,215	2,398	41,083	664	41,748

Three months ended June 30, 2015(April 1, 2015 — June 30, 2015) (millions of yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	255,957	48,267	4,433	47,769	356,428	-14,896	341,532
Segment income							
Operating income	59,199	8,465	1,025	3,122	71,812	581	72,394
Share of profit (loss) of entities accounted for using equity method	-2	-280	216	258	192	—	192
Total	59,196	8,185	1,242	3,381	72,005	581	72,586

4. Reference Information

(1) Overview of Quarterly Non-Consolidated Financial Results (April 1, 2015 — June 30, 2015)

(billions of yen)

Earnings			YoY Changes	YoY Changes rate(%)	Expenses			YoY Changes	YoY Changes rate (%)
Product sales	Gas	212.0	-11.9	-5.3	Operating expenses	Cost of sales	92.7	-46.1	-33.2
						SG&A	65.6	-0.6	-1.0
						Total	158.3	-46.8	-22.8
Other sales	Installation work	5.2	-0.3	-6.6	Other operating expenses	Installation work	5.0	-0.2	-5.3
	Gas appliances	23.8	-1.0	-4.2		Gas appliances	20.9	-2.2	-9.8
	Transportation services and others	1.4	-0.0	-3.0					
	Incidental businesses	38.2	-4.3	-10.2		Incidental businesses	31.0	-1.2	-4.0
	Total	68.8	-5.8	-7.8		Total	57.1	-3.8	-6.3
Total net sales		280.9	-17.7	-5.9	Total expenses		215.4	-50.6	-19.0
					Operating income		65.5	+32.9	+101.2
Non-operating income		8.0	-0.2	-2.6	Non-operating expenses		2.5	+0.4	+20.6
					Ordinary income		71.0	+32.3	+83.5
Extraordinary income		—	-12.4	—	Extraordinary losses		—	—	—
					Net Income		52.0	+14.8	+39.7

Quarterly non-consolidated financial statements are not subjected to statutory review by accounting auditors. Quarterly non-consolidated financial statements are prepared in accordance with the rules for quarterly non-consolidated financial statements.

(2) Quarterly Non-Consolidated Gas Sales

		Three months ended June 30, 2015 (a)	Three months ended June 30, 2014 (b)	YoY Changes (a)-(b)	YoY Changes rate (%)
Customers <Meters installed> (thousand)	Residential	6,857	6,802	+55	+0.8
	Non-residential	347	343	+4	+1.2
	Total	7,203	7,145	+58	+0.8
Monthly average usage per residential customer (m ³ /month)		28.9	30.0	-1.1	-3.8
Gas sales volume (million m ³)	Residential	512	530	-17	-3.2
	Non-residential	1,280	1,316	-37	-2.8
	Industrial	978	1,017	-39	-3.9
	Commercial	185	182	+3	+1.7
	Public and medical institutions	117	117	-0	-0.4
	Wholesale	110	110	+1	+0.7
Total		1,902	1,955	-53	-2.7

[Converted at 45MJ/m³]