

4. Other Information

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

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

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

(i) Changes in accounting policies in response to revisions in accounting standards, etc. : None

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

(iii) Changes in estimation methods : None

(iv) Corrections and restatements : None

(4) Issued shares (common shares)

(i) Issued shares as of term-end (including treasury stocks)	: As of June 30, 2011	2,083,400,000 shares
	As of March 31, 2011	2,083,400,000 shares
(ii) Repurchased shares (treasury stock) as of term-end	: As of June 30, 2011	1,031,961 shares
	As of March 31, 2011	1,019,059 shares
(iii) Average number of outstanding shares during the quarter	: Quarter ended June 30, 2011	2,082,371,762 shares
	Quarter ended June 30, 2010	2,147,887,559 shares

*Statement regarding implementation of quarterly review

At the time of disclosure of this quarterly brief report of consolidated financial statements, the review of consolidated quarterly 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 forecasts, are based on information currently available to the Company and certain assumptions that the Company believes are 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 forecasts, refer to 1. (3) "Descriptive Information on Forecasts of Consolidated Operating Results" on Page 2 of the Attachment to the Quarterly Brief Report of Consolidated Financial Statements.
2. Supplementary financial information was published on the Company website on Friday, July 29, 2011.

(Reference) Forecasts of Non-Consolidated Results for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

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

	Operating revenues		Operating profit		Ordinary profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Interim	440,500	6.2	4,500	-77.3	6,500	-69.3	4,000	-70.4	1.92
Full year	1,001,500	9.1	43,000	-18.2	44,000	-20.3	31,000	-10.2	14.89

(Note) Modification of the forecast previously announced: None

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1. Descriptive Information on the Current Quarter Financial Statements

(1) Descriptive Information on Consolidated Operating Results

Consolidated net sales for the first quarter (three months ended June 30, 2011) increased by ¥13.2 billion to ¥286.6 billion from the same period of the previous year, mainly due to the increased volume of gas sold by Osaka Gas Co., Ltd. and the higher gas charge rates adjusted under the fuel cost adjustment system. Operating income decreased by ¥5.7 billion to ¥19.5 billion mainly due to significant increase in raw material costs in Osaka Gas Co., Ltd. Ordinary income decreased by ¥5 billion to ¥20.6 billion, and net income decreased by ¥1.2 billion to ¥12.4 billion.

Non-consolidated operating results of Osaka Gas Co., Ltd. are presented in “4. (1) Overview of Non-Consolidated Quarterly Financial Results” on Page 10.

(2) Descriptive Information on Consolidated Financial Position

Total assets as of June 30, 2011 totaled ¥1,417.8 billion, a decrease of ¥19.4 billion from March 31, 2011. This decrease was mainly due to seasonal factors that caused decreases in current assets including cash and deposits, and trade receivables.

Net assets totaled ¥696.3 billion and the ratio of net worth to total assets was 47.4%.

(3) Descriptive Information on Forecasts of Consolidated Operating Results

No modification was made to originally announced forecasts for consolidated operating results.

2. Matters Relating to Summary Information (Others)

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

Tax expenses

For major consolidated subsidiaries, effective tax rates expected to be imposed on their pretax net income (after tax effect accounting) 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 pre-tax net incomes of respective subsidiaries for the quarter by the estimated effective tax rates.

3. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheet

(million yen)

	Previous Year As of March 31, 2011	Current Year As of June 30, 2011
Assets		
Fixed assets		
Tangible fixed assets		
Production facilities	84,785	83,280
Distribution facilities	296,526	290,520
Operational facilities	70,981	70,264
Other facilities	324,993	321,075
Construction in progress	23,106	30,302
Total tangible fixed assets	800,394	795,444
Intangible fixed assets	40,262	40,780
Investments and other assets		
Investment in securities	136,179	140,584
Others	95,785	98,201
Allowance for bad debts	-2,102	-2,021
Total investments and other assets	229,862	236,764
Total fixed assets	1,070,520	1,072,989
Current assets		
Cash and deposits	98,422	54,536
Notes and trade accounts receivable	136,930	123,173
Short-term investment securities	23,112	42,010
Inventories	49,400	67,766
Others	60,277	58,762
Allowance for bad debts	-1,366	-1,404
Total current assets	366,776	344,845
Total assets	1,437,297	1,417,835

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(million yen)

	Previous Year As of March 31, 2011	Current Year As of June 30, 2011
Liabilities		
Fixed liabilities		
Bonds	269,733	249,551
Long-term loans payable	190,430	188,460
Reserve for severance benefits	14,548	14,801
Reserve for gasholder repair	1,715	1,760
Reserve for safety actions	9,508	8,848
Allowance for investment loss	3,280	3,280
Others	29,156	29,663
Total fixed liabilities	518,373	496,367
Current liabilities		
Notes and trade accounts payable	38,218	40,366
Short-term loans payable	40,660	45,088
Others	151,349	139,655
Total current liabilities	230,228	225,111
Total liabilities	748,601	721,478
Net Assets		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surpluses	19,482	19,482
Retained earnings	499,366	503,508
Treasury stock	-323	-326
Shareholders' equity total	650,692	654,831
Accumulated other comprehensive income		
Difference between market price and acquisition cost of other securities	18,037	17,221
Deferred hedge gains/losses	4,116	2,663
Land revaluation excess	-519	-519
Foreign exchange adjustment	-7,367	-2,573
Accumulated other comprehensive income total	14,267	16,792
Minority interest	23,735	24,732
Net assets total	688,695	696,356
Liabilities and net assets total	1,437,297	1,417,835

(2) Consolidated Quarterly Income Statement and Statement of Comprehensive Income

Consolidated Quarterly Income Statement

(million yen)

	Previous Year (April 1, 2010 – June 30, 2010)	Current Year (April 1, 2011 – June 30, 2011)
Operating revenues	273,353	286,619
Cost of sales	168,192	185,560
Gross profit on sales	105,160	101,058
Selling, general and administrative expenses	79,917	81,528
Operating profit	25,242	19,530
Non-operating revenues		
Interest income	161	176
Dividend income	1,175	807
Equity in earnings (losses) of affiliated companies	1,179	1,471
Miscellaneous income	1,120	1,320
Total non-operating revenues	3,635	3,775
Non-operating expenses		
Interest expenses	2,275	2,247
Miscellaneous expenses	870	377
Non-operating expenses total	3,146	2,624
Ordinary profit	25,731	20,681
Extraordinary loss		
Loss on adjustment accompanying application of accounting standard for asset retirement obligations	784	—
Total extraordinary loss	784	—
Net income before tax adjustments	24,946	20,681
Corporate, resident and business taxes	10,589	7,469
Income before minority interests	14,357	13,211
Minority interest	593	739
Net income	13,764	12,472

Consolidated Quarterly Statement of Comprehensive Income

(million yen)

	Previous Year (April 1, 2010 – June 30, 2010)	Current Year (April 1, 2011 – June 30, 2011)
Income before minority interests	14,357	13,211
Other comprehensive income		
Difference between market price and acquisition cost of other securities	-6,234	-817
Deferred hedge gains/losses	-4,619	-1,294
Foreign exchange adjustment	1,525	3,320
Share of other comprehensive income of associates accounted for using equity method	-309	1,918
Other comprehensive income total	-9,638	3,127
Comprehensive income	4,718	16,339
Attributable to:		
Owners of the parent	4,260	14,997
Minority interests	457	1,341

(3) Notes Regarding Assumption of a Going Concern

Not applicable

(4) Segment Information

Quarter ended June 30, 2010 (April 1, 2010 to June 30, 2010) (million yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Environment and Non-Energy	Total	Adjustments	Consolidated statement of income totals
Net sales	207,682	36,400	2,719	38,663	285,465	-12,112	273,353
Segment profit							
Operating profit	18,033	2,931	783	2,971	24,719	522	25,242
Equity in earnings (losses) of affiliated companies	-7	257	928	—	1,179	—	1,179
Total	18,026	3,188	1,711	2,971	25,898	522	26,421

Quarter ended June 30, 2011 (April 1, 2011 to June 30, 2011) (million yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Environment and Non-Energy	Total	Adjustments	Consolidated statement of income totals
Net sales	219,078	37,779	2,431	41,387	300,676	-14,057	286,619
Segment profit							
Operating profit	10,094	4,557	435	3,866	18,953	577	19,530
Equity in earnings (losses) of affiliated companies	-2	249	1,224	—	1,471	—	1,471
Total	10,092	4,806	1,660	3,866	20,424	577	21,002

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

Not applicable

4. Reference Information

(1) Overview of Non-Consolidated Quarterly Financial Results (April 1, 2011 to June 30, 2011)

(billion yen)

Revenues					Expenses				
			YoY increase/ decrease	% change				YoY increase/ decrease	% change
Operating revenues from product sales	Gas	179.8	10.0	5.9%	Operating expenses	Cost of sales	106.3	16.3	18.1%
						SG&A	67.8	1.8	2.8%
						Total	174.2	18.1	11.6%
Other operating revenues	House-pipe installation	4.4	0	2.1%	Other expenses	House-pipe installation	4.4	-0.1	-3.1%
	Gas appliances	21.2	1.8	9.4%		Gas appliances	19.1	2.0	11.7%
	Transportation services	1.6	0	3.5%					
	Incidental business and others	22.8	1.6	7.5%		Incidental business and others	21.0	0.9	4.6%
	Total	50.2	3.5	7.6%		Total	44.7	2.7	6.7%
Total operating revenues		230.0	13.6	6.3%	Total expenses		218.9	20.9	10.6%
					Operating profit		11.0	-7.3	-39.7%
Non-operating revenues		5.5	2.5	84.8%	Non-operating expenses		1.8	0	3.1%
					Ordinary profit		14.8	-4.8	-24.5%
					Net income		10.5	-2.2	-17.4%

Quarterly non-consolidated financial statements are not subject to statutory review by accounting auditors. Quarterly non-consolidated financial statements were prepared in accordance with the Rules for Quarterly Consolidated Financial Statements.

(2) Overview of Non-Consolidated Quarterly Gas Sales

		1Q 2011 (a) (April 1, 2011 – June 30, 2011)	1Q 2010 (b) (April 1, 2010 – June 30, 2010)	Change (a)-(b)	% change
Customers (Meters installed) (thousand customers meters)	Residential	6,683	6,655	+29	+0.4
	Commercial/ Industrial	332	330	+2	+0.5
	Total	7,015	6,984	+31	+0.4
Monthly average usage per residential customer (m ³ /month)		34.0	34.2	-0.2	-0.6
Gas sales volume (million m ³)	Residential	593	596	-3	-0.5
	Commercial/ industrial	1,364	1,319	+44	+3.4
	Industrial	1,035	992	+43	+4.4
	Commercial	200	203	-3	-1.6
	Public and medical institutions	128	124	+4	+3.5
	Wholesale	118	114	+4	+3.4
Total		2,074	2,029	+45	+2.2

[Converted at 45MJ/m³]