



□. Notes

(1) Changes in significant subsidiaries during the first 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 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 estimation methods : Adopted

(iv) Corrections and restatements : None

\*Note: For detailed information, please refer to “2. (2) Changes in Accounting Policies and Estimation Methods, Corrections and Restatements” on Page 2 of the Attachment to this Quarterly Brief Report of Consolidated Financial Statements.

(4) Issued shares (common shares)

(i) Number of shares issued and outstanding at the end of each period (including treasury stock)	: As of June 30, 2012	2,083,400,000 shares
	: As of March 31, 2012	2,083,400,000 shares
(ii) Number of treasury stock at the end of each period	: As of June 30, 2012	1,166,210 shares
	: As of March 31, 2012	1,146,823 shares
(iii) Average number of shares issued and outstanding in each period	: Quarter ended June 30, 2012	2,082,240,256 shares
	: Quarter ended June 30, 2011	2,082,371,762 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 forecasts of operating results, are based on information currently available to Osaka Gas (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) 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 August 1, 2012. 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, 2013 (April 1, 2012 to March 31, 2013)

(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	492,000	11.0	20,500	548.7	24,500	254.6	17,500	234.9	8.40
Full year	1,093,000	5.8	57,500	46.1	63,000	53.0	43,500	69.2	20.88

(Note) Modification of the forecast previously announced: None

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## 1. Overview of Consolidated Quarterly Financial Results

### (1) Consolidated Operating Results

Consolidated operating revenues for the quarter ended June 30, 2012 increased by ¥41.8 billion year-over-year to ¥328.5 billion. This was primarily due to the continuing high unit selling price on a non-consolidated basis for city gas under the fuel cost adjustment system. Consolidated operating profit increased by 13.5 billion year-over-year to ¥33.1 billion, due primarily to an increase in profits of the gas business and the electric power business on a non-consolidated basis. Consolidated ordinary profit increased by ¥15.6 billion year-over-year to ¥36.3 billion, and consolidated net income increased by ¥11.1 year-over-year billion to ¥23.6 billion.

Non-consolidated operating results of Osaka Gas are presented in “4. (1) Overview of Non-Consolidated Quarterly Financial Results” on Page 8.

### (2) Consolidated Financial Position

Total assets as of June 30, 2012 decreased by ¥12.6 billion compared with the year ended March 31, 2012 to ¥1,463.1 billion, due primarily to a decrease in current assets including cash and deposits, and trade receivables. Net worth totaled ¥731.0 billion and the ratio of shareholders' equity to total assets as of June 30, 2012 was 48.2%.

### (3) Forecasts of Consolidated Operating Results

The forecast remains unchanged.

## 2. Summary Information (Notes)

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

#### (Tax expenses)

For major consolidated subsidiaries, effective tax rates (after applying tax effect accounting) expected to be imposed on their pretax net income 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.

### (2) Changes in Accounting Policies and Estimation Methods, Corrections and Restatements

#### (Changes in accounting policies which are difficult to differentiate from changes in estimation methods)

By virtue of revisions to the Corporation Tax Law, the Company and its domestic subsidiaries depreciated tangible fixed assets acquired on and after April 1, 2012 under the new depreciation system from the current first quarter. The effect on earnings from this change was minimal.

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated Quarterly Balance Sheet

(million yen)

	Previous Year As of March 31, 2012	Current Year As of June 30, 2012
<b>Assets</b>		
Fixed assets		
Tangible fixed assets		
Production facilities	80,220	78,966
Distribution facilities	278,844	275,766
Operational facilities	69,280	68,768
Other facilities	313,655	309,315
Construction in progress	72,398	86,601
Total tangible fixed assets	814,400	819,418
Intangible fixed assets	38,107	53,785
Investments and other assets		
Investment in securities	136,838	137,207
Others	82,137	82,772
Allowance for bad debts	-2,015	-2,022
Total investments and other assets	216,960	217,957
Total fixed assets	1,069,469	1,091,161
Current assets		
Cash and deposits	107,239	56,211
Notes and trade accounts receivable	159,472	139,341
Short-term investment securities	22,909	35,910
Inventories	60,740	83,674
Others	57,347	58,188
Allowance for bad debts	-1,419	-1,361
Total current assets	406,290	371,964
Total assets	1,475,759	1,463,125

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(million yen)

	Previous Year As of March 31, 2012	Current Year As of June 30, 2012
Liabilities		
Fixed liabilities		
Bonds	258,863	258,584
Long-term loans payable	200,722	195,559
Reserve for retirement benefits	15,496	15,682
Reserve for gasholder repair	1,679	1,726
Reserve for safety actions	6,990	6,284
Allowance for investment loss	6,999	6,999
Others	27,409	26,636
Total fixed liabilities	518,160	511,474
Current liabilities		
Notes and trade accounts payable	46,978	49,420
Short-term loans payable	48,104	42,764
Others	153,611	128,450
Total current liabilities	248,694	220,634
Total liabilities	766,855	732,108
Net Worth		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surplus	19,482	19,482
Retained earnings	528,318	543,646
Treasury stock	-361	-368
Total shareholders' equity	679,605	694,927
Accumulated other comprehensive income		
Difference between market price and acquisition cost of other securities	19,710	17,144
Deferred hedge gains/losses	-494	-2,278
Land revaluation excess	-510	-510
Foreign exchange adjustment	-13,727	-3,509
Total accumulated other comprehensive income	4,978	10,846
Minority interest	24,320	25,243
Total net worth	708,904	731,017
Total liabilities and net worth	1,475,759	1,463,125

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

## Consolidated Quarterly Income Statement

(million yen)

	Previous Year (April 1, 2011 – June 30, 2011)	Current Year (April 1, 2012 – June 30, 2012)
Operating revenues	286,619	328,515
Cost of sales	185,560	215,788
Gross profit on sales	101,058	112,726
Selling, general and administrative expenses	81,528	79,620
Operating profit	19,530	33,105
Non-operating revenues		
Interest income	176	183
Dividend income	807	2,330
Gains on equity method investments	1,471	1,868
Miscellaneous income	1,320	2,155
Total non-operating revenues	3,775	6,538
Non-operating expenses		
Interest expenses	2,247	2,169
Loss on valuation of investment securities	90	758
Miscellaneous expenses	287	368
Total non-operating expenses	2,624	3,297
Ordinary profit	20,681	36,347
Income before tax adjustments	20,681	36,347
Corporate, inhabitant and business taxes	7,469	11,859
Income before minority interests	13,211	24,487
Minority interests	739	830
Net income	12,472	23,657

## Consolidated Quarterly Statement of Comprehensive Income

(million yen)

	Previous Year (April 1, 2011 – June 30, 2011)	Current Year (April 1, 2012 – June 30, 2012)
Income before minority interests	13,211	24,487
Other comprehensive income		
Difference between market price and acquisition cost of other securities	-817	-2,570
Deferred hedge gains/losses	-1,294	-2,134
Foreign exchange adjustment	3,320	8,358
Share of other comprehensive income of associates accounted for using equity method	1,918	2,967
Total other comprehensive income	3,127	6,620
Comprehensive income	16,339	31,108
Attributable to:		
Owners of the parent	14,997	29,525
Minority interests	1,341	1,582



(3) Notes Regarding Assumption of a Going Concern

Not applicable

(4) Segment Information

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
Operating revenues	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
Gains (losses) on equity method investments	-2	249	1,224	—	1,471	—	1,471
Total	10,092	4,806	1,660	3,866	20,424	577	21,002

Quarter ended June 30, 2012 (April 1, 2012 to June 30, 2012) (million yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Environment and Non-Energy	Total	Adjustments	Consolidated
Operating revenues	246,445	51,766	2,690	41,260	342,162	-13,647	328,515
Segment profit							
Operating profit	18,288	9,542	740	3,843	32,414	691	33,105
Gains (losses) on equity method investments	-12	242	1,567	70	1,868	—	1,868
Total	18,275	9,785	2,308	3,913	34,283	691	34,974

(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, 2012 to June 30, 2012)

(billion yen)

Revenues			YoY increase/ decrease	YoY increase/ decrease rate(%)	Expenses			YoY increase/ decrease	YoY increase/ decrease rate (%)
Operating revenues	Gas	202.0	+22.2	+12.4	Operating expenses	Cost of sales	122.8	+16.5	+15.6
						SG&A	65.5	-2.3	-3.5
						Total	188.4	+14.1	+8.1
Other operating revenues	House-pipe installation	4.5	+0.0	+1.8	Other operating expenses	House-pipe installation	4.6	+0.2	+5.1
	Gas appliances	24.1	+2.9	+14.0		Gas appliances	22.0	+2.8	+14.7
	Transportation services	1.7	+0.0	+1.6					
	Incidental business and others	36.7	+13.9	+60.8		Incidental business and others	29.3	+8.2	+39.1
	Total	67.2	+16.9	+33.8		Total	56.0	+11.3	+25.3
Total operating revenues		269.2	+39.1	+17.0	Total expenses		244.4	+25.4	+11.6
					Operating profit		24.8	+13.7	+123.6
Non-operating revenues		7.1	+1.6	+28.8	Non-operating expenses		1.9	+0.1	+6.3
					Ordinary profit		30.0	+15.1	+102.6
					Net income		21.2	+10.6	+100.5

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

## (2) Overview of Non-Consolidated Quarterly Gas Sales

		1Q 2012 (a) (Apr. 1, 2012 – June 30, 2012)	1Q 2011 (b) (Apr. 1, 2011 – June 30, 2011)	YoY increase/ decrease (a)-(b)	YoY increase/ decrease rate (%)
Customers <Meters installed> (thousand customers <meters>)	Residential	6,713	6,683	+29	+0.4
	Non-residential	336	332	+4	+1.2
	Total	7,049	7,015	+33	+0.5
Monthly average usage per residential customer (m <sup>3</sup> /month)		33.0	34.0	-1.0	-3.0
Gas sales volume (million m <sup>3</sup> )	Residential	577	593	-16	-2.7
	Non-residential	1,360	1,364	-3	-0.3
	Industrial	1,046	1,035	+10	+1.0
	Commercial	193	200	-7	-3.7
	Public and medical institutions	122	128	-6	-4.8
	Wholesale	111	118	-7	-5.8
Total		2,048	2,074	-26	-1.3

[Converted at 45MJ/m<sup>3</sup>]