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

October 28, 2015

Name of Listed Company : Osaka Gas Co., Ltd. Listed Exchanges: 1st 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 : November 13, 2015
Scheduled Date of Dividend Payment : November 30, 2015
Preparation of Supplementary Explanation Documents for Operating Results : Yes
Holding of an Informational Meeting for Operating Results : Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016
(April 1, 2015－ September 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	%
Six months ended September 30, 2015	641,418	-8.1	94,067	74.7	92,961	60.6	65,980	38.9
Six months ended September 30, 2014	697,611	4.1	53,833	20.2	57,879	21.3	47,506	50.1

(Note) Comprehensive income Six months ended September 30, 2015 61,474, million yen (50.8 % YoY)
Six months ended September 30, 2014 40,757 million yen (-34.4% YoY)

	Earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2015	31.71	―
Six months ended September 30, 2014	22.83	―

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth /Total assets
	millions of yen	millions of yen	%
As of September 30, 2015	1,849,983	970,338	50.8
As of March 31, 2015	1,862,201	918,869	47.7

<Reference> Net worth As of September 30, 2015 939,376 million yen As of March 31, 2015 888,496 million yen

2. Dividends

	Dividends per share				
(Record date)	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	–	5.00			
Year ending March 31, 2016 (Forecast)			–	5.00	10.00

(Note) Revision of the dividend forecast previously announced: None
Dividends for interim for year ending March 31, 2016: Ordinary dividend 4.50 yen, Commemorative dividend 0.50 yen
Dividends for 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 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
Full year	1,358,500	-11.1	138,500	31.8	130,000	20.2	87,500	14.1	42.05

(Note) Revision of the forecasts previously announced: Yes

*Notes

(1) Changes in significant subsidiaries during six months ended September 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 stock)

	: As of September 30, 2015	2,083,400,000 shares
	As of March 31, 2015	2,083,400,000 shares
(ii) Number of treasury stock at the end of each period	: As of September 30, 2015	2,657,996 shares
	As of March 31, 2015	2,532,646 shares
(iii) Average number of shares issued and outstanding in each period:	Six months ended September 30, 2015	2,080,806,331 shares
	Six months ended September 30, 2014	2,081,097,813 shares

*Statement regarding implementation of quarterly review

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 has held a results briefing for institutional investors and analysts on October 29, 2015. A video of the presentation and the presentation materials used on that day has been 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 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
Full year	1,054,500	-15.8	99,000	23.5	104,000	17.8	74,500	6.0	35.80

(Note) Revision of the forecasts previously announced: Yes

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1. Overview of Quarterly Consolidated Financial Results

(1) Consolidated Operating Results

Consolidated net sales for the six months ended September 30, 2015 decreased by ¥56.1 billion year-on-year to ¥641.4 billion, due to lower gas unit selling prices and a decrease in gas sales volume of the Gas Business. Consolidated ordinary income increased by ¥35.0 billion year-on-year to ¥92.9 billion, primarily due to an increase in profit of the 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 ¥18.4 billion year-on-year to ¥65.9 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 September 30, 2015 decreased by ¥12.2 billion compared with the fiscal year ended March 31, 2015 to ¥1,849.9 billion, primarily due to a decrease in current assets, including the amounts of notes and accounts receivable – trade, from seasonal factors. Net assets totaled ¥970.3 billion and the ratio of net worth to total assets was 50.8%.

(3) Forecasts of Consolidated Operating Results

Considering recent trend in our performance and other factors, it is expected that the annual operating results have changed from the previous forecasts. Therefore, we have revised our consolidated and non-consolidated operating forecasts as listed in the tables below. Profit on a non-consolidated basis is expected to increase compared to the previous forecasts because the magnitude of the decrease in raw material costs associated with a fall in LNG prices is expected to be large relative to the assumed increase in net sales in the Gas Business. Accordingly, consolidated ordinary income and profit attributable to owners of parent are expected to increase. Also, we have revised the assumption for the crude oil price and exchange rates as follows.

(Reference) Assumptions for the revised forecasts of operating results (October 2015– March 2016),
Crude oil price (All-Japan CIF price): US$55/bbl
Exchange rate (TTM): ¥125 to the US$

Changes from the previous forecasts announced in the Brief Report of Consolidated Financial Statement on April 27, 2015 for full-year operating results are shown in the tables below.

Revision of Forecasts for Consolidated Operating Results for the Fiscal Year Ending March 31, 2016

(April 1, 2015－ March 31, 2016)

	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
Previous Forecasts (A)	1,368,500	113,500	110,000	73,500	35.32
Revised Forecasts (B)	1,358,500	138,500	130,000	87,500	42.05
Changes (B-A)	-10,000	+25,000	+20,000	+14,000	
Changes (%)	-0.7	+22.0	+18.2	+19.0	
(Reference) Actual Results of Fiscal year ended March 31, 2015	1,528,164	105,065	108,173	76,709	36.86

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

(April 1, 2015 － March 31, 2016)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	millions of yen	millions of yen	millions of yen	millions of yen	yen
Previous Forecasts (A)	1,064,500	74,000	84,000	63,000	30.27
Revised Forecasts (B)	1,054,500	99,000	104,000	74,500	35.80
Changes (B-A)	-10,000	+25,000	+20,000	+11,500	
Changes (%)	-0.9	+33.8	+23.8	+18.3	
(Reference) Actual Results of Fiscal year ended March 31, 2015	1,251,835	80,190	88,255	70,285	33.77

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 second quarter is included were estimated based on reasonable assumptions. Tax expenses for the second quarter were then 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 Statement No. 22 of September 13, 2013), "Accounting Standard for Business Divestitures" (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 Divestitures have been applied from the beginning of this fiscal year.

As a result of these changes, capital surplus decreased by ¥119 million as of September 30, 2015.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	75,370	74,757
Distribution facilities	304,286	296,571
Service and maintenance facilities	64,206	62,989
Other facilities	295,387	295,793
Construction in progress	156,146	180,198
Total property, plant and equipment	895,398	910,310
Intangible assets		
Goodwill	21,183	19,465
Other	77,497	77,635
Total intangible assets	98,680	97,101
Investments and other assets		
Investment securities	230,958	237,269
Other	100,741	103,909
Allowance for doubtful accounts	-1,914	-1,953
Total investments and other assets	329,784	339,225
Total non-current assets	1,323,864	1,346,637
Current assets		
Cash and deposits	147,426	90,075
Notes and accounts receivable - trade	187,482	148,169
Securities	23,521	109,612
Inventories	103,420	95,196
Other	77,802	61,415
Allowance for doubtful accounts	-1,315	-1,123
Total current assets	538,337	503,346
Total assets	1,862,201	1,849,983

(millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Non-current liabilities		
Bonds payable	240,666	240,669
Long-term loans payable	309,848	305,411
Provision for gas holder repairs	1,722	1,829
Provision for safety measures	8,451	7,132
Allowance for investment loss	6,999	6,999
Provision for loss on guarantees	1,589	1,505
Provision for gas appliance warranties	2,895	3,092
Net defined benefit liability	16,484	17,147
Other	70,136	70,268
Total non-current liabilities	658,794	654,057
Current liabilities		
Notes and accounts payable - trade	54,610	53,708
Short-term loans payable	26,832	26,262
Income taxes payable	30,835	30,146
Other	172,259	115,470
Total current liabilities	284,537	225,587
Total liabilities	943,331	879,644
Net assets		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surplus	19,488	19,371
Retained earnings	648,896	704,473
Treasury shares	-938	-1,004
Total shareholders' equity	799,613	855,007
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,868	46,090
Deferred gains or losses on hedges	-6,519	-5,492
Revaluation reserve for land	-737	-737
Foreign currency translation adjustment	39,341	38,344
Remeasurements of defined benefit plans	5,929	6,163
Total accumulated other comprehensive income	88,882	84,368
Non-controlling interests	30,373	30,962
Total net assets	918,869	970,338
Total liabilities and net assets	1,862,201	1,849,983

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	697,611	641,418
Cost of sales	477,486	383,001
Gross profit	220,125	258,416
Selling, general and administrative expenses	166,291	164,348
Operating income	53,833	94,067
Non-operating income		
Interest income	378	264
Dividend income	1,979	2,155
Miscellaneous income	8,398	3,339
Total non-operating income	10,756	5,758
Non-operating expenses		
Interest expenses	4,515	5,129
Miscellaneous expenses	2,195	1,736
Total non-operating expenses	6,711	6,865
Ordinary income	57,879	92,961
Extraordinary income		
Gain on sales of investment securities	12,820	—
Total extraordinary income	12,820	—
Income before income taxes	70,699	92,961
Income taxes	21,752	26,568
Profit	48,946	66,392
Profit attributable to non-controlling interests	1,439	411
Profit attributable to owners of parent	47,506	65,980

Quarterly Consolidated Statements of Comprehensive Income

(millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	48,946	66,392
Other comprehensive income		
Valuation difference on available-for-sale securities	4,990	-4,760
Deferred gains or losses on hedges	-5,375	-1,408
Foreign currency translation adjustment	-6,890	-587
Remeasurements of defined benefit plans	118	253
Share of other comprehensive income of entities accounted for using equity method	-1,031	1,584
Total other comprehensive income	-8,189	-4,918
Comprehensive income	40,757	61,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,689	61,466
Comprehensive income attributable to non-controlling interests	1,067	7

(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)

Six months ended September 30, 2014(April 1, 2014 － September 30, 2014) (millions of yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	510,326	119,499	6,545	93,315	729,687	-32,076	697,611
Segment income							
Operating income	21,216	25,924	213	5,205	52,560	1,273	53,833
Share of profit(loss) of entities accounted for using equity method	56	-180	4,758	164	4,799	―	4,799
Total	21,273	25,743	4,971	5,370	57,359	1,273	58,633

Six months ended September 30, 2015(April 1, 2015 － September 30, 2015) (millions of yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	458,654	103,890	10,762	100,274	673,580	-32,162	641,418
Segment income							
Operating income	64,784	17,658	3,828	7,050	93,322	745	94,067
Share of profit(loss) of entities accounted for using equity method	92	-669	-160	436	-300	―	-300
Total	64,877	16,989	3,667	7,487	93,022	745	93,767

4. Reference Information

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

(billions of yen)

Earnings			YoY Changes	YoY Changes rate (%)	Expenses			YoY Changes	YoY Changes rate (%)
Product sales	Gas	368.4	-50.4	-12.0	Operating expenses	Cost of sales	182.3	-88.8	-32.8
						SG&A	130.4	-3.2	-2.5
						Total	312.7	-92.1	-22.7
Other sales	Installation work	10.3	-0.1	-1.6	Other operating expenses	Installation work	9.9	-0.1	-1.8
	Gas appliances	48.7	-0.6	-1.3		Gas appliances	45.0	-2.6	-5.5
	Transportation services and others	2.8	-0.1	-4.2					
	Incidental businesses	82.0	-8.7	-9.7		Incidental businesses	67.1	-1.6	-2.4
	Total	143.9	-9.7	-6.3		Total	122.1	-4.4	-3.5
Total net sales		512.4	-60.1	-10.5	Total expenses		434.9	-96.5	-18.2
					Operating income		77.4	+36.4	+88.7
Non-operating income		10.5	+0.2	+2.2	Non-operating income		5.1	+0	+0.8
					Ordinary income		82.8	+36.5	+79.0
Extraordinary income		―	-12.4	―	Extraordinary losses		―	―	―
					Net income		60.5	+18.1	+42.8

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

			Six months ended September 30, 2015 (a)	Six months ended September 30, 2014 (b)	YoY Changes (a)-(b)	YoY Changes rate (%)
Customers <Meters installed> (thousand)		Residential	6,868	6,815	+53	+0.8
		Non-residential	347	343	+4	+1.0
		Total	7,215	7,158	+57	+0.8
Monthly average usage per residential customer (m^3/month)			21.8	22.2	-0.4	-2.0
Gas sales volume (million m^3)	Residential		774	785	-11	-1.4
	Non-residential		2,740	2,790	-49	-1.8
		Industrial	2,017	2,060	-43	-2.1
		Commercial	434	435	-1	-0.3
		Public and medical institutions	289	295	-5	-1.8
	Wholesale		224	221	+3	+1.3
	Total		3,738	3,795	-57	-1.5

[Converted at 45MJ/m^3]