This is the English translation of the original Japanese text of the notification submitted to the Tokyo Stock Exchange (TSE) as well as to the Nagoya Stock Exchange (NSE) and is prepared for reference purposes only.
The Japanese original is the governing document of the Company and this English translation shall have no legal force.

# Independent Directors/Auditors (Audit & Supervisory Board Members) Notification

## 1. Basic Information

| | | | |
|---|---|---|---|
| Company Name | OSAKA GAS CO., LTD. | Code | 9532 |
| Date of Filing | 2016/5/26 | Date of Change | 2016/6/29 |
| Reason for Filing the Notification | Proposal for election of outside directors and Audit & Supervisory Board Members ("officers") will be submitted to the coming Annual Meeting of Shareholders. | | |
| ☑ | Those who meet the qualifications as an independent officer are all notified as independent officers. (∗1) | | |

## 2. Matters regarding Independence of Independent Officers/Outside Officers

| No. | Name | outside Directors/ outside Audit & Supervisory Board Members | Independent Officers | Attributes of the Officers(∗2・3) | | | | | | | | | | | | | Description of the Change | The Officer's Consent |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | a | b | c | d | e | f | g | h | i | j | k | l | N/A | | |
| 1 | Shunzo Morishita | outside Director | ○ | | | | | | | | | | | | | ○ | modified | Yes |
| 2 | Hideo Miyahara | outside Director | ○ | | | | | | | | | | | | | ○ | modified | Yes |
| 3 | Takayuki Sasaki | outside Director | ○ | | | | | | | | | | | | | ○ | Newly appointed | Yes |
| 4 | Yoko Kimura | outside Audit & Supervisory Board Member | ○ | | | | | | | | | | | | | ○ | modified | Yes |
| 5 | Eiji Hatta | outside Audit & Supervisory Board Member | ○ | | | | | | | | | | | | | ○ | modified | Yes |
| 6 | Shigemi Sasaki | outside Audit & Supervisory Board Member | ○ | | | | | | | | | | | | | ○ | Newly appointed | Yes |

## 3. Description regarding attributes of the Independent Officers and Reasons for Appointment

| No. | Status of Applicability (∗4) | Reasons for Appointment (∗5) |
|---|---|---|
| 1 | Not applicable | Because Mr. Shunzo Morishita satisfies the criteria for determining the independence of independent officers stipulated by the Company (see 4. Supplementary explanation), he has no cause to generate a conflict of interest with general shareholders and is notified as an independent officer. |
| 2 | Not applicable | Because Mr. Hideo Miyahara satisfies the criteria for determining the independence of independent officers stipulated by the Company (see 4. Supplementary explanation), he has no cause to generate a conflict of interest with general shareholders and is notified as an independent officer. |
| 3 | Not applicable | Because Mr. Takayuki Sasaki satisfies the criteria for determining the independence of independent officers stipulated by the Company (see 4. Supplementary explanation), he has no cause to generate a conflict of interest with general shareholders and is notified as an independent officer. |
| 4 | Not applicable | Because Ms. Yoko Kimura satisfies the criteria for determining the independence of independent officers stipulated by the Company (see 4. Supplementary explanation), she has no cause to generate a conflict of interest with general shareholders and is notified as an independent officer. |
| 5 | Not applicable | Because Mr. Eiji Hatta satisfies the criteria for determining the independence of independent officers stipulated by the Company (see 4. Supplementary explanation), he has no cause to generate a conflict of interest with general shareholders and is notified as an independent officer. |
| 6 | Not applicable | Because Mr. Shigemi Sasaki satisfies the criteria for determining the independence of independent officers stipulated by the Company (see 4. Supplementary explanation), he has no cause to generate a conflict of interest with general shareholders and is notified as an independent officer. |

## 4. Supplementary explanation

The criteria for determining the independence of independent officers stipulated by the Company are as follows.

1. The individual may not be an Executive Director, Operating Officer, Executive Officer or employee ( “business operator” ) of the Company or its affiliates (the “Company Group” ) and may not have been a business operator of the Company Group for ten years prior to being appointed.
2. The individual may not be a major vendor of the Company (∗1) or a business operator thereof, and may not have been a business operator of the same for three years prior.
3. The individual may not be a major client of the Company (∗2) or a business operator thereof, and may not have been a business operator of the same for three years prior.
4. The individual may not be a major shareholder (an individual or entity which owns 10% or more of the total voting rights of the Company, hereafter the same) or a business operator thereof.
5. The individual may not be a business operator of an entity for which the Company is a major shareholder.
6. The individual may not be receiving substantial donations (∗3) from the Company or be a business operator for an entity receiving such donations.
7. In addition to remuneration as an officer, the individual may not receive substantial remuneration (∗4) from the Company as a consultant, an accounting specialist such as a Certified Public Accountant, etc. or as a legal specialist such as an attorney, etc. (if the entity receiving the fees concerned is a corporation or a limited liability company, etc., any individual belonging to such an organization). The individual also may not be the accounting auditor of the Company Group.
8. If a business operator of the Company is an outside officer of another company, the individual may not be a business operator at the company concerned, the parent company or subsidiary of the company concerned.
9. The individual may not be a close relative (spouse or a relation in the second degree) of persons listed below:
   (1) Persons who are currently or have been a Director, Audit & Supervisory Board Member, Executive Officer or a key employee with an equivalent position ( “important executive” ) for the Company Group within the past three years.
   (2) Of the persons in 2-6 above, those who are important executives.
   (3) Of the persons listed in 7 above, those who have professional licenses such as Certified Public Accountants, attorneys, etc.
10. In addition to 1-9 above, individuals must not have issues that could cause constant and real conflicts of interest against the Company’s general shareholders.

∗1. Payment amount to vendor accounts for 2% of consolidated sales or more
∗2. Received amount from client accounts for 2% of the Company Group’s consolidated sales or more, or the loan balance outstanding is 2% of the Company Group’s consolidated gross assets or more
∗3. More than 10 million yen on average over the past three years
∗4. The larger of more than 10 million yen on average over the past three years or an amount equivalent to 2% of total sales (total revenues) of the organization to which payment is made (three-year average)

Even if the individual does not satisfy one of the criteria listed above in 1-10, if the individual otherwise qualifies as an independent officer, he/she may still become an independent officer of the Company by providing an explanation or disclosing the reasons for such qualification.

The above criteria are also described in the “Corporate Governance Report” submitted to the stock exchanges.
The Corporate Governance Report is provided at the Company’s website (http://www.osakagas.co.jp/company/ir/index.html).
” modified” in “Description of the Change” column of “2. Matters regarding Independence of Independent Officers/Outside Officers” is described because the Company stipulated the criteria for determining the independence of independent officers and it doesn’t mean a substantial change.

∗1 Check this box if all outside officers who meet the qualifications as an independent officer are notified hereunder.
∗2 Check items concerning the attributes of the officers:
a. A business operetor of the listed company or any of its subsidiaries
b. A non-executive director or an accounting advisor (if he/she is an outside Audit & Supervisory Board Members) of the listed company or any of its subsidiaries
c. A business operetor or a non-executive director of the parent company of the listed company
d. An Audit & Supervisory Board Member of the parent company of the listed company (if he/she is an outside Audit & Supervisory Board Members)
e. A business operetor of a company which is under common control with the listed company
f. A person or a business operetor of an entity for which the listed company is a major customer/supplier
g. A major customer/supplier of the listed company or a business operator thereof
h. A consultant, an accounting specialist or a legal specialist who receives substantial remuneration from the listed company in addition to remuneration as an officer
i. A major shareholder of the listed company (if the shareholder is a corporation juridical person or a business operator thereof)
j. A business operetor of a customer/supplier (that does not fall under any of f, g or h above) of the listed company (limited to the officer himself/herself)
k. A business operetor of the counterpart with which the listed company has relationships through appointing outside officer from each other (limited to the officer himself/
l. A business operetor of the body to which the listed company donates (limited to the officer himself/herself)
Please note that the description of the attributes from a. through l. above is a summarized version of the actual provisions set forth in the relevant rules of the stock exchange.
∗3 Mark the box with ○ if the officer ″currently or recently″ falls under any of the above items. Mark it with △ if he/she fell under the items in the ″past″.
Mark the box with ● if any of the officer’s close relatives ″currently or recently″ falls under any of the above items. Mark it with ▲ if such relative fell under the items
∗4 If the officer falls under any of a. through l. above, describe the attribute in detail.
∗5 Describe the reason for having appointed the officer as an independent officer.