

□. Notes

(1) Changes in significant subsidiaries during nine months ended December 31, 2012 (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

(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 December 31, 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 December 31, 2012 1,257,783 shares

As of March 31, 2012 1,146,823 shares

(iii) Average number of shares issued and outstanding in each period

: Nine months ended December 31, 2012 2,082,201,444 shares

Nine months ended December 31, 2011 2,082,340,471 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 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 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 February 1, 2013. 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.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,098,000	6.3	59,500	51.2	66,000	60.3	45,500	77.0	21.85

(Note) Modification of the forecast previously announced: None

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1. Overview of Quarterly Consolidated Financial Results

(1) Consolidated Operating Results

Consolidated net sales for the third quarter (nine months ended December 31, 2012) increased by ¥94.7 billion year-over-year to ¥963.5 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 income increased by ¥41.7 billion year-over-year to ¥67.4 billion, due primarily to an increase in profits of the gas business and the electricity business on a non-consolidated basis. Consolidated ordinary income increased by ¥44.8 billion year-over-year to ¥71.0 billion, and consolidated net income increased by ¥32.9 billion year-over-year to ¥45.8 billion.

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

(2) Consolidated Financial Position

Total assets as of December 31, 2012 increased by ¥23.0 billion compared with the year ended March 31, 2012 to ¥1,498.8 billion, due primarily to an increase in noncurrent assets. Net assets totaled ¥742.0 billion and the ratio of net worth to total assets as of December 31, 2012 was 47.8%.

(3) Forecasts of Consolidated Operating Results

The forecast remains unchanged from the revision of projections announced on October 1, 2012.

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 pre-tax net income applicable to the tax year in which the current third quarter is included were estimated based on reasonable assumptions. Then, tax expenses for the third quarter were calculated by multiplying the pre-tax net income 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 property, plant and equipment acquired on and after April 1, 2012 under the new depreciation system from the first quarter ended June 30, 2012. The effect on earnings from this change was minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(million yen)

	Previous Year As of March 31, 2012	Current Year As of December 31, 2012
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	80,220	76,783
Distribution facilities	278,844	277,012
Service and maintenance facilities	69,280	68,123
Other facilities	313,655	303,167
Construction in progress	72,398	98,827
Total property, plant and equipment	814,400	823,915
Intangible assets	38,107	53,205
Investments and other assets		
Investment securities	136,838	139,108
Other	82,137	84,180
Allowance for doubtful accounts	-2,015	-1,952
Total investments and other assets	216,960	221,337
Total noncurrent assets	1,069,469	1,098,458
Current assets		
Cash and deposits	107,239	56,427
Notes and accounts receivable-trade	159,472	160,521
Short-term investment securities	22,909	21,712
Inventories	60,740	93,909
Other	57,347	69,168
Allowance for doubtful accounts	-1,419	-1,373
Total current assets	406,290	400,367
Total assets	1,475,759	1,498,825

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(million yen)

	Previous Year As of March 31, 2012	Current Year As of December 31, 2012
Liabilities		
Noncurrent liabilities		
Bonds payable	258,863	237,896
Long-term loans payable	200,722	186,053
Provision for retirement benefits	15,496	15,936
Provision for gas holder repairs	1,679	1,644
Provision for safety measures	6,990	5,046
Allowance for investment loss	6,999	6,999
Other	27,409	32,370
Total noncurrent liabilities	518,160	485,947
Current liabilities		
Notes and accounts payable-trade	46,978	52,360
Short-term loans payable	48,104	45,729
Other	153,611	172,762
Total current liabilities	248,694	270,851
Total liabilities	766,855	756,799
Net assets		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surplus	19,482	19,482
Retained earnings	528,318	557,473
Treasury stock	-361	-398
Total shareholders' equity	679,605	708,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,710	21,863
Deferred gains or losses on hedges	-494	-2,406
Revaluation reserve for land	-510	-510
Foreign currency translation adjustment	-13,727	-11,441
Total accumulated other comprehensive income	4,978	7,505
Minority interests	24,320	25,796
Total net assets	708,904	742,026
Total liabilities and net assets	1,475,759	1,498,825

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

Quarterly Consolidated Income Statement

(million yen)

	Previous Year (April 1, 2011 – December 31, 2011)	Current Year (April 1, 2012 – December 31, 2012)
Net sales	868,716	963,515
Cost of sales	595,204	651,241
Gross profit	273,512	312,273
Selling, general and administrative expenses	247,767	244,814
Operating income	25,744	67,459
Non-operating income		
Interest income	525	476
Dividends income	1,905	3,062
Equity in earnings of affiliates	3,051	4,867
Miscellaneous income	3,694	4,801
Total non-operating income	9,176	13,208
Non-operating expenses		
Interest expenses	6,676	6,363
Miscellaneous expenses	2,078	3,262
Total non-operating expenses	8,755	9,626
Ordinary income	26,165	71,041
Income before income taxes and minority interests	26,165	71,041
Income taxes	11,735	23,375
Income before minority interests	14,430	47,665
Minority interests in income	1,518	1,852
Net income	12,911	45,813

Quarterly Consolidated Statement of Comprehensive Income

(million yen)

	Previous Year (April 1, 2011 – December 31, 2011)	Current Year (April 1, 2012 – December 31, 2012)
Income before minority interests	14,430	47,665
Other comprehensive income		
Valuation difference on available-for-sale securities	-3,113	2,151
Deferred gains or losses on hedges	-3,052	-366
Revaluation reserve for land	9	-
Foreign currency translation adjustment	-6,546	1,454
Share of other comprehensive income of associates accounted for using equity method	-2,680	-427
Total other comprehensive income	-15,382	2,812
Comprehensive income	-952	50,478
Attributable to:		
Owners of the parent	-2,119	48,340
Minority interests	1,167	2,137

(3) Notes Regarding Assumption of a Going Concern

Not applicable

(4) Segment Information

Nine months ended December 31, 2011 (April 1, 2011 to December 31, 2011) (million yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Environment and Non-Energy	Total	Adjustments	Consolidated
Net sales	650,152	128,975	7,959	130,573	917,660	-48,944	868,716
Segment income (loss)							
Operating income (loss)	-9,340	18,596	1,921	12,920	24,098	1,645	25,744
Equity in earnings of affiliates	20	152	2,820	57	3,051	—	3,051
Total	-9,319	18,748	4,741	12,978	27,149	1,645	28,795

Nine months ended December 31, 2012 (April 1, 2012 to December 31, 2012) (million yen)

	Gas	LPG, Electricity, and Other Energy	International Energy	Environment and Non-Energy	Total	Adjustments	Consolidated
Net sales	719,759	154,259	7,871	129,275	1,011,166	-47,650	963,515
Segment income							
Operating income	21,362	29,043	1,843	13,169	65,418	2,041	67,459
Equity in earnings of affiliates	24	269	4,366	207	4,867	—	4,867
Total	21,386	29,312	6,210	13,376	70,285	2,041	72,326

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

Not applicable

4. Reference Information

(1) Overview of Quarterly Non-Consolidated Financial Results (April 1, 2012 to December 31, 2012)

(billion yen)

Income			YoY increase/ decrease	YoY increase/ decrease rate(%)	Expenses			YoY increase/ decrease	YoY increase/ decrease rate (%)
Product sales	Gas	578.5	+52.1	+9.9	Operating expenses	Cost of sales	366.0	+26.3	+7.8
						SG&A	202.2	-3.4	-1.7
						Total	568.3	+22.9	+4.2
Other sales	Installation work	14.4	+0.7	+5.8	Other operating expenses	Installation work	14.7	+0.8	+5.8
	Gas appliances	75.3	+10.0	+15.3		Gas appliances	72.6	+10.1	+16.3
	Transportation services and others	5.1	+0.4	+9.0					
	Incidental businesses	103.6	+24.6	+31.2		Incidental businesses	81.0	+14.8	+22.4
	Total	198.5	+35.9	+22.1		Total	168.4	+25.8	+18.1
Total net sales		777.1	+88.0	+12.8	Total expenses		736.8	+48.7	+7.1
					Operating income		40.3	+39.3	-
Non-operating income		12.3	+3.1	+34.5	Non-operating expenses		6.0	+0.5	+9.3
					Ordinary income		46.6	+41.9	+900.7
					Net income		31.9	+29.5	-

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

		3Q 2012 (a) (Apr. 1, 2012 – Dec. 31, 2012)	3Q 2011 (b) (Apr. 1, 2011 – Dec. 31, 2011)	YoY increase/ decrease (a)-(b)	YoY increase/ decrease rate (%)
Customers <Meters installed> (thousand)	Residential	6,729	6,698	+31	+0.5
	Non-residential	338	333	+4	+1.2
	Total	7,067	7,031	+35	+0.5
Monthly average usage per residential customer (m ³ /month)		25.6	25.3	+0.3	+1.2
Gas sales volume (million m ³)	Residential	1,342	1,322	+20	+1.5
	Non-residential	4,259	4,304	-45	-1.1
	Industrial	3,146	3,167	-20	-0.6
	Commercial	663	685	-22	-3.2
	Public and medical institutions	449	452	-3	-0.7
	Wholesale	337	342	-5	-1.5
Total		5,938	5,968	-30	-0.5

[Converted at 45MJ/m³]