

Supplementary Financial Information for the 1st Quarter of the Fiscal Year ending March 2015

July 2014
Osaka Gas Co. Ltd.

1. Consolidated

		FY14.3 Results			FY15.3 Results			FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
		(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)		
Consolidated	Net Sales	339,690	670,304	1,512,581	362,151	710,000	1,605,500	710,000	1,605,500	22,460	OG+20.0, Subsidiaries+4.1, Adjustment in consolidation-1.6	0			
	Operating Expenses	311,602	625,514	1,413,199	322,805	664,000	1,506,000	664,000	1,506,000	11,203		0			
	Operating Income	28,088	44,790	99,381	39,346	46,000	99,500	46,000	99,500	11,257	OG13.2, Subsidiaries-0.3, Adjustment in solidation-1.6	0			
	Ordinary Income	30,269	47,720	106,044	42,327	48,500	100,000	48,500	100,000	12,057	OG+15.1, Subsidiaries+0.3, Adjustment in consolidation-3.4	0			
	Net Income	21,059	31,653	41,725	36,888	31,000	65,500	39,500	74,000	15,809	OG+20.1, Subsidiaries-0.3, Adjustment in consolidation-4.0	8,500	Increase in income on sales of investment securities etc.		
	Total Assets *	1,582,444	1,593,783	1,668,317	1,680,852	1,707,500	1,781,400	1,716,000	1,789,900	98,407		8,500			
	Net Worth *	774,059	798,689	798,964	830,210	804,200	824,200	812,700	832,700	56,150		8,500			
Interest-bearing Liabilities *	560,476	542,461	573,586	598,426	610,100	660,400	610,100	660,400	37,950		0				
Non-Consolidated	Net Sales	278,698	545,379	1,221,846	298,700	573,000	1,286,500	573,000	1,286,500	20,001	Gas+14.3, Miscellaneous+0.5, Incidental business+5.1	0			
	Operating Expenses	259,383	516,973	1,161,106	266,147	539,500	1,224,500	539,500	1,224,500	6,764		0			
	Operating Income	19,314	28,405	60,740	32,552	33,500	62,000	33,500	62,000	13,237	Margin of gas sales+12.0, Increase in labor costs and operating expenses and depreciation costs-1.8, Increase in margin of incidental business+3.3	0			
	Ordinary Income	23,559	32,664	69,196	38,712	39,000	67,500	39,000	67,500	15,153		0			
	Net Income	17,084	22,991	24,942	37,275	28,500	48,500	37,000	57,000	20,190	Increase in operating income and income on sales of investment securities	8,500	Increase in income on sales of investment securities etc.		
	Total Assets *	1,234,393	1,233,352	1,283,194	1,309,530	1,269,400	1,354,000	1,277,900	1,362,500	75,137		8,500			
	Net Worth *	581,404	591,417	580,029	614,213	603,400	614,100	611,900	622,600	32,808		8,500			
Interest-bearing Liabilities *	439,313	418,209	441,661	475,004	453,700	493,300	453,700	493,300	35,690		0				
Consolidated/ Non-Consolidated Ratio	Net Sales	1.22	1.23	1.24	1.21	1.24	1.25	1.24	1.25	-0.01		0.00			
	Operating Income	1.45	1.58	1.64	1.21	1.37	1.60	1.37	1.60	-0.25		0.00			
	Ordinary Income	1.28	1.46	1.53	1.09	1.24	1.48	1.24	1.48	-0.19		0.00			
	Net Income	1.23	1.38	1.67	0.99	1.09	1.35	1.07	1.30	-0.24		-0.05			

*B/S items show figures at the end of each term.

2. Number of Employees and Capital Expenditure

		FY14.3 Results			FY15.3 Results			FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
		(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)		
Consolidated	Number of Employees (*a)	20,163	20,212	21,250	21,427	21,570	21,448	21,570	21,448	1,264	New consolidation of Jacobi Carbons AB	0			
	Capital Expenditure (million yen)	29,671	57,057	124,146	26,884	47,388	128,058	47,388	128,058	-2,806	Decrease in Himeji-Okayama pipeline construction	0			
	Investment for Upgrading Existing Businesses	8,969	17,150	41,082	8,329	20,737	52,069	20,737	52,069	-639		0			
	Investment for Expansion, Greenfield, and M&A	20,723	43,190	142,853	20,126	42,000	112,000	42,000	112,000	-596	Decrease in LNG tanker construction and Himeji-Okayama pipeline construction etc	0			
Non-Consolidated	Investment (million yen) (*b)	29,692	60,341	183,936	28,456	62,737	164,069	62,737	164,069	-1,236		0			
	Number of Employees (*a)	5,988	5,959	5,861	5,991	5,959	5,881	5,959	5,881	3		0			
	Capital Expenditure (million yen)	12,115	23,153	58,697	8,571	21,756	54,091	21,756	54,091	-3,543		0			

*(a): excluding the seconded and including part-time workers

*(b): including capital expenditure

3. Non-Consolidated

		FY14.3 Results			FY15.3 Results			FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
		(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)		
Gas Sales		209,668	404,207	915,008	223,991	427,400	962,600	427,400	962,600	14,322	Fuel cost adjustment factor+18.8, Gas sales volume change etc-4.5	0			
Other Sales	Miscellaneous operating revenue	69,029	141,171	306,837	74,708	145,600	323,900	145,600	323,900	5,679		0			
	Revenue from Gas Appliance Sales	31,494	61,535	138,385	32,082	60,400	131,200	60,400	131,200	568		0			
	Revenue from Installation Work	24,905	48,623	107,112	24,884	47,800	102,400	47,800	102,400	-20		0			
	Other	4,889	9,721	24,440	5,651	9,400	22,800	9,400	22,800	761		0			
	Revenue for Incidental Businesses	1,699	3,190	6,832	1,527	3,200	6,000	3,200	6,000	-172		0			
	Net Sales	37,535	79,636	168,452	42,645	85,200	192,700	85,200	192,700	5,110		0			
Operating Expenses	Fuel Costs	278,698	545,379	1,221,846	298,700	573,000	1,286,500	573,000	1,286,500	20,001	Fuel cost adjustment factor+4.2, Gas sales volume change etc-1.9	0			
	Sum of Labor Costs, Operating Expenses, and Depreciation Costs	133,196	260,880	597,772	135,509	276,400	627,600	276,400	627,600	2,313		0			
	Other Expenses	67,829	137,113	297,796	69,680	144,300	308,200	144,300	308,200	1,850		0			
	Miscellaneous Operating Expenses	58,357	118,979	265,537	60,958	118,800	288,700	118,800	288,700	2,600		0			
	Expenses of Gas Appliance Sales	27,781	56,209	127,878	28,641	54,800	123,200	54,800	123,200	859		0			
	Expenses of Installation Work	22,905	46,421	104,249	23,256	45,400	100,900	45,400	100,900	351		0			
	Expenses for Incidental Businesses	4,876	9,787	23,628	5,384	9,400	22,300	9,400	22,300	508		0			
	Operating Income	30,576	62,769	137,659	32,316	64,000	165,500	64,000	165,500	1,740		0			
	Non-Operating Profit or Loss	259,383	516,973	1,161,106	266,147	539,500	1,224,500	539,500	1,224,500	6,764		0			
	Non-Operating Expenses	19,314	28,405	60,740	32,552	33,500	62,000	33,500	62,000	13,237		0			
Ordinary Income	4,245	4,258	8,456	6,160	5,500	5,500	5,500	5,500	1,915	Increase in dividends income	0				
Extraordinary Income	6,218	7,993	16,131	8,244	9,500	14,200	9,500	14,200	2,025		0				
Income Taxes (Current and Deferred)	1,973	3,735	7,675	2,083	4,000	8,700	4,000	8,700	110		0				
Net Income	23,559	32,664	69,196	38,712	39,000	67,500	39,000	67,500	15,153		0				
Income Taxes (Current and Deferred)	0	0	-21,851	12,444	0	0	12,500	12,500	12,444	Increase in income on sales of investment securities	12,500	Increase in income on sales of investment securities etc.			
Net Income	6,475	9,672	22,403	13,881	10,500	19,000	14,500	23,000	7,406		4,000				
Net Income	17,084	22,991	24,942	37,275	28,500	48,500	37,000	57,000	20,190		8,500				

4. Breakdown of Gross Margin

(million yen)

	FY14.3 Results			FY15.3 Results	FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)
Gross Margin of Gas Sales	76,472	143,326	317,236	88,482	151,000	335,000	151,000	335,000	12,009	Fuel cost adjustment factor+14.6, Gas sales volume change etc-2.5	0	
Gross Margin of Gas Appliance Sales	1,999	2,201	2,863	1,627	2,400	1,500	2,400	1,500	-372		0	
Gross Margin of Installation Work	13	-66	811	266	0	500	0	500	253		0	
Other	1,699	3,190	6,832	1,527	3,200	6,000	3,200	6,000	-172		0	
Gross Margin of Miscellaneous Operating	3,712	5,326	10,507	3,421	5,600	8,000	5,600	8,000	-291		0	
Gross Margin of Incidental Businesses	6,958	16,866	30,792	10,329	21,200	27,200	21,200	27,200	3,370	Mainly increase in gross margin of electric power supply	0	
Subtotal	10,671	22,192	41,300	13,750	26,800	35,200	26,800	35,200	3,078		0	
Profit/ Loss on Fuel Cost Adjustment System	-12,112	-9,625	-20,555	2,496	1,220	4,729	1,220	4,729	14,608		0	
Crude Oil Price (\$/bbl)	107.8	107.7	110.0	109.5	110.0	110.0	109.8	109.9	1.8		-0.1	Assumption from July : 110.0 \$/bbl
Exchange Rate (yen/\$)	98.8	98.9	100.2	102.2	105.0	105.0	103.6	104.3	3.4		-0.7	Assumption from July : 105.0 yen/\$

5. Gas and Electric Power Sales Volume

	FY14.3 Results			FY15.3 Results	FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)
Averaged Temperature (°C)	19.5	23.7	17.1	19.5	23.5	16.9	23.5	16.9	0.0		0.0	
Gas Sales per Household (m ³ /month)	31.0	22.5	31.3	30.0	22.6	31.4	22.6	31.4	-1.0		0	
Residential	545	789	2,198	530	797	2,215	797	2,215	-15	-2.8%	0	
Non-Residential	1,340	2,906	5,856	1,316	2,859	5,758	2,859	5,758	-24	-1.8%	0	
Commercial	187	458	890	182	438	848	438	848	-5	-2.5%	0	
Public and Medical	124	316	638	117	301	614	301	614	-7	-5.4%	0	
Industrial	1,030	2,132	4,329	1,017	2,120	4,296	2,120	4,296	-12	-1.2%	0	
Wholesale	107	220	469	110	224	479	224	479	2	2.2%	0	
Total Gas Sales Volume (million m ³) *45MJ/m ³	1,992	3,916	8,524	1,955	3,880	8,452	3,880	8,452	-37	-1.8%	0	
Sales in Non-Regulated Area	1,160	2,485	4,988	1,140	2,455	4,929	2,455	4,929	-21	-1.8%	0	
Number of Meters Installed (thousand)	7,092	7,101	7,136	7,145	7,139	7,162	7,139	7,162	53		0	
Installation of New Meters (thousand)	19	40	102	24	39	99	39	99	5		0	

(Reference) Consolidated Gas Sales Volume

	FY14.3 Results			FY15.3 Results	FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)
Osaka Gas	1,992	3,916	8,524	1,955	3,880	8,452	3,880	8,452	-37		0	
Nabari Kintetsu Gas	6.9	11.7	22.0	7.0	11.8	21.9	11.8	21.9	0.1		0	
Toyooka Energy	2.4	4.0	7.3	2.7	4.3	7.8	4.3	7.8	0.2		0	
Shingu Gas	0.4	0.7	1.2	0.4	0.7	1.2	0.7	1.2	0.0		0	
Total Gas Sales Volume (million m ³) *45MJ/m ³	2,002	3,932	8,554	1,966	3,896	8,483	3,896	8,483	-36		0	

(Reference) Consolidated Electric Power Sales Volume

	FY14.3 Results			FY15.3 Results	FY15.3 Forecast (Initial)		FY15.3 Forecast (Revised)		14.3 1Q→15.3 1Q (A→B)		15.3 Full Year Forecast Initial → Revised (C→D)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	(C) Full Year	2Q	(D) Full Year	Changes	Remarks (billion yen)	Changes	Remarks (billion yen)
Electric Power Sales Volume (GWh)	-	-	8,432	-	-	8,420	-	8,420	-		0	

<Disclaimer>

Certain statements contained herein are forward-looking statements, strategies and plans, which reflect our judgment based on information available to date. Actual results may differ materially from those discussed in such statements. Among the factors that could cause actual results to differ materially are: economic trends in Japan, sharp fluctuations in exchange rate and oil prices, and extraordinary weather conditions.

Segment and Subsidiaries Information for the 1st Quarter of the Fiscal Year ending March 2015

(million yen)

(million yen)

FY14.3 end: Number of consolidated subsidiaries: 150, Affiliates Recorded by Equity 12 FY15.3 1Q end: Number of consolidated subsidiaries: 148, Affiliates Recorded by Equity 12	Net Sales								Segment Income (Operating Income + Equity in Earnings of Affiliates)							
	FY14.3 Results				FY15.3 Results		FY15.3 Forecast		FY14.3 Results				FY15.3 Results		FY15.3 Forecast	
	(A) 1Q <Former>	(B) 1Q <New>	2Q	Full Year	(C) 1Q	Full Year	Changes	Remarks	(A) 1Q <Former>	(B) 1Q <New>	2Q	Full Year	(C) 1Q	Full Year	Changes	Remarks
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	5	5	46	-2,016	1	9	▲4		
Gas	255,184	255,184	496,736	1,119,526	269,794	1,148,500	+14,609		13,447	13,447	14,301	32,077	23,184	38,000	+9,736	
Osaka Gas	241,163	241,163	465,742	1,053,394	256,054	1,094,000	+14,890	Increase in sales unit price due to higher LNG price.	12,355	12,355	11,539	29,947	22,223	35,000	+9,867	
Osaka Gas Customer Relations	3,174	3,174	6,374	12,733	3,163	12,699	▲10		74	74	175	135	59	201	▲15	
Osaka Gas Housing & Equipment	3,397	3,397	7,467	17,847	3,029	16,144	▲368	Decrease in sales of kitchen and bath	34	34	196	669	-4	390	▲39	
Kansai Business Information	1,770	1,770	3,815	8,852	1,752	7,901	▲18		44	44	304	545	54	338	+9	
Creative Techno Solution	5,845	5,845	14,048	26,126	5,855	23,799	+10		451	451	1,216	1,444	351	1,017	▲99	
Osaka Gas Security Service	2,325	2,325	4,645	9,445	2,280	9,056	▲64		-15	-15	75	342	-5	44	+10	
Kinpai	2,234	2,234	5,663	15,473	2,067	15,683	▲166		-28	-28	80	158	-57	205	▲28	
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	6	6	164	770	-108	345	▲115		
LPG, Electricity, and Other Energies	53,101	53,742	113,404	257,970	56,509	296,500	+2,766		9,463	9,724	21,658	43,890	12,285	40,500	+2,560	
Osaka Gas	37,535	37,535	79,636	168,452	42,045	193,000	+5,110	Mainly increase in sales of electric power supply.	6,958	6,958	16,866	30,792	10,329	27,500	+3,370	
Liquid Gas	2,900	2,900	6,378	13,596	3,249	13,620	+249	Increase in sales of cryogenic heat	141	141	444	1,096	283	1,084	+142	
Osaka Gas LPG	3,917	3,917	7,145	17,073	4,012	17,707	+94		326	326	419	666	314	735	▲11	
Nissho Petroleum Gas	3,800	3,800	7,517	19,554	4,264	19,689	+463	Increase in LPG sales for OG, and in sales volume of LNG	23	23	14	134	10	46	▲13	
Nissho Propane Sekiyu	3,728	3,728	6,128	21,553	3,248	25,395	▲479	Decrease in sales volume of Kerosene	9	9	11	151	-19	216	▲29	
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	1,140	1,199	3,593	8,551	2,424	5,554	+1,224		
International Energy Businesses	2,905	2,928	6,039	13,332	3,418	16,500	+489		1,443	1,497	3,007	7,777	3,215	8,000	+1,717	
Osaka Gas Energy America Corporation	1,376	1,376	2,949	6,525	1,882	5,849	+485	Increase in IPP operation	548	548	1,218	2,927	941	1,576	+392	
Osaka Gas Resources America Corporation	136	136	322	950	171	638	+34		-352	-352	-1,907	-3,808	-100	-878	+252	
Osaka Gas International Transport	374	374	748	1,864	278	3,151	▲96		153	153	312	610	76	-306	▲76	
Idemitsu Snorre Oil Development *1	—	—	—	—	—	—	—		470	470	1,847	4,779	1,452	4,005	+982	
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	59	—	—	133	65	90	+85		
Life and Business Solution *2	43,022	42,356	88,060	199,677	46,418	221,000	+4,061		4,314	3,999	8,648	20,809	2,398	17,000	▲1,601	
Real Estate	4,069	4,069	9,470	29,138	6,473	27,930	+2,404	Increase in condominium apartment sales	1,572	1,572	3,267	7,063	1,969	6,622	+396	
Information Technology	6,197	6,197	12,791	29,802	5,812	30,779	▲385	Decrease in system development for the OG group	237	237	516	2,598	-279	2,820	▲517	
Sakura Information Systems	4,658	4,658	9,316	18,776	4,583	19,707	▲64		7	7	40	482	-49	850	▲56	
Ube Information Systems	1,238	1,238	2,459	5,555	1,208	5,800	▲29		0	0	27	211	-29	160	▲30	
Advanced Materials	3,883	3,883	7,601	14,584	3,484	15,713	▲418	Decrease in sales of fine materials	193	193	357	-599	84	-133	▲108	
Japan EnviroChemicals	3,755	3,755	7,838	15,572	3,584	16,510	▲161	Decrease in sales of activated carbon materials	362	362	568	1,138	381	1,376	+18	
Jacobi Carbons AB	—	—	—	—	4,749	21,592	+4,749	New consolidation	—	—	—	—	601	3,692	+601	
Other	3,547	3,547	7,242	14,566	3,581	14,616	+34		448	448	1,026	2,108	395	1,789	▲52	
Osaka Gas Finance	2,440	2,440	4,823	9,918	2,609	9,602	+169		457	457	785	1,460	523	1,245	+65	
Osaka Gas Engineering	1,888	1,888	3,701	12,946	783	10,636	▲1,194	Back action to the Solar power works in previous year	131	131	175	701	-81	326	▲192	
Osaka Gas Autoservice	1,811	1,811	3,697	7,339	1,800	7,354	▲10		124	124	280	460	118	476	▲5	
Osaka Gas Research Institute of Behavior Observation *3	1,369	1,369	2,845	6,086	1,001	6,497	▲367	Sales of free paper business etc.	-103	-103	-77	85	-104	117	▲1	
Osaka Gas Business Create	2,066	2,066	4,323	9,262	2,013	8,819	▲52		203	203	450	852	157	702	▲45	
Osaka Gas Excellent Agency	910	910	1,807	3,616	865	3,805	▲45		17	17	41	62	-3	63	▲21	
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	1,212	1,212	4,160	7,917	2,402	6,000	+1,189		
Subtotal	354,213	354,213	704,241	1,590,508	376,141	1,682,500	+21,927		28,668	28,668	47,616	104,555	41,083	103,500	+12,414	
Elimination and Consolidation	-14,522	-14,522	-33,937	-77,926	-13,989	-77,000	+533		631	631	1,334	2,744	664	2,000	+32	
Total	339,690	339,690	670,304	1,512,581	362,151	1,605,500	+22,460		29,300	29,300	48,950	107,299	41,748	105,500	+12,447	

*1 affiliated company recorded by equity

*2 <As to the dealing segmentation of renewable energy business>
Renewable energy business has been changed to [LPG, Electricity, and Other Energies] or [International Energy Businesses] from FY15.3 as the description of business.

<As to change of segment name>
[Environment and Non-Energy Businesses] has been changed to [Life and Business solution] from FY15.3.
FY14.3 Results : (A) means the results in former basis, (B) means in new basis

*3 Old company name was "L-net" before June 2, 2014