

Supplementary Financial Information for the 1st Quarter of the Fiscal Year ending March 2016

July 2015
Osaka Gas Co. Ltd.

1. Consolidated

(million yen)

		FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
		(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks (billion yen)
Consolidated	Net Sales	362,151	697,611	1,528,164	341,532	640,000	1,368,500	-20,619	OG-17.7, Subsidiaries+1.9, Adjustment in consolidation-4.8
	Operating Expenses	322,805	643,777	1,423,099	269,137	556,500	1,255,000	-53,668	
	Operating Income	39,346	53,833	105,065	72,394	83,500	113,500	33,048	OG+32.9, Subsidiaries-0.8, Adjustment in solidation+0.9
	Ordinary Income	42,327	57,879	108,173	74,103	85,000	110,000	31,775	OG+32.3, Subsidiaries-0.6, Adjustment in consolidation+0.1
	Net Income	36,868	47,506	76,709	52,130	59,000	73,500	15,261	OG+14.8, Subsidiaries+1.3, Adjustment in consolidation-0.8
	Total Assets *	1,680,852	1,677,584	1,862,201	1,834,048	1,775,500	1,866,500	153,196	
	Net Worth *	830,210	832,859	888,496	922,790	884,500	916,700	92,579	
	Interest-bearing Liabilities *	598,426	568,332	633,923	591,500	585,500	643,100	-6,926	
Non-Consolidated	Net Sales	298,700	572,607	1,251,835	280,957	514,500	1,064,500	-17,742	Gas-11.9, Miscellaneous-1.4, Incidental business-4.3
	Operating Expenses	266,147	531,567	1,171,644	215,452	445,000	990,500	-50,695	
	Operating Income	32,552	41,039	80,190	65,504	69,500	74,000	32,952	Margin of gas sales+34.2, decrease in labor costs and operating expenses and depreciation costs+0.6, Margin of miscellaneous+1.1, Margin of incidental business-3.0
	Ordinary Income	38,712	46,282	88,255	71,022	80,000	84,000	32,309	
	Net Income	37,275	42,445	70,285	52,090	60,000	63,000	14,815	
	Total Assets *	1,309,530	1,303,848	1,411,266	1,389,503	1,373,900	1,444,400	79,973	
	Net Worth *	614,213	616,475	637,389	682,590	677,700	670,500	68,377	
	Interest-bearing Liabilities *	475,004	443,672	498,422	456,629	453,700	513,300	-18,375	
Consolidated/ Non-Consolidated Ratio	Net Sales	1.21	1.22	1.22	1.22	1.24	1.29	0.00	
	Operating Income	1.21	1.31	1.31	1.11	1.20	1.53	-0.10	
	Ordinary Income	1.09	1.25	1.23	1.04	1.06	1.31	-0.05	
	Net Income	0.99	1.12	1.09	1.00	0.98	1.17	0.01	

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

2. Number of Employees and Capital Expenditure

(million yen)

		FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
		(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks (billion yen)
Consolidated	Number of Employees (*a)	21,427	21,395	20,982	21,634	21,442	21,901	207	New consolidation of Mizusawa Industrial Chemicals
	Capital Expenditure (million yen)	26,864	55,871	119,398	21,966	62,162	125,319	-4,898	Decrease in Upstream business in Papua New Guinea etc Increase in LNG tank construction etc
	Investment for Upgrading Existing Businesses	8,329	18,473	44,698	10,909	24,921	54,004	2,579	Increase in LNG tank construction etc
	Investment for Expansion, Greenfield, and M&A	20,126	39,090	92,476	24,638	70,000	148,000	4,511	Participation in a construction phase US IPP Project (St. Charles Power Project), acquisition of Mizusawa Industrial Chemicals, etc. Decreased upstream investment in Papua New Guinea, etc.
	Investment (million yen) *(b)	28,456	57,563	137,175	35,547	94,921	202,004	7,091	
Non-Consolidated	Number of Employees (*a)	5,991	5,956	5,866	5,972	5,869	5,872	-19	
	Capital Expenditure (million yen)	8,571	18,928	46,552	11,462	26,174	56,690	2,890	

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

*(b): including capital expenditure

3. Non-Consolidated

July 2015
Osaka Gas Co, Ltd.

(million yen)

		FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
		(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks (billion yen)
Gas Sales		223,991	418,930	938,991	212,066	372,800	784,500	-11,924	Fuel cost adjustment factor-18.4, Gas sales volume change -5.5, Others+12.0
Other Sales		74,708	153,676	312,843	68,890	141,700	280,000	-5,817	
	Miscellaneous operating revenue	32,062	62,829	135,531	30,605	62,100	129,800	-1,457	
	Revenue from Gas Appliance Sales	24,884	49,382	105,002	23,844	49,400	100,700	-1,039	Decrease in Gas appliance sales volume etc
	Revenue from Installation Work	5,651	10,473	24,321	5,280	9,800	23,400	-371	
	Other	1,527	2,972	6,207	1,480	2,900	5,700	-46	
	Revenue for Incidental Businesses	42,645	90,846	177,312	38,285	79,600	150,200	-4,360	Mainly decrease in Electric Supply Business
Net Sales		298,700	572,607	1,251,835	280,957	514,500	1,064,500	-17,742	
	Fuel Costs	135,509	263,496	595,786	89,348	180,300	430,500	-46,160	Fuel cost adjustment factor-57.5, Gas sales volume change -3.4 Others+14.7
	Sum of Labor Costs, Operating Expenses, and Depreciation Costs	69,680	141,406	302,395	68,990	142,600	305,500	-690	
	Other Expenses	60,958	126,664	273,462	57,113	122,100	254,500	-3,844	
	Miscellaneous Operating Expenses	28,641	57,834	129,687	26,074	55,800	120,100	-2,566	
	Expenses of Gas Appliance Sales	23,256	47,666	106,527	20,976	46,100	97,300	-2,280	Decrease due to reduced gas appliance sales and efficiency measures, etc.
	Expenses of Installation Work	5,384	10,168	23,160	5,098	9,700	22,800	-286	
	Expenses for Incidental Businesses	32,316	68,830	143,774	31,039	66,300	134,400	-1,277	
Operating Expenses		266,147	531,567	1,171,644	215,452	445,000	990,500	-50,695	
Operating Income		32,552	41,039	80,190	65,504	69,500	74,000	32,952	
Non-Operating Profit or Loss		6,160	5,242	8,064	5,518	10,500	10,000	-642	
	Non-Operating Income	8,244	10,352	20,528	8,030	15,000	19,700	-214	
	Non-Operating Expenses	2,083	5,109	12,463	2,511	4,500	9,700	428	
Ordinary Income		38,712	46,282	88,255	71,022	80,000	84,000	32,309	
Extraordinary Income		12,444	12,444	10,377	0	0	0	-12,444	Back action to income on sales of investment securities in previous year
Income Taxes (Current and Deferred)		13,881	16,281	28,347	18,932	20,000	21,000	5,050	
Net Income		37,275	42,445	70,285	52,090	60,000	63,000	14,815	

4. Breakdown of Gross Margin

July 2015
Osaka Gas Co, Ltd.

(million yen)

	FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks (billion yen)
Gross Margin of Gas Sales	88,482	155,434	343,205	122,717	192,500	354,000	34,235	Fuel cost adjustment factor+39.0, Gas sales volume change etc-4.8
Gross Margin of Gas Appliance Sales	1,627	1,716	-1,525	2,867	3,300	3,400	1,240	
Gross Margin of Installation Work	266	305	1,161	181	100	600	-85	
Other	1,527	2,972	6,207	1,480	2,900	5,700	-46	
Gross Margin of Miscellaneous Operating	3,421	4,994	5,843	4,530	6,300	9,700	1,109	
Gross Margin of Incidental Businesses	10,329	22,016	33,537	7,246	13,300	15,800	-3,082	Decrease in Electric Supply Business
Subtotal	13,750	27,011	39,380	11,777	19,600	25,500	-1,973	
Profit/ Loss on Fuel Cost Adjustment System	2,496	7,134	12,362	41,538	53,099	40,000	39,041	
Crude Oil Price (\$/bbl)	109.5	109.5	90.4	59.5	60.0	65.0	-50.0	
Exchange Rate (yen/\$)	102.2	103.0	109.8	121.4	120.0	120.0	19.3	

5. Gas and Electric Power Sales Volume

	FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks
Averaged Temperature (°C)	19.5	23.0	16.8	20.1	23.4	17.0	0.6	
Gas Sales per Household (m ³ /month)	30.0	22.2	30.9	28.9	22.2	31.1	-1.1	
Residential	530	785	2,186	512	786	2,202	-17	-3.2%
Non-Residential	1,316	2,790	5,599	1,280	2,849	5,727	-37	-2.8%
Commercial	182	435	857	185	435	845	3	1.7%
Public and Medical	117	295	608	117	296	601	0	-0.4%
Industrial	1,017	2,060	4,133	978	2,119	4,280	-39	-3.9%
Wholesale	110	221	474	110	242	498	1	0.7%
Total Gas Sales Volume (million m ³) *45MJ/m ³	1,955	3,795	8,259	1,902	3,877	8,427	-53	-2.7%
Sales in Non-Regulated Area	1,140	2,384	4,755	1,098	2,441	4,890	-41	-3.6%
Number of Meters Installed (thousand)	7,145	7,158	7,196	7,203	7,194	7,217	58	
Installation of New Meters (thousand)	24	45	107	24	40	101	0	

(Reference) Consolidated Gas Sales Volume

	FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks
Osaka Gas	1,955	3,795	8,259	1,902	3,877	8,427	-53	
Nabari Kintetsu Gas	7.0	12.0	22.5	7.3	12.9	23.8	0.3	
Toyooka Energy	2.7	4.3	7.6	2.7	4.4	7.8	0.0	
Shingu Gas	0.4	0.7	1.2	0.4	0.7	1.2	0.0	
Total Gas Sales Volume (million m ³) *45MJ/m ³	1,966	3,812	8,290	1,913	3,895	8,459	-53	-2.7%

(Reference) Consolidated Electric Power Sales Volume

	FY15.3 Results			FY16.3 Results	FY16.3 Forecast		15.3 1Q→16.3 1Q (A→B)	
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks
Electric Power Sales Volume (GWh)	—	—	8,364	—	—	8,242	—	

<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 2016

(million yen)

(million yen)

	Net Sales							Segment Income (Operating Income + Equity in Earnings of Affiliates)										
	FY15.3 Results			FY16.3 Results	FY16.3 Forecast			Changes	15.3 1Q→16.3 1Q (A→B)	FY15.3 Results			FY16.3 Results	FY16.3 Forecast			Changes	15.3 1Q→16.3 1Q (A→B)
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	(A) 1Q			2Q	Full Year	(B) 1Q	2Q	Full Year				
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	1	56	-248	-2	59	—	—	—	▲3	—	
Gas	269,794	510,326	1,136,975	255,957	462,500	974,000	▲13,837	23,184	21,273	50,293	59,196	58,000	61,000	▲3,012	—	—		
Osaka Gas	256,054	481,760	1,074,523	242,871	434,900	914,300	▲13,382	22,223	19,022	46,653	58,258	58,232	58,200	+36,034	Increase in gross margin of gas sales due to fuel cost adjustment system etc.	—		
Osaka Gas Customer Relations	3,163	6,341	12,661	3,100	6,208	12,433	▲63	59	190	255	143	74	98	+84	—	—		
Osaka Gas Housing & Equipment	3,023	6,455	14,953	3,077	7,145	17,800	+48	-4	-7	264	-50	18	420	▲46	—	—		
Kansai Business Information	1,752	3,862	9,111	1,582	3,187	7,075	▲189	54	267	471	21	30	92	▲33	—	—		
OGCTS #1	5,855	12,115	24,949	5,449	11,782	23,352	▲406	351	979	1,353	364	798	980	+12	—	—		
Osaka Gas Security Service	2,260	4,520	9,071	2,160	4,323	8,719	▲100	-5	114	242	24	-70	20	+29	—	—		
Kinpai	2,067	5,715	15,309	2,006	5,510	15,377	▲61	-57	11	374	-26	-25	135	+31	—	—		
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	-108	-180	-570	-280	505	684	▲171	—	—		
LPG, Electricity, and Other Energies	56,509	119,499	243,746	48,267	102,500	213,000	▲8,242	12,285	25,743	41,697	8,185	16,500	25,500	▲4,100	—	—		
Osaka Gas	42,645	90,846	177,312	38,295	79,800	150,200	▲4,360	10,329	22,016	33,537	7,248	13,267	15,800	▲3,082	Decrease in Electric Supply Business	—		
Liquid Gas	3,249	6,776	13,223	2,874	5,874	11,504	▲575	283	710	1,309	257	561	1,214	▲26	—	—		
Osaka Gas LPG	4,012	7,220	15,644	3,457	6,235	15,195	▲555	314	329	742	326	328	767	+11	—	—		
Nissho Petroleum Gas	4,264	8,222	18,536	3,512	7,721	17,171	▲751	10	23	192	1	13	65	▲9	—	—		
Nissho Propane Sekiyu	3,248	5,536	16,432	2,389	5,393	21,052	▲859	-19	-15	108	-43	-19	190	▲23	—	—		
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	2,424	4,758	7,511	216	1,565	2,999	▲2,208	Impact of accounting in Freeport project	—		
International Energy Businesses	3,418	6,545	13,714	4,433	9,500	21,500	+1,015	3,215	4,971	1,261	1,242	3,500	8,500	▲1,973	—	—		
Osaka Gas USA Corporation #2	96	104	912	2,118	5,821	12,132	+2,020	-11	-111	-7,512	752	2,466	5,906	+764	—	—		
Osaka Gas Energy America Corporation	1,862	3,483	5,189	—	—	—	▲1,862	941	1,644	2,303	—	—	—	▲941	Due to integration	—		
Osaka Gas Resources America Corporation	171	271	356	—	—	—	▲171	-100	-248	-454	—	—	—	+100	—	—		
Osaka Gas International Transport	278	663	3,164	1,303	2,212	5,043	+1,025	76	-943	-373	308	285	849	+231	Influenced by operation of an LNG tanker (No. 7 in the fleet)	—		
Idemitsu Snorre Oil Development (Affiliated company recorded by equity)	—	—	—	—	—	—	—	1,452	3,108	3,815	1,295	1,296	2,707	▲157	Due to lower petroleum price	—		
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	85	164	297	258	168	317	+173	—	—		
Life and Business Solution	46,418	93,315	207,521	47,769	101,000	229,500	+1,351	2,398	5,370	16,581	3,381	7,000	20,500	+983	—	—		
Real Estate	6,473	10,893	28,389	4,084	8,583	23,683	▲2,388	1,969	3,500	6,700	1,557	2,797	5,939	▲411	Decrease in condominium apartment sales	—		
Osaka Gas Information System Research Institute	5,812	12,591	30,761	7,070	14,718	33,743	+1,258	-279	134	2,845	411	642	3,103	+690	Increase in system development	—		
Sakura Information Systems	4,593	9,244	18,989	4,822	9,529	19,560	+29	-49	54	422	24	120	637	+73	—	—		
Ube Information Systems	1,208	2,571	6,023	1,313	2,798	5,880	+104	-29	-1	137	-59	35	170	▲29	—	—		
Osaka Gas Chemicals	3,464	6,502	12,659	6,651	14,497	31,716	+3,186	84	58	-160	42	512	1,894	▲42	—	—		
Japan EnviroChemicals #3	3,594	7,455	15,229	—	—	—	▲3,594	381	620	1,218	—	—	—	▲381	Due to integration	—		
Jacobi Carbons AB	4,749	9,987	21,614	5,819	12,898	27,574	+1,070	601	1,250	2,846	548	1,588	3,964	▲53	—	—		
OG Sports	3,581	7,225	14,504	3,646	7,576	15,346	+65	395	807	1,676	337	808	1,881	▲57	—	—		
Osaka Gas Finance	2,609	5,075	10,091	2,548	4,826	9,898	▲61	523	867	1,552	459	687	1,480	▲83	—	—		
Osaka Gas Engineering	793	2,939	9,554	804	3,232	12,833	+10	-61	-11	644	-58	-206	370	+3	—	—		
Osaka Gas Autoservice	1,800	3,569	7,250	1,974	3,758	7,540	+174	118	248	496	47	177	339	▲71	—	—		
Osaka Gas Research Institute of Behavior Observation #4	1,001	1,373	2,238	299	226	226	▲702	-104	-42	35	-68	-69	-69	+36	—	—		
Osaka Gas Business Create	2,013	4,034	8,574	1,995	4,339	9,904	▲28	157	346	685	130	293	738	▲27	—	—		
Osaka Gas Excellent Agency	865	1,726	3,482	840	1,846	3,899	▲24	-3	—	17	-5	22	72	▲1	—	—		
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	2,402	4,799	6,990	192	2,300	4,000	▲2,209	—	—		
Subtotal	376,141	729,687	1,601,957	356,428	675,500	1,438,000	▲19,713	41,083	57,359	109,834	72,005	85,000	115,500	+30,922	—	—		
Elimination and Consolidation	-13,989	-32,076	-73,793	-14,896	-35,500	-69,500	▲907	664	1,273	2,221	581	800	2,000	▲83	—	—		
Total	362,151	697,611	1,528,164	341,532	640,000	1,368,500	▲20,619	41,748	58,633	112,055	72,586	85,800	117,500	+30,838	—	—		

*1 The company name has been changed to "OGCTS" since January 1st, 2015.

*2 Osaka Gas Energy America Corporation, Osaka Gas Freedom Energy Corporation, Osaka Gas Resources America Corporation had been combined by August 31, 2014.

*3 Japan EnviroChemicals has been merged into Osaka Gas Chemicals effective April 1, 2015.

*4 Osaka Gas Information System Research Institute merged with Osaka Gas Research Institute of Behavior Observation on July 1, 2015