

Osaka Gas in brief 2018

Business Plans

Business Plan for FY2019.3 of Daigas Group

March 8, 2018
Osaka Gas Co., Ltd.

1. Priority issues in FY2019.3

In FY2019.3, we will adopt “Daigas Group” as our new group brand, and work unitedly as a group to enhance the value of society and our customers. While responding to the changes in the environment that have occurred since the deregulation of the electricity and gas retail markets, we will embody activities that go beyond our existing boundaries as we enter the second year of the Medium-term Management Plan 2020 announced in March 2017.

We will work continuously to increase the number of customer accounts by offering proposals incorporating various value-added services, in addition to expanding the electricity retail business and supplying natural gas, LPG and other sources of energy. Additionally, in the Tokyo metropolitan area, we will supply comfortable and convenient lifestyles to households, and economically and environmentally advantageous business solutions to corporations through CD Energy Direct Co., Ltd., a company established jointly with Chubu Electric Power Co., Inc.

2. Financial Plan

In FY2019.3, we forecast consolidated net sales of 1,360 billion yen, operating income of 74 billion yen, ordinary income of 70 billion yen and profit of 46.5 billion yen.

	Consolidated			Non-consolidated		
	FY 2018.3 plan* (billion yen)	FY 2019.3 plan (billion yen)	Rate of change (%)	FY 2018.3 Plan* (billion yen)	FY 2019.3 Plan (billion yen)	Rate of change (%)
Net sales	1,344.5	1,360.0	+1.2	1,053.5	1,090.0	+3.5
Operating income	66.5	74.0	+11.3	28.0	37.5	+33.9
Ordinary income	64.0	70.0	+9.4	35.0	46.5	+32.9
Profit	42.5	46.5	+9.4	27.0	36.0	+33.3
EBITDA	157.0	160.5	+2.2	---	---	---
SVA	17.5	21.8	---	33.1	8.4	---
ROA	2.3%	2.4%	---	---	---	---
ROE	4.5%	4.6%	---	---	---	---

* Maintaining our forecasts unchanged from the April 2017 plan
< FY 2019.3 earnings plans are based on following assumptions.>
- Crude oil price (all-Japan CIF price): 65 dollars per barrel
- Exchange rate: 110 yen per dollar

3. Gas Sales Volume and Electricity Sales Volume Plan

In FY2019.3, we forecast non-consolidated gas sales volume of 7,690 million m³ (a decrease of 5.3% compared with FY2018.3 (plan)) and consolidated electricity sales volume of 11,671 GWh (an increase of 13.3% compared with FY2018.3 (plan)).

Gas Sales Volume

[Non-consolidated]

1 m³ = 45 MJ

Residential	1,957 million m ³ (-7.3%)
Non residential	5,732 million m ³ (-4.6%)
Total gas sales volume	7,690 million m ³ (-5.3%)

[Consolidated]

Gas sales volume	7,723 million m ³ (-5.3%)
------------------	--------------------------------------

Electricity Sales Volume

Total	11,671 GWh (+13.3%)
-------	---------------------

Figures in parentheses represent rate of changes from comparable figures planned for FY2018.3.

4. Investment Plan

In FY2019.3, we forecast investment of 196 billion yen on a consolidated basis.

	Investment amount
Investment for quality improvement	46 billion yen
Domestic energy	59 billion yen
International energy	61 billion yen
Life & Business solutions businesses	30 billion yen
Investment for growth	150 billion yen
Total investment	196 billion yen