

Operating Results for the Fiscal Year Ended March 31, 2019 (201st Term)

April 24, 2019
Osaka Gas Co., Ltd.

1. Operating Results (April 1, 2018 - March 31, 2019)

(1) Overview of Operating Results

Consolidated net sales for the fiscal year ended March 31, 2019 increased year-on-year primarily due to the higher unit selling price of city gas under the fuel cost adjustment system of the Gas Business and an increase in sales volume in the Electricity Business. Consolidated ordinary profit decreased primarily due to a decrease in sales volume for city gas due to high air and water temperature, and the time-lag effect (*) in the Gas Business, in addition to a decrease in ordinary profit in the Electricity Business. Furthermore, profit attributable to owners of parent decreased.

The number of consolidated subsidiaries is currently 150, with 4 subsidiaries removed and 16 added since the fiscal year ended March 31, 2018. The number of equity method affiliates is currently 23 with 4 added since the fiscal year ended March 31, 2018.

(*) Impact of the time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas.

	[billion yen]			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent (Note)
Consolidated	1,371.8 (+5.8%) [1,296.2]	67.9 (-13.0%) [78.1]	63.1 (-18.1%) [77.0]	33.6 (-10.9%) [37.7]
Non-consolidated	1,104.5 (+6.2%) [1,039.6]	27.9 (-41.4%) [47.7]	40.5 (-30.3%) [58.2]	25.1 (-42.9%) [44.0]

(Note) "Profit" for non-consolidated results

The figures in [] brackets in each box represent actual results for the fiscal year ended March 31, 2018.

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2018.

(2) Overview by Segment

Segment profit of "Domestic Energy/Gas" decreased, mainly due to a decrease in sales volume of city gas due to high air and water temperature and the time-lag effect. Segment profit of "Domestic Energy/Electricity" decreased, mainly due to a fall in electricity prices. Segment profit of "International Energy" increased, mainly due to an increase in sales volume of LNG under the Gorgon Project. Segment profit of "Life & Business Solutions" remained at approximately the same level as that of the previous fiscal year.

	[[billion yen]	
	Net sales	Segment profit (loss) (Note)
Domestic Energy/Gas	1,012.6 (+3.7%) [976.2]	35.8 (-16.7%) [42.9]
Domestic Energy/Electricity	184.3 (+16.8%) [157.7]	8.7 (-57.9%) [20.7]
International Energy	40.4 (+79.4%) [22.5]	5.9 (—) [-5.3]
Life & Business Solutions	210.9 (+4.7%) [201.4]	17.7 (-3.1%) [18.2]

(Note) Segment profit (loss): Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

The figures in [] brackets in each box represent actual results for the fiscal year ended March 31, 2018.

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2018.

(3) Non-consolidated Gas Sales Breakdown

Gas sales on a non-consolidated basis [45MJ/m³] decreased year-on-year. Sales volume of residential gas decreased year-on-year, mainly due to higher air and water temperature as well as the effect of customers switching to other companies. Sales volume of non-residential gas decreased year-on-year, mainly due to the effect of customers switching to other companies as well as a decrease in operation of specific customers' facilities.

Gas sales volume (million m ³)	7,901 (-7.5%)
Residential	1,892 (-12.4%)
Non-residential	6,010 (-5.9%)
Number of gas supply (thousands)	5,553 (-7.0%)

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2018.

(4) Domestic Electricity Sales Breakdown

Sales volume of domestic electricity increased year-on-year due to an increase in retail sales volume.

Electricity sales volume (million kWh)	11,653 (+6.4%)
Retail	3,457 (+46.8%)
Wholesale, etc.	8,196 (-4.7%)
Number of low-voltage electricity supply (thousands)	945 (+52.6%)

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2018.

2. Forecast for the Next Fiscal Year (Fiscal Year Ending March 31, 2020)

Consolidated net sales for the fiscal year ending March 31, 2020 is expected to increase mainly due to an increase in sales volume of electricity in the Electricity Business.

Consolidated ordinary profit is expected to increase, primarily due to the impact of the time-lag effect in the Gas Business. In addition, profit attributable to owners of parent is expected to increase.

	[billion yen]	
	Consolidated	Non-consolidated
Net sales	1,426.0 (+3.9%)	1,138.0 (+3.0%)
Operating profit	91.0 (+33.9%)	53.0 (+89.6%)
Ordinary profit	81.0 (+28.4%)	56.5 (+39.3%)
Profit attributable to owners of parent (Note)	55.0 (+63.7%)	43.0 (+71.0%)

(Note) "Profit" for non-consolidated results

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2019.

(Reference) Assumptions for the crude oil price and exchange rate (April 1, 2019 – March 31, 2020)

Crude oil price (All Japan CIF price) at 65USD/bbl

Exchange rate (TTM rate) at 110JPY/USD

3. Dividends

	[Yen]				
	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
Year ended March 31, 2019	—	25.00	—	25.00	50.00
Year ending March 31, 2020 (Forecast)	—	25.00	—	25.00	50.00

Brief Report of Consolidated Financial Statements

http://www.osakagas.co.jp/en/ir/library/financial-results/_icsFiles/afiedfile/2019/04/24/20190424_1e.pdf