

Operating Results for the Third Quarter of the Fiscal Year Ending March 31, 2021 (203rd Term)

February 1, 2021
Osaka Gas Co., Ltd.

1. Operating Results (April 1, 2020 – December 31, 2020)

(1) Overview of Operating Results

Consolidated net sales for the nine months ended December 31, 2020 decreased year-on-year primarily due to the lower unit selling price under the fuel cost adjustment system and a decrease in sales volume in the Gas Business, despite an increase in electricity sales volume. Consolidated ordinary profit increased primarily due to an increase in profit in the International Energy Business and the Electricity Business, in addition to the increased impact of the time-lag effect (*) in the Gas Business compared to the previous third quarter. Furthermore, profit attributable to owners of parent increased.

(*) 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	962.8 (-1.2%) [974.5]	74.8 (+37.9%) [54.2]	81.5 (+37.3%) [59.3]	57.6 (+65.5%) [34.8]
Non-consolidated	743.7 (-3.7%) [772.0]	36.8 (+30.6%) [28.2]	45.8 (+14.5%) [39.9]	34.3 (+10.6%) [31.0]

(Note) "Profit" for non-consolidated results

The figures in [] brackets in each box represent actual results for the same period of the previous fiscal year.

The percentage figures in () parentheses in each box represent the changes from the same period of the previous fiscal year.

(2) Overview by Segment

Segment profit of "Domestic Energy/Gas" increased mainly due to the time-lag effect, despite a decrease in the gas sales volume. Segment profit of "Domestic Energy/Electricity" increased primarily due to an increase in electricity sales volume. Segment profit of "International Energy" increased mainly as the Freeport LNG project and a U.S. upstream operating company contributed to the business. Segment profit of "Life & Business Solutions" decreased mainly due to the impact of the spread of COVID-19 on the Information Solutions Business and the Fitness Business.

[billion yen]

	Net sales	Segment profit (loss) (Note)
Domestic Energy/Gas	654.7 (-5.7%) [694.2]	42.1 (+22.3%) [34.4]
Domestic Energy/Electricity	163.1 (+14.1%) [142.9]	11.8 (+159.2%) [4.5]
International Energy	49.4 (+14.2%) [43.2]	13.6 (+281.9%) [3.5]
Life & Business Solutions	154.3 (-1.6%) [156.8]	12.7 (-5.3%) [13.4]

(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 same period of the previous fiscal year.

The percentage figures in () parentheses in each box represent the changes from the same period of the previous fiscal year.

(3) Non-consolidated Gas Sales Breakdown

Gas sales on a non-consolidated basis [45MJ/m³] decreased year-on-year. Sales volume of residential gas remained at approximately the same level as that of the same period of the previous fiscal year. Sales volume of non-residential gas decreased year-on-year primarily due to a decrease in operation of customers' facilities due to the impact of the spread of COVID-19.

Gas sales volume (million m ³)	4,900 (-5.6%)
Residential	1,090 (+1.2%)
Non-residential	3,810 (-7.4%)
Number of gas supply (thousands)	5,069 (-4.1%)

The percentage figures in () parentheses in each box represent the changes from the same period of the previous fiscal year.

(4) Domestic Electricity Sales Breakdown

Sales volume of domestic electricity increased year on year due to an increase in both retail and wholesale sales volumes.

Electricity sales volume (million kWh)	11,435 (+21.6%)
Retail	3,914 (+24.7%)
Wholesale, etc.	7,522 (+20.0%)
Number of low-voltage electricity supply (thousands)	1,476 (+18.9%)

The percentage figures in () parentheses in each box represent the changes from the same period of the previous fiscal year.

2. Forecast for the Fiscal Year Ending March 31, 2021

Considering recent performance trends and other factors, forecasts of consolidated and non-consolidated financial results for the fiscal year ending March 31, 2021 have been revised from previous forecasts.

【New forecast】

[billion yen]

	Consolidated	Non-consolidated
Net sales	1,330.0 (-2.8%)	1,019.5 (-6.0%)
Operating profit	88.5 (+5.6%)	43.0 (-6.1%)
Ordinary profit	100.0 (+16.3%)	54.0 (-7.7%)
Profit attributable to owners of parent (Note)	71.5 (+71.1%)	41.5 (-7.7%)

(Note) "Profit" for non-consolidated results

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2020.

(Reference) Assumptions for the crude oil price and exchange rate in the new forecast

	3Q accumulated results	Forecast for 4Q	Annual average
Crude oil price (All Japan CIF price) USD/bbl	38.4	50.0	41.3
Exchange rate (TTM rate) JPY/USD	106.1	105.0	105.8

【Previous forecast (released on October 29, 2020)】

[billion yen]

	Consolidated	Non-consolidated
Net sales	1,336.5 (-2.4%)	1,026.0 (-5.4%)
Operating profit	93.5 (+11.6%)	48.0 (+4.8%)
Ordinary profit	100.0 (+16.3%)	59.0 (+0.9%)
Profit attributable to owners of parent (Note)	71.5 (+71.1%)	45.0 (+0.0%)

(Note) "Profit" for non-consolidated results

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2020.