

Operating Results for the Second Quarter of the Fiscal Year Ending March 31, 2022 (204th Term)

October 27, 2021
Osaka Gas Co., Ltd.

1. Operating Results (April 1, 2021 – September 30, 2021)

(1) Overview of Operating Results

Consolidated net sales for the six months ended September 30, 2021 increased year-on-year primarily due to an increase in sales from the Freeport LNG project and the upstream project in the USA in the International Energy Business, despite the lower unit selling price of city gas under the fuel cost adjustment system in the Domestic Energy Business. Consolidated ordinary profit decreased primarily due to a decrease in profit caused by the time-lag effect (*) in the Domestic Energy Business, despite an increase in profit from the International Energy Business. Furthermore, profit attributable to owners of parent was almost unchanged year-on-year.

(*) 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
Consolidated	650.4 (+1.8%) [638.9]	40.5 (-21.9%) [51.9]	47.3 (-13.5%) [54.8]	36.7 (-0.0%) [36.7]

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” decreased mainly due to a decrease in profit caused by the time-lag effect. Segment profit of “International Energy” increased, owing mainly to profit contributions from the Freeport LNG project and the upstream project in the USA. Segment profit of “Life & Business Solutions” increased mainly due to a relief from the impact of the spread of COVID-19 on the Information Solutions Business and the Fitness Business experienced in the previous fiscal year.

[billion yen]

	Net sales	Segment profit (loss) (Note)
Domestic Energy	537.6 (-1.1%) [543.5]	17.1 (-62.5%) [45.8]
International Energy	34.1 (+76.5%) [19.3]	19.6 (–) [0.1]
Life & Business Solutions	106.3 (+6.8%) [99.5]	9.8 (+35.5%) [7.2]

(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 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) Domestic Gas Sales Breakdown

Sales volume of domestic gas [45MJ/m³] increased year-on-year. Sales volume of residential gas decreased from the level of the same period of the previous fiscal year, primarily due to competition and the high air and water temperatures in early spring. Sales volume of non-residential gas increased year-on-year primarily due to an increase in operation of customers' facilities.

Non-consolidated	Number of gas supply (thousands)	4,939 (-3.1%)
	Residential	657 (-5.3%)
	Non-residential	2,558 (+3.8%)
	Gas sales volume (million m ³)	3,215 (+1.8%)
Consolidated gas sales volume (million m ³)		3,235 (+1.8%)

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.

Number of low-voltage electricity supply (thousands)		1,567 (+10.0%)
	Retail	2,757 (+1.5%)
	Wholesale, etc.	5,291 (+8.4%)
Electricity sales volume (GWh)		8,047 (+6.0%)

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, 2022

There is no change from the financial results forecasts announced on July 29, 2021.

[Forecast]

[billion yen]

	Consolidated
Net sales	1,510.0 (+10.7%)
Operating profit	80.5 (-28.4%)
Ordinary profit	95.0 (-25.6%)
Profit attributable to owners of parent	70.5 (-12.8%)

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2021.

(Reference) Assumptions for the crude oil price and exchange rate (October 1, 2021 – March 31, 2022)

Crude oil price (All Japan CIF price) at 75USD/bbl

Exchange rate (TTM rate) at 110JPY/USD