

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

January 31, 2022
Osaka Gas Co., Ltd.

1. Operating Results (April 1, 2021 – December 31, 2021)

(1) Overview of Operating Results

Consolidated net sales for the nine months ended December 31, 2021 increased by ¥80.8 billion year-on-year to ¥1,043.7 billion. This was primarily due to an increase in sales from a rise in LNG prices in the Domestic Energy Business and an increase in sales from the upstream project in the USA and the Freeport LNG Project in the International Energy Business. Consolidated ordinary profit decreased by ¥24.2 billion year-on-year to ¥57.2 billion. This was 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. Profit attributable to owners of parent decreased by ¥12.7 billion year-on-year to ¥44.8 billion.

(*) 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	1,043.7 (+8.4%) [962.8]	42.6 (-43.0%) [74.8]	57.2 (-29.8%) [81.5]	44.8 (-22.2%) [57.6]

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 in the Gas Business. 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 COVID-19 on the Information Solutions Business.

[billion yen]

	Net sales	Segment profit (loss) (Note)
Domestic Energy	868.6 (+6.7%) [814.5]	3.0 (-94.7%) [57.9]
International Energy	55.9 (+73.2%) [32.3]	37.3 (+286.4%) [9.6]
Life & Business Solutions	163.3 (+5.8%) [154.3]	14.8 (+16.4%) [12.7]

(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

Gas sales [45MJ/m³] decreased 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 decreased year-on-year primarily due to a decrease in operation of specific customers' facilities.

Gas sales volume (million m ³)	4,841 (-1.2%)
Residential	1,046 (-4.1%)
Non-residential	3,795 (-0.4%)
Number of gas supply (thousands)	4,928 (-2.8%)

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.

Electricity sales volume (GWh)	11,983 (+4.8%)
Retail	4,294 (+9.7%)
Wholesale, etc.	7,689 (+2.2%)
Number of low-voltage electricity supply (thousands)	1,592 (+7.9%)

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, 2022

Considering recent trends in our performance and other factors, forecasts of financial results for the fiscal year ending March 31, 2022 have been revised from previous forecasts.

[New forecast]

[billion yen]

	Consolidated
Net sales	1,547.0 (+13.4%)
Operating profit	80.5 (-28.4%)
Ordinary profit	95.0 (-25.6%)
Profit attributable to owners of parent	77.5 (-4.2%)

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 in the new forecast

	3Q accumulated results	Forecast for 4Q	Annual average
Crude oil price (All Japan CIF price) USD/bbl	74.0	85.0	76.7
Exchange rate (TTM rate) JPY/USD	111.1	115.0	112.1

[Previous forecast (released on July 29, 2021)]

[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.