



# Financial Report for FY2020.3 (April 2019 – March 2020)

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May 2020  
Osaka Gas Co., Ltd.

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### Management information is available on Osaka Gas websites.

Financial reports, annual reports and road show materials can be accessed and downloaded at the following URL.

<https://www.osakagas.co.jp/en/ir/>

### Disclaimer

Certain statements contained herein are forward-looking statements, strategies, and plans, which reflect our judgment based on the information so far available. Actual results may differ materially from those discussed in such statements. Among the factors that could cause actual results to differ materially are: economic trends in Japan, sharp fluctuations in exchange rates and crude oil prices, and extraordinary weather conditions.

### Note regarding gas sales volume

All gas sales volumes are indicated based on the standard heating value at 45 MJ/m<sup>3</sup>.

### Note regarding consolidated gas sales volume

The fiscal year of Nabari Kintetsu Gas, Toyooka Energy, and Shingu Gas ends on December 31.

## I. Review of FY2020.3

## Summary of Review

- In FY2020.3, we implemented initiatives that will lead to future growth.
- In the Domestic Energy business, we implemented initiatives for reorganization, expansion of customer accounts and power generation development, etc.
- In the International Energy business, we accelerated growth in upstream / midstream / downstream businesses.

### **Initiatives in the Domestic Energy business**

#### **Reorganization**

- Establishment of new affiliates in the energy sector and the restructuring of Osaka Gas

#### **Customer Accounts**

- Launch of a new electricity rate plan "With Plans" for residential customers
- Launch of "D-Fire", plant IoT services for non-residential customers

#### **Greater Tokyo area**

- Expansion of alliance partners in the retail of energy to households and the rate plan options and conducting promotions
- Construction of energy infrastructures

#### **Power Development**

- Expansion of power portfolio
- Spread of renewable energy

### **Initiatives in the International Energy business**

#### **Upstream business**

- Acquisition of all shares of Sabine Oil & Gas Corporation, an U.S. shale gas development company
- Stable operation of Gorgon and Ichthys LNG project
- Establishment of a LNG trading company

#### **Midstream and downstream business**

- Start of commercial operation at Freeport LNG Project and Fairview natural gas-fired thermal power plant
- Investment in an US solar project developer
- Business development in Southeast Asia, including investment in AGP IH

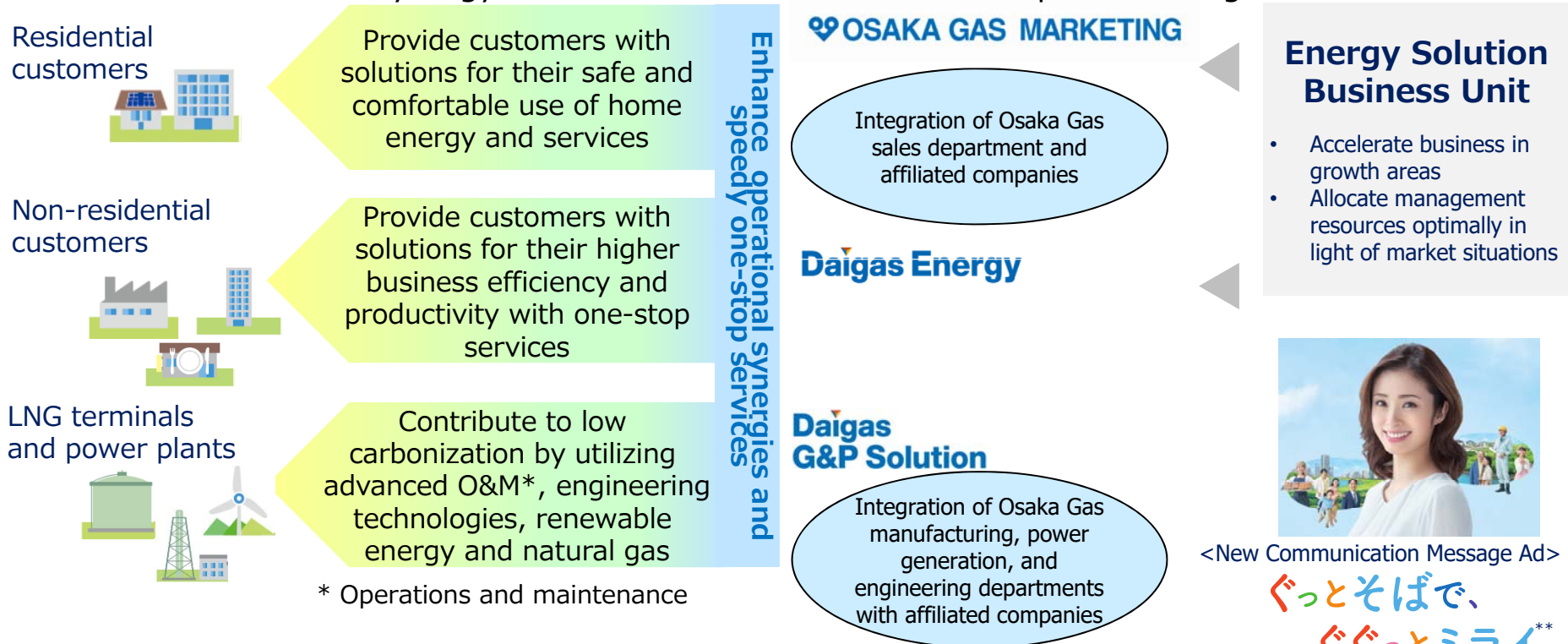
# Initiatives in the Domestic Energy Business (Reorganization)

- We established three new affiliates in October 2019 and restructured sales department of Osaka Gas in April 2020 to enhance customer-oriented frontline mobility and achieve synergy with our affiliates that have their specific strengths.

## [Establishment of Affiliates and Reorganization]

### ➤ Purpose

- Enhancement of customer-oriented frontline mobility
- Achievement of synergy with our affiliates that have their specific strengths



<New Communication Message Ad>

ぐっとそばで、  
ぐぐっとミライ\*\*。

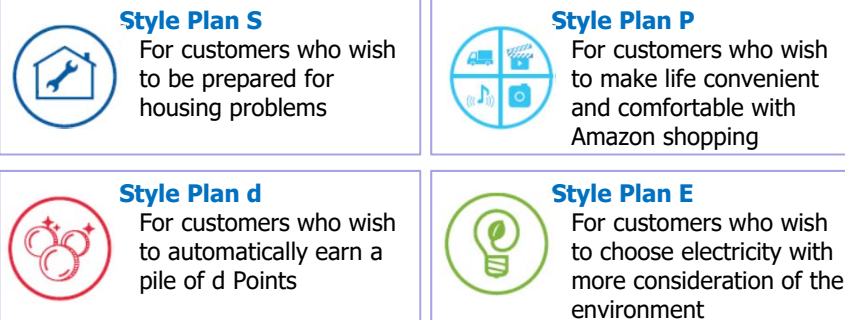
\*\*Better servicing customers in closer communication for a brighter tomorrow

# Initiatives in the Domestic Energy Business (Customer Accounts)

- We launched "With Plans", a new electricity rate plan following "Style Plans" for residential customers.
- We launched "D-Fire", plant IoT services for non-residential customers.
- We are aiming to increase customer accounts by expanding rate plan options and IoT services, etc.

## (Expansion of electricity rate plan options)

### Style Plan : Meet the individual lifestyles



### With Plan : Lead more enjoyable and active lives

**With radiko Plan**  
Set with radiko premium

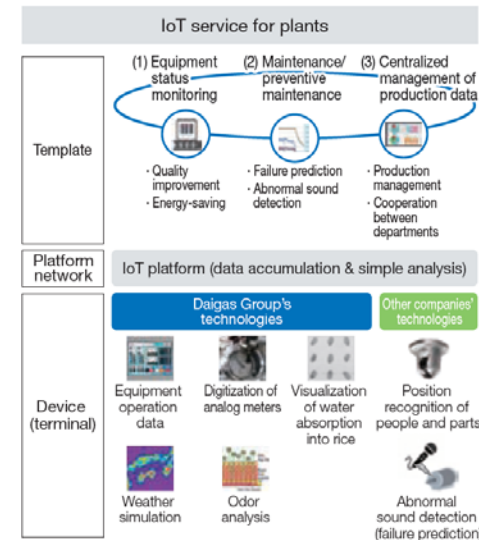
**With Yoshimoto Plan**  
Set with Osaka Channel

## (Release a New Product of ENE-FARM Type S)

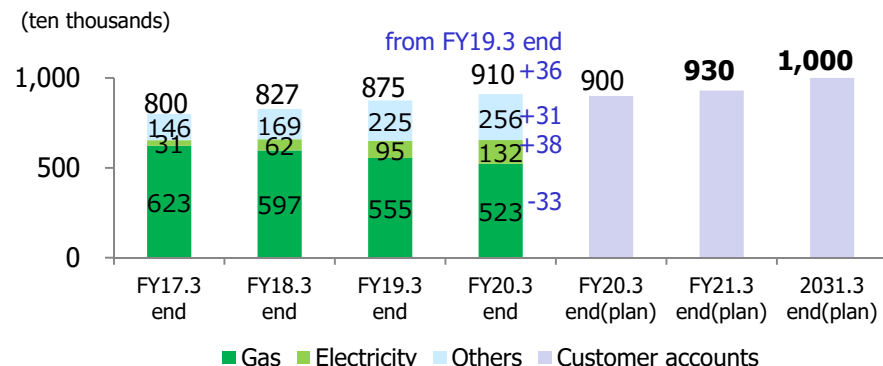


- ✓ Improved power generation efficiency (53.5%→55%)
- ✓ Improved installability (the installation area -20%)
- ✓ Improved customer convenience (Added Tsunagaru Switch using IoT)
- ✓ Improved durability (10 years→12 years)
- ✓ Released standard type and independent operation type, which is attracting attention for resilience

## (D-Fire : IoT services for plants)



## (Trends in the number of customer accounts)

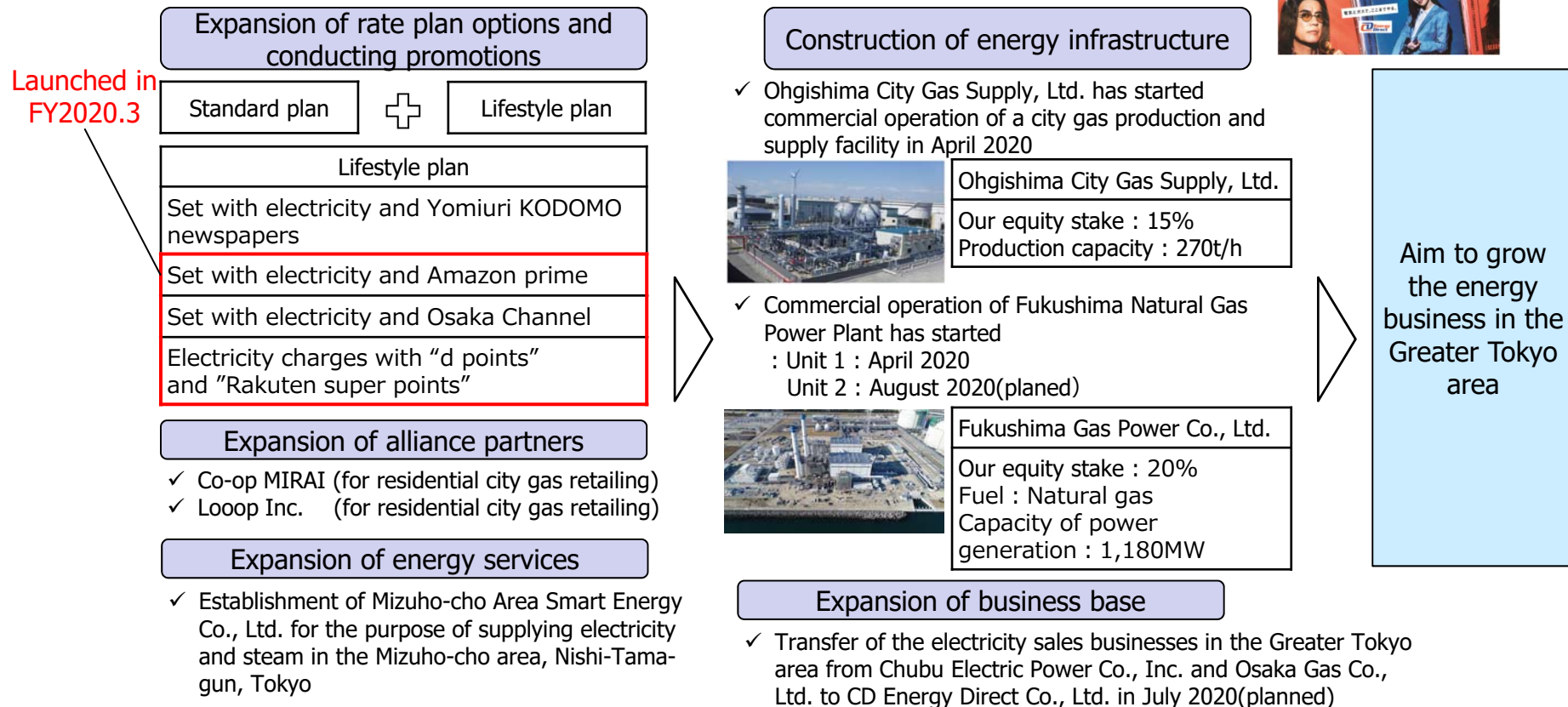


# Initiatives in the Domestic Energy Business (Greater Tokyo area)

- The number of contracts exceeded 200,000 in April 2020 due to expanding alliance partners in the retail of energy for residential, expanding rate plan options and conducting promotions.
- In addition to the initiatives so far, we are aiming to grow the energy business in the Greater Tokyo area by constructing energy infrastructure and expanding the business base through the business transfer.



The number of contracts exceeded 200,000 in April 2020



# Initiatives in the Domestic Energy Business (Power Development)

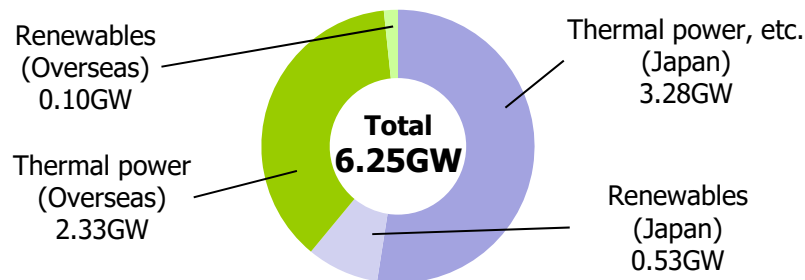
- We are progressing steadily toward FY2031.3 target through the investment decision at Himeji natural gas power plant, etc.
- As of the end of March 2020, it had reached approximately 6,250 MW, including under construction and decided projects, and reached approximately 70% of the FY2031.3 target.
- We are promoting initiatives to spread renewable energy, regardless of ownership of power sources.

## (Initiatives for expanding power supply portfolio)

### **At the end of March 2020**

(Under construction/including decided projects)

- ✓ Japan 3.81GW(Operating 2.03GW)
- ✓ Overseas 2.44GW(Operating 2.44GW)
- ✓ Renewable energy 0.64GW(Operating 0.34GW)



## (Initiatives for the spread of renewable energy)

- (Japan)
- Agreement with West Holdings Corporation to joint study of new businesses in the renewable energy field
  - Start service to purchase surplus electricity generated by Photovoltaic Systems (for customers whose feed-in tariff period for renewable energy will end)
- (North America)
- Investment in US solar project developer, SolAmerica Energy

## (Under Construction/Decision-Made Power)

	Name of power plant	Capacity of the facility
Renewable (in Japan)	Shiribetsu Wind	27.0MW
	Ichihara Biomass	49.9MW
	Sodegaura Biomass	74.9MW
	Hirohata Biomass	74.9MW
	Tokushima Tsuda Biomass	74.8MW
	Agreement with Acacia Renewables K.K of Macquarie Group to cooperate on Offshore Wind Power Generation	
Natural gas (in Japan)	Fukushima Natural Gas	1,180MW
	Himeji Natural Gas	1,250MW

## (Other Initiatives)

- Withdrawal from a new coal-fired thermal power plant development project in Ube City, Yamaguchi Prefecture
- Start of demonstration for realization of a service for forecasting the amount of photovoltaic power generation



# Initiatives in the International Energy Business

- We acquired business know-how for growth by acquiring an U.S. shale gas developer, and increased profit contribution by progress of liquefaction business.
- We are developing business in Southeast Asia actively leveraging our expertise in the Domestic Energy business.

## Upstream / Trading

### (North America)

- Acquisition of all shares of U.S. shale gas developer Sabine Oil & Gas Corporation  
→ Acquisition of operational capabilities in upstream businesses in U.S. and stable profit contribution

### (Australia)

- Stable operation of Gorgon and Ichthys LNG project

### (Trading)

- Establishment of LNG trading company "Osaka Gas Energy Supply and Trading Pte. Ltd." in Singapore

## Mid- and downstream(North America)

- Start of commercial operation for 1<sup>st</sup> train at the Freeport LNG Project in Texas  
→ 2<sup>nd</sup> and 3<sup>rd</sup> train scheduled to start
- Start of commercial operation of Fairview natural gas-fired thermal power plant  
→ Acquisition of business know-how
- Investment in SolAmerica Energy, US solar project developer  
→ Initiatives for the spread of renewable energy



Freeport LNG Project  
Provided by FLNG  
Development



Solar power plant that SAE developed  
and constructed in the past  
Provided by SolAmerica Energy



Sabine Oil & Gas Corporation



Gorgon LNG Project



Ichthys LNG Project Provided by INPEX

## Mid- and downstream(Southeast Asia)

- Establishment of a Natural Gas Supply Company in Vietnam
- Establishment of a Solar Power Company in Thailand
- Investment in AGP IH, a Southeast Asian natural gas infrastructure company, and conclusion of collaboration agreements  
→ Aggressive business development in Southeast Asia leveraging knowledge of the Domestic Energy business



Natural Gas Supply Company in Vietnam

## Main Topics in FY2020.3

Apr.	Osaka Gas Withdraws from Construction Plan for Nishiokinoyama Power Plant (provisional name)
May	Osaka Gas Releases AVANCE Built-in Stove Equipped with Area Sensors, an Industry-First Technology Osaka Gas to Start Service to Purchase Surplus Electricity Generated by Photovoltaic Systems (for customers whose feed-in tariff period for renewable energy will end) Osaka Gas to Issue the 36th and 37th Series of Unsecured Straight Bonds of 20 Billion Yen Each (Domestic Bonds)
June	Conclusion of comprehensive cooperation agreement between National Research Institute for Earth Science and Disaster Resilience and Osaka Gas Establishing a Natural Gas Supply Company in Vietnam
July	Establishment of Solar Power Company in Thailand Cook Delicious Food with Less Time and Effort Our New Class S Built-in Stoves with New Functions Will Expand Your Cooking Osaka Gas Co., Ltd.: Investments and a Conclusion of Collaboration Agreement with AGP International Holdings Pte. Ltd., as Development of Natural Gas Infrastructure Proceeds Osaka Gas Increases Upstream Presence with Agreement to Acquire Sabine Oil & Gas in Texas, USA
Aug.	LNG Production Starts at the Freeport LNG Project in Texas Osaka Gas to Issue the 38th, 39th , and 40th Series of Unsecured Straight Bonds (Domestic Bonds) of 20 Billion Yen, 5 Billion Yen, and 10 Billion Yen, Respectively
Sep.	Formulated the concept of "Suita SST", a multi-generation, residential healthy community that continues to change to the best of each individual Osaka Gas selected for the DJSI World Index for the third consecutive year LNG Bunkering Trial for the LNG-fueled Tugboat Ishin at Kobe Port Osaka Gas establishes new electricity service menus, With Plans, to help customers lead more enjoyable and active lives, and starts accepting new customers for With radiko Plan Investment Decision on the Power Generation Business in Himeji City, Hyogo Prefecture Establishment of New Affiliates in the Energy Sector and Restructuring of Osaka Gas: Striving for Speedier Customer-Oriented Business Operations Accelerate collaborative creation for commercialization of information linkage platform between companies that streamlines leasing contracts
Oct.	Start of demonstration for realization of a service for forecasting the amount of photovoltaic power generation in anticipation of independence from FIT First Exhibition at CEATEC 2019 - Future Living in 2030 Pictured by Daigas Group - Improper work by a maintenance company to which we outsource periodic inspection of gas heat pump air conditioners (Survey results for all maintenance companies) Outsourcing of regular inspection work improper management of unused gas pipes

## Main Topics in FY2020.3

Nov.	<p>Osaka Gas Announces Its Decision to Issue Publicly Offered Hybrid Corporate Bonds(Publicly Offered Subordinated Corporate Bonds)</p> <p>Efficiency Improvement Project at Cogeneration Facility in Thailand Selected for Financing Programme Based on Joint Crediting Mechanism</p> <p>Cease and Desist Orders and Surcharge Payment Orders from Japan Fair Trade Commission (Osaka Gas Chemicals Co., Ltd.)</p> <p>Osaka Gas Launches its Second With Plan, "With Yoshimoto Plan," a Highly Entertaining Electricity Rate Plan, and Starts Accepting Applications</p>
Dec.	<p>Osaka Gas Announces Its Decision of Terms and Conditions of the Publicly Offered Hybrid Corporate Bonds (Subordinated Corporate Bonds)</p> <p>Start of Commercial Operation at the Freeport LNG Project in Texas</p> <p>CPV Fairview starts commercial operation</p> <p>Osaka Gas to Participate in Household Energy Supply Business in UK</p> <p>Notice on the Acquisition of All Shares in JGC Mirai Solar Co., Ltd.</p>
Jan.	<p>Transfer of Osaka Gas's Electricity Sales Business in the Greater Tokyo Area to CD Energy Direct</p>
Feb.	<p>Three Gas Companies Jointly Develop GHP XAIR III, Latest Models of Gas-powered Air Conditioning System that Saves Energy and Power—New type of Gas Engine-driven Heat Pump (GHP) with Further Improved Performance and Functions—</p> <p>Osaka Gas to Release a New Product of ENE-FARM Type S, Household Fuel Cells Characterized by the Highest Power Generation Efficiency in the World and Improved Installation due to Significant Downsizing</p> <p>The start of a new demonstration using the actual living environments of residents in the experimental residential complex NEXT21</p>
Mar.	<p>Agreement to Cooperate on Offshore Wind Power Generation</p> <p>Osaka Gas USA to invest in US solar project developer, SolAmerica Energy</p> <p>Osaka Gas and Sekisui House to Start New Living Experiment at 3-Battery House ~ Demonstration Experiment Anticipating a Society Whose Main Power Source is Renewable Energy ~</p> <p>Agreement with West Holdings to joint study of new business in the renewable energy field</p>
Apr.	<p>Ohgishima City Gas Supply, Ltd. Begins Commercial Operation of City Gas Production and Supply Facility</p> <p>Osaka Gas to Partner with NTT Com to Launch an AI-automated Voice Response Service at Its Contact Center</p> <p>Osaka Gas Invests in Japan Infra Waymark, Which Offers Infrastructure Inspection Solutions Using Drones</p> <p>Osaka Gas Invests in HACARUS INC., a Venture Company with Superb AI Technologies Including Image Analysis</p>

\* Press releases were issued in the above indicated months.

## II. Summary of Business Results for FY2020.3 and Forecasts for FY2021.3

# Summary of Business Results for FY2020.3 and Forecasts for FY2021.3



## Year-on-Year Comparison of Results for FY2020.3

Consolidated net sales	¥1,368.6 billion, almost the same level as the previous year
Consolidated ordinary profit	Increased by 36.3% (¥22.9 billion) to ¥86.0 billion due to the impact of the time-lag effect and a decrease in operating expenses in the gas business, etc. The time-lag effect totaled ¥+6.5 billion (The time-lag effect in previous year was ¥-13.2 billion).
Consolidated profit*	Increased by 24.4% (¥8.1 billion) to ¥41.7 billion due to the impairment loss of the upstream projects in the International Energy business exceeding the rebound from one-time amortization of goodwill, etc.

## Year-on-Year Comparison of Forecasts for FY2021.3

Consolidated net sales	Expect to increase by 9.1% (¥124.3 billion) to ¥1,493.0 billion due to an increase in LNG and electricity sales volume, etc.
Consolidated ordinary profit	Expect to increase by 16.3% (¥13.9 billion) to ¥100.0 billion due to the profit contribution from Freeport LNG project and the upstream business in North America, etc. The time-lag effect totaled ¥-3.5 billion (The time-lag effect in previous year was ¥+6.5 billion).
Consolidated profit*	Expect to increase by 74.7% (¥31.2 billion) to ¥73.0 billion due to the rebound from the impairment loss of the upstream projects in the International Energy business, etc.

\* Profit attributable to owners of parent

## Considerations of forecasts for FY2021.3

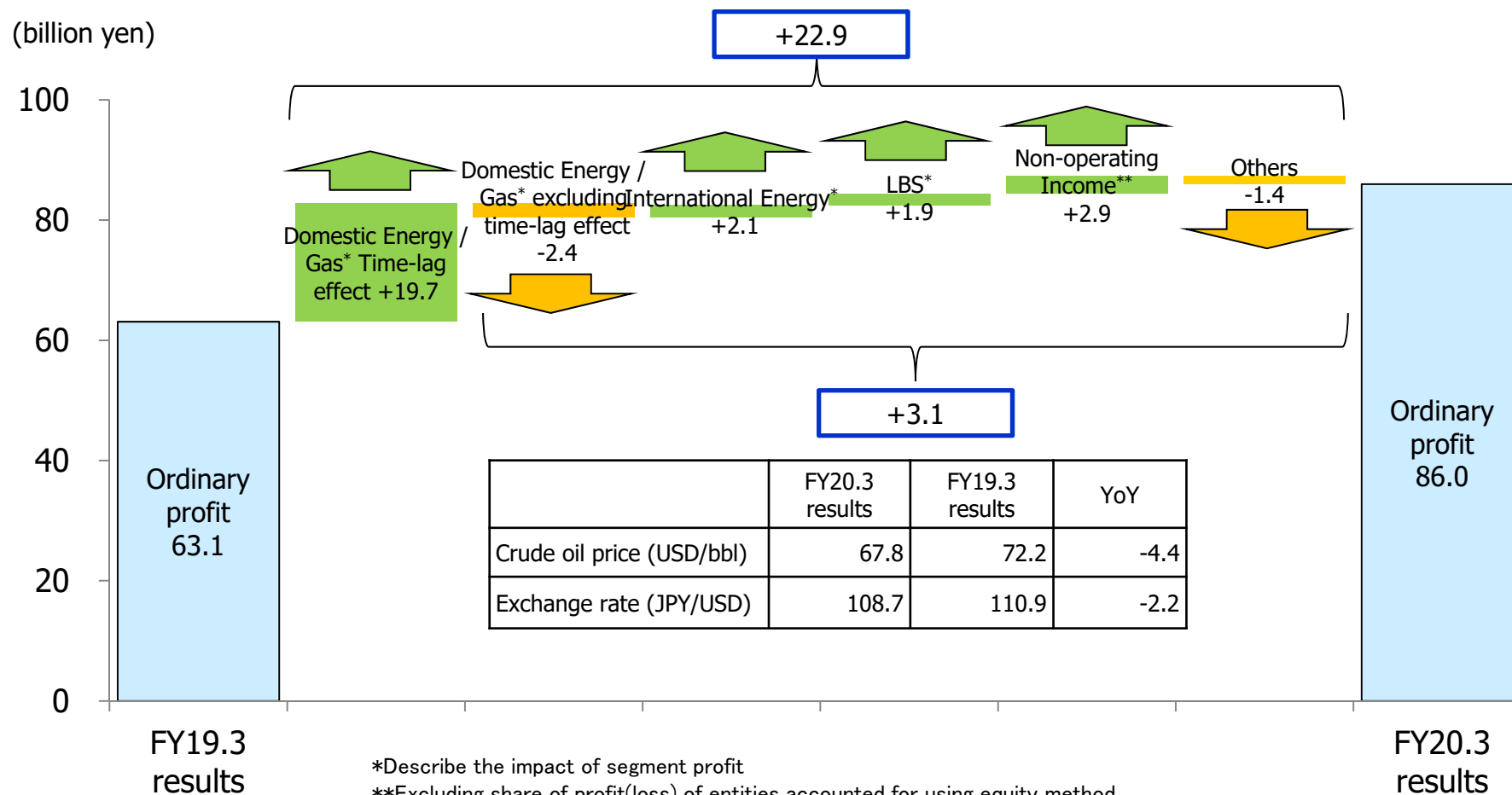
- Global spread of COVID-19 has caused economic activity to shrink and oil prices to decline.
- Although it will affect the Group's businesses, we have not revised the management plan announced in March 2020 because it is difficult to make a rational calculation at this time.
- At the time when the impact on the Group's businesses can be rationally calculated, we will make appropriate revisions and announcements.

### Impact of the spread of COVID-19 (assumption)

Domestic Energy business	<ul style="list-style-type: none"> <li>• Decrease in energy demand including hotel and restaurant businesses due to shrink in economic activity and accompanying LNG supply / demand relaxation</li> <li>• Decrease in new demand development and sales of equipment and services decreased due to the reduction of sales activities</li> <li>• The impact of the time-lag effect due to declining crude oil prices</li> </ul> <p>* We are maintaining a stable energy supply by thoroughly implementing measures against infections and diversifying LNG procurement countries</p>
International Energy business	<ul style="list-style-type: none"> <li>• Decrease in performances in the upstream businesses due to declining crude oil prices</li> <li>• Energy price fluctuations in mid- and downstream businesses</li> </ul>
Life & Business Solutions(LBS)	<ul style="list-style-type: none"> <li>• Decrease in sales due to the shrink of economic activity</li> </ul>
Investment for growth	<ul style="list-style-type: none"> <li>• Delay in construction works</li> <li>• Stagnation of Investment activity in new projects</li> </ul>

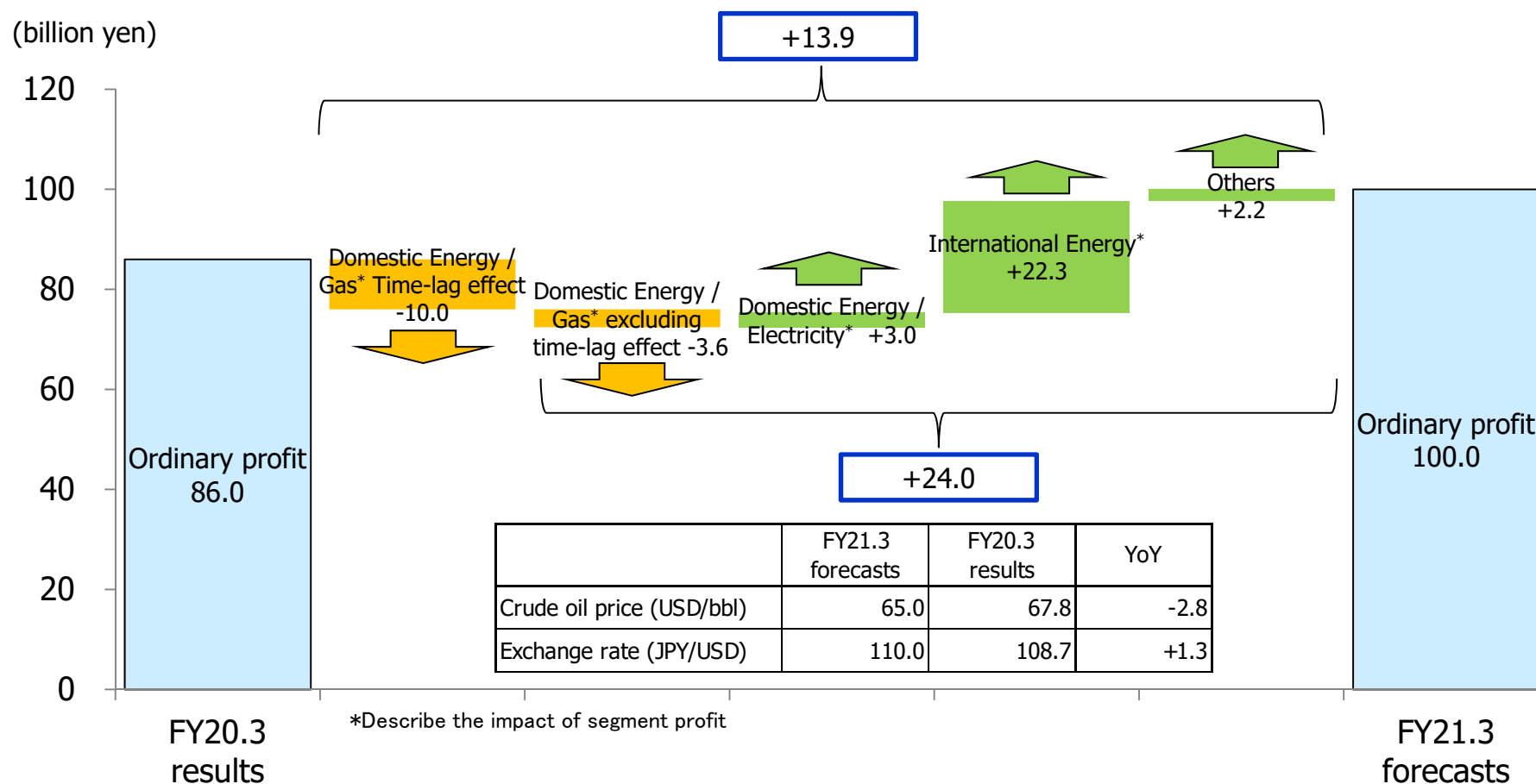
# YoY Comparison of FY2020.3

- Consolidated ordinary profit increased by ¥22.9 billion year-on-year to ¥86.0 billion due to the impact of the time-lag effect, etc.
- Excluding the impact of the time-lag effect, consolidated ordinary profit increased by ¥3.1 billion due to the increase in the International Energy business.



# YoY Comparison of FY2021.3 Forecasts

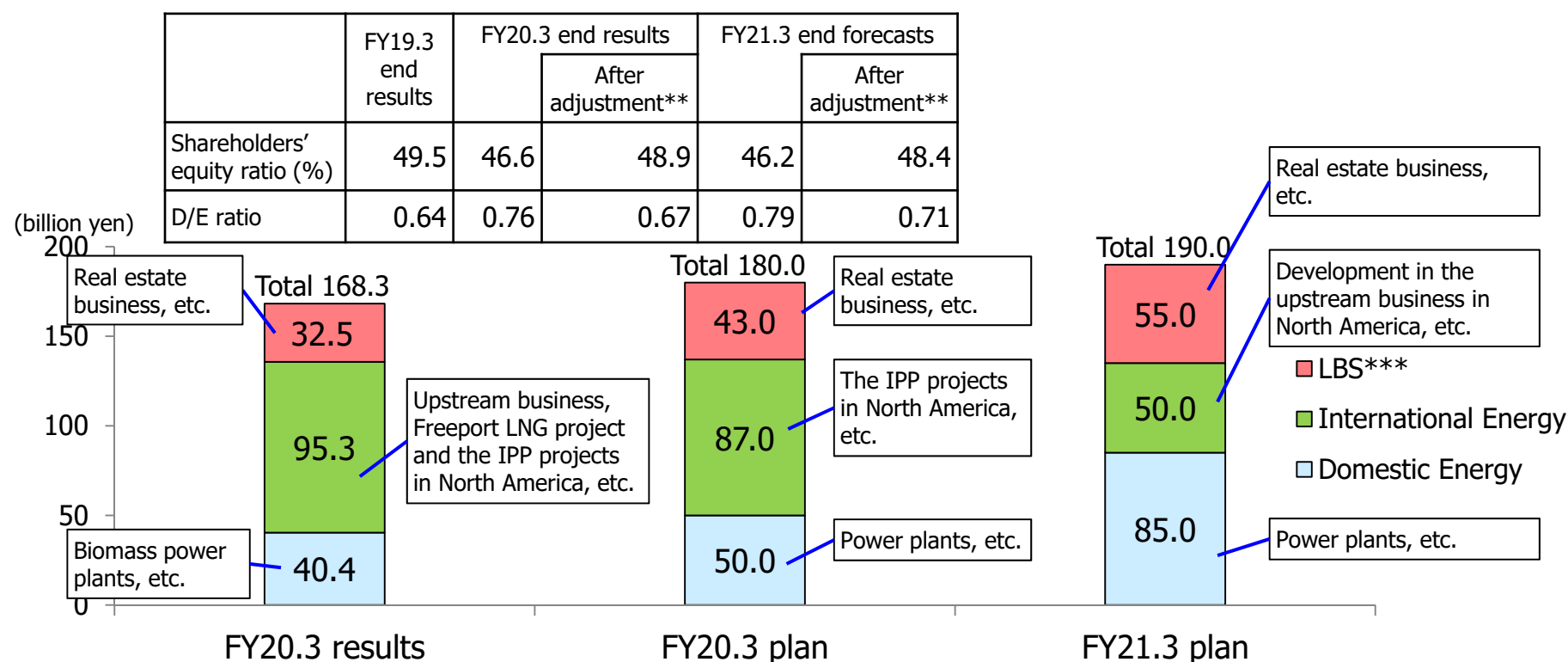
- Consolidated ordinary profit is expected to increase by ¥13.9 billion year-on-year to ¥100.0 billion.
- This is due to the profit contribution from Freeport LNG project and the upstream business in North America, etc.





# Investment for growth

- In FY2020.3, we invested ¥168.3 billion for growth mainly in the upstream and the mid- and downstream businesses in the International Energy business and the renewable energy sources.
- In FY2021.3, we plan to invest ¥190.0 billion for growth, mainly on the power plants and the development in the upstream business in North America, for which investment decisions have been made.
- The financial soundness indicator maintains a Shareholders' equity / Total assets ratio of around 50% and a D / E ratio of around 0.7.



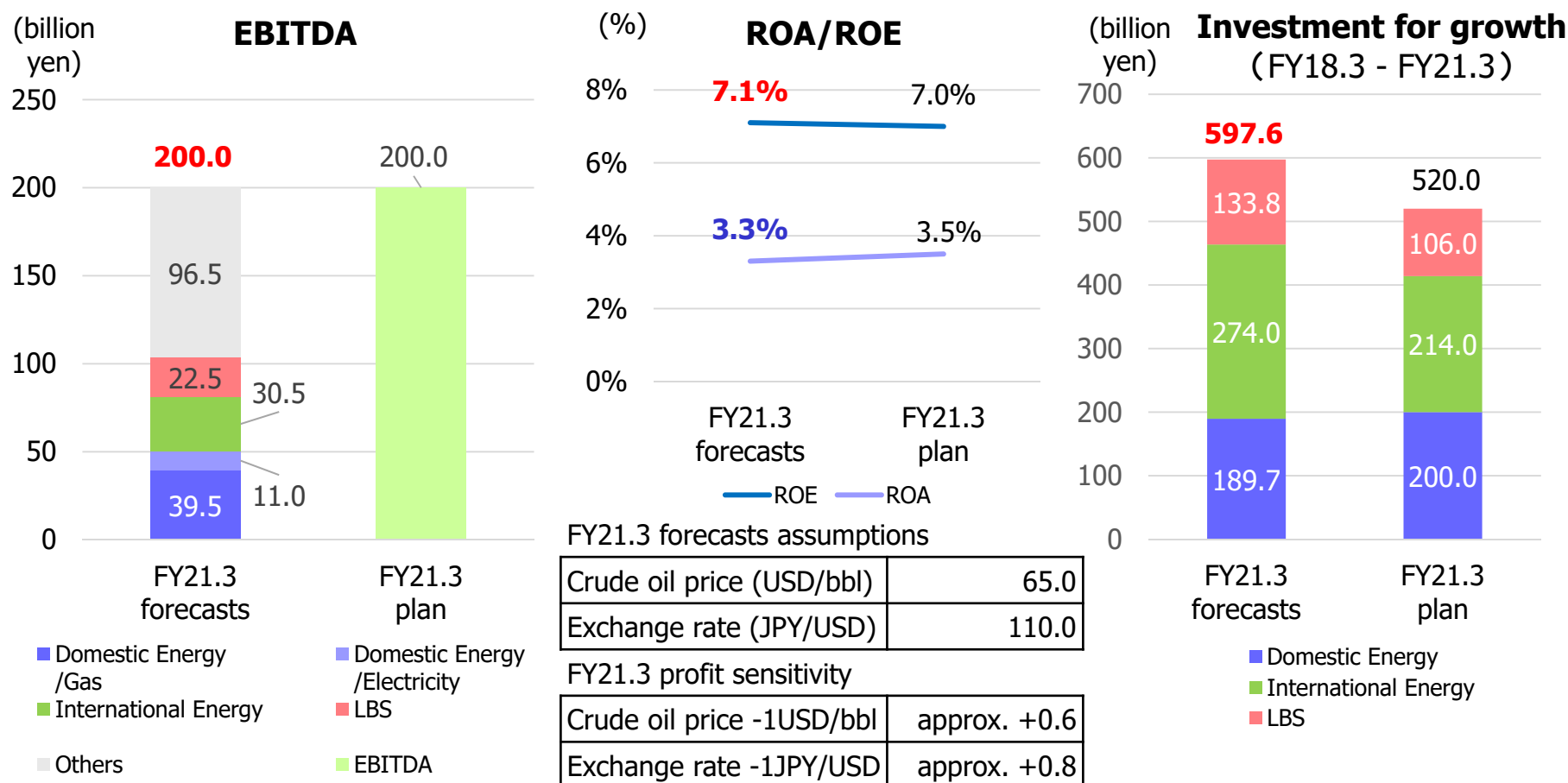
\* Amounts of investment include both capital expenditure items and investment-and-loan items, and therefore the amounts of investment are different from actual amounts of capital expenditures.

\*\* Calculated with 50% of issued hybrid bonds of 100 billion yen as equity (It does not mean that shareholders will be diluted)

\*\*\* LBS: Life & Business Solutions

# Progress on Medium-term Management Plan (FY2018.3 – FY2021.3)

- EBITDA and ROE are expected to achieve the targets of the medium-term management plan due to the profit growth in the International Energy business.
- ROA is expected to be slightly below the target of the medium-term management plan due to progress in growth investment beyond expectations.
- Need to pay attention to the impacts of the spread of COVID-19 and the level of crude oil price.



### III. Business Results for FY2020.3 and Forecasts for FY2021.3

# Results for FY2020.3 – I

Figures in ( ) are ratios of consolidated results to non-consolidated results

Consolidated, billion yen	A. FY20.3 results	B. FY19.3 results	A-B	(A-B) /B(%)	Remarks
Net sales	(1.26) 1,368.6	(1.24) 1,371.8	-3.1	-0.2	
Operating profit	(1.83) 83.7	(2.43) 67.9	+15.8	+23.3	Increased due to the impact of the time-lag effect and the decrease in operating expenses in the gas business, etc.
Ordinary profit	(1.47) 86.0	(1.56) 63.1	+22.9	+36.3	
Profit*	(0.93) 41.7	(1.34) 33.6	+8.1	+24.4	
EBITDA **	180.9	159.9	+21.0	+13.1	The impairment loss of the upstream projects in the International Energy business exceeding the rebound from one-time amortization of goodwill, etc.
* Profit attributable to owners of parent ** EBITDA=operating profit(loss) + depreciation + amortization of goodwill(excluding one-time amortization of goodwill) + Share of profit(loss) of entities accounted for using equity method					
The time-lag effect	6.5	-13.2	+19.7	-	
Ordinary profit excluding time-lag effect	79.5	76.3	+3.1	+4.1	
Crude oil price*** USD/bbl	67.8	72.2	-4.4		
Exchange rate JPY/USD	108.7	110.9	-2.2		

\*\*\* Average of preliminary monthly data up to March

## Results for FY2020.3 – II

billion yen	Net sales			Segment Profit*			Remarks
	A.FY20.3 results	B.FY19.3 results	A-B	A.FY20.3 results	B.FY19.3 results	A-B	
Domestic Energy / Gas	973.7	1,012.6	-38.8	53.1	35.8	+17.3	Profit : Increased due to the impact of the time-lag effect and the decrease in operating expenses in the gas business, etc.
Domestic Energy / Electricity	204.8	184.3	+20.5	7.9	8.7	-0.8	Profit : Decreased in sales unit price, and decreased due to the increase in operating expenses and the effect of the unplanned outage of power plant, etc.
International Energy	61.2	40.4	+20.7	8.1	5.9	+2.1	Profit : Increased in the IPP projects in North America, etc.
Life & Business Solutions	219.4	210.9	+8.5	19.6	17.7	+1.9	Profit : Increased in profits in materials solutions business, etc.
Adjustments	-90.6	-76.4	-14.1	0.1	0.8	-0.7	
Consolidated	1,368.6	1,371.8	-3.1	89.0	69.0	+19.9	

\* Segment profit=Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method

Including profit/loss on market value of derivative  
A.FY20.3 -2.5, B.FY19.3 -1.9, A-B -0.6

## Results for FY2020.3 – III

Figures in ( ) are ratios of consolidated results to non-consolidated results

Consolidated, billion yen	A. FY20.3 results	B. FY20.3 forecasts	A-B	(A-B)/B(%)	Remarks
Net sales	(1.26) 1,368.6	(1.25) 1,419.0	-50.3	-3.5	
Operating profit	(1.83) 83.7	(1.83) 84.0	-0.2	-0.2	
Ordinary profit	(1.47) 86.0	(1.43) 81.0	+5.0	+6.2	Increased in the upstream business in the International business, etc.
Profit <sup>*</sup>	(0.93) 41.7	(1.19) 51.0	-9.2	-18.1	The impairment loss of the upstream projects in the International Energy business, etc.
EBITDA <sup>**</sup>	180.9	173.2	+7.7	+4.5	
* Profit attributable to owners of parent					
** EBITDA=operating profit (loss) + depreciation + amortization of goodwill+ share of profit (loss) of entities accounted for using equity method					
The time-lag effect	6.5	6.9	-0.3	-	
Ordinary profit excluding time-lag profit	79.5	74.0	+5.4	+7.3	
Crude oil price <sup>***</sup> USD/bbl	67.8	67.1	+0.7		
Exchange rate JPY/USD	108.7	109.0	-0.3		

\*\*\* Average of preliminary monthly data up to March

## Results for FY2020.3 – IV

billion yen	Net sales			Segment Profit <sup>*</sup>			Remarks
	A. FY20.3 results	B. FY20.3 forecasts	A-B	A. FY20.3 results	B. FY20.3 forecasts	A-B	
Domestic Energy / Gas	973.7	1,015.5	-41.7	53.1	51.5	+1.6	Profit: Increased in subsidiary businesses
Domestic Energy / Electricity	204.8	211.0	-6.1	7.9	7.0	+0.9	Profit: Almost the same level
International Energy	61.2	55.5	+5.7	8.1	6.5	+1.6	Profit: Increased in the upstream business, etc.
Life & Business Solutions	219.4	216.0	+3.4	19.6	20.0	-0.3	Profit: Almost the same level
Adjustments	-90.6	-79.0	-11.6	0.1	1.5	-1.3	
Consolidated	1,368.6	1,419.0	-50.3	89.0	86.5	+2.5	

\* Segment profit=Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method

## Results for FY2020.3 – V

Consolidated, billion yen	A. FY 20.3 end results	B. FY 19.3 end results	A-B	Remarks
Total assets	2,140.4	2,029.7	+110.7	Acquisition of a new subsidiary operating upstream business in North America, etc.
Shareholders' equity	997.4	1,004.3	-6.8	
Interest-bearing debts	754.0	647.4	+106.5	Increased due to issuance of bonds, etc.
Number of employees	20,543	20,224	+319	Increased in Jacobi Carbons AB, etc.
Shareholders' equity / Total assets	46.6%	49.5%	-2.9%	
(After adjustment*)	(48.9%)	(49.5%)	(-0.5%)	
D/E ratio	0.76	0.64	+0.11	
(After adjustment*)	(0.67)	(0.64)	(+0.03)	
*Calculated with 50% of issued hybrid bonds of 100 billion yen as equity (It does not mean that shareholders will be diluted)				
	A. FY20.3 results	B. FY19.3 results	A-B	
Capital expenditure	131.0	107.2	+23.7	
Depreciation	91.9	99.7	-7.8	The rebound from one-time amortization of goodwill, etc.
Free cash flow**	125.3	20.9	+104.4	Decreased in working capital, etc.
ROA	2.0%	1.7%	+0.3%	
ROE	4.2%	3.4%	+0.8%	
EPS (yen/share)	100.5	80.8	+19.7	
BPS (yen/share)	2,399.1	2,415.4	-16.3	

\*\*Free cash flow = cash flows from operating activities - capital expenditures for upgrading existing businesses



# Forecasts for FY2021.3 – I

Figures in ( ) are ratios of consolidated results to non-consolidated results

Consolidated, billion yen	A. FY21.3 forecasts	B. FY20.3 results	A-B	(A-B)/B(%)	Remarks
Net sales	(1.28) 1,493.0	(1.26) 1,368.6	+124.3	+9.1	Increase in LNG and electricity sales volume, etc.
Operating profit	(2.94) 91.0	(1.83) 83.7	+7.2	+8.6	
Ordinary profit	(2.56) 100.0	(1.47) 86.0	+13.9	+16.3	Increase in the International Energy business, etc.
Profit*	(2.43) 73.0	(0.93) 41.7	+31.2	+74.7	Increase due to the rebound from the impairment loss of the upstream projects in the International Energy business
EBITDA**	200.0	180.9	+19.0	+10.5	

\* Profit attributable to owners of parent

\*\* EBITDA=operating profit (loss) + depreciation + amortization of goodwill + share of profit (loss) of entities accounted for using equity method

The time-lag effect	-3.5	6.5	-10.0	-	
Ordinary profit excluding time-lag profit	103.5	79.5	+24.0	+30.2	Increase in the International Energy business, etc.

Crude oil price*** USD/bbl	65.0	67.8	-2.8		
Exchange rate JPY/USD	110.0	108.7	+1.3		

\*\*\* Average of preliminary monthly data up to March

## Forecasts for FY2021.3 –II

billion yen	Net sales			Segment Profit <sup>*</sup>			Remarks
	A. FY21.3 forecasts	B. FY20.3 results	A-B	A. FY21.3 forecasts	B. FY20.3 results	A-B	
Domestic Energy / Gas	993.5	973.7	+19.7	39.5	53.1	-13.6	Profit : Decrease due to the time-lag effect, etc.
Domestic Energy / Electricity	241.0	204.8	+36.1	11.0	7.9	+3.0	Profit: Increase in the sales volume of electricity, etc.
International Energy	87.5	61.2	+26.2	30.5	8.1	+22.3	Profit : Increase due to the profit contribution from Freeport LNG project and the upstream business in North America, etc.
Life & Business Solutions	226.0	219.4	+6.5	22.5	19.6	+2.8	Profit : Increase in the materials solutions business, etc.
Adjustments	-55.0	-90.6	+35.6	-	0.1	-0.1	
Consolidated	1,493.0	1,368.6	+124.3	103.5	89.0	+14.4	

\* Segment profit=Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method

## Forecasts for FY2021.3 – III

Consolidated, billion yen	A.FY 21.3 end forecasts	B. FY 20.3 end results	A-B	Remarks
Total assets	2,285.2	2,140.4	+144.7	Increase in the investment for growth, etc.
Shareholders' equity	1,056.8	997.4	+59.3	
Interest-bearing debts	834.4	754.0	+80.4	Increase due to new borrowing, etc.
Number of employees	21,450	20,543	+907	Increase in Jacobi Carbons AB and Osaka Gas Information System Research Institute Group, etc.
Shareholders' equity / Total assets	46.2%	46.6%	-0.4%	
(After adjustment*)	(48.4%)	(48.9%)	(-0.5%)	
D/E ratio	0.79	0.76	+0.03	
(After adjustment*)	(0.71)	(0.67)	(+0.04)	
*Calculated with 50% of issued hybrid bonds of 100 billion yen as equity (It does not mean that shareholders will be diluted)				
	A.FY 21.3 forecasts	B. FY20.3 results	A-B	
Capital expenditure	203.0	131.0	+71.9	Increase in the investment for growth, etc.
Depreciation	95.6	91.9	+3.7	
Free cash flow**	89.3	125.3	-36.0	Increase in working capital, etc.
ROA	3.3%	2.0%	+1.3%	
ROE	7.1%	4.2%	+2.9%	
EPS (yen/share)	175.6	100.5	+75.1	
BPS (yen/share)	2,541.7	2,399.1	+142.6	

\*\*Free cash flow = cash flows from operating activities - capital expenditures for upgrading existing businesses

## Sales-related results for FY2020.3

\* Number of units for gas supply = number of meters installed – number of meters unused (unoccupied houses, etc.)  
– number of units for gas supply from other companies

\*\* The difference factors are described on pages 30 and 31

### ■ Gas sales volume

45MJ/m<sup>3</sup>

	FY20.3 forecasts	A.FY20.3 results	B.FY19.3 results	A-B	(A-B) /B(%)
Number of units for gas supply* (thousands)	-	5,225	5,553	-328	-5.9
Installation of new meters (thousands)	-	110	104	+6	+5.4
Monthly gas sales volume per household (m <sup>3</sup> /month)	-	29.2	28.7	+0.5	+1.7
Residential**	1,824	1,798	1,892	-94	-4.9
Non-Residential**	5,736	5,526	6,010	-483	-8.0
Non-consolidated gas sales volume (million m <sup>3</sup> )	7,560	7,324	7,901	-577	-7.3
Consolidated gas sales volume (million m <sup>3</sup> )	7,599	7,362	7,935	-573	-7.2

### ■ Electricity sales volume (Consolidated)

	FY20.3 forecasts	A.FY20.3 results	B.FY19.3 results	A-B	(A-B) /B(%)
Retail	-	4,617	3,457	+1,160	+33.5
Wholesale, etc.	-	8,572	8,196	+377	+4.6
Electricity Sales Volume(GWh)	13,172	13,189	11,653	+1,536	+13.2
Number of low-voltage electricity supply (thousands)	-	1,322	945	+377	+39.9

### ■ Customer Accounts (Consolidated)

	FY20.3 forecasts	A.FY20.3 end results	B.FY19.3 end results	A-B	(A-B) /B(%)
Number of customer Accounts (thousands)	9,000	9,100	8,750	+360	+4.1

## Sales-related forecasts for FY2021.3

### ■ Gas sales volume

\* The difference factors are described on pages 30 and 31.

45MJ/m <sup>3</sup>	A. FY21.3 forecasts	B. FY20.3 results	A-B	(A-B)/B(%)
Residential*	1,770	1,798	-28	-1.6
Non-Residential*	5,552	5,526	+26	+0.5
Non-consolidated gas sales volume (million m3)	7,322	7,324	-2	-0.0
Consolidated gas sales volume (million m3)	7,358	7,362	-4	-0.1

### ■ Electricity sales volume (Consolidated)

	A. FY21.3 forecasts	B. FY20.3 results	A-B	(A-B)/B(%)
Electricity Sales Volume(GWh)	16,567	13,189	+3,378	+25.6

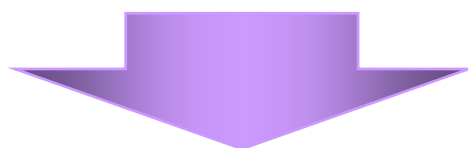
### ■ Customer Accounts (Consolidated)

	A. FY21.3 end forecasts	B. FY20.3 end results	A-B	(A-B)/B(%)
Number of customer Accounts (thousands)	9,300	9,100	+200	+2.2

## Residential Gas Sales

FY20.3

	YoY change	Remarks
Number of customers	-4.3%	Switching to another company, etc.
Impact of temperature	+0.9%	Average annual temperature: 17.8 degrees Celsius (+0.1 degrees Celsius from the previous year)
Others	-1.5%	High-efficiency of gas appliances, decrease in household size, etc.
Total	-4.9%	



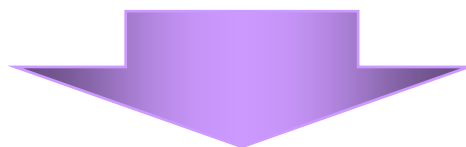
FY21.3 forecasts

- Residential gas sales volume is expected to decrease by 28 million m<sup>3</sup> (1.6%) from the previous year to 1,770million m<sup>3</sup>, due to the impact of the switching to another company exceeding the rebound from high air and water temperatures of the previous year, etc.

## Non-Residential Gas Sales

FY20.3

	YoY change	Remarks
Demand development	+1.1%	Equipment introduction, fuel conversion, etc.
Impact of temperature	-0.1%	
Capacity utilization of facilities	-2.5%	
Individual factor	-6.6%	Decreased due to the switching to another company and the decrease in the capacity utilization at specific customers, etc.
Others	+0.0%	
Total	-8.0%	



FY21.3 forecasts

- Non-residential gas sales volume is expected to increase by 26 million m3 (0.5%) from the previous year to 5,552 million m3, due to the increase in the capacity utilization of facilities and the impact of demand development exceeding the impact of the switching to another company, etc.

## IV. Facts and Figures

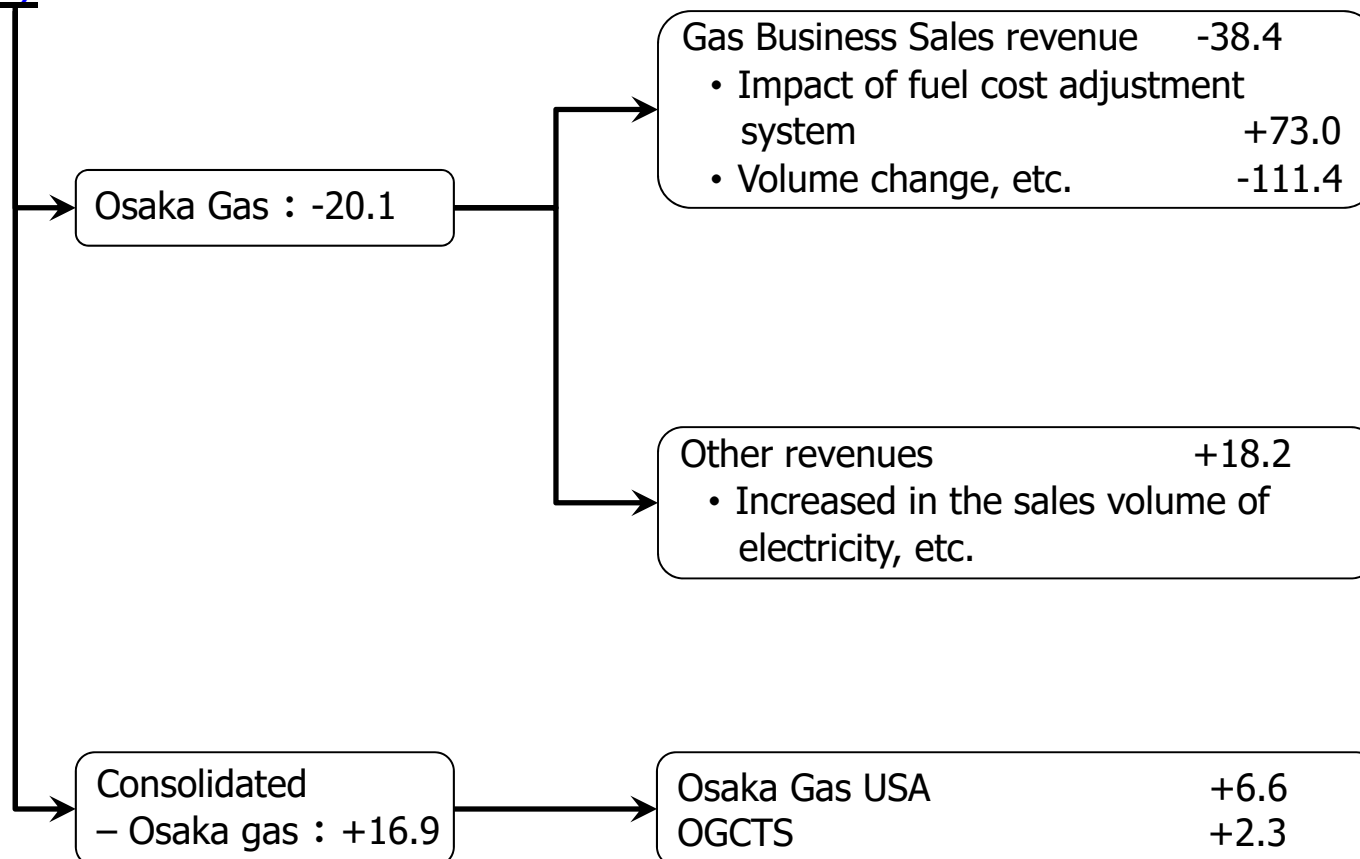


## Sales variance for FY2020.3 (Year-on-Year)

FY19.3 → FY20.3 (differences)

1,371.8    1,368.6    (-3.1)

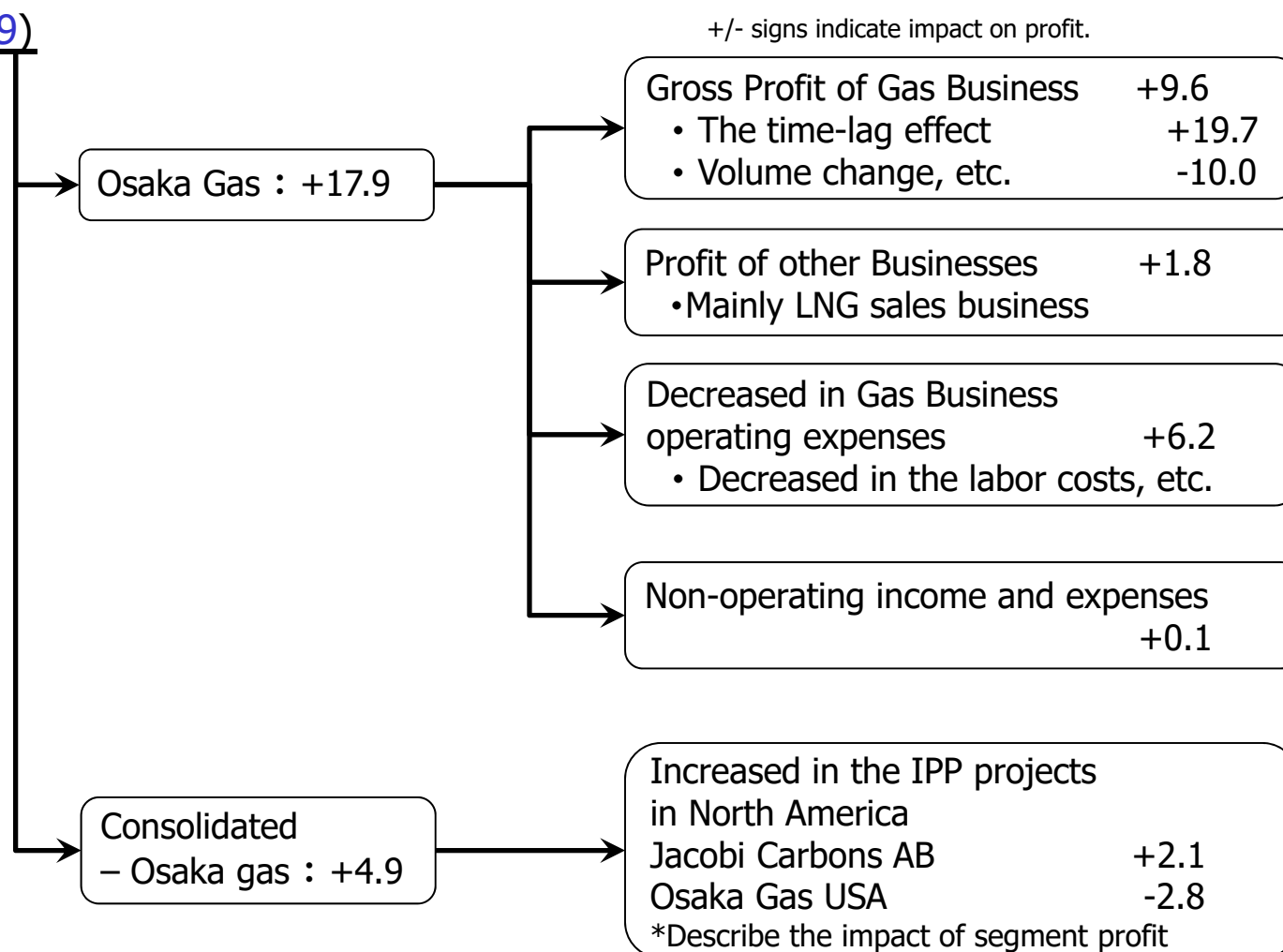
(billion yen)



## Ordinary profit variance for FY2020.3 (Year-on-Year)

FY19.3 → FY20.3 (differences)

63.1      86.0 **(+22.9)**  
(billion yen)



## Sales variance for FY2020.3 (with forecasts)

FY20.3 forecasts → FY20.3 (differences)

1,419.0

(billion yen)

1,368.6 **(-50.3)**

Osaka Gas :-46.6

Gas Business Sales revenue -10.5  
 • Impact of fuel cost adjustment system +3.9  
 • Volume change, etc. -14.4

Other revenues -36.0  
 • Increased in the sales volume of LNG and electricity, etc.

Consolidated  
 – Osaka gas : -3.6

Osaka Gas Chemicals -3.1  
 OGCTS -1.8

## Ordinary profit variance for FY2020.3 (with forecasts)

FY20.3 forecasts → FY20.3 (differences)

81.0

(billion yen)

86.0 **(+5.0)**

Osaka Gas : +1.9

Gross Profit of Gas Business +0.0  
 •The time-lag effect -0.3  
 •Volume change, etc. +0.4

Profit of other Businesses -1.1  
 •Mainly Other miscellaneous operating business

Decreased in Gas Business operating expenses +0.8

Non-operating income and expenses +2.2

Consolidated  
 – Osaka gas : +3.0

Idemitsu Snorre Oil Development +1.1  
 Osaka Gas Information System Research Institute +0.7  
 Osaka Gas Australia +0.7  
 \*Describe the impact of segment profit

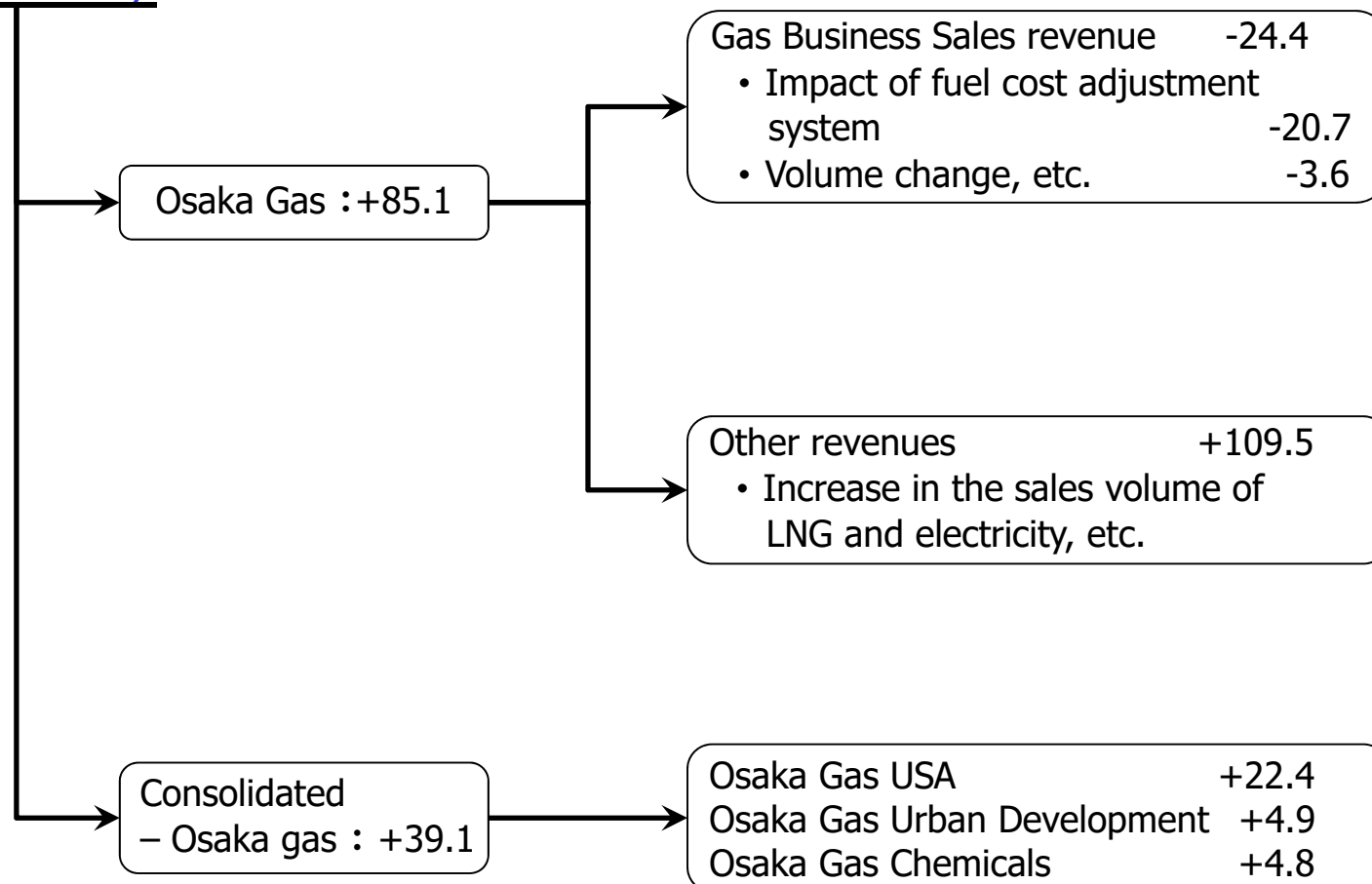
+/- signs indicate impact on profit.

## Sales variance for FY2021.3 Forecasts (Year-on-Year)

FY20.3 → FY21.3 forecasts (differences)

1,368.6    1,493.0 **(+124.3)**

(billion yen)



# Ordinary profit variance for FY2021.3 Forecasts (Year-on-Year)

FY20.3 → FY21.3 forecasts (differences)

86.0      100.0 **(+13.9)**  
(billion yen)

+/- signs indicate impact on profit.

Osaka Gas :-19.4

Gross Profit of Gas Business    -9.0  
• The time-lag effect               -10.0  
• Volume change, etc.               +0.9

Profit of other Businesses       -0.2

Increase in Gas Business  
operating expenses               -5.4

Non-operating income and expenses    -4.7  
• Decrease in dividends, etc.

Consolidated  
– Osaka gas : +33.4

Osaka Gas USA                       +15.2  
Share of profit of entities accounted for  
using equity method               +7.1  
\*Describe the impact of segment profit

## Risk Factors for Annual Earnings Results Forecasts

- Atmospheric and water temperatures
  - A +1 degree Celsius change in atmospheric and water temperatures will affect the residential gas sales volume: increase/decrease of approx. -7% in spring and autumn, approx. -8% in summer, and approx. -6% in winter
- Crude oil prices
  - LNG prices are linked to crude oil prices. A +1USD/bbl. change in crude oil prices will have an effect of approx. -0.6billion yen on annual ordinary profit
- Foreign exchange rate
  - LNG prices are affected by fluctuations in the USD/JPY exchange rate. A +1 yen fluctuation in the USD/JPY exchange rate will have an effect of approx. -0.8 billion yen on annual ordinary profit
- Materials costs
  - Although the fuel cost adjustment system allows us to reflect changes in fuel costs in gas rates in the medium- and long-term, an increase in fuel costs is likely to affect the business results due to a time lag in reflecting cost fluctuations, and also depends on the composition of fuel suppliers
- Interest rate
  - A +1% change in the interest rate will have an effect of approx. +1.9 billion yen on annual consolidated non-operating expenses

Thank you