

**Third Quarter of the Fiscal Year Ending March 31, 2021**  
**Brief Report of Consolidated Financial Statements (Japanese GAAP)**



\* This document is an English translation of materials originally disclosed in Japanese and is provided for reference purpose only.

February 1, 2021

Name of Listed Company : Osaka Gas Co., Ltd. Listed Exchanges: 1<sup>st</sup> Section of Tokyo and Nagoya  
 Code No. : 9532 URL: <https://www.osakagas.co.jp>  
 Representative Officer : Title: President Name: Masataka Fujiwara  
 Contact : Title: Manager, Finance Dept. Name: Kazushige Nomura  
 Scheduled Date of Financial Report Filing with the Financial Services Agency : February 12, 2021  
 Scheduled Date of Dividend Payment : -  
 Preparation of Supplementary Explanation Documents for Operating Results : Yes  
 Holding of an Informational Meeting for Operating Results : Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 1, 2020 - December 31, 2020)

(1) Consolidated Operating Results (% of change from the same period in the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2020	962,883	-1.2	74,876	37.9	81,576	37.3	57,612	65.5
Nine months ended December 31, 2019	974,503	3.3	54,286	132.8	59,396	133.1	34,800	569.2

(Note) Comprehensive income: Nine months ended December 31, 2020 37,371 million yen (287.8% YoY)  
 Nine months ended December 31, 2019 9,637 million yen (41.6% YoY)

	Earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2020	138.57	-
Nine months ended December 31, 2019	83.70	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity / Total assets
	million yen	million yen	%
As of December 31, 2020	2,205,955	1,043,466	45.9
As of March 31, 2020	2,140,482	1,027,667	46.6

<Reference> Shareholders' equity: As of December 31, 2020 1,013,056 million yen  
 As of March 31, 2020 997,492 million yen

2. Dividends

	Dividends per share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2020	-	25.00	-	25.00	50.00
Year ending March 31, 2021	-	25.00	-		
Year ending March 31, 2021 (Forecast)			-	25.00	50.00

(Note) Revision of the dividend forecast from previously announced figures: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 - March 31, 2021)

(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,330,000	-2.8	88,500	5.6	100,000	16.3	71,500	71.1	171.96

(Note) Revision of the financial results forecasts from previously announced figures: Yes

\*Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020 (changes in specified subsidiaries resulting in a change in the scope of consolidation): Yes  
Excluded companies: 1 (Osaka Gas Niugini Pty Ltd)

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: Adopted  
(Note) For detailed information, please refer to "2. (3) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements" on Page 8 of the Attachment to this Brief Report of Consolidated Financial Statements.

(3) Changes in accounting policies, changes in accounting estimates, and restatements  
(i) Changes in accounting policies due to revisions to accounting standards, etc.: None  
(ii) Changes in accounting policies other than (i) above: None  
(iii) Changes in accounting estimates: None  
(iv) Restatements: None

(4) Issued shares (common shares)

(i) Number of issued shares at the end of each period (including treasury shares):	As of December 31, 2020	416,680,000 shares
	As of March 31, 2020	416,680,000 shares
(ii) Number of treasury shares at the end of each period:	As of December 31, 2020	915,365 shares
	As of March 31, 2020	895,971 shares
(iii) Average number of shares during each period:	Nine months ended December 31, 2020	415,776,732 shares
	Nine months ended December 31, 2019	415,802,880 shares

\*Quarterly Brief Report of Consolidated Financial Statements is outside the scope of quarterly review by a certified public accountant or an audit firm.

\*Notes on proper use of forecasts and other matters

1. Forward-looking statements contained in this document, including financial results forecasts, are based on information currently available to Osaka Gas Co., Ltd. (the "Company") and certain assumptions that the Company regards as reasonable. Actual results may differ significantly from these forecasts, due to various factors. As for notes regarding assumptions used for and the use of the financial results forecasts, please refer to "1. (3) Forecasts of Consolidated Financial Results" on Page 3 of the Attachment to this Brief Report of Consolidated Financial Statements.

2. The Company plans to hold a results briefing for institutional investors and analysts on February 2, 2021. Immediately after the briefing, the presentation materials and contents will be made available on the Company's website.

(Reference) Forecasts of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2021  
(April 1, 2020 - March 31, 2021)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year	1,019,500	-6.0	43,000	-6.1	54,000	-7.7	41,500	-7.7	99.81

(Note) Revision of the financial results forecasts from previously announced figures: Yes

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## 1. Overview of Quarterly Consolidated Financial Results

### (1) Consolidated Operating Results

Consolidated net sales for the nine months ended December 31, 2020 decreased by ¥11.6 billion year-on-year to ¥962.8 billion. This was primarily due to the lower unit selling price of city gas under the fuel cost adjustment system in the Gas Business and a decrease in gas sales volume, despite an increase in electricity sales volume in the Electricity Business. Consolidated ordinary profit increased by ¥22.1 billion year-on-year to ¥81.5 billion. This was 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 between fluctuations in the raw material costs and their reflection in the unit selling price of city gas(\*) compared to the previous third quarter in the Gas Business. Profit attributable to owners of parent increased by ¥22.8 billion year-on-year to ¥57.6 billion.

(\*)There is a time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas under the fuel cost adjustment system, which causes a temporary increase/decrease in profit. This resulted in a temporary increase in profit for the current and previous third quarter, respectively.

(billion yen)

	Consolidated results (a)	Compared with previous fiscal year		Non-consolidated results (b)	Ratio of consolidated results to non-consolidated results (a) / (b)
		increase / decrease	increase / decrease rate (%)		
Net sales	962.8	-11.6	-1.2	743.7	1.29
Cost of sales	656.0	-34.3	-5.0	522.7	1.25
Selling, general and administrative expenses	231.9	+2.1	+0.9	184.1	1.26
Operating profit	74.8	+20.5	+37.9	36.8	2.03
Ordinary profit	81.5	+22.1	+37.3	45.8	1.78
Profit attributable to owners of parent(*)	57.6	+22.8	+65.5	34.3	1.68

(\*)"Profit" for Non-consolidated results

### (Quarterly Gas Sales Breakdown)

		Nine months ended December 31, 2020 (a)	Nine months ended December 31, 2019 (b)	YoY Changes (a) - (b)	YoY Changes rate (%)	
Non-consolidated	Number of gas supply (thousands)	5,069	5,287	-218	-4.1	
	Gas sales volume (million m <sup>3</sup> )	Residential	1,090	1,077	+13	+1.2
		Non-residential	3,810	4,114	-304	-7.4
		Total	4,900	5,191	-291	-5.6
Consolidated gas sales volume (million m <sup>3</sup> )		4,928	5,220	-293	-5.6	

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

### (Quarterly Domestic Electricity Sales Breakdown)

		Nine months ended December 31, 2020 (a)	Nine months ended December 31, 2019 (b)	YoY Changes (a) - (b)	YoY Changes rate (%)
Number of low-voltage electricity supply (thousands)		1,476	1,241	+235	+18.9
Electricity sales volume (GWh)	Retail	3,914	3,137	+776	+24.7
	Wholesale, etc.	7,522	6,268	+1,254	+20.0
	Total	11,435	9,405	+2,030	+21.6

**(2) Consolidated Financial Position**

Total assets as of December 31, 2020 increased by ¥65.4 billion compared with March 31, 2020 to ¥2,205.9 billion. This was primarily due to an increase in non-current assets owing to an increase in property, plant and equipment because of progress of investment activities and an increase in investment securities because of a rise in stock price. Net assets totaled ¥1,043.4 billion and the ratio of shareholders' equity to total assets was 45.9%.

**(3) Forecasts of Consolidated Financial Results**

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

As for non-consolidated results, net sales, operating profit, ordinary profit and profit are expected to decrease compared to the previous forecasts due to a decrease in gas appliance sales and in the gas transportation service.

As for consolidated results, net sales and operating profit are expected to decrease as in non-consolidated results. Ordinary profit and profit attributable to owners of parent are expected to remain unchanged from the previous forecasts, mainly due to an increase in share of profit of entities accounted for using equity method that resulted from selling part of participating interests in the production licenses in the Barents Sea, Norway.

(Reference) Assumptions for the crude oil price and exchange rate (January 2021 - March 2021)

Crude oil price (All Japan CIF price) at 50USD/bbl

Exchange rate (TTM) at 105JPY/USD

Changes from the previous financial results forecasts in the Brief Report of Consolidated Financial Statements for the Fiscal Year Ending March 31, 2021 announced on October 29, 2020 are shown in the tables below.

Revision of Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021  
(April 1, 2020 - March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous Forecasts (A)	1,336,500	93,500	100,000	71,500	171.96
Revised Forecasts (B)	1,330,000	88,500	100,000	71,500	171.96
Changes (B - A)	-6,500	-5,000	-	-	
Changes (%)	-0.5	-5.3	-	-	
(Reference) Actual Results of Fiscal Year Ended March 31, 2020	1,368,689	83,792	86,018	41,788	100.50

(Reference)

Revision of Forecasts of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2021  
(April 1, 2020 - March 31, 2021)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous Forecasts (A)	1,026,000	48,000	59,000	45,000	108.23
Revised Forecasts (B)	1,019,500	43,000	54,000	41,500	99.81
Changes (B - A)	-6,500	-5,000	-5,000	-3,500	
Changes (%)	-0.6	-10.4	-8.5	-7.8	
(Reference) Actual Results of Fiscal Year Ended March 31, 2020	1,084,389	45,788	58,496	44,979	108.18

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(million yen)

	As of March 31,2020	As of December 31,2020
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	84,258	82,075
Distribution facilities	264,657	259,556
Service and maintenance facilities	55,072	52,803
Other facilities	542,101	549,009
Construction in progress	68,482	116,696
Total property, plant and equipment	1,014,572	1,060,140
Intangible assets	98,322	98,370
Investments and other assets		
Investment securities	332,200	354,220
Other	136,171	133,909
Allowance for doubtful accounts	(802)	(867)
Total investments and other assets	467,568	487,262
Total non-current assets	1,580,462	1,645,774
Current assets		
Cash and deposits	147,201	146,669
Notes and accounts receivable - trade	210,515	192,929
Inventories	108,092	107,760
Other	94,849	113,414
Allowance for doubtful accounts	(640)	(592)
Total current assets	560,019	560,181
Total assets	2,140,482	2,205,955

(million yen)

	As of March 31,2020	As of December 31,2020
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	289,993	354,994
Long-term borrowings	363,757	320,864
Provision for gas holder repairs	1,290	1,405
Provision for safety measures	9,339	7,942
Provision for gas appliance warranties	13,074	9,695
Retirement benefit liability	17,590	18,532
Other	105,455	144,496
Total non-current liabilities	800,502	857,932
Current liabilities		
Notes and accounts payable - trade	59,363	55,615
Other	252,949	248,941
Total current liabilities	312,312	304,557
Total liabilities	1,112,815	1,162,489
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus	19,483	19,469
Retained earnings	802,313	838,501
Treasury shares	(1,802)	(1,842)
Total shareholders' equity	952,160	988,294
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	41,336	58,914
Deferred gains or losses on hedges	(14,161)	(39,541)
Revaluation reserve for land	(737)	(737)
Foreign currency translation adjustment	10,085	(857)
Remeasurements of defined benefit plans	8,809	6,983
Total accumulated other comprehensive income	45,332	24,761
Non-controlling interests	30,174	30,409
Total net assets	1,027,667	1,043,466
Total liabilities and net assets	2,140,482	2,205,955

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

### Quarterly Consolidated Statements of Income

(million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	974,503	962,883
Cost of sales	690,350	656,013
Gross profit	284,152	306,870
Selling, general and administrative expenses	229,865	231,993
Operating profit	54,286	74,876
Non-operating income		
Interest income	1,373	1,527
Dividend income	6,774	3,164
Share of profit of entities accounted for using equity method	4,029	9,714
Miscellaneous income	5,741	8,496
Total non-operating income	17,918	22,902
Non-operating expenses		
Interest expenses	9,077	8,365
Miscellaneous expenses	3,730	7,837
Total non-operating expenses	12,808	16,202
Ordinary profit	59,396	81,576
Extraordinary losses		
Impairment loss	4,495	-
Total extraordinary losses	4,495	-
Profit before income taxes	54,901	81,576
Income taxes	18,736	22,668
Profit	36,164	58,907
Profit attributable to non-controlling interests	1,364	1,295
Profit attributable to owners of parent	34,800	57,612

Quarterly Consolidated Statements of Comprehensive Income

(million yen)

	Nine months ended December 31,2019	Nine months ended December 31,2020
Profit	36,164	58,907
Other comprehensive income		
Valuation difference on available-for-sale securities	3,822	17,569
Deferred gains or losses on hedges	(6,166)	(13,521)
Foreign currency translation adjustment	(8,282)	(9,472)
Remeasurements of defined benefit plans	(1,839)	(1,571)
Share of other comprehensive income of entities accounted for using equity method	(14,062)	(14,539)
Total other comprehensive income	(26,527)	(21,536)
Comprehensive income	9,637	37,371
(Breakdown)		
Comprehensive income attributable to owners of parent	8,778	37,041
Comprehensive income attributable to non-controlling interests	858	329

### (3) Notes to the Quarterly Consolidated Financial Statements

#### (Going Concern Assumption)

Not applicable

#### (Significant Changes in the Value of Shareholders' Equity)

Nine months ended December 31, 2020 (April 1, 2020 - December 31, 2020)

Not applicable

#### (Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

For major consolidated subsidiaries, the effective tax rates (after applying tax effect accounting) expected to be imposed on their income before income taxes applicable to the tax year in which this third quarter is included were estimated based on reasonable assumptions. Tax expenses for this third quarter were then calculated by multiplying the income before income taxes of respective subsidiaries for the quarter by the estimated effective tax rates.

#### (Additional Information)

The global spread of COVID-19 has led to a decline in energy prices including crude oil prices. The Daigas Group assumes that crude oil prices will gradually recover in the medium-to-long term and makes accounting estimates of impairment loss of non-current assets based on such assumption. Considering that there are a number of uncertainties that may influence the energy prices including crude oil prices in relation to COVID-19, these may have an influence on the consolidated financial position and operating results of the Daigas Group in the future.

(Segment Information)

Nine months ended December 31, 2019 (April 1, 2019 - December 31, 2019)

(million yen)

	Domestic Energy / Gas	Domestic Energy / Electricity	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	694,299	142,932	43,291	156,859	1,037,382	(62,879)	974,503
Segment profit							
Operating profit (loss)	34,160	4,845	(442)	13,437	52,001	2,285	54,286
Share of profit (loss) of entities accounted for using equity method	307	(287)	4,009	-	4,029	-	4,029
Total	34,468	4,557	3,567	13,437	56,030	2,285	58,316

Nine months ended December 31, 2020 (April 1, 2020 - December 31, 2020)

(million yen)

	Domestic Energy / Gas	Domestic Energy / Electricity	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	654,761	163,118	49,435	154,350	1,021,666	(58,782)	962,883
Segment profit							
Operating profit	41,580	11,652	4,626	12,720	70,579	4,296	74,876
Share of profit of entities accounted for using equity method	558	160	8,995	-	9,714	-	9,714
Total	42,139	11,812	13,622	12,720	80,294	4,296	84,591

(Note) Disclosure of changes in reportable segment

Due to a restructuring of the group companies in the Domestic Energy Business as of April 1, 2020, some subsidiaries previously included in the "Domestic Energy / Electricity" segment have been transferred to the "Domestic Energy / Gas" segment starting from the first quarter of this fiscal year. The segment information for the nine months ended December 31, 2019 has been reclassified based on the new reportable segment.