

Supplementary Financial Information for the 1st Quarter of the Fiscal Year ending March 2017

1. Consolidated

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (B-A)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks (billion yen)
Consolidated	Net Sales	341,532	641,418	1,322,012	276,308	533,000	1,170,500	-65,223	OG-64.3, Subsidiaries-5.9, Adjustment in consolidation+5.1
	Operating Expenses	269,137	547,350	1,175,337	237,900	495,000	1,085,000	-31,237	
	Operating Income	72,394	94,067	146,674	38,407	38,000	85,500	-33,986	OG-32.5, Subsidiaries-1.4, Adjustment in consolidation+0.0
	Ordinary Income	74,103	92,961	134,986	40,382	38,000	78,000	-33,720	OG-24.2, Subsidiaries-1.1, Adjustment in consolidation-8.3
	Profit attributable to owners of parent	52,130	65,980	84,324	26,909	25,500	52,000	-25,221	OG-15.5, Subsidiaries-2.7, Adjustment in consolidation-6.8
	Total Assets	1,834,048	1,849,983	1,829,756	1,736,566	1,843,000	1,890,700	-97,482	
	Net Worth	922,790	939,376	906,623	896,779	965,800	974,100	-26,011	
Interest-bearing Liabilities	591,500	593,603	567,164	552,756	578,000	569,800	-38,744		
Non-Consolidated	Net Sales	280,957	512,430	1,039,733	216,595	405,500	887,000	-64,362	Gas-56.9, Miscellaneous-2.1, Incidental business-5.3
	Operating Expenses	215,452	434,989	927,678	183,649	381,500	839,500	-31,802	
	Operating Income	65,504	77,441	112,054	32,945	24,000	47,500	-32,559	Margin of gas sales-27.4, Margin of miscellaneous+0.6, Margin of incidental business-5.7, decrease in labor costs and operating expenses and depreciation costs+0.0
	Ordinary Income	71,022	82,867	113,349	46,819	33,000	57,500	-24,203	
	Net Income	52,090	60,590	83,285	36,532	26,500	45,000	-15,558	
	Total Assets	1,389,503	1,396,594	1,425,220	1,364,377	1,397,000	1,443,400	-25,126	
	Net Worth	682,590	682,453	695,189	722,412	715,200	723,200	39,821	
Interest-bearing Liabilities	456,629	453,932	427,847	419,854	439,500	433,200	-36,774		
Consolidated/ Non-Consolidated Ratio	Net Sales	1.22	1.25	1.27	1.28	1.31	1.32	0.06	
	Operating Income	1.11	1.21	1.31	1.17	1.58	1.80	0.06	
	Ordinary Income	1.04	1.12	1.19	0.86	1.15	1.36	-0.18	
	Net Income	1.00	1.09	1.01	0.74	0.96	1.16	-0.26	

2. Number of Employees and Capital Expenditure

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (B-A)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks (billion yen)
Consolidated	Number of Employees (*a)	21,634	21,486	20,844	21,137	21,316	21,232	-497	Decrease in OGCL, Osaka Gas Excellent Agency, etc.
	Capital Expenditure (million yen)	21,966	51,407	114,418	15,435	58,210	109,559	-6,530	Decrease in LNG tank construction, Ichthys LNG projects in Australia, etc.
	Investment for Upgrading Existing Businesses	10,909	23,895	56,051	8,238	19,482	51,598	-2,670	Decrease in LNG tank construction, etc.
	Investment for Expansion, Greenfield, and M&A	24,638	55,175	97,850	12,984	70,000	150,000	-11,654	Decrease in Mizusawa Industrial Chemicals, St. Charles Power Project, etc.
Investment (million yen) (*b)	35,547	79,070	153,902	21,222	89,482	201,598	-14,325		
Non-Consolidated	Number of Employees (*a)	5,972	5,925	5,824	5,874	5,799	5,774	-98	
Consolidated	Capital Expenditure (million yen)	11,462	24,869	58,688	8,320	19,592	51,500	-3,142	Decrease in production facilities, distribution facilities, etc.

*a): excluding the seconded and including part-time workers

*b): including capital expenditure

3. Non-Consolidated

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (B-A)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks (billion yen)
Gas Sales		212,066	368,486	757,197	155,149	277,600	613,000	-56,917	Fuel cost adjustment factor-63.6, Gas sales volume change +5.7, Others+1.0
Other Sales		68,890	143,944	282,536	61,445	127,900	274,000	-7,445	
	Miscellaneous operating revenue	30,605	61,868	133,217	28,504	59,300	125,300	-2,100	
	Revenue from Gas Appliance Sales	23,844	48,717	102,594	21,804	45,900	95,600	-2,040	Decrease in sales volume of gas air-conditioning systems
	Revenue from Installation Work	5,280	10,304	24,795	5,311	10,100	23,500	31	
	Other	1,480	2,846	5,828	1,388	3,300	6,200	-92	
Revenue for Incidental Businesses		38,285	82,075	149,318	32,941	68,600	148,700	-5,344	Mainly decrease in Electric Supply Business
Net Sales		280,957	512,430	1,039,733	216,595	405,500	887,000	-64,362	
Fuel Costs		89,348	175,305	367,761	59,881	123,600	287,000	-29,467	Fuel cost adjustment factor-36.6, Gas sales volume change +6.4, Others+0.6
	Sum of Labor Costs, Operating Expenses, and Depreciation	68,990	137,493	308,873	68,965	142,600	298,700	-25	
Other Expenses		57,113	122,190	251,043	54,803	115,300	253,800	-2,310	
	Miscellaneous Operating Expenses	26,074	55,010	122,254	23,367	51,500	110,900	-2,707	
	Expenses of Gas Appliance Sales	20,976	45,027	98,787	18,269	41,500	87,900	-2,706	
	Expenses of Installation Work	5,098	9,982	23,466	5,097	10,000	23,000	0	
	Expenses for Incidental Businesses	31,039	67,179	128,789	31,436	63,800	142,900	397	
Operating Expenses		215,452	434,989	927,678	183,649	381,500	839,500	-31,802	
Operating Income		65,504	77,441	112,054	32,945	24,000	47,500	-32,559	
Non-Operating Profit or Loss		5,518	5,426	1,294	13,874	9,000	10,000	8,355	
Non-Operating Income		8,030	10,577	16,647	16,276	13,500	19,500	8,246	Increase in dividends income
Non-Operating Expenses		2,511	5,151	15,352	2,402	4,500	9,500	-108	
Ordinary Income		71,022	82,867	113,349	46,819	33,000	57,500	-24,203	
Extraordinary Income		0	0	0	0	0	0	0	
Income Taxes (Current and Deferred)		18,932	22,277	30,064	10,286	6,500	12,500	-8,645	
Net Income		52,090	60,590	83,285	36,532	26,500	45,000	-15,558	

4. Breakdown of Gross Margin

(million yen)

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (B-A)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks (billion yen)
Gross Margin of Gas Sales		122,717	193,180	389,435	95,268	154,000	326,000	-27,449	Fuel cost adjustment factor -27.0, Gas sales volume change -0.7, others +0.3
	Gross Margin of Gas Appliance Sales	2,867	3,689	3,806	3,534	4,400	7,700	666	Increase in sales unit of ENE-FARM (Gas cogeneration system for residential use)
	Gross Margin of Installation Work	181	322	1,328	214	100	500	32	
	Other	1,480	2,846	5,828	1,388	3,300	6,200	-92	
	Gross Margin of Miscellaneous Operating	4,530	6,858	10,963	5,137	7,800	14,400	606	
	Gross Margin of Incidental Businesses	7,246	14,895	20,528	1,505	4,800	5,800	-5,741	
Subtotal		11,777	21,754	31,492	6,642	12,600	20,200	-5,134	
Profit/ Loss on Fuel Cost Adjustment System		41,538	51,080	81,712	14,537	9,921	12,469	-27,000	
Crude Oil Price (\$/bbl)		59.6	58.9	48.7	40.9	40.0	42.5	-18.7	
Exchange Rate (yen/\$)		121.4	121.9	120.2	108.0	120.0	120.0	-13.4	

5. Gas and Electric Power Sales Volume

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (A-B)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks
Averaged Temperature (°C)		20.1	23.2	17.4	20.4	23.3	17.0	0.3	
Gas Sales per Household (m ³ /month)		28.9	21.8	29.3	28.0	21.6	29.7	-0.9	
	Residential	512	774	2,083	501	771	2,127	-11	-2.2%
	Non-Residential	1,280	2,740	5,469	1,383	2,923	5,837	103	8.1%
	Commercial	185	434	833	178	444	862	-7	-4.0%
	Public and Medical	117	289	577	114	301	603	-3	-2.4%
	Industrial	978	2,017	4,059	1,091	2,178	4,373	114	11.6%
	Wholesale	110	224	469	115	232	483	5	4.2%
	Total Gas Sales Volume (million m ³) *45MJ/m ³	1,902	3,738	8,021	1,999	3,926	8,447	97	5.1%
Sales in Non-Regulated Area		1,098	2,332	4,647	1,207	2,504	4,991	109	9.9%
Number of Meters Installed (thousand)		7,203	7,215	7,252	7,259	7,266	7,298	55	
Installation of New Meters (thousand)		24	46	109	22	43	109	-2	

(Reference) Consolidated Gas Sales Volume

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (A-B)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks
	Osaka Gas	1,902	3,738	8,021	1,999	3,926	8,447	97	
	Nabari Kintetsu Gas	7.3	12.5	23.1	7.1	12.5	23.4	-0.2	
	Toyooka Energy	2.7	4.3	7.5	2.6	4.3	7.7	-0.1	
	Shingu Gas	0.4	0.7	1.1	0.4	0.7	1.2	0.0	
Total Gas Sales Volume (million m ³) *45MJ/m ³		1,913	3,756	8,052	2,009	3,944	8,480	96	5.0%

(Reference) Consolidated Electric Power Sales Volume

		FY16.3 Results			FY17.3 Results	FY17.3 Forecast		16.3 1Q→17.3 1Q (A-B)	
		(A)1Q	2Q	Full Year	(B)1Q	2Q	Full Year	Changes	Remarks
Electric Power Sales Volume (GWh)		1,851	4,233	8,503	1,594	3,731	7,553	-257	-13.9%
	retail	—	—	—	82	—	—	82	
	wholesale, etc	1,851	4,233	8,503	1,512	—	—	-339	-18.3%
Number of low-voltage electricity supply (thousand)		—	—	—	135	—	200	135	

<Disclaimer>

Certain statements contained herein are forward-looking statements, strategies and plans, which reflect our judgment based on information available to date. 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 rate and oil prices, and extraordinary weather conditions.

Segment and Subsidiaries Information for the 1st Quarter of the Fiscal Year ending March 2017

(million yen)

(million yen)

FY16.3 end: Number of consolidated subsidiaries: 149, Affiliates Recorded by Equity 16 FY17.3 1Q end: Number of consolidated subsidiaries: 146, Affiliates Recorded by Equity 16	Net Sales							Segment Income (Operating Income + Equity in Earnings of Affiliates)												
	FY16.3 Results			FY17.3 Results	FY17.3 Forecast			16.3 1Q→17.3 1Q (B-A)			FY16.3 Results			FY17.3 Results	FY17.3 Forecast			16.3 1Q→17.3 1Q (B-A)		
	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks	(A) 1Q	2Q	Full Year	(B) 1Q	2Q	Full Year	Changes	Remarks				
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—				
Gas	255,957	458,654	948,501	196,887	364,100	796,100	-59,070	—	-2	92	44	25	64	13	27					
Osaka Gas	242,671	430,355	890,415	183,653	336,900	738,300	-59,018	Fall in gas sales unit price	58,258	62,545	91,526	31,440	19,200	41,700	-26,817	Decrease in gross margin of gas sales				
Osaka Gas Customer Relations	3,100	6,204	12,430	3,953	7,824	15,707	853	—	143	241	249	202	279	484	59	—				
Osaka Gas Housing & Equipment	3,077	6,849	15,481	3,308	6,983	16,180	230	—	-50	85	357	16	30	420	67	—				
Kansai Business Information	1,562	3,392	8,390	1,782	3,125	7,500	199	—	21	105	370	41	56	263	20	—				
OGCTS	5,449	11,886	23,039	5,984	12,424	24,034	534	—	364	1,032	1,455	447	934	1,376	83	—				
Osaka Gas Security Service	2,160	4,360	8,920	2,100	4,214	8,699	-59	—	24	92	183	0	-5	142	-23	—				
Kinpai	2,006	5,486	14,671	1,975	5,811	14,880	-30	—	-26	43	312	-79	-6	284	-52	—				
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	—	-280	-669	-904	-73	123	445	206					
LPG, Electricity, and Other Energies	48,267	103,890	206,433	40,293	84,300	190,800	-7,973	—	8,185	16,989	28,852	3,533	8,000	13,500	-4,651					
Osaka Gas	38,285	82,075	149,318	32,941	148,700	148,700	-5,344	Mainly decrease in Electric Supply Business	7,246	14,895	20,528	1,505	4,800	5,800	-5,741	Mainly decrease in Electric Supply Business				
Osaka Gas Liquid #1	2,674	5,302	10,769	1,113	2,237	4,450	-1,560	Due to reorganization of businesses	257	545	1,123	165	239	620	-91	—				
Osaka Gas LPG	3,457	6,160	13,352	3,017	5,618	12,985	-439	—	326	321	749	332	341	841	6	—				
Nissho Petroleum Gas	3,512	6,214	14,114	2,421	4,128	10,360	-1,091	Decrease in sales unit price due to lower CP price	1	-24	180	15	-23	89	14	—				
Nissho Propane Sekiyu #2	2,389	4,010	11,797	1,948	4,227	15,481	-440	—	-43	-71	47	-12	14	283	30	—				
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	—	216	-160	-4,594	-724	-845	-1,659	-941					
International Energy Businesses	4,433	10,762	18,701	3,020	8,700	22,700	-1,412	—	1,242	3,667	-277	-2,447	-2,000	1,500	-3,689					
Osaka Gas USA Corporation	2,116	6,290	8,836	909	3,910	9,380	-1,206	Decrease in Freeport project	752	3,576	3,434	-1,926	670	2,933	-2,678	Decrease in Freeport project				
Osaka Gas International Transport	1,303	2,358	5,157	1,059	2,555	6,144	-244	—	308	354	985	235	439	1,146	-72	—				
Idemitsu Snorre Oil Development (Affiliated company recorded by equity)	—	—	—	—	—	—	—	—	1,295	999	159	173	418	1,239	-1,122	Due to lower petroleum price				
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	—	258	436	916	110	156	300	-148					
Life and Business Solution	47,769	100,274	221,702	49,209	103,400	221,300	1,439	—	3,381	7,487	18,834	3,540	8,500	22,000	159					
Real Estate	—	—	—	—	—	—	—	Increase in condominium apartment sales	1,557	2,988	6,148	1,699	3,059	5,942	141	Increase in condominium apartment sales				
Osaka Gas Urban Development	4,084	8,571	23,636	5,645	10,445	21,991	1,560	—	—	—	—	—	—	—	—	—				
Osaka Gas Information System Research Institute	7,070	15,028	35,886	7,590	14,576	34,040	519	—	411	1,128	3,857	265	767	3,620	-145	Decrease in system development				
Sakura Information Systems	4,622	9,171	18,288	4,550	9,563	19,415	-71	—	24	32	60	-90	233	723	-115	Decrease in system operation				
Ube Information Systems	1,313	2,636	5,833	1,433	3,002	5,966	120	—	-59	-134	100	5	50	200	64	—				
Advanced Materials	6,651	13,664	27,944	6,634	14,890	32,853	-17	—	42	297	550	122	589	1,969	80	—				
Osaka Gas Chemicals	5,819	12,384	25,299	6,043	13,399	28,705	223	—	548	1,333	2,714	797	1,814	4,559	249	Decrease in material costs				
OG Sports	3,646	7,536	15,323	3,861	7,735	15,553	214	—	337	778	1,920	511	864	2,025	173	Increase in unit price of monthly member fee				
Osaka Gas Finance	2,548	5,023	10,766	2,535	4,895	9,892	-12	—	459	840	1,518	489	740	1,340	29	—				
Osaka Gas Engineering	804	3,983	11,052	1,059	2,555	9,196	255	—	-58	-40	550	-145	-37	387	-87	—				
Osaka Gas Autoservice	1,974	3,762	7,528	1,784	3,609	7,370	-209	—	47	133	275	73	159	377	26	—				
Osaka Gas Research Institute of Behavior Observation *3	298	298	298	—	—	—	-298	—	-68	-68	-68	—	—	—	68	—				
Osaka Gas Business Create	1,985	4,108	9,280	2,021	4,358	9,161	36	—	130	281	633	142	282	669	12	—				
Osaka Gas Excellent Agency *4	840	1,684	3,397	—	—	—	-840	—	-5	4	2	—	—	—	5	—				
(Gains of Equity Method Affiliates included in the segment total)	—	—	—	—	—	—	—	—	192	-300	-4,538	-662	-500	-900	-855					
Subtotal	356,428	673,580	1,395,339	289,410	560,500	1,230,900	-67,017	—	72,005	93,022	143,133	37,133	36,000	82,500	-34,871					
Elimination and Consolidation	-14,896	-32,162	-73,326	-13,102	-27,500	-60,400	1,794	—	581	745	-997	611	1,500	2,100	29					
Total	341,532	641,418	1,322,012	276,308	533,000	1,170,500	-65,223	—	72,586	93,767	142,136	37,745	37,500	84,600	-34,841					

*1 The company name has been changed from "Liquid Gas" to "Osaka Gas Liquid" since April 1st, 2016, and businesses related to LNG · LPG for commercial and industrial have been transferred to "OGCTS".

*2 Nissho Propane Sekiyu merged with related company "Nissei" and "Toko sangyo" on April 1st, 2016.

*3 Osaka Gas Information System Research Institute merged with Osaka Gas Research Institute of Behavior Observation on July 1st, 2015.

*4 All stocks of Osaka Gas Excellent Agency had been transferred to other companies on April 1st, 2016.