

Supplementary Financial Information for the 1st Quarter of the Fiscal Year ending March 2018

1. Consolidated

(million yen)

		FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
		(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks (billion yen)
Consolidated	Net Sales	276,308	1,183,846	292,758	1,344,500	16,450	OG+16.5, Subsidiaries+4.2, Adjustment in consolidation-4.3
	Operating Expenses	237,900	1,086,596	269,054	1,278,000	31,154	
	Operating Income	38,407	97,250	23,703	66,500	-14,704	OG-16.2, Subsidiaries+1.3, Adjustment in consolidation+0.1
	Ordinary Income	40,382	96,276	25,730	64,000	-14,652	OG-24.2, Subsidiaries+0.1, Adjustment in consolidation,etc+9.3
	Profit attributable to owners of parent	26,909	61,271	17,414	42,500	-9,494	OG-18.9, Subsidiaries+0.8, Adjustment in consolidation,etc+8.5
	Total Assets *1	1,736,566	1,886,577	1,822,751	1,842,900	-63,826	Decrease in cash and deposits due to repayment of long-term loans payable
	Net Worth *1	896,779	961,905	966,041	945,500	4,135	
	Interest-bearing Liabilities *1	552,756	540,668	520,827	543,300	-19,840	Repayment of long-term loans payable
Non-Consolidated	Net Sales	216,595	906,854	233,122	1,053,500	16,526	Gas Business+0.5, Other Businesses+15.4
	Operating Expenses	183,649	851,509	216,376	1,025,500	32,727	
	Operating Income	32,945	55,345	16,745	28,000	-16,200	Gross Profit of Gas Business-17.2, Profit of Other Businesses-0.3, Decrease of labor costs, operating expenses, depreciation+0.7
	Ordinary Income	46,819	70,273	22,594	35,000	-24,224	Decrease in dividends from subsidiaries and associates
	Net Income	36,532	54,659	17,626	27,000	-18,906	
	Total Assets *1	1,364,377	1,408,956	1,360,237	1,416,000	-48,719	Decrease in cash and deposits due to repayment of long-term loans payable
	Net Worth *1	722,412	735,881	744,996	740,800	9,114	
	Interest-bearing Liabilities *1	419,854	405,541	385,665	408,900	-19,876	Repayment of long-term loans payable
Consolidated/ Non-Consolidated Ratio	Net Sales	1.28	1.31	1.26	1.28	-0.02	
	Operating Income	1.17	1.76	1.42	2.38	0.25	
	Ordinary Income	0.86	1.37	1.14	1.83	0.28	
	Net Income	0.74	1.12	0.99	1.57	0.25	

*1 Changes in Total Assets, Net Worth and Interest-bearing Liabilities are differences from the performance results for the full year of FY17.3 results

2. Number of Employees and Capital Expenditure

(million yen)

		FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
		(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks (billion yen)
Consolidated	Number of Employees *1	21,137	20,762	21,221	21,374	84	
	Capital Expenditure (million yen)	15,435	88,657	16,793	92,522	1,358	
	For Upgrading Existing Businesses (Maintenance and Upgrading from Existing Businesses until FY2017.3)	8,238	48,253	9,411	46,000	1,172	
	For Growth (Expansion, Greenfield, and M&A until FY2017.3)	12,984	85,792	11,324	122,000	-1,659	Domestic energy field+0.2, International energy field-3.4, Life&Business Solutions field+1.6
	Investment (million yen) *2	21,222	134,046	20,735	168,000	-486	
Non-Consolidated	Number of Employees *1	5,874	5,731	5,773	5,696	-101	
	Capital Expenditure (million yen)	8,320	48,823	9,412	46,000	1,091	Increase in supply equipment

*1:excluding the seconded and including part-time workers

*2:including capital expenditure

3. Non-Consolidated

(million yen)

		FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
		(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks (billion yen)
Net Sales	Gas Business Sales Revenue *1	※2 155,703	※2 616,631	156,218	665,200	514	Fuel costs adjustment factor-6.2, Others+6.7
	Other Operating Revenue	61,445	292,527	76,903	388,300	15,457	Increase in sales volume of electricity and LNG
		216,595	906,854	233,122	1,053,500	16,526	
Operating Expenses	Fuel Costs	59,881	286,621	77,629	360,700	17,748	Fuel costs adjustment factor+15.3, Others+2.3
	Sum of Labor Costs, Operating Expenses, Depreciation	68,965	295,524	68,185	297,600	-779	
	Other Operating Expenses	54,803	269,363	70,561	367,200	15,758	Increase in sales volume of electricity and LNG
		183,649	851,509	216,376	1,025,500	32,727	
Operating Profit		32,945	55,345	16,745	28,000	-16,200	Fuel costs adjustment factor-21.6
Non-Operating Income and Expenses		13,874	14,928	5,849	7,000	-8,024	
	Non-Operating Income	16,276	25,489	8,096	16,000	-8,180	Decrease in dividends from subsidiaries and associates, decrease in proceeds from contribution received for construction.
	Non-Operating Expenses	2,402	10,561	2,247	9,000	-155	
	Financial Expenses	2,045	8,258	1,857	7,398	-187	
		46,819	70,273	22,594	35,000	-24,224	
Extraordinary Income		-	-	-	-	-	
Income Taxes (Current and Deferred)		10,286	15,613	4,968	8,000	-5,318	
Net Income		36,532	54,659	17,626	27,000	-18,906	

*1 In accordance with the revised Ordinance on Accounting at Gas Utilities, the account items and contents are changed ("Third party access revenue" and "Commissioned manufacturing revenue" are transferred from "Miscellaneous operating revenue").

*2 Values are calculated by using the account items for FY2018.3.

4. Breakdown of Gross Margin

(million yen)

	FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks (billion yen)
Gross Profit of Gas Business ※1	※2 95,822	※2 330,010	78,589	304,500	-17,233	Fuel costs adjustment factor-21.6, Others+4.3
Profit of Other Businesses	6,642	23,163	6,341	21,100	-301	
Profit/Loss on Fuel Cost Adjustment System	14,537	13,789	-7,067	917	-21,604	
Crude Oil Price(\$/bbl)	40.9	47.5	53.4	55.0	12.5	
Exchange Rate (yen/\$)	108.0	108.3	111.1	115.0	3.1	

*1 In accordance with the revised Ordinance on Accounting at Gas Utilities, the account items and contents are changed.
*2 Values are calculated by using the account items for FY2018.3.

5. Gas and Electric Power Sales Volume

	FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks
Averaged Temperature(C°)	20.4	17.4	19.8	17.1	-0.5	
Gas Sales Volume per Household(m ³ /month)	28.0	29.3	29.4	-	1.4	
Residential	501	2,103	524	2,111	23	4.7%
Non-Residential	1,498	6,560	1,541	6,008	43	2.9%
Total Gas Sales Volume(millon m ³) *45MJ/m ³	1,999	8,662	2,065	8,118	67	3.3%
Number of Units for gas supply (thousand) *1	6,210	6,230	6,129	-	-81	-1.3%
Installation of New meters (thousand)	22	111	24	-	2	10.5%

*1 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

(Reference) Consolidated Gas Sales Volume

	FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks
Osaka Gas	1,999	8,662	2,065	8,118	67	3.3%
Nabari Kintetsu Gas	7.1	23.4	7.6	23.0	0.5	6.7%
Toyooka Energy	2.6	7.5	2.7	7.4	0.1	3.5%
Shingu Gas	0.4	1.2	0.4	1.2	0.0	9.7%
Total Gas Sales Volume (million m3) *45MJ/m3	2,009	8,694	2,076	8,150	67	3.3%

(Reference) Consolidated Electric Power Sales Volume *1

	FY17.3 Results		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks
Electric Power Sales Volume (GWh)	1,594	8,948	2,150	10,303	557	34.9%
Retail	82	995	360	-	278	339.6%
Wholesale, etc.	1,512	7,954	1,791	-	279	18.4%
Number of low-voltage eletricity supply (thousand)	135	305	375	-	240	178.1%

*1 Excluding the sales in overseas

<Disclaimer>
Certain statements contained herein are forward-looking statements, strategies and plans, which reflect our judgement based on information available to date. Acutual results may differ materially from those discussed in such statements. Among the factors that could cause actual results to differ materially are: economin trends in Japan, sharp fluctuations in exchange rate and oil prices, and extraordinary weathrr conditions.

Segment and Subsidiaries
Information for the 1st Quarter of
the Fiscal Year ending March 2018 (New Segment)

1. Results for each segment *1

(million yen)													(million yen)			
FY17.3 end: Number of Consolidated Subsidiaries150, Equity Method Affiliates18 FY18.3 1Q end: Number of Consolidated Subsidiaries149, Equity Method Affiliates18	Net Sales						Segment Income (Operating Income + Earnings of Affilates)									
	FY17.3 Results *4		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)		FY17.3 Results *4		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)					
	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks				
(Equity in earnings of affiliates included in the segment total)	—	—	—	—	—	Increase in LNG sales volume, etc.	−91	312	−170	254	−78	Decrease in time-lag profit and loss, etc.				
Domestic energy – Gas *2	221,466	911,292	227,684	1,019,500	6,217		35,823	55,254	17,347	29,000	−18,475					
(Equity in earnings of affiliates included in the segment total)	—	—	—	—	—	Increase in sales volume, etc.	43	142	64	127	21	Increase in sales volume, etc.				
Domestic energy – Electricity	17,985	107,515	28,210	167,000	10,225		682	16,208	2,186	14,000	1,504					
(Equity in earnings of affiliates included in the segment total) *3	—	—	—	—	—	Increase in the utilization of LNG tankers,etc.	−614	1,329	299	1,317	914	Increase due to Freeport project, etc.				
International energy	3,020	22,632	4,439	25,000	1,418		−2,336	8,000	764	4,000	3,100					
(Equity in earnings of affiliates included in the segment total) *3	—	—	—	—	—	Decrease in sales in urban development business, etc.	—	—	—	—	—					
Life and Business Solutions(LBS) *2	46,827	208,373	44,447	208,500	−2,379		2,941	18,627	2,894	19,000	−47					
(Equity in earnings of affiliates included in the segment total)	—	—	—	—	—		−662	1,785	194	1,700	857					
Subtotal	289,300	1,249,814	304,782	1,420,000	15,482		37,110	98,091	23,192	66,000	−13,917					
Elimination and Consolidation	−12,991	−65,967	−12,023	−75,500	967		634	944	705	2,200	70					
Total	276,308	1,183,846	292,758	1,344,500	16,450		37,745	99,036	23,898	68,200	−13,846					

*1 Starting with the first quarter of fiscal 2018, power supply business, previpusly categorized under the segment of “LPG, electclcity and other energy soources.” will be separated from the egment.
And the segment qill be named Domestib Energy–Electricit”. In addition, LPG business, LNG business and industrial gas business will be realigned into the “gas” segment.
The “gas” segment will be renamed “Domestic Energy–Gas”.

*2 Starting with the first quarter of fiscal 2018, Osaka Gas Finance is changed the segment from “Life and Business Solutions” to “Domestic energy–Gas”.

*3 Starting with the first quarter of fiscal 2018, Sumisho Osaka Gas Water UK Limited Finance is changed the segment from “Life and Business Solutions” to “Domestic energy–Gas”.

*4 The performance results (three months ended June 30, 2016 and full year) of FY2017.3 are calculated based on new segments.

2. Results of main Subsidiaries

		(million yen)						(million yen)					
		Net Sales				Segment Income (Operating Income + Earnings of Affiliates)							
		FY17.3 Results *4		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)		FY17.3 Results *4		FY18.3 Results	FY18.3 Forecast	FY17.3 1Q→FY18.3 1Q(B-A)	
segment	Company name	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks	(A) 1Q	Full Year	(B) 1Q	Full Year	Changes	Remarks
(Gas)	Osaka Gas Housing & equipment	3,308	16,992	3,711	17,055	403		16	570	52	462	35	
(Gas)	OGCTS	5,984	26,514	5,937	23,807	-46		447	2,081	428	1,461	-18	
(International)	Osaka Gas USA Corporation	909	9,854	1,302	5,719	393		-1,926	4,905	-105	-1,844	1,820	Increase due to Freeport project, etc.
(International)	Osaka Gas International Transport	1,059	6,063	1,903	8,105	843	Increase in the utilization of LNG tankers etc.	235	1,608	540	2,389	304	Increase in the utilization of LNG tankers,etc.
(LBS)	Osaka Gas Urban Development	5,645	27,927	4,694	24,746	-951	Decrease in sales of individual units, etc.	1,699	7,657	2,003	6,200	304	Sales of site, etc.
(LBS)	Osaka Gas Information System Research Institute	7,590	37,132	6,806	34,587	-783	Decrease in development for OG, etc.	265	3,622	4	3,603	-261	Decrease in development for OG, etc.
(LBS)	Osaka Gas Chemicals	6,634	26,705	6,568	31,937	-66		122	638	283	1,553	161	
(LBS)	Jacobi Carbons AB	6,043	23,131	5,755	26,118	-287		797	2,870	555	3,641	-241	Increase in selling, general and administrative expenses and effect of foreign exchange rate fluctuations