



Fiscal Year Ended March 31, 2019

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.

April 24, 2019

Name of Listed Company	: Osaka Gas Co., Ltd.	Listed Exchanges:	1 st Section of Tokyo and Nagoya
Code No.	: 9532	URL:	http://www.osakagas.co.jp
Representative Officer	: Title: President	Name:	Takehiro Honjo
Contact	: Title: Manager, Finance Dept.	Name:	Kazushige Nomura
Scheduled Date of Annual General Meeting of Shareholders	: June 20, 2019		
Scheduled Date of Financial Report Filing with the Finance Services Agency	: June 24, 2019		
Scheduled Date of Dividend Payment	: June 21, 2019		
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 is rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(1) Consolidated Operating Results (% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2019	1,371,863	5.8	67,977	-13.0	63,103	-18.1	33,601	-10.9
Year ended March 31, 2018	1,296,238	9.5	78,118	-19.7	77,087	-19.9	37,724	-38.4

(Note) Comprehensive income: Year ended March 31, 2019 27,966 million yen (-53.8% YoY)
Year ended March 31, 2018 60,590 million yen (-22.4% YoY)

	Earnings per share	Diluted earnings per share	Profit /Shareholders' equity	Ordinary profit /Total assets	Operating profit /Net sales
	yen	yen	%	%	%
Year ended March 31, 2019	80.80	-	3.4	3.2	5.0
Year ended March 31, 2018	90.71	-	3.8	4.1	6.0

<Reference> Share of profit of entities accounted for using equity method: Year ended March 31, 2019 1,096 million yen
Year ended March 31, 2018 258 million yen

(Note) The Company conducted a share consolidation at a ratio of 5 shares of common shares to 1 share, effective on October 1, 2017. Accordingly, the earnings per share is calculated based on the assumption that the share consolidation had been conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity /Total assets	Shareholders' equity per share
	million yen	million yen	%	yen
As of March 31, 2019	2,029,722	1,035,044	49.5	2,415.37
As of March 31, 2018	1,897,230	1,028,799	52.7	2,403.68

<Reference> Shareholders' equity: As of March 31, 2019 1,004,340 million yen As of March 31, 2018 999,569 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	million yen	million yen	million yen	million yen
Year ended March 31, 2019	65,116	(204,192)	85,262	115,769
Year ended March 31, 2018	168,731	(110,456)	(51,591)	171,061

2. Dividends

	Dividends per share					Total dividends (full year)	Payout ratio (consolidated)	Dividends /Shareholders' equity (consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Annual			
Year ended March 31, 2018	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2018	-	5.00	-	25.00	-	20,793	55.1	2.1
Year ended March 31, 2019	-	25.00	-	25.00	50.00	20,791	61.9	2.1
Year ending March 31, 2020 (Forecast)	-	25.00	-	25.00	50.00		37.8	

(Note) The Company conducted a share consolidation at a ratio of 5 shares of common shares to 1 share, effective on October 1, 2017. As for year ended March 31, 2018, dividends per share for the end of second quarter show the amount before the share consolidation, dividends per share for the end of fiscal year show the amount after the share consolidation, and annual dividends per share is listed as "-".

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)
 (% 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	1,426,000	3.9	91,000	33.9	81,000	28.4	55,000	63.7	132.27

* Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2019 (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
- (2) 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

(3) Issued shares (common shares)

(i) Number of issued shares at the end of each fiscal year (including treasury shares):	As of March 31, 2019	416,680,000 shares
	As of March 31, 2018	416,680,000 shares
(ii) Number of treasury shares at the end of each fiscal year:	As of March 31, 2019	867,201 shares
	As of March 31, 2018	830,077 shares
(iii) Average number of shares during each fiscal year:	Year ended March 31, 2019	415,831,192 shares
	Year ended March 31, 2018	415,880,656 shares

(Note) The Company conducted a share consolidation at a ratio of 5 shares of common shares to 1 share, effective on October 1, 2017. Accordingly, (iii) the average number of shares is calculated based on the assumption that the share consolidation had been conducted at the beginning of the previous fiscal year.

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(1) Non-Consolidated Operating Results (% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2019	1,104,537	6.2	27,946	-41.4	40,553	-30.3	25,139	-42.9
Year ended March 31, 2018	1,039,629	14.6	47,722	-13.8	58,200	-17.2	44,028	-19.4

	Earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2019	60.45	-
Year ended March 31, 2018	105.87	-

(Note) The Company conducted a share consolidation at a ratio of 5 shares of common shares to 1 share, effective on October 1, 2017. Accordingly, the earnings per share is calculated based on the assumption that the share consolidation had been conducted at the beginning of the previous fiscal year.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Net assets/Total assets	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2019	1,538,726	765,013	49.7	1,839.80
As of March 31, 2018	1,436,005	766,368	53.4	1,842.90

<Reference> Net assets As of March 31, 2019 765,013 million yen As of March 31, 2018 766,368 million yen

2. Forecasts of Non-Consolidated Financial Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,138,000	3.0	53,000	89.6	56,500	39.3	43,000	71.0	103.41

* This Brief Report of Consolidated Financial Statements is outside the scope of audit procedures 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. Overview of Operating Results, (4) Forecasts for the Next Fiscal Year" on Page 6 of the Attachment to this Brief Report of Consolidated Financial Statements.

2. The Company plans to hold an informational meeting for institutional investors and analysts on April 25, 2019. Immediately after the meeting, the presentation materials and the contents of the presentation will be made available on the Company's website.

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1. Overview of Operating Results

(1) Overview of Operating Results

(i) Overview of operating results

Consolidated net sales for the fiscal year ended March 31, 2019 increased by ¥75.6 billion (+5.8%) year-on-year to ¥1,371.8 billion. This was primarily due to the higher unit selling price of city gas under the fuel cost adjustment system of the Gas Business, and an increase in sales volume in the Electricity Business. Consolidated ordinary profit decreased by ¥13.9 billion (-18.1%) year-on-year to ¥63.1 billion. This was primarily due to a decrease in sales volume for city gas due to high air and water temperature, and the impact of the time lag between fluctuations in the raw material costs and their reflection in the unit selling price of city gas(*) in the Gas Business, in addition to a decrease in ordinary profit in the Electricity Business. Profit attributable to owners of parent decreased by ¥4.1 billion (-10.9%) year-on-year to ¥33.6 billion.

The number of consolidated subsidiaries is currently 150, with 4 subsidiaries removed and 16 added since the fiscal year ended March 31, 2018. The number of equity method affiliates is currently 23 with 4 added since the fiscal year ended March 31, 2018.

(*) 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 decrease in profit for the fiscal year ended March 31, 2019 and a temporary increase in profit for the fiscal year ended March 31, 2018, 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)
		Y on Y changes	Y on Y changes rate (%)		
Net sales	1,371.8	+75.6	+5.8	1,104.5	1.24
Cost of sales	981.0	+106.6	+12.2	818.0	1.20
Selling, general and administrative expenses	322.8	-20.8	-6.1	258.5	1.25
Operating profit	67.9	-10.1	-13.0	27.9	2.43
Ordinary profit	63.1	-13.9	-18.1	40.5	1.56
Profit attributable to owners of parent*	33.6	-4.1	-10.9	25.1	1.34

*"Profit" for Non-consolidated results

(ii) Overview of each Business Segment

a. Domestic Energy/Gas

Net sales increased by ¥36.3 billion (+3.7%) year-on-year to ¥1,012.6 billion. This was primarily due to a higher unit selling price of city gas under the fuel cost adjustment system of the Gas Business. Segment profit decreased by ¥7.1 billion (-16.7%) year-on-year to ¥35.8 billion. This was primarily due to a decrease in sales volume for city gas due to high air and water temperature, and the impact of the time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas.

(Reference) Gas Sales Breakdown

		Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19) (a)	Fiscal year ended March 31, 2018 (Apr. '17 - Mar. '18) (b)	Y on Y changes (a)-(b)	Y on Y changes rate (%)	
Non- Consolidated	Number of gas supply (thousands)	5,553	5,970	-417	-7.0	
	Gas sales volume (million m ³)	Residential	1,892	2,160	-268	-12.4
		Non-residential	6,010	6,387	-377	-5.9
		Total	7,901	8,546	-645	-7.5
Consolidated gas sales volume (million m ³)		7,935	8,580	-645	-7.5	

[45MJ/m³]

b. Domestic Energy/Electricity

Net sales increased by ¥26.5 billion (+16.8%) year-on-year to ¥184.3 billion, primarily due to an increase in electricity sales volume. Segment profit decreased by ¥11.9 billion (-57.9%) year-on-year to ¥8.7 billion, mainly due to a decrease in the unit selling price of electricity, although electricity sales volume has increased.

(Reference) Domestic Electricity Sales Breakdown

		Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19) (a)	Fiscal year ended March 31, 2018 (Apr. '17 - Mar. '18) (b)	Y on Y changes (a)-(b)	Y on Y changes rate (%)
Number of low-voltage electricity supply (thousands)		945	619	+326	+52.6
Electricity sales volume (million kWh)	Retail	3,457	2,355	+1,102	+46.8
	Wholesale, etc.	8,196	8,596	-401	-4.7
	Total	11,653	10,951	+702	+6.4

c. International Energy

Net sales increased by ¥17.9 billion (+79.4%) year on year to ¥40.4 billion, mainly due to an increase in LNG sales of the Gorgon LNG project. Segment profit was ¥5.9 billion (segment loss for the fiscal year ended March 31, 2018 was ¥5.3 billion), mainly due to an increase in LNG sales of the Gorgon LNG project and a rebound from the loss on sales of the IPP project in North America in the fiscal year ended March 31, 2018.

d. Life & Business Solutions

Net sales increased by ¥9.4 billion (+4.7%) year-on-year to ¥210.9 billion. This was mainly due to a sales increase in the Materials Business and the Information Solutions Business. Segment profit remained at approximately the same level as that of the fiscal year ended March 31, 2018 at ¥17.7 billion.

(billion yen)

	Domestic Energy/Gas	Domestic Energy/Electricity	International Energy	Life & Business Solutions	Adjustments	Consolidated
Net sales	+3.7% 1,012.6 [+36.3]	+16.8% 184.3 [+26.5]	+79.4% 40.4 [+17.9]	+4.7% 210.9 [+9.4]	-76.4	+5.8% 1,371.8 [+75.6]
Segment profit	-16.7% 35.8 [-7.1]	-57.9% 8.7 [-11.9]	-% 5.9 [+11.3]	-3.1% 17.7 [-0.5]	0.8	-11.9% 69.0 [-9.3]

The percentage figures at the upper left corner of each box represent the changes from the fiscal year ended March 31, 2018.

The figures in [] brackets in each box represent the changes from the fiscal year ended March 31, 2018.

(2) Overview of Financial Position

(Assets, Liabilities, and Net Assets)

Total assets increased by ¥132.4 billion year-on-year to ¥2,029.7 billion, primarily due to an increase in non-current assets from acquisition of new subsidiaries overseas. Liabilities increased by ¥126.2 billion year-on-year to ¥994.6 billion, primarily due to an increase in interest-bearing debts, while net assets increased by ¥6.2 billion year-on-year to ¥1,035.0 billion.

As a result, the ratio of shareholders' equity to total assets decreased to 49.5% from 52.7% as of March 31, 2018.

(billion yen)

	As of March 31, 2019	As of March 31, 2018	Y on Y changes
Total assets	2,029.7	1,897.2	+132.4
Total liabilities	994.6	868.4	+126.2
Total net assets	1,035.0	1,028.7	+6.2
Total liabilities and net assets	2,029.7	1,897.2	+132.4

(3) Overview of Cash Flows

For the fiscal year ended March 31, 2019, net cash provided by operating activities amounted to ¥65.1 billion, due to the addition of depreciation to profit before income taxes and the addition/subtraction of income taxes paid and other payments. Net cash used in investing activities amounted to ¥204.1 billion, mainly due to the purchase of property, plant and equipment. Net cash provided by financing activities amounted to ¥85.2 billion, mainly due to proceeds from long-term loans payable.

Consequently, the net decrease in cash and cash equivalents in the fiscal year ended March 31, 2019 amounted to ¥55.2 billion.

With the addition of the balance of ¥171.0 billion as of the beginning of the fiscal year ended March 31, 2019, the balance of cash and cash equivalents as of the end of the fiscal year ended March 31, 2019 amounted to ¥115.7 billion.

(billion yen)

	Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19)	Fiscal year ended March 31, 2018 (Apr. '17 - Mar. '18)	Y on Y changes
Cash flows from operating activities	65.1	168.7	-103.6
Cash flows from investing activities	(204.1)	(110.4)	-93.7
Cash flows from financing activities	85.2	(51.5)	+136.8
Net increase/decrease in cash and cash equivalents	(55.2)	7.3	-62.6
Cash and cash equivalents at end of period	115.7	171.0	-55.2
Balance of interest-bearing debts at end of period	647.4	503.7	+143.6

Free cash flow* : ¥20.9 billion [¥116.3 billion for the fiscal year ended March 31, 2018]

* Free cash flow = Cash flows from operating activities - Capital expenditures

The following table shows results and forecasts for capital expenditures.

(Reference) Capital Expenditures: Results and Forecasts

(billion yen)

	Forecast for fiscal year ending March 31, 2020 (Apr. '19 - Mar. '20)	Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19)	Fiscal year ended March 31, 2018 (Apr. '17 - Mar. '18)
Consolidated	145.0	107.2	81.7
Non-consolidated	66.0	44.2	42.4
Production facilities	11.7	3.1	3.7
Distribution facilities	45.7	36.3	35.1
Service and maintenance facilities, etc.	8.5	4.7	3.6

(4) Forecasts for the Next Fiscal Year

Consolidated net sales for the fiscal year ending March 31, 2020 is expected to increase by ¥54.1 billion (+3.9%) year-on-year to ¥1,426.0 billion. This is mainly based on an assumption of an increase in sales volume of electricity in the Electricity Business. Consolidated ordinary profit is expected to increase by ¥17.8 billion (+28.4%) year-on-year to ¥81.0 billion. This is primarily due to the impact of the time lag between fluctuations in the raw material costs and their reflection in the unit selling price of city gas in the Gas Business. Profit attributable to owners of parent is expected to increase by ¥21.3 billion (+63.7%) year-on-year to ¥55.0 billion.

(billion yen)

	Forecast for fiscal year ending March 31, 2020 (Apr. '19 - Mar. '20)	Compared with fiscal year ended March 31, 2019	
		Y on Y changes	Y on Y changes rate (%)
Net sales	1,426.0	+54.1	+3.9
Operating profit	91.0	+23.0	+33.9
Ordinary profit	81.0	+17.8	+28.4
Profit attributable to owners of parent	55.0	+21.3	+63.7

(Reference) Assumptions for the crude oil price and exchange rate (April 1, 2019 - March 31, 2020)

Crude oil price (All Japan CIF price) at 65USD/bbl

Exchange rate (TTM rate) at 110JPY/USD

2. Policy for Selecting an Accounting Standard

The Company will adopt Japanese GAAP as its accounting standard for the time being. The adoption of the IFRS will be considered in view of the business environment and the impact of its adoption.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(million yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	89,523	85,086
Distribution facilities	275,331	265,421
Service and maintenance facilities	56,924	55,176
Other facilities	393,116	409,486
Construction in progress	66,925	74,222
Total property, plant and equipment	881,822	889,392
Intangible assets	79,743	127,633
Investments and other assets		
Investment securities	323,212	359,737
Long-term loans receivable	18,412	22,862
Retirement benefit asset	46,405	49,074
Other	45,597	49,389
Allowance for doubtful accounts	(1,245)	(562)
Total investments and other assets	432,382	480,502
Total non-current assets	1,393,948	1,497,528
Current assets		
Cash and deposits	171,529	116,289
Notes and accounts receivable - trade	190,445	219,206
Lease receivables and investment assets	30,459	40,445
Inventories	76,861	112,327
Other	35,490	45,616
Allowance for doubtful accounts	(1,504)	(1,691)
Total current assets	503,281	532,194
Total assets	1,897,230	2,029,722

(million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Non-current liabilities		
Bonds payable	164,984	144,989
Long-term loans payable	243,255	367,418
Deferred tax liabilities	22,847	22,811
Provision for gas holder repairs	1,326	1,247
Provision for safety measures	12,936	11,207
Provision for loss on investment	6,999	-
Provision for gas appliance warranties	13,607	12,454
Retirement benefit liability	16,958	17,228
Other	61,371	64,108
Total non-current liabilities	544,288	641,465
Current liabilities		
Current portion of non-current liabilities	68,548	60,134
Notes and accounts payable - trade	58,542	66,087
Short-term loans payable	22,179	22,751
Other	174,872	204,240
Total current liabilities	324,142	353,212
Total liabilities	868,430	994,678
Net assets		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surplus	19,222	19,222
Retained earnings	769,801	782,523
Treasury shares	(1,663)	(1,744)
Total shareholders' equity	919,527	932,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56,977	50,617
Deferred gains or losses on hedges	(7,650)	(4,007)
Revaluation reserve for land	(737)	(737)
Foreign currency translation adjustment	19,530	11,189
Remeasurements of defined benefit plans	11,922	15,110
Total accumulated other comprehensive income	80,042	72,172
Non-controlling interests	29,229	30,704
Total net assets	1,028,799	1,035,044
Total liabilities and net assets	1,897,230	2,029,722

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(million yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Net sales	1,296,238	1,371,863
Cost of sales	874,437	981,086
Gross profit	421,800	390,777
Selling, general and administrative expenses	343,681	322,800
Operating profit	78,118	67,977
Non-operating income		
Interest income	453	584
Dividend income	4,151	4,465
Miscellaneous income	10,886	9,551
Total non-operating income	15,491	14,600
Non-operating expenses		
Interest expenses	9,505	10,126
Loss on sales of shares of subsidiaries	2,227	-
Miscellaneous expenses	4,789	9,348
Total non-operating expenses	16,522	19,474
Ordinary profit	77,087	63,103
Extraordinary losses		
Loss on disaster	-	2,136
Amortization of goodwill	-	8,901
Impairment loss	11,249	-
Total extraordinary losses	11,249	11,038
Profit before income taxes	65,837	52,064
Income taxes - current	31,277	19,683
Income taxes - deferred	(4,957)	(4,160)
Total income taxes	26,319	15,522
Profit	39,517	36,542
Profit attributable to non-controlling interests	1,793	2,941
Profit attributable to owners of parent	37,724	33,601

Consolidated Statement of Comprehensive Income

(million yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Profit	39,517	36,542
Other comprehensive income		
Valuation difference on available-for-sale securities	5,306	(6,319)
Deferred gains or losses on hedges	387	(142)
Foreign currency translation adjustment	78	(5,943)
Remeasurements of defined benefit plans	12,607	3,457
Share of other comprehensive income of entities accounted for using equity method	2,692	372
Total other comprehensive income	21,072	(8,575)
Comprehensive income	60,590	27,966
(Breakdown)		
Comprehensive income attributable to owners of parent	58,725	25,731
Comprehensive income attributable to non-controlling interests	1,864	2,235

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	132,166	19,319	752,872	(1,492)	902,865
Changes of items during period					
Dividends of surplus			(20,794)		(20,794)
Profit attributable to owners of parent			37,724		37,724
Purchase of treasury shares				(175)	(175)
Disposal of treasury shares		0		5	5
Change in ownership interest of parent due to transactions with non-controlling interests		(97)			(97)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(96)	16,929	(170)	16,662
Balance at end of current period	132,166	19,222	769,801	(1,663)	919,527

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	51,678	(9,500)	(737)	17,993	(393)	59,040	29,965	991,870
Changes of items during period								
Dividends of surplus								(20,794)
Profit attributable to owners of parent								37,724
Purchase of treasury shares								(175)
Disposal of treasury shares								5
Change in ownership interest of parent due to transactions with non-controlling interests								(97)
Net changes of items other than shareholders' equity	5,298	1,849		1,536	12,316	21,001	(735)	20,265
Total changes of items during period	5,298	1,849	-	1,536	12,316	21,001	(735)	36,928
Balance at end of current period	56,977	(7,650)	(737)	19,530	11,922	80,042	29,229	1,028,799

Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	132,166	19,222	769,801	(1,663)	919,527
Cumulative effects of changes in accounting policies			(87)		(87)
Restated balance	132,166	19,222	769,713	(1,663)	919,439
Changes of items during period					
Dividends of surplus			(20,791)		(20,791)
Profit attributable to owners of parent			33,601		33,601
Purchase of treasury shares				(85)	(85)
Disposal of treasury shares		0		3	3
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	12,809	(81)	12,728
Balance at end of current period	132,166	19,222	782,523	(1,744)	932,167

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	56,977	(7,650)	(737)	19,530	11,922	80,042	29,229	1,028,799
Cumulative effects of changes in accounting policies								(87)
Restated balance	56,977	(7,650)	(737)	19,530	11,922	80,042	29,229	1,028,711
Changes of items during period								
Dividends of surplus								(20,791)
Profit attributable to owners of parent								33,601
Purchase of treasury shares								(85)
Disposal of treasury shares								3
Change in ownership interest of parent due to transactions with non-controlling interests								-
Net changes of items other than shareholders' equity	(6,359)	3,643		(8,340)	3,187	(7,869)	1,474	(6,394)
Total changes of items during period	(6,359)	3,643	-	(8,340)	3,187	(7,869)	1,474	6,333
Balance at end of current period	50,617	(4,007)	(737)	11,189	15,110	72,172	30,704	1,035,044

(4) Consolidated Statement of Cash Flows

(million yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Cash flows from operating activities		
Profit before income taxes	65,837	52,064
Depreciation	86,378	88,363
Amortization of goodwill	2,344	11,381
Amortization of long-term prepaid expenses	5,207	5,000
Loss on sales of shares of subsidiaries	2,227	-
Decrease (increase) in retirement benefit asset	8,828	3,057
Interest and dividend income	(4,605)	(5,049)
Interest expenses	9,505	10,126
Decrease (increase) in notes and accounts receivable - trade	(15,519)	(27,714)
Decrease (increase) in inventories	(8,136)	(35,078)
Increase (decrease) in notes and accounts payable - trade	10,380	6,895
Increase (decrease) in accrued expenses	2,276	6,068
Increase (decrease) in accrued consumption taxes	4,854	(4,085)
Other, net	24,148	(20,253)
Subtotal	193,729	90,776
Interest and dividend income received	10,815	13,523
Interest expenses paid	(9,315)	(10,186)
Income taxes paid	(26,498)	(28,997)
Net cash provided by (used in) operating activities	168,731	65,116
Cash flows from investing activities		
Purchase of property, plant and equipment	(73,082)	(80,099)
Purchase of intangible assets	(5,977)	(21,943)
Purchase of long-term prepaid expenses	(5,799)	(6,150)
Purchase of investment securities	(2,770)	(4,680)
Purchase of shares of subsidiaries and associates	(15,385)	(68,760)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,602)	(22,811)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	2
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	2,485	-
Payments of long-term loans receivable	(3,000)	(5,133)
Other, net	(323)	5,382
Net cash provided by (used in) investing activities	(110,456)	(204,192)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	-	46,000
Proceeds from long-term loans payable	18,719	129,306
Repayments of long-term loans payable	(48,399)	(37,759)
Redemption of bonds	-	(30,000)
Proceeds from share issuance to non-controlling shareholders	400	195
Cash dividends paid	(20,800)	(20,801)
Dividends paid to non-controlling interests	(1,218)	(980)
Other, net	(292)	(698)
Net cash provided by (used in) financing activities	(51,591)	85,262
Effect of exchange rate change on cash and cash equivalents	666	(1,478)
Net increase (decrease) in cash and cash equivalents	7,349	(55,292)
Cash and cash equivalents at beginning of period	166,912	171,061
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(3,200)	-
Cash and cash equivalents at end of period	171,061	115,769

(5) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Segment Information)

a. Summary of reportable segments

The Osaka Gas Group's reportable segments are organizational units for which separate financial information is available, and they are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business results.

The Osaka Gas Group classifies its products and services into business segments on the basis of two business domains: the Domestic and International Energy Business, and the Life & Business Solutions Business. It then divides those business segments into the following four reportable segments by considering the similarities of products and services: the Domestic Energy/Gas Business, the Domestic Energy/Electricity Business, the International Energy Business, and the Life & Business Solutions Business.

The Domestic Energy/Gas Business manufactures, supplies, and sells city gas and gas appliances, conducts gas pipeline installation, and sells LNG, LPG and industrial gas. The Domestic Energy/Electricity Business produces and sells electricity. The International Energy Business conducts development and investment related to petroleum and natural gas, supplies energy, and leases tankers to transport LNG. The Life & Business Solutions Business conducts development and leasing of real estate, information processing services, and sales of fine materials and carbon material products.

Due to a restructuring of the organization, Engineering Department was integrated into LNG Terminal & Power Generation Business Unit, and became LNG, Power & Engineering Business Unit as of April 1, 2018. Therefore, starting from the fiscal year ended March 31, 2019, a subsidiary included in the "Life & Business Solutions" segment has been transferred to the "Domestic Energy/Gas" segment. The segment information for the fiscal year ended March 31, 2018 has been reclassified based on the new reportable segments.

b. The method of measurements of sales, profit (loss), assets, liabilities, and other items by reportable segment

The method of accounting for reportable segments is generally the same as that stated in the basis for preparing consolidated financial statements. Intersegment revenue and transfers are determined according to prevailing market prices.

c. Information of sales, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)

(million yen)

	Reportable Segment				Total	Adjustments	Consolidated
	Domestic Energy/ Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
Net sales							
Sales to external customers	964,273	156,497	14,313	161,153	1,296,238	-	1,296,238
Transactions with other segments	11,995	1,255	8,257	40,319	61,827	(61,827)	-
Total	976,269	157,752	22,570	201,472	1,358,065	(61,827)	1,296,238
Segment profit (loss)							
Operating profit (loss)	42,043	20,568	(4,506)	18,284	76,389	1,728	78,118
Share of profit (loss) of entities accounted for using equity method	943	146	(831)	-	258	-	258
Total	42,987	20,714	(5,338)	18,284	76,648	1,728	78,376
Segment assets	865,154	157,519	462,351	350,138	1,835,164	62,066	1,897,230
Other items							
Depreciation	57,789	6,773	11,692	11,136	87,391	(1,013)	86,378
Amortization of goodwill	-	94	473	1,777	2,344	-	2,344
Investment in entities accounted for using equity method	13,554	1,421	177,258	-	192,234	-	192,234
Increase in property, plant and equipment and intangible assets	46,426	13,477	6,187	17,175	83,267	(1,551)	81,716

Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(million yen)

	Reportable Segment				Total	Adjustments	Consolidated
	Domestic Energy/ Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
Net sales							
Sales to external customers	999,476	183,067	22,113	167,206	1,371,863	-	1,371,863
Transactions with other segments	13,166	1,245	18,376	43,707	76,497	(76,497)	-
Total	1,012,642	184,313	40,489	210,914	1,448,361	(76,497)	1,371,863
Segment profit							
Operating profit	34,778	9,350	5,283	17,714	67,126	850	67,977
Share of profit (loss) of entities accounted for using equity method	1,031	(625)	691	-	1,096	-	1,096
Total	35,809	8,724	5,974	17,714	68,222	850	69,073
Segment assets	866,906	165,322	572,881	374,311	1,979,422	50,300	2,029,722
Other items							
Depreciation	55,639	7,998	14,762	11,352	89,752	(1,389)	88,363
Amortization of goodwill	8,901	192	465	1,820	11,381	-	11,381
Investment in entities accounted for using equity method	14,405	2,477	213,821	-	230,703	-	230,703
Increase in property, plant and equipment and intangible assets	48,139	16,188	24,760	19,888	108,977	(1,717)	107,259

(Per Share Information)

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Shareholders' equity per share	2,403.68 yen	2,415.37 yen
Earnings per share	90.71 yen	80.80 yen

(Notes)

1. Data on diluted earnings per share is not presented above, since there were no potential shares with a dilutive effect.
2. The Company conducted a share consolidation at a ratio of 5 shares of common shares to 1 share, effective on October 1, 2017. Accordingly, shareholders' equity per share and earnings per share are calculated based on the assumption that the share consolidation had been conducted at the beginning of the previous fiscal year.
3. The following data was used for calculating earnings per share:

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Profit attributable to owners of parent (million yen)	37,724	33,601
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent attributable to common share (million yen)	37,724	33,601
Average number of common shares during the fiscal year (thousand shares)	415,880	415,831

(Subsequent Events)

Not applicable

(Additional Information)

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No.28, February 16, 2018) has been applied from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets have been classified as investments and other assets, and deferred tax liabilities have been classified as non-current liabilities.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(million yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	88,573	84,151
Distribution facilities	274,948	265,144
Service and maintenance facilities	56,073	54,316
Facilities for incidental businesses	3,331	3,220
Construction in progress	9,381	14,066
Total property, plant and equipment	432,308	420,899
Intangible assets		
Patent right	6	3
Leasehold right	2,987	2,994
Other intangible assets	15,239	16,493
Total intangible assets	18,233	19,492
Investments and other assets		
Investment securities	77,158	73,538
Investments in subsidiaries and associates	367,928	439,539
Long-term loans receivable from subsidiaries and associates	178,389	177,685
Investments in capital	21	21
Long-term prepaid expenses	7,007	6,161
Prepaid pension cost	31,605	28,483
Other investments and other assets	6,874	4,927
Allowance for doubtful accounts	(299)	(251)
Total investments and other assets	668,686	730,106
Total non-current assets	1,119,228	1,170,498
Current assets		
Cash and deposits	137,454	108,588
Notes receivable - trade	394	792
Accounts receivable - trade	92,993	114,003
Accounts receivable from subsidiaries and associates - trade	14,611	13,644
Accounts receivable - other	9,937	18,263
Finished goods	67	71
Raw materials	26,653	59,198
Supplies	12,806	13,077
Short-term receivables from subsidiaries and associates	16,116	35,494
Other current assets	6,629	6,556
Allowance for doubtful accounts	(887)	(1,462)
Total current assets	316,776	368,228
Total assets	1,436,005	1,538,726

(million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Non-current liabilities		
Bonds payable	164,984	144,989
Long-term loans payable	152,754	252,445
Long-term debt to subsidiaries and associates	858	788
Deferred tax liabilities	1,824	2,218
Provision for retirement benefits	4,325	3,532
Provision for gas holder repairs	1,279	1,173
Provision for safety measures	12,936	11,207
Provision for loss on investment	6,999	-
Provision for gas appliance warranties	13,607	12,454
Other non-current liabilities	10,463	11,158
Total non-current liabilities	370,035	439,968
Current liabilities		
Current portion of non-current liabilities	50,220	43,614
Accounts payable - trade	31,445	36,886
Short-term loans payable	6,000	5,000
Accounts payable - other	20,388	15,422
Accrued expenses	37,658	35,714
Income taxes payable	19,706	11,107
Advances received	6,941	7,107
Deposits received	1,678	1,687
Short-term loans payable to subsidiaries and associates	90,542	98,962
Short-term debt to subsidiaries and associates	28,079	27,191
Other current liabilities	6,939	51,050
Total current liabilities	299,601	333,744
Total liabilities	669,636	773,713

(million yen)

	As of March 31, 2018	As of March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	132,166	132,166
Capital surplus		
Legal capital surplus	19,482	19,482
Other capital surplus	11	11
Total capital surpluses	19,493	19,494
Retained earnings		
Legal retained earnings	33,041	33,041
Other retained earnings		
Reserve for reduction entry of specified replaced properties	241	241
Reserve for overseas investment loss	18,370	16,563
Reserve for adjustment of cost fluctuations	89,000	89,000
General reserve	62,000	62,000
Retained earnings brought forward	373,195	379,349
Total retained earnings	575,849	580,196
Treasury shares	(1,663)	(1,744)
Total shareholders' equity	725,846	730,112
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	41,280	37,760
Deferred gains or losses on hedges	(758)	(2,860)
Total valuation and translation adjustments	40,522	34,900
Total net assets	766,368	765,013
Total liabilities and net assets	1,436,005	1,538,726

(2) Non-consolidated Statement of Income

(million yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Sales from gas business		
Gas sales	652,861	659,213
Gas transportation service revenue	8,600	18,869
Revenue from interoperator settlement	1,013	1,087
Total sales from gas business	662,475	679,170
Cost of sales		
Beginning inventories	59	67
Cost of products manufactured	378,041	424,213
Costs of gas for own use	11,280	10,812
Ending inventories	67	71
Total cost of sales	366,752	413,396
Gross profit	295,722	265,773
Selling, general and administrative expenses		
Supply and sales expenses	223,894	209,233
General and administrative expenses	55,098	49,332
Total selling, general and administrative expenses	278,992	258,565
Profit on core business	16,729	7,208
Miscellaneous operating revenue		
Revenue from installation work	23,419	22,668
Other miscellaneous operating revenue	98,983	98,297
Total miscellaneous operating revenue	122,402	120,965
Miscellaneous operating expenses		
Expenses of installation work	22,312	22,085
Other miscellaneous operating expenses	84,199	80,830
Total miscellaneous operating expenses	106,511	102,916
Revenue for incidental businesses		
Revenue for incidental businesses	254,751	304,401
Total revenue for incidental businesses	254,751	304,401
Expenses for incidental businesses		
Expenses for incidental businesses	239,649	301,712
Total expenses for incidental businesses	239,649	301,712
Operating profit	47,722	27,946

Osaka Gas Co., Ltd (9532)
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(million yen)

	Fiscal year ended March 31, 2018 (April 1, 2017 - March 31, 2018)	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)
Non-operating income		
Interest income	1,570	1,565
Interest on securities	16	13
Dividend income	1,613	2,098
Dividends from subsidiaries and associates	8,943	11,098
Miscellaneous income	7,083	7,016
Total non-operating income	19,227	21,792
Non-operating expenses		
Interest expenses	4,089	4,024
Interest on bonds	3,079	2,675
Miscellaneous expenses	1,581	2,485
Total non-operating expenses	8,749	9,185
Ordinary profit	58,200	40,553
Extraordinary income		
Reversal of allowance for investment loss	-	6,999
Total extraordinary income	-	6,999
Extraordinary losses		
Loss on disaster	-	2,015
Loss on valuation of shares of subsidiaries and associates	-	10,993
Total extraordinary losses	-	13,008
Profit before income taxes	58,200	34,545
Income taxes - current	18,700	7,100
Income taxes - deferred	(4,528)	2,305
Total income taxes	14,171	9,405
Profit	44,028	25,139