



Fiscal Year Ended March 31, 2020

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.

May 11, 2020

Name of Listed Company	: Osaka Gas Co., Ltd.	Listed Exchanges:	1 st Section of Tokyo and Nagoya
Code No.	: 9532	URL:	https://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 26, 2020		
Scheduled Date of Financial Report Filing with the Financial Services Agency	: June 29, 2020		
Scheduled Date of Dividend Payment	: June 29, 2020		
Preparation of Supplementary Explanation Documents for Operating Results	: Yes		
Holding of an Informational Meeting for Operating Results	: No		

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(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, 2020	1,368,689	-0.2	83,792	23.3	86,018	36.3	41,788	24.4
Year ended March 31, 2019	1,371,863	5.8	67,977	-13.0	63,103	-18.1	33,601	-10.9

(Note) Comprehensive income: Year ended March 31, 2020 14,996 million yen (-46.4% YoY)

Year ended March 31, 2019 27,966 million yen (-53.8% 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, 2020	100.50	-	4.2	4.1	6.1
Year ended March 31, 2019	80.80	-	3.4	3.2	5.0

<Reference> Share of profit of entities accounted for using equity method: Year ended March 31, 2020 5,225 million yen

Year ended March 31, 2019 1,096 million yen

(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, 2020	2,140,482	1,027,667	46.6	2,399.06
As of March 31, 2019	2,029,722	1,035,044	49.5	2,415.37

<Reference> Shareholders' equity: As of March 31, 2020 997,492 million yen As of March 31, 2019 1,004,340 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, 2020	182,892	(232,266)	79,272	146,813
Year ended March 31, 2019	65,116	(204,192)	85,262	115,769

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, 2019	yen -	yen 25.00	yen -	yen 25.00	yen 50.00	million yen 20,791	% 61.9	% 2.1
Year ended March 31, 2020	yen -	yen 25.00	yen -	yen 25.00	yen 50.00	million yen 20,789	% 49.8	% 2.1
Year ending March 31, 2021 (Forecast)	yen -	yen 25.00	yen -	yen 25.00	yen 50.00		% 28.5	

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	1,493,000	9.1	91,000	8.6	100,000	16.3	73,000	74.7	175.57

* Notes

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2020 (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.: Adopted
 (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, 2020 | 416,680,000 shares |
| | As of March 31, 2019 | 416,680,000 shares |
| (ii) Number of treasury shares at the end of each fiscal year: | As of March 31, 2020 | 895,971 shares |
| | As of March 31, 2019 | 867,201 shares |
| (iii) Average number of shares during each fiscal year: | Year ended March 31, 2020 | 415,798,713 shares |
| | Year ended March 31, 2019 | 415,831,192 shares |

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(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, 2020	1,084,389	-1.8	45,788	63.8	58,496	44.2	44,979	78.9
Year ended March 31, 2019	1,104,537	6.2	27,946	-41.4	40,553	-30.3	25,139	-42.9

	Earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2020	108.18	-
Year ended March 31, 2019	60.45	-

(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, 2020	1,643,343	779,646	47.4	1,875.12
As of March 31, 2019	1,538,726	765,013	49.7	1,839.80

<Reference> Net assets As of March 31, 2020 779,646 million yen As of March 31, 2019 765,013 million yen

2. Forecasts of Non-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		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,169,500	7.8	31,000	-32.3	39,000	-33.3	30,000	-33.3	72.15

* 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, (5) Forecasts for the Next Fiscal Year" on Page 6 of the Attachment to this Brief Report of Consolidated Financial Statements.

Table of Contents for Attachment

1. Overview of Operating Results	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	5
(3) Overview of Cash Flows	5
(4) Information on Risks Related to Coronavirus Disease 2019 (COVID-19)	6
(5) Forecasts for the Next Fiscal Year	6
2. Policy for Selecting an Accounting Standard	6
3. Consolidated Financial Statements and Notes	7
(1) Consolidated Balance Sheet	7
(2) Consolidated Statement of Income and Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	11
(4) Consolidated Statement of Cash Flows	13
(5) Notes to the Consolidated Financial Statements	14
(Going Concern Assumption)	14
(Changes in Accounting Policies)	14
(Segment Information)	14
(Per Share Information)	16
(Subsequent Events)	16
4. Non-Consolidated Financial Statements	17
(1) Non-Consolidated Balance Sheet	17
(2) Non-Consolidated Statement of Income	20

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, 2020 decreased by ¥3.1 billion (-0.2%) year-on-year to ¥1,368.6 billion. This was primarily due to a decrease in sales volume in the Gas Business. Consolidated ordinary profit increased by ¥22.9 billion (+36.3%) year-on-year to ¥86.0 billion. This was primarily due to the impact of the time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas(*) and a decrease in expenses in the Gas Business. Profit attributable to owners of parent increased by ¥8.1 billion (+24.4%) year-on-year to ¥41.7 billion. This was primarily due to an increase in profit of the Gas Business, which offset an impairment loss recorded in the upstream projects of the International Energy Business.

The number of consolidated subsidiaries is currently 156, with 5 subsidiaries removed and 11 added since the fiscal year ended March 31, 2019. The number of equity method affiliates is currently 23 with 1 removed and 1 added since the fiscal year ended March 31, 2019.

(*) 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 fiscal year ended March 31, 2020 and a temporary decrease in profit for the fiscal year ended March 31, 2019, 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	1,368.6	-3.1	-0.2	1,084.3	1.26
Cost of sales	961.9	-19.1	-1.9	785.7	1.22
Selling, general and administrative expenses	322.9	+0.1	+0.0	252.8	1.28
Operating profit	83.7	+15.8	+23.3	45.7	1.83
Ordinary profit	86.0	+22.9	+36.3	58.4	1.47
Profit attributable to owners of parent*	41.7	+8.1	+24.4	44.9	0.93

*"Profit" for Non-consolidated results

(ii) Overview of each Business Segment

a. Domestic Energy/Gas

Net sales decreased by ¥38.8 billion (-3.8%) year-on-year to ¥973.7 billion. This was primarily due to a decrease in gas sales volume in the Gas Business regardless of higher unit selling price of city gas under the fuel cost adjustment system of the Gas Business. Segment profit increased by ¥17.3 billion (+48.4%) year-on-year to ¥53.1 billion. This was primarily due to the impact of the time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas and a decrease in expenses in the Gas Business.

(Reference) Gas Sales Breakdown

		Fiscal year ended March 31, 2020 (Apr. '19 - Mar. '20) (a)	Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19) (b)	Y on Y changes (a) - (b)	Y on Y changes rate (%)	
Non- Consolidated	Number of gas supply (thousands)	5,225	5,553	-328	-5.9	
	Gas sales volume (million m ³)	Residential	1,798	1,892	-94	-4.9
		Non-residential	5,526	6,010	-483	-8.0
		Total	7,324	7,901	-577	-7.3
Consolidated gas sales volume (million m ³)		7,362	7,935	-573	-7.2	

[45MJ/m³]

b. Domestic Energy/Electricity

Net sales increased by ¥20.5 billion (+11.1%) year-on-year to ¥204.8 billion, primarily due to an increase in electricity sales volume. Segment profit decreased by ¥0.8 billion (-9.3%) year-on-year to ¥7.9 billion, mainly due to low temperature during the summer, a decrease in the unit selling price of electricity primarily associated with price reductions, and unplanned outage of power plant, regardless of an increase in electricity sales volume.

(Reference) Domestic Electricity Sales Breakdown

		Fiscal year ended March 31, 2020 (Apr. '19 - Mar. '20) (a)	Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19) (b)	Y on Y changes (a) - (b)	Y on Y changes rate (%)
Number of low-voltage electricity supply (thousands)		1,322	945	+377	+39.9
Electricity sales volume (GWh)	Retail	4,617	3,457	+1,160	+33.5
	Wholesale, etc.	8,572	8,196	+377	+4.6
	Total	13,189	11,653	+1,536	+13.2

c. International Energy

Net sales increased by ¥20.7 billion (+51.3%) year-on-year to ¥61.2 billion, mainly due to an increase in sales from LNG transportation and a natural gas-fired power plant in the USA which was acquired in the previous fiscal year. Segment profit increased by ¥2.1 billion (+36.6%) year-on-year to ¥8.1 billion. This was mainly due to an increase in fair value of derivatives possessed by the IPP projects in North America.

d. Life & Business Solutions

Net sales increased by ¥8.5 billion (+4.0%) year-on-year to ¥219.4 billion. This was mainly due to a sales increase in the Real Estate Business, the Information Solutions Business and the Materials Solutions Business. Segment profit increased by ¥1.9 billion (+11.1%) year-on-year to ¥19.6 billion. This was mainly due to an improvement of gross profit margin of the Materials Solutions Business.

(billion yen)

	Domestic Energy/Gas	Domestic Energy/Electricity	International Energy	Life & Business Solutions	Adjustments	Consolidated
Net sales	-3.8% 973.7 [-38.8]	+11.1% 204.8 [+20.5]	+51.3% 61.2 [+20.7]	+4.0% 219.4 [+8.5]	(90.6)	-0.2% 1,368.6 [-3.1]
Segment profit	+48.4% 53.1 [+17.3]	-9.3% 7.9 [-0.8]	+36.6% 8.1 [+2.1]	+11.1% 19.6 [+1.9]	0.1	+28.9% 89.0 [+19.9]

The percentage figures at the upper left corner of each box represent the changes from the fiscal year ended March 31, 2019.

The figures in [] brackets in each box represent the changes from the fiscal year ended March 31, 2019.

(2) Overview of Financial Position

(Assets, Liabilities, and Net Assets)

Total assets increased by ¥110.7 billion year-on-year to ¥2,140.4 billion, primarily due to an increase in non-current assets from acquisition of new subsidiaries overseas. Liabilities increased by ¥118.1 billion year-on-year to ¥1,112.8 billion, primarily due to an increase in interest-bearing debts, and net assets decreased by ¥7.3 billion year-on-year to ¥1,027.6 billion.

As a result, the ratio of shareholders' equity to total assets decreased to 46.6% as of March 31, 2020 from 49.5% as of March 31, 2019.

(billion yen)

	As of March 31, 2020	As of March 31, 2019	Y on Y changes
Total assets	2,140.4	2,029.7	+110.7
Total liabilities	1,112.8	994.6	+118.1
Total net assets	1,027.6	1,035.0	-7.3
Total liabilities and net assets	2,140.4	2,029.7	+110.7

(3) Overview of Cash Flows

For the fiscal year ended March 31, 2020, net cash provided by operating activities amounted to ¥182.8 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 ¥232.2 billion, mainly due to the purchase of property, plant and equipment. Net cash provided by financing activities amounted to ¥79.2 billion, mainly due to proceeds from issuance of bonds.

Consequently, the net increase in cash and cash equivalents in the fiscal year ended March 31, 2020 amounted to ¥31.0 billion.

With the addition of the balance of ¥115.7 billion as of the beginning of the fiscal year ended March 31, 2020, the balance of cash and cash equivalents as of the end of the fiscal year ended March 31, 2020 amounted to ¥146.8 billion.

(billion yen)

	Fiscal year ended March 31, 2020 (Apr. '19 - Mar. '20)	Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19)	Y on Y changes
Cash flows from operating activities	182.8	65.1	+117.7
Cash flows from investing activities	(232.2)	(204.1)	-28.0
Cash flows from financing activities	79.2	85.2	-5.9
Net increase (decrease) in cash and cash equivalents	31.0	(55.2)	+86.3
Cash and cash equivalents at end of period	146.8	115.7	+31.0
Balance of interest-bearing debts at end of period	754.0	647.4	+106.5

Free cash flow* : ¥125.3 billion [¥20.9 billion for the fiscal year ended March 31, 2019]

* 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, 2021 (Apr. '20 - Mar. '21)	Fiscal year ended March 31, 2020 (Apr. '19 - Mar. '20)	Fiscal year ended March 31, 2019 (Apr. '18 - Mar. '19)
Consolidated	203.0	131.0	107.2
Non-consolidated	66.0	57.4	44.2
Production facilities	10.8	9.4	3.1
Distribution facilities	50.2	39.0	36.3
Service and maintenance facilities, etc.	4.8	8.9	4.7

(4) Information on Risks Related to Coronavirus Disease 2019 (COVID-19)

The impact of the global spread of Coronavirus Disease 2019 (COVID-19) on economic activities and the associated decline in energy prices including crude oil prices may affect the consolidated operating results and financial position in the next fiscal year and thereafter.

(5) Forecasts for the Next Fiscal Year

Consolidated net sales for the fiscal year ending March 31, 2021 is expected to increase by ¥124.3 billion (+9.1%) year-on-year to ¥1,493.0 billion. This is mainly based on an assumption of an increase in sales volume of LNG in the Domestic Energy/Gas Business.

Consolidated ordinary profit is expected to increase by ¥13.9 billion (+16.3%) year-on-year to ¥100.0 billion. This is primarily due to the expected increase in profit in connection with the start of commercial operation of the Freeport LNG project in the International Energy Business. Profit attributable to owners of parent is expected to increase by ¥31.2 billion (+74.7%) year-on-year to ¥73.0 billion.

Considering the extreme difficulty of quantifying the impact of the global spread of COVID-19 on the Daigas Group's business, such impact is not taken into consideration in the forecast for the next fiscal year.

(billion yen)

	Forecast for fiscal year ending March 31, 2021 (Apr. '20 - Mar. '21)	Compared with fiscal year ended March 31, 2020	
		Y on Y changes	Y on Y changes rate (%)
Net sales	1,493.0	+124.3	+9.1
Operating profit	91.0	+7.2	+8.6
Ordinary profit	100.0	+13.9	+16.3
Profit attributable to owners of parent	73.0	+31.2	+74.7

(Reference) Assumptions for the crude oil price and exchange rate (April 1, 2020 - March 31, 2021)

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

Exchange rate (TTM) 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, 2019	As of March 31, 2020
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	85,086	84,258
Distribution facilities	265,421	264,657
Service and maintenance facilities	55,176	55,072
Other facilities	427,821	542,101
Construction in progress	74,222	68,482
Total property, plant and equipment	907,728	1,014,572
Intangible assets	109,297	98,322
Investments and other assets		
Investment securities	359,737	332,200
Long-term loans receivable	22,862	25,981
Retirement benefit asset	49,074	44,264
Other	49,389	65,924
Allowance for doubtful accounts	(562)	(802)
Total investments and other assets	480,502	467,568
Total non-current assets	1,497,528	1,580,462
Current assets		
Cash and deposits	116,289	147,201
Notes and accounts receivable - trade	219,206	210,515
Lease receivables and investments in leases	40,445	47,844
Inventories	112,327	108,092
Other	45,616	47,005
Allowance for doubtful accounts	(1,691)	(640)
Total current assets	532,194	560,019
Total assets	2,029,722	2,140,482

Osaka Gas Co., Ltd. (9532)
Brief Report of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020

(million yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Non-current liabilities		
Bonds payable	144,989	289,993
Long-term borrowings	367,418	363,757
Provision for gas holder repairs	1,247	1,290
Provision for safety measures	11,207	9,339
Provision for gas appliance warranties	12,454	13,074
Retirement benefit liability	17,228	17,590
Other	86,919	105,455
Total non-current liabilities	641,465	800,502
Current liabilities		
Current portion of non-current liabilities	60,134	71,294
Notes and accounts payable - trade	66,087	59,363
Other	226,991	181,654
Total current liabilities	353,212	312,312
Total liabilities	994,678	1,112,815
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus	19,222	19,483
Retained earnings	782,523	802,313
Treasury shares	(1,744)	(1,802)
Total shareholders' equity	932,167	952,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	50,617	41,336
Deferred gains or losses on hedges	(4,007)	(14,161)
Revaluation reserve for land	(737)	(737)
Foreign currency translation adjustment	11,189	10,085
Remeasurements of defined benefit plans	15,110	8,809
Total accumulated other comprehensive income	72,172	45,332
Non-controlling interests	30,704	30,174
Total net assets	1,035,044	1,027,667
Total liabilities and net assets	2,029,722	2,140,482

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(million yen)

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Net sales	1,371,863	1,368,689
Cost of sales	981,086	961,983
Gross profit	390,777	406,705
Selling, general and administrative expenses	322,800	322,913
Operating profit	67,977	83,792
Non-operating income		
Interest income	584	4,262
Dividend income	4,465	7,070
Share of profit of entities accounted for using equity method	1,096	5,225
Miscellaneous income	8,454	8,187
Total non-operating income	14,600	24,746
Non-operating expenses		
Interest expenses	10,126	12,192
Miscellaneous expenses	9,348	10,327
Total non-operating expenses	19,474	22,520
Ordinary profit	63,103	86,018
Extraordinary losses		
Loss on disaster	2,136	-
Amortization of goodwill	8,901	-
Impairment loss	-	15,568
Total extraordinary losses	11,038	15,568
Profit before income taxes	52,064	70,449
Income taxes - current	19,683	23,451
Income taxes - deferred	(4,160)	4,056
Total income taxes	15,522	27,507
Profit	36,542	42,942
Profit attributable to non-controlling interests	2,941	1,153
Profit attributable to owners of parent	33,601	41,788

Consolidated Statement of Comprehensive Income

(million yen)

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Profit	36,542	42,942
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,319)	(10,455)
Deferred gains or losses on hedges	(142)	(1,442)
Foreign currency translation adjustment	(5,943)	(1,638)
Remeasurements of defined benefit plans	3,457	(6,189)
Share of other comprehensive income of entities accounted for using equity method	372	(8,219)
Total other comprehensive income	(8,575)	(27,945)
Comprehensive income	27,966	14,996
(Breakdown)		
Comprehensive income attributable to owners of parent	25,731	13,728
Comprehensive income attributable to non-controlling interests	2,235	1,268

(3) Consolidated Statement of Changes in Equity
Fiscal Year Ended March 31, 2019 (April 1, 2018 - March 31, 2019)

(million yen)

	Shareholders' Equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	132,166	19,222	769,801	(1,663)	919,527
Cumulative effects of changes in accounting policies			(87)		(87)
Resulted balance	132,166	19,222	769,713	(1,663)	919,439
Changes in 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 in items other than shareholders' equity					
Total changes in items during period	-	0	12,809	(81)	12,728
Balance at end of 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 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)
Resulted balance	56,977	(7,650)	(737)	19,530	11,922	80,042	29,229	1,028,711
Changes in 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 in 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 period	50,617	(4,007)	(737)	11,189	15,110	72,172	30,704	1,035,044

Fiscal Year Ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(million yen)

	Shareholders' Equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	132,166	19,222	782,523	(1,744)	932,167
Cumulative effects of changes in accounting policies			(1,208)		(1,208)
Resulted balance	132,166	19,222	781,314	(1,744)	930,959
Changes in items during period					
Dividends of surplus			(20,790)		(20,790)
Profit attributable to owners of parent			41,788		41,788
Purchase of treasury shares				(60)	(60)
Disposal of treasury shares		(0)		2	2
Change in ownership interest of parent due to transactions with non-controlling interests		260			260
Net changes in items other than shareholders' equity					
Total changes in items during period	-	260	20,998	(57)	21,201
Balance at end of period	132,166	19,483	802,313	(1,802)	952,160

	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 period	50,617	(4,007)	(737)	11,189	15,110	72,172	30,704	1,035,044
Cumulative effects of changes in accounting policies	1,215					1,215		7
Resulted balance	51,833	(4,007)	(737)	11,189	15,110	73,388	30,704	1,035,051
Changes in items during period								
Dividends of surplus								(20,790)
Profit attributable to owners of parent								41,788
Purchase of treasury shares								(60)
Disposal of treasury shares								2
Change in ownership interest of parent due to transactions with non-controlling interests								260
Net changes in items other than shareholders' equity	(10,496)	(10,154)		(1,104)	(6,300)	(28,055)	(530)	(28,585)
Total changes in items during period	(10,496)	(10,154)	-	(1,104)	(6,300)	(28,055)	(530)	(7,384)
Balance at end of period	41,336	(14,161)	(737)	10,085	8,809	45,332	30,174	1,027,667

(4) Consolidated Statement of Cash Flows

(million yen)

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	52,064	70,449
Depreciation	99,745	91,925
Amortization of long-term prepaid expenses	5,000	5,159
Impairment loss	-	15,568
Decrease (increase) in retirement benefit asset	3,057	(3,511)
Interest and dividend income	(5,049)	(11,332)
Interest expenses	10,126	12,192
Share of loss (profit) of entities accounted for using equity method	(1,096)	(5,225)
Decrease (increase) in trade receivables	(27,714)	12,239
Decrease (increase) in inventories	(35,078)	4,014
Increase (decrease) in trade payables	6,895	664
Increase (decrease) in accrued expenses	6,068	3,316
Increase (decrease) in accrued consumption taxes	(4,085)	4,568
Other, net	(19,156)	(3,645)
Subtotal	90,776	196,384
Interest and dividends received	13,523	21,844
Interest paid	(10,186)	(12,280)
Income taxes paid	(28,997)	(23,056)
Net cash provided by (used in) operating activities	65,116	182,892
Cash flows from investing activities		
Purchase of property, plant and equipment	(80,099)	(117,574)
Purchase of intangible assets	(21,943)	(9,173)
Purchase of long-term prepaid expenses	(6,150)	(9,045)
Purchase of investment securities	(4,680)	(7,997)
Purchase of shares of subsidiaries and associates	(68,760)	(22,965)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(22,811)	(63,350)
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	-	558
Long-term loan advances	(5,133)	(5,443)
Other, net	5,382	2,724
Net cash provided by (used in) investing activities	(204,192)	(232,266)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	46,000	(46,000)
Proceeds from long-term borrowings	129,306	44,170
Repayments of long-term borrowings	(37,759)	(47,418)
Proceeds from issuance of bonds	-	175,000
Redemption of bonds	(30,000)	(20,000)
Proceeds from share issuance to non-controlling shareholders	195	240
Dividends paid	(20,801)	(20,799)
Dividends paid to non-controlling interests	(980)	(1,165)
Other, net	(698)	(4,754)
Net cash provided by (used in) financing activities	85,262	79,272
Effect of exchange rate change on cash and cash equivalents	(1,478)	1,145
Net increase (decrease) in cash and cash equivalents	(55,292)	31,043
Cash and cash equivalents at beginning of period	171,061	115,769
Cash and cash equivalents at end of period	115,769	146,813

(5) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

"Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements" (Practical Issues Task Force (hereafter "PITF") No.18 of September 14, 2018) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No.24 of September 14, 2018) have been applied from the beginning of the current fiscal year. When the foreign subsidiaries adopt "Financial instruments" (International Financial Reporting Standards (hereafter "IFRS") No.9), and record subsequent changes of the fair value of financial instruments through other comprehensive income, gain or loss from sales of financial instruments and impairment loss are recognized through profit or loss for the current fiscal year on consolidated financial statements.

The Company has applied the PITF No.18 according to the transitional provisions stipulated in PITF No.18. Cumulative impact of changes in accounting policies is recorded as retained earnings for the beginning of the current fiscal year.

Consequently, retained earnings for the beginning of the current fiscal year has decreased by ¥1,215 million and valuation difference on available-for-sale securities has increased by ¥1,215 million on the consolidated balance sheet.

(Segment Information)

a. Summary of reportable segments

The Daigas 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 Daigas 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 transports 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.

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, 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

Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(million yen)

	Reportable Segment				Total	Adjustments	Consolidated
	Domestic Energy/ Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
Net sales							
Sales to external customers	961,082	203,659	33,430	170,516	1,368,689	-	1,368,689
Transactions with other segments	12,677	1,195	27,823	48,916	90,613	(90,613)	-
Total	973,759	204,855	61,254	219,432	1,459,302	(90,613)	1,368,689
Segment profit							
Operating profit	52,612	8,427	2,952	19,676	83,669	122	83,792
Share of profit (loss) of entities accounted for using equity method	534	(517)	5,209	-	5,225	-	5,225
Total	53,146	7,909	8,162	19,676	88,895	122	89,018
Segment assets	867,755	217,545	625,410	390,693	2,101,405	39,076	2,140,482
Other items							
Depreciation	54,774	8,176	16,800	11,676	91,428	(1,469)	89,958
Amortization of goodwill	-	242	17	1,705	1,966	-	1,966
Investment in entities accounted for using equity method	14,408	470	195,768	-	210,647	-	210,647
Increase in property, plant and equipment and intangible assets	65,717	27,099	8,914	32,216	133,947	(2,937)	131,010

(Per Share Information)

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Shareholders' equity per share	2,415.37 yen	2,399.06 yen
Earnings per share	80.80 yen	100.50 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 following data was used for calculating earnings per share.

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Profit attributable to owners of parent (million yen)	33,601	41,788
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent attributable to common share (million yen)	33,601	41,788
Average number of common shares during the fiscal year (thousand shares)	415,831	415,798

(Subsequent Events)

Since March 2020, there has been a global spread of COVID-19, which has led to a decline in energy prices including crude oil prices. Even though this may affect the consolidated operating results and financial position in the next fiscal year and thereafter, it is extremely difficult to quantify its impact at this point in time due to a number of uncertainties.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(million yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	84,151	83,401
Distribution facilities	265,144	264,584
Service and maintenance facilities	54,316	54,225
Facilities for incidental businesses	3,220	3,166
Construction in progress	14,066	14,204
Total property, plant and equipment	420,899	419,582
Intangible assets		
Patent right	3	2
Leasehold interests in land	2,994	2,999
Other intangible assets	16,493	22,301
Total intangible assets	19,492	25,303
Investments and other assets		
Investment securities	73,538	64,268
Investments in subsidiaries and associates	439,539	534,020
Long-term loans receivable from subsidiaries and associates	177,685	194,143
Investments in capital	21	21
Long-term prepaid expenses	6,161	5,722
Prepaid pension costs	28,483	31,945
Other investments and other assets	4,927	4,472
Allowance for doubtful accounts	(251)	(276)
Total investments and other assets	730,106	834,318
Total non-current assets	1,170,498	1,279,203
Current assets		
Cash and deposits	108,588	128,212
Notes receivable - trade	792	284
Accounts receivable - trade	114,003	96,822
Accounts receivable from subsidiaries and associates - trade	13,644	18,838
Accounts receivable - other	18,263	12,410
Finished goods	71	77
Raw materials	59,198	52,106
Supplies	13,077	12,560
Short-term receivables from subsidiaries and associates	35,494	32,218
Other current assets	6,556	10,869
Allowance for doubtful accounts	(1,462)	(261)
Total current assets	368,228	364,139
Total assets	1,538,726	1,643,343

(million yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Non-current liabilities		
Bonds payable	144,989	289,993
Long-term borrowings	252,445	234,631
Long-term debt to subsidiaries and associates	788	783
Deferred tax liabilities	2,218	884
Provision for retirement benefits	3,532	2,971
Provision for gas holder repairs	1,173	1,206
Provision for safety measures	11,207	9,339
Provision for gas appliance warranties	12,454	13,074
Other non-current liabilities	11,158	10,089
Total non-current liabilities	439,968	562,975
Current liabilities		
Current portion of non-current liabilities	43,614	55,845
Accounts payable - trade	36,886	24,352
Short-term borrowings	5,000	3,000
Accounts payable - other	15,422	22,957
Accrued expenses	35,714	40,745
Income taxes payable	11,107	11,456
Advances received	7,107	8,160
Deposits received	1,687	1,815
Short-term borrowings from subsidiaries and associates	98,962	91,194
Short-term debt to subsidiaries and associates	27,191	35,126
Other current liabilities	51,050	6,067
Total current liabilities	333,744	300,721
Total liabilities	773,713	863,697

Osaka Gas Co., Ltd. (9532)
Brief Report of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020

(million yen)

	As of March 31, 2019	As of March 31, 2020
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus		
Legal capital surplus	19,482	19,482
Other capital surplus	11	11
Total capital surpluses	19,494	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	16,563	14,763
Reserve for adjustment of cost fluctuations	89,000	89,000
General reserve	62,000	62,000
Retained earnings brought forward	379,349	405,339
Total retained earnings	580,196	604,386
Treasury shares	(1,744)	(1,802)
Total shareholders' equity	730,112	754,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	37,760	30,398
Deferred gains or losses on hedges	(2,860)	(4,996)
Total valuation and translation adjustments	34,900	25,402
Total net assets	765,013	779,646
Total liabilities and net assets	1,538,726	1,643,343

(2) Non-Consolidated Statement of Income

(million yen)

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Sales from gas business		
Gas sales	659,213	611,540
Gas transportation service revenue	18,869	27,933
Revenue from interoperator settlement	1,087	1,032
Revenue from contract manufacturing	-	217
Total sales from gas business	679,170	640,724
Cost of sales		
Beginning inventories	67	71
Cost of products manufactured	424,213	371,078
Purchase of finished goods	-	41
Costs of gas for own use	10,812	6,474
Ending inventories	71	77
Total cost of sales	413,396	364,639
Gross profit	265,773	276,084
Selling, general and administrative expenses		
Supply and sales expenses	209,233	204,581
General and administrative expenses	49,332	48,300
Total selling, general and administrative expenses	258,565	252,881
Profit on core business	7,208	23,202
Miscellaneous operating revenue		
Revenue from installation work	22,668	23,091
Other miscellaneous operating revenue	98,297	98,044
Total miscellaneous operating revenue	120,965	121,136
Miscellaneous operating expenses		
Installation work expenses	22,085	22,353
Other miscellaneous operating expenses	80,830	83,299
Total miscellaneous operating expenses	102,916	105,653
Revenue from incidental businesses		
Revenue from incidental businesses	304,401	322,528
Total revenue from incidental businesses	304,401	322,528
Expenses for incidental businesses		
Expenses for incidental businesses	301,712	315,425
Total expenses for incidental businesses	301,712	315,425
Operating profit	27,946	45,788

Osaka Gas Co., Ltd. (9532)
Brief Report of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020

(million yen)

	Fiscal year ended March 31, 2019 (April 1, 2018 - March 31, 2019)	Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)
Non-operating income		
Interest income	1,565	1,622
Interest on securities	13	11
Dividend income	2,098	2,098
Dividends from subsidiaries and affiliates	11,098	12,185
Miscellaneous income	7,016	7,138
Total non-operating income	21,792	23,056
Non-operating expenses		
Interest expenses	4,024	4,143
Interest on bonds	2,675	3,142
Amortization of bond issuance costs	-	1,103
Miscellaneous expenses	2,485	1,960
Total non-operating expenses	9,185	10,349
Ordinary profit	40,553	58,496
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	34,545	58,496
Income taxes - current	7,100	11,400
Income taxes - deferred	2,305	2,116
Total income taxes	9,405	13,516
Profit	25,139	44,979