



Fiscal Year Ended March 31, 2022

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 26, 2022

Name of Listed Company	: Osaka Gas Co., Ltd.	Listed Exchanges:	1 st Section of Tokyo
Code No.	: 9532	URL:	https://www.osakagas.co.jp/en/
Representative Officer	: Title: President	Name:	Masataka Fujiwara
Contact	: Title: Manager, Finance Dept.	Name:	Haruhiko Katsurayama
Scheduled Date of Annual General Meeting of Shareholders	: June 28, 2022		
Scheduled Date of Financial Report Filing with the Financial Services Agency	: June 28, 2022		
Scheduled Date of Dividend Payment	: June 29, 2022		
Preparation of Supplementary Explanation Documents for Operating Results	: Yes		
Holding of an Informational Meeting for Operating Results	: Yes (for institutional investors and analysts)		

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(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, 2022	1,586,879	16.3	94,905	-15.6	110,464	-13.5	128,256	58.6
Year ended March 31, 2021	1,364,106	-0.3	112,491	34.3	127,752	48.5	80,857	93.5

(Note) Comprehensive income: Year ended March 31, 2022 208,740 million yen (92.0% YoY)
Year ended March 31, 2021 108,723 million yen (625.0% 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, 2022	308.48	-	11.0	4.5	6.0
Year ended March 31, 2021	194.48	-	7.8	5.7	8.2

<Reference> Share of profit of entities accounted for using equity method: Year ended March 31, 2022 12,841 million yen
Year ended March 31, 2021 13,618 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, 2022	2,569,819	1,284,132	49.0	3,030.63
As of March 31, 2021	2,313,357	1,114,597	46.8	2,602.18

<Reference> Shareholders' equity: As of March 31, 2022 1,259,660 million yen
As of March 31, 2021 1,081,881 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, 2022	145,350	(152,163)	(30,479)	130,769
Year ended March 31, 2021	219,797	(198,354)	(1,636)	166,762

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			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2021	-	25.00	-	27.50	52.50	21,827	27.0	2.1
Year ended March 31, 2022	-	27.50	-	30.00	57.50	23,903	18.6	2.0
Year ending March 31, 2023 (Forecast)	-	30.00	-	30.00	60.00		30.4	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

	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	1,853,000	16.8	106,500	12.2	115,000	4.1	82,000	-36.1	197.22

* Notes

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2022
(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, 2022	416,680,000 shares
	As of March 31, 2021	416,680,000 shares
(ii) Number of treasury shares at the end of each fiscal year:	As of March 31, 2022	1,036,697 shares
	As of March 31, 2021	920,065 shares
(iii) Average number of shares during each fiscal year:	Year ended March 31, 2022	415,770,531 shares
	Year ended March 31, 2021	415,773,183 shares

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(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, 2022	1,202,275	14.1	10,172	-83.2	60,141	-17.7	56,775	3.9
Year ended March 31, 2021	1,053,584	-2.8	60,496	32.1	73,035	24.9	54,641	21.5

	Earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2022	136.56	-
Year ended March 31, 2021	131.42	-

(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, 2022	1,763,794	859,502	48.7	2,067.88
As of March 31, 2021	1,720,358	832,442	48.4	2,002.22

<Reference> Net assets As of March 31, 2022 859,502 million yen As of March 31, 2021 832,442 million yen

* 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 5 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 27, 2022. 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, 2022 increased by ¥222.7 billion (+16.3%) year-on-year to ¥1,586.8 billion. This was primarily due to an increase in sales from a rise in LNG prices and the higher unit selling price of city gas under the fuel cost adjustment system in the Domestic Energy Business and an increase in sales from the upstream project in the USA and the Freeport LNG project in the International Energy Business. Consolidated ordinary profit decreased by ¥17.2 billion (-13.5%) year-on-year to ¥110.4 billion. This was primarily due to the impact of a time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas(*) in the Domestic Energy Business, despite an increase in profit from the International Energy Business. Profit attributable to owners of parent increased by ¥47.3 billion (+58.6%) year-on-year to ¥128.2 billion. This was primarily due to recording of income taxes - deferred (gain) at a consolidated subsidiary in the USA.

The number of consolidated subsidiaries is currently 150, with 8 subsidiaries removed and 4 added since the fiscal year ended March 31, 2021. The number of equity method affiliates is currently 30 with 1 removed and 4 added since the fiscal year ended March 31, 2021.

(*)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 this fiscal year and the previous fiscal year.

(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	1,586.8	+222.7	+16.3	1,202.2	1.32
Cost of sales	1,161.8	+240.0	+26.0	936.1	1.24
Selling, general and administrative expenses	330.1	+0.2	+0.1	255.9	1.29
Operating profit	94.9	-17.5	-15.6	10.1	9.33
Ordinary profit	110.4	-17.2	-13.5	60.1	1.84
Profit attributable to owners of parent*	128.2	+47.3	+58.6	56.7	2.26

*"Profit" for Non-consolidated results

(ii) Overview of each Business Segment

a. Domestic Energy

Net sales increased by ¥177.7 billion (+15.3%) year-on-year to ¥1,336.1 billion. This was primarily due to an increase in sales from a rise in LNG prices and the higher unit selling price of city gas under the fuel cost adjustment system. Segment profit decreased by ¥46.9 billion (-54.8%) year-on-year to ¥38.6 billion. This was primarily due to the impact of a time lag between fluctuations in raw material costs and their reflection in the unit selling price of city gas.

(Gas Sales Breakdown)

		Fiscal year ended March 31, 2022 (Apr. '21 - Mar. '22) (a)	Fiscal year ended March 31, 2021 (Apr. '20 - Mar. '21) (b)	Y on Y changes (a) - (b)	Y on Y changes rate (%)	
Non- Consolidated	Number of gas supply (thousands)	4,915	5,031	-115	-2.3	
	Gas sales volume* (million m ³)	Residential	1,814	1,862	-49	-2.6
		Non-residential	5,248	5,259	-11	-0.2
		Total	7,062	7,121	-59	-0.8
Consolidated gas sales volume* (million m ³)		7,096	7,157	-61	-0.9	

[45MJ/m³]

*Gas sales volume is based on monthly meter readings.

(Domestic Electricity Sales Breakdown)

		Fiscal year ended March 31, 2022 (Apr. '21 - Mar. '22) (a)	Fiscal year ended March 31, 2021 (Apr. '20 - Mar. '21) (b)	Y on Y changes (a) - (b)	Y on Y changes rate (%)
Number of low-voltage electricity supply (thousands)		1,613	1,510	+103	+6.8
Electricity sales volume* (GWh)	Retail	6,189	5,721	+468	+8.2
	Wholesale, etc.	10,571	10,412	+159	+1.5
	Total	16,760	16,133	+627	+3.9

*Electricity sales volume for this fiscal year reflects the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date, as the revenue for electricity sales is estimated and recorded based on Article 103-2 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Electricity sales volume for the previous fiscal year is based on monthly meter readings.

b. International Energy

Net sales increased by ¥36.4 billion (+82.4%) year-on-year to ¥80.7 billion. This was primarily due to an increase in sales from the upstream project in the USA and the Freeport LNG project. Segment profit increased by ¥27.4 billion (+162.5%) year-on-year to ¥44.3 billion. This was primarily due to an increase in profit from the Freeport LNG project and the upstream project in the USA.

c. Life & Business Solutions

Net sales increased by ¥20.5 billion (+9.5%) year-on-year to ¥237.0 billion. This was primarily due to an increase in sales in the Materials Solutions Business and the Information Solutions Business. Segment profit increased by ¥4.2 billion (+21.9%) year-on-year to ¥23.5 billion. This was primarily due to mitigation of the impact of the COVID-19 pandemic in the Information Solutions Business.

(billion yen)

	Domestic Energy	International Energy	Life & Business Solutions	Adjustments	Consolidated
Net sales	+15.3% 1,336.1 [+177.7]	+82.4% 80.7 [+36.4]	+9.5% 237.0 [+20.5]	(67.0)	+16.3% 1,586.8 [+222.7]
Segment profit	-54.8% +38.6 [-46.9]	+162.5% 44.3 [+27.4]	+21.9% 23.5 [+4.2]	1.2	-14.6% 107.7 [-18.3]

The percentage figures at the upper left corner of each box represent the changes from the fiscal year ended March 31, 2021. The figures in [] brackets in each box represent the changes from the fiscal year ended March 31, 2021.

(2) Overview of Financial Position

(Assets, Liabilities, and Net Assets)

Total assets increased by ¥256.4 billion year-on-year to ¥2,569.8 billion. This was primarily due to an increase in property, plant and equipment, resulting from progress of investment activities, and an increase in inventories. Liabilities increased by ¥86.9 billion year-on-year to ¥1,285.6 billion, primarily due to an increase in accounts payable - trade, and net assets increased by ¥169.5 billion year-on-year to ¥1,284.1 billion.

As a result, the ratio of shareholders' equity to total assets increased to 49.0% as of March 31, 2022 compared with 46.8% as of March 31, 2021.

(billion yen)

	As of March 31, 2022	As of March 31, 2021	Y on Y changes
Total assets	2,569.8	2,313.3	+256.4
Total liabilities	1,285.6	1,198.7	+86.9
Total net assets	1,284.1	1,114.5	+169.5
Total liabilities and net assets	2,569.8	2,313.3	+256.4

(3) Overview of Cash Flows

For the fiscal year ended March 31, 2022, net cash provided by operating activities amounted to ¥145.3 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 ¥152.1 billion, mainly due to the purchase of property, plant and equipment. Net cash used in financing activities amounted to ¥30.4 billion, mainly due to the repayments of long-term borrowings.

Consequently, the net decrease in cash and cash equivalents in the fiscal year ended March 31, 2022 amounted to ¥35.9 billion.

With the addition of the balance of ¥166.7 billion as of the beginning of the fiscal year ended March 31, 2022, the balance of cash and cash equivalents as of the end of the fiscal year ended March 31, 2022 amounted to ¥130.7 billion.

(billion yen)

	Fiscal year ended March 31, 2022 (Apr. '21 - Mar. '22)	Fiscal year ended March 31, 2021 (Apr. '20 - Mar. '21)	Y on Y changes
Cash flows from operating activities	145.3	219.7	-74.4
Cash flows from investing activities	(152.1)	(198.3)	+46.1
Cash flows from financing activities	(30.4)	(1.6)	-28.8
Net increase (decrease) in cash and cash equivalents	(35.9)	20.6	-56.6
Cash and cash equivalents at end of period	130.7	166.7	-35.9
Balance of interest-bearing debts at end of period	815.0	785.3	+29.6

Free cash flow* : ¥ -6.8 billion [¥21.4 billion for the fiscal year ended March 31, 2021]

* Free cash flow = Cash flows from operating activities - Cash flows from investing activities

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, 2023 (Apr. '22 - Mar. '23)	Fiscal year ended March 31, 2022 (Apr. '21 - Mar. '22)	Fiscal year ended March 31, 2021 (Apr. '20 - Mar. '21)
Consolidated	192.0	189.3	189.4

(4) Forecasts for the Next Fiscal Year

Consolidated net sales for the fiscal year ending March 31, 2023 is expected to increase by ¥266.1 billion (+16.8%) year-on-year to ¥1,853.0 billion. This is mainly due to an assumption of the rise in the unit selling price of city gas under the fuel cost adjustment system. Consolidated ordinary profit is expected to increase by ¥4.5 billion (+4.1%) year-on-year to ¥115.0 billion. This is primarily due to an increase in profit in the International Energy Business. Profit attributable to owners of parent is expected to decrease by ¥46.2 billion (-36.1%) year-on-year to ¥82.0 billion. This is primarily due to the reverse effect of recording income taxes - deferred for this fiscal year.

(billion yen)

	Forecast for fiscal year ending March 31, 2023 (Apr. '22 - Mar. '23)	Compared with fiscal year ended March 31, 2022	
		Y on Y changes	Y on Y changes rate (%)
Net sales	1,853.0	+266.1	+16.8
Operating profit	106.5	+11.5	+12.2
Ordinary profit	115.0	+4.5	+4.1
Profit attributable to owners of parent	82.0	-46.2	-36.1

(Reference) Assumptions for the crude oil price and exchange rate (April 1, 2022 - March 31, 2023)

Crude oil price (All Japan CIF price) at 95USD/bbl

Exchange rate (TTM) at 115JPY/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 Sheets

(million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	89,701	91,154
Distribution facilities	268,755	275,032
Service and maintenance facilities	53,481	46,121
Other facilities	546,456	605,057
Construction in progress	112,215	138,915
Total property, plant and equipment	1,070,610	1,156,281
Intangible assets	97,912	95,251
Investments and other assets		
Investment securities	377,074	359,225
Long-term loans receivable	25,686	27,698
Retirement benefit asset	83,494	118,693
Deferred tax assets	25,933	64,481
Other	50,099	59,534
Allowance for doubtful accounts	(800)	(731)
Total investments and other assets	561,487	628,901
Total non-current assets	1,730,009	1,880,434
Current assets		
Cash and deposits	167,083	131,089
Notes and accounts receivable - trade	211,696	-
Notes and accounts receivable - trade, and contract assets	-	208,851
Lease receivables and investments in leases	54,634	59,047
Inventories	94,187	145,445
Other	56,349	145,589
Allowance for doubtful accounts	(602)	(639)
Total current assets	583,347	689,384
Total assets	2,313,357	2,569,819

(million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Non-current liabilities		
Bonds payable	354,995	364,998
Long-term borrowings	333,263	350,502
Deferred tax liabilities	41,845	47,298
Provision for gas holder repairs	1,138	1,171
Provision for safety measures	8,892	6,651
Provision for gas appliance warranties	12,195	4,983
Retirement benefit liability	18,758	18,853
Other	104,886	92,698
Total non-current liabilities	875,975	887,156
Current liabilities		
Current portion of non-current liabilities	71,981	73,648
Notes and accounts payable - trade	60,453	104,935
Other	190,349	219,944
Total current liabilities	322,784	398,529
Total liabilities	1,198,759	1,285,686
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus	19,469	19,071
Retained earnings	861,746	965,951
Treasury shares	(1,852)	(2,115)
Total shareholders' equity	1,011,530	1,115,073
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	69,811	67,905
Deferred gains or losses on hedges	(30,365)	(15,313)
Revaluation reserve for land	(737)	(737)
Foreign currency translation adjustment	(2,383)	39,108
Remeasurements of defined benefit plans	34,025	53,624
Total accumulated other comprehensive income	70,350	144,586
Non-controlling interests	32,716	24,472
Total net assets	1,114,597	1,284,132
Total liabilities and net assets	2,313,357	2,569,819

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(million yen)

	Fiscal year ended March 31,2021 (April 1, 2020 - March 31,2021)	Fiscal year ended March 31,2022 (April 1, 2021 - March 31,2022)
Net sales	1,364,106	1,586,879
Cost of sales	921,777	1,161,850
Gross profit	442,328	425,028
Selling, general and administrative expenses	329,836	330,123
Operating profit	112,491	94,905
Non-operating income		
Interest income	2,348	2,017
Dividend income	3,378	3,179
Share of profit of entities accounted for using equity method	13,618	12,841
Gain on sale of investment securities in subsidiaries and associates	3,694	-
Miscellaneous income	9,901	15,963
Total non-operating income	32,941	34,002
Non-operating expenses		
Loss on valuation of investment securities	-	2,484
Interest expenses	11,087	10,400
Miscellaneous expenses	6,593	5,558
Total non-operating expenses	17,680	18,443
Ordinary profit	127,752	110,464
Extraordinary income		
Gain on sale of investment securities in subsidiaries and associates	-	17,773
Insurance claim income	-	6,052
Total extraordinary income	-	23,825
Extraordinary losses		
Impairment losses	19,016	16,013
Loss on tax purpose reduction entry of non-current assets	-	2,335
Total extraordinary losses	19,016	18,349
Profit before income taxes	108,735	115,941
Income taxes - current	33,302	24,220
Income taxes - deferred	(8,410)	(41,948)
Total income taxes	24,891	(17,728)
Profit	83,844	133,670
Profit attributable to non-controlling interests	2,986	5,413
Profit attributable to owners of parent	80,857	128,256

Consolidated Statements of Comprehensive Income

(million yen)

	Fiscal year ended March 31,2021 (April 1, 2020 - March 31,2021)	Fiscal year ended March 31,2022 (April 1, 2021 - March 31,2022)
Profit	83,844	133,670
Other comprehensive income		
Valuation difference on available-for-sale securities	28,421	(1,965)
Deferred gains or losses on hedges	(10,143)	7,370
Foreign currency translation adjustment	(13,730)	33,136
Remeasurements of defined benefit plans	25,536	19,304
Share of other comprehensive income of entities accounted for using equity method	(5,204)	17,224
Total other comprehensive income	24,879	75,070
Comprehensive income	108,723	208,740
(Breakdown)		
Comprehensive income attributable to owners of parent	105,876	202,492
Comprehensive income attributable to non-controlling interests	2,847	6,247

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(million yen)

	Shareholders' Equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	132,166	19,483	802,313	(1,802)	952,160
Changes during period					
Dividends of surplus			(20,788)		(20,788)
Profit attributable to owners of parent			80,857		80,857
Purchase of treasury shares				(52)	(52)
Disposal of treasury shares		0		2	2
Change in scope of equity method			(635)		(635)
Change in ownership interest of parent due to transactions with non-controlling interests		(13)			(13)
Net changes in items other than shareholders' equity					
Total changes during period	-	(13)	59,433	(49)	59,369
Balance at end of period	132,166	19,469	861,746	(1,852)	1,011,530

	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	41,336	(14,161)	(737)	10,085	8,809	45,332	30,174	1,027,667
Changes during period								
Dividends of surplus								(20,788)
Profit attributable to owners of parent								80,857
Purchase of treasury shares								(52)
Disposal of treasury shares								2
Change in scope of equity method								(635)
Change in ownership interest of parent due to transactions with non-controlling interests								(13)
Net changes in items other than shareholders' equity	28,474	(16,203)		(12,468)	25,215	25,018	2,541	27,560
Total changes during period	28,474	(16,203)	-	(12,468)	25,215	25,018	2,541	86,930
Balance at end of period	69,811	(30,365)	(737)	(2,383)	34,025	70,350	32,716	1,114,597

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(million yen)

	Shareholders' Equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	132,166	19,469	861,746	(1,852)	1,011,530
Cumulative effects of changes in accounting policies			(1,184)		(1,184)
Restated balance	132,166	19,469	860,562	(1,852)	1,010,346
Changes during period					
Dividends of surplus			(22,867)		(22,867)
Profit attributable to owners of parent			128,256		128,256
Purchase of treasury shares				(357)	(357)
Disposal of treasury shares		3		94	97
Change in ownership interest of parent due to transactions with non-controlling interests		(401)			(401)
Net changes in items other than shareholders' equity					
Total changes during period	-	(398)	105,388	(263)	104,727
Balance at end of period	132,166	19,071	965,951	(2,115)	1,115,073

	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	69,811	(30,365)	(737)	(2,383)	34,025	70,350	32,716	1,114,597
Cumulative effects of changes in accounting policies								(1,184)
Restated balance	69,811	(30,365)	(737)	(2,383)	34,025	70,350	32,716	1,113,412
Changes during period								
Dividends of surplus								(22,867)
Profit attributable to owners of parent								128,256
Purchase of treasury shares								(357)
Disposal of treasury shares								97
Change in ownership interest of parent due to transactions with non-controlling interests								(401)
Net changes in items other than shareholders' equity	(1,906)	15,051		41,492	19,598	74,236	(8,243)	65,992
Total changes during period	(1,906)	15,051	-	41,492	19,598	74,236	(8,243)	170,719
Balance at end of period	67,905	(15,313)	(737)	39,108	53,624	144,586	24,472	1,284,132

(4) Consolidated Statements of Cash Flows

(million yen)

	Fiscal year ended March 31,2021 (April 1, 2020 - March 31,2021)	Fiscal year ended March 31,2022 (April 1, 2021 - March 31,2022)
Cash flows from operating activities		
Profit before income taxes	108,735	115,941
Depreciation	101,444	108,902
Amortization of long-term prepaid expenses	5,106	5,431
Impairment losses	19,016	16,013
Decrease (increase) in retirement benefit asset	(3,366)	(8,502)
Interest and dividend income	(5,726)	(5,196)
Interest expenses	11,087	10,400
Share of loss (profit) of entities accounted for using equity method	(13,618)	(12,841)
Loss (gain) on sale of investment securities in subsidiaries and associates	(3,694)	(17,773)
Loss (gain) on valuation of investment securities	-	2,484
Loss on tax purpose reduction entry of non-current assets	-	2,335
Decrease (increase) in trade receivables	(1,203)	(48,430)
Decrease (increase) in inventories	26,113	(47,701)
Increase (decrease) in trade payables	1,200	41,607
Increase (decrease) in accrued expenses	(124)	11,109
Other, net	(5,335)	(29,068)
Subtotal	239,635	144,713
Interest and dividends received	15,461	50,615
Interest paid	(11,375)	(10,559)
Income taxes paid	(23,924)	(39,419)
Net cash provided by (used in) operating activities	219,797	145,350
Cash flows from investing activities		
Purchase of property, plant and equipment	(169,607)	(173,450)
Purchase of intangible assets	(13,148)	(14,547)
Purchase of long-term prepaid expenses	(6,320)	(8,396)
Purchase of investment securities	(7,088)	(5,304)
Proceeds from sale of investment securities	987	4,136
Purchase of shares of subsidiaries and associates	(6,309)	(9,784)
Proceeds from sale of shares of subsidiaries and associates	115	52,302
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,914)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	9,096	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(373)	-
Long-term loan advances	(2,681)	(4,307)
Proceeds from collection of long-term loans receivable	1,450	4,800
Other, net	1,439	2,387
Net cash provided by (used in) investing activities	(198,354)	(152,163)

(million yen)

	Fiscal year ended March 31,2021 (April 1, 2020 - March 31,2021)	Fiscal year ended March 31,2022 (April 1, 2021 - March 31,2022)
Cash flows from financing activities		
Proceeds from long-term borrowings	35,946	42,844
Repayments of long-term borrowings	(44,572)	(60,388)
Proceeds from issuance of bonds	75,000	40,000
Redemption of bonds	(30,000)	(10,000)
Proceeds from share issuance to non-controlling shareholders	206	402
Dividends paid	(20,793)	(22,857)
Dividends paid to non-controlling interests	(749)	(7,859)
Repayments to non-controlling shareholders	-	(9,700)
Other, net	(16,673)	(2,920)
Net cash provided by (used in) financing activities	(1,636)	(30,479)
Effect of exchange rate change on cash and cash equivalents	838	1,299
Net increase (decrease) in cash and cash equivalents	20,644	(35,993)
Cash and cash equivalents at beginning of period	146,813	166,762
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(695)	-
Cash and cash equivalents at end of period	166,762	130,769

(5) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Changes in Accounting Policies)

(Accounting Standard for Revenue Recognition and Other Standards)

We have adopted the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Statement No. 29, issued on March 31, 2020, hereinafter “Accounting Standard for Revenue Recognition”) and other standards since the beginning of this fiscal year. The new standard recognizes revenues for goods or services based on the amount estimated to be received in exchange for such goods or services at the point when control of the promised goods or services is transferred to the customer.

The main changes caused by adopting the new standard are described below.

(1) Revenue Recognition for the Feed-in Tariff System for Renewable Energy

We were previously recognizing revenue for the charges collected from customers under the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities based on the feed-in tariff system for renewable energy. However, we are no longer recognizing the charges as revenue from the beginning of the first quarter of this fiscal year because it is collected on behalf of a third party.

Subsidies received in connection with the purchase of renewable energy under the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities was previously recognized as revenue, but the method of revenue recognition has been changed to deduct such subsidies from expenses.

(2) Revenue Recognition for Agent Transactions

For certain sales transactions in which the role of the Company and its group is to act as an agent in providing goods or services to a customer, the entire amount received as compensation from the customer was previously recognized as revenue, but the method of revenue recognition has been changed to recognize revenue at the net amount, which gross amount received from the customer less the amount paid to the supplier.

(3) Revenue Recognition for Maintenance Service Provision

For certain equipment maintenance service contracts, revenue was previously recognized at the beginning of contracts, but the method of revenue recognition has been changed to recognize the revenue over a certain period as performance obligations are fulfilled.

(4) Revenue Recognition for Electricity Sales

Revenue for electricity was previously recognized based on monthly meter readings, but the method of revenue recognition has been changed to recognize the revenue which reflects the estimated usage between the last meter reading day in the account closing month and the closing date in accordance with Article 103-2 of the Accounting Standard for Revenue Recognition.

We have adopted the Accounting Standard for Revenue Recognition transitionally, in accordance with the proviso in Article 84 of the standard. We have calculated the cumulative effect of retroactively applying the new policy from the beginning of this fiscal year, adjusted for retained earnings at the beginning of this fiscal year, and applying the new policy to the remaining balance at the beginning of this fiscal year. However, the new accounting policy has not been applied retrospectively to the contracts in which almost all of revenues has been recognized before the beginning of this fiscal year in accordance with the previous treatment by applying the method stipulated in Article 86 of the standard. Furthermore, using the method specified in explanatory note (1) of Article 86 in the standard, retained earnings at the beginning of this fiscal year are adjusted by the cumulative effect of contract terms and conditions effective after applying all contractual changes made before the beginning of this fiscal year.

As a result, consolidated net sales for this fiscal year decreased by 44,435 million yen, the cost of sales decreased by 45,080 million yen, selling, general and administrative expenses increased by 4 million yen, operating profit increased by 640 million yen, ordinary profit and profit before income taxes increased by 1,068 million yen respectively, compared to using the previous method.

Due to the adoption of the Accounting Standard for Revenue Recognition and other standards, “Notes and accounts receivable - trade” which were included in “Current assets” in the consolidated balance sheet for the previous fiscal year, are included in “Notes and accounts receivable - trade, and contract assets” since this fiscal year. Furthermore, receivables for credit agreement which were included in “Notes and accounts receivable - trade” recorded as 55,659 million yen in the consolidated balance sheet as of March 31, 2021 are included in “Other” in “Current assets” to distinguish them from receivables for revenue from contracts with customers within the scope of application of the standards since this fiscal year.

As the cumulative effect was reflected in net assets at the beginning of this fiscal year, retained earnings at the beginning of this fiscal year in the consolidated statement of the changes in equity decreased by 1,184 million yen. There is no significant effect on the consolidated statement of cash flows. The effects on the Per Share Information are described in the related part.

In accordance with the transitional treatment stipulated in Article 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year are not restated.

(Accounting Standard for Fair Value Measurement and Other Standards)

We have adopted the Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan Statement No. 30, issued on July 4, 2019, hereinafter “Fair Value Accounting Standards”) and other standards since the beginning of this fiscal year. In accordance with the transitional treatment set forth in Article 19 of Fair Value Accounting Standards and Article 44-2 of the Accounting Standard for Financial Instruments (Accounting Standards Board of Japan Statement No. 10, issued on July 4, 2019), the Fair Value Accounting Standards and others have been adopted prospectively. There is no effect on the consolidated financial statements by adopting the standard.

(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 operates its businesses through three reportable segments, the Domestic Energy Business, the International Energy Business and the Life & Business Solutions Business.

The Domestic Energy Business manufactures, supplies, and sells city gas, sells gas appliances, conducts gas pipeline installation, sells and transports LNG, sells LPG and industrial gas, and generates and sells electricity. The International Energy Business conducts development and investment mainly related to natural gas, and supplies energy. The Life & Business Solutions Business conducts development and leasing of real estate, information processing services, and sales of fine materials and carbon material products.

The Company’s business segments were renewed in the Medium-term Management Plan 2023 “Creating Value for a Sustainable Future” announced in March 2021. Thus, effective from this fiscal year ending March 31, 2022, “Domestic Energy / Gas” and “Domestic Energy / Electricity” segments have been combined into “Domestic Energy” segment; Osaka Gas International Transport Inc. engaged in LNG transport and the other companies, which were previously included in the “International Energy” segment, have been combined into “Domestic Energy” segment to facilitate integrated operation of “energy sales” and “demand and supply management”; and the operating expenses of Osaka Gas Co., Ltd. for the International Energy Business previously reported in “Domestic Energy / Gas” segment have been transferred to “International Energy” segment. The segment information for the previous fiscal year 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.

As described in “Changes in Accounting Policies”, we have applied the Accounting Standard for Revenue Recognition since the beginning of this fiscal year, and also changed the accounting treatment for revenue recognition. We therefore changed the measurement method of segment profit or loss. As a results of the changes, net sales of the Domestic Energy Business for this fiscal year decreased by 43,707 million yen and segment profit increased by 933 million yen, compared to using the previous measurement method. Also, net sales of the Life & Business Solutions Business decreased by 728 million yen and segment profit increased by 135 million yen.

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

Fiscal year ended March 31, 2021 (April 1, 2020-March 31, 2021) (million yen)

	Reportable Segment			Total	Adjustments	Consolidated
	Domestic Energy	International Energy	Life & Business Solutions			
Net sales						
Sales to external customers	1,155,227	40,185	168,694	1,364,106	-	1,364,106
Transactions with other segments	3,106	4,113	47,891	55,111	(55,111)	-
Total	1,158,333	44,299	216,585	1,419,218	(55,111)	1,364,106
Segment profit						
Operating profit	85,253	3,612	19,295	108,161	4,330	112,491
Share of profit of entities accounted for using equity method	343	13,274	-	13,618	-	13,618
Total	85,597	16,886	19,295	121,779	4,330	126,109
Segment assets	1,361,174	589,028	418,931	2,369,135	(55,778)	2,313,357
Other items						
Depreciation	70,718	18,069	12,315	101,103	(1,948)	99,155
Amortization of goodwill	603	(7)	1,692	2,288	-	2,288
Investment in entities accounted for using equity method	19,178	190,912	-	210,091	-	210,091
Increase in property, plant and equipment and intangible assets	128,070	28,967	35,601	192,640	(3,185)	189,454

Fiscal year ended March 31, 2022 (April 1, 2021-March 31, 2022) (million yen)

	Reportable Segment			Total	Adjustments	Consolidated
	Domestic Energy	International Energy	Life & Business Solutions			
Net sales						
Sales to external customers	1,332,710	68,861	185,307	1,586,879	-	1,586,879
Transactions with other segments	3,395	11,918	51,778	67,091	(67,091)	-
Total	1,336,105	80,779	237,086	1,653,971	(67,091)	1,586,879
Segment profit						
Operating profit	36,441	33,742	23,516	93,699	1,205	94,905
Share of profit of entities accounted for using equity method	2,253	10,587	-	12,841	-	12,841
Total	38,694	44,330	23,516	106,541	1,205	107,747
Segment assets	1,504,545	677,097	438,178	2,619,821	(50,002)	2,569,819
Other items						
Depreciation	74,195	21,256	13,503	108,955	(2,730)	106,225
Amortization of goodwill	831	(7)	1,852	2,677	-	2,677
Investment in entities accounted for using equity method	23,893	167,765	-	191,659	-	191,659
Increase in property, plant and equipment and intangible assets	114,879	35,932	43,094	193,907	(4,589)	189,317

(Per Share Information)

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Shareholders' equity per share	2,602.18 yen	3,030.63 yen
Earnings per share	194.48 yen	308.48 yen

(Notes)

1. Data on diluted earnings per share is not presented above, since there were no potential shares with a dilutive effect.
2. As described in “Changes in Accounting Policies”, we have applied the Accounting Standard for Revenue Recognition and other standards. As a result, shareholders’ equity per share for this fiscal year decreased by 0.28 yen and earnings per share increased by 2.57 yen respectively, compared to using the previous measurement method.
3. The following data was used for calculating earnings per share.

	Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)
Profit attributable to owners of parent (million yen)	80,857	128,256
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent attributable to common share (million yen)	80,857	128,256
Average number of common shares during the fiscal year (thousand shares)	415,773	415,770

(Subsequent Events)

Not applicable

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	88,768	90,338
Distribution facilities	268,913	275,313
Service and maintenance facilities	52,644	45,299
Facilities for incidental businesses	3,471	4,653
Construction in progress	14,263	10,470
Total property, plant and equipment	428,061	426,076
Intangible assets		
Patent right	2	1
Leasehold interests in land	3,024	3,075
Other intangible assets	28,960	41,715
Total intangible assets	31,987	44,792
Investments and other assets		
Investment securities	89,026	88,058
Investments in subsidiaries and associates	545,079	535,924
Long-term loans receivable from subsidiaries and associates	199,390	207,278
Investments in capital	21	21
Long-term prepaid expenses	5,446	6,646
Prepaid pension costs	35,253	43,542
Other investments and other assets	11,372	9,731
Allowance for doubtful accounts	(310)	(260)
Total investments and other assets	885,280	890,943
Total non-current assets	1,345,329	1,361,812
Current assets		
Cash and deposits	130,170	63,311
Notes receivable - trade	196	234
Accounts receivable - trade	95,899	126,581
Accounts receivable from subsidiaries and associates - trade	12,281	19,696
Accounts receivable - other	7,827	11,681
Finished goods	56	61
Raw materials	17,108	52,432
Supplies	11,486	14,060
Advance payments	6,685	2,097
Short-term receivables from subsidiaries and associates	79,939	89,309
Other current assets	13,634	22,822
Allowance for doubtful accounts	(257)	(306)
Total current assets	375,029	401,982
Total assets	1,720,358	1,763,794

(million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Non-current liabilities		
Bonds payable	354,995	364,998
Long-term borrowings	189,132	195,059
Long-term debt to subsidiaries and associates	6,505	6,338
Deferred tax liabilities	8,674	5,098
Provision for retirement benefits	2,520	2,053
Provision for gas holder repairs	1,045	1,127
Provision for safety measures	8,892	6,651
Provision for gas appliance warranties	12,195	4,983
Other noncurrent liabilities	9,236	5,807
Total non-current liabilities	593,198	592,118
Current liabilities		
Current portion of non-current liabilities	56,391	57,938
Accounts payable - trade	25,775	46,132
Accounts payable - other	22,688	21,283
Accrued expenses	41,307	46,688
Income taxes payable	16,801	6,472
Advances received	9,354	9,007
Deposits received	1,791	5,725
Short-term debt to subsidiaries and associates	118,181	109,666
Other current liabilities	2,425	9,257
Total current liabilities	294,717	312,173
Total liabilities	887,916	904,292

(million yen)

	As of March 31,2021	As of March 31,2022
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus		
Legal capital surplus	19,482	19,482
Other capital surplus	11	14
Total capital surplus	19,494	19,497
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	12,607	9,738
Reserve for investment promotion taxation	299	217
Reserve for adjustment of cost fluctuations	89,000	89,000
General reserve	62,000	62,000
Retained earnings brought forward	441,048	476,503
Total retained earnings	638,238	670,742
Treasury shares	(1,852)	(2,115)
Total shareholders' equity	788,047	820,291
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	47,263	45,602
Deferred gains or losses on hedges	(2,868)	(6,391)
Total valuation and translation adjustments	44,394	39,211
Total net assets	832,442	859,502
Total liabilities and net assets	1,720,358	1,763,794

(2) Non-consolidated Statements of Income

(million yen)

	Fiscal year ended March 31,2021 (April 1, 2020 - March 31,2021)	Fiscal year ended March 31,2022 (April 1, 2021 - March 31,2022)
Sales from gas business		
Gas sales	514,051	578,838
Gas transportation service revenue	35,143	39,342
Revenue from interoperator settlement	959	1,023
Revenue from contract manufacturing	1,032	772
Total sales from gas business	551,187	619,977
Cost of sales		
Beginning inventories	77	56
Cost of products manufactured	265,772	384,771
Costs of gas for own use	6,515	6,879
Ending inventories	56	61
Total cost of sales	259,278	377,887
Gross profit	291,909	242,090
Selling, general and administrative expenses		
Supply and sales expenses	208,703	204,950
General and administrative expenses	51,929	51,013
Total selling, general and administrative expenses	260,632	255,963
Profit (loss) on core business	31,276	(13,873)
Miscellaneous operating revenue		
Revenue from installation work	22,109	20,981
Other miscellaneous operating revenue	101,329	84,323
Total miscellaneous operating revenue	123,438	105,305
Miscellaneous operating expenses		
Installation work expenses	21,328	20,362
Other miscellaneous operating expenses	85,923	69,431
Total miscellaneous operating expenses	107,251	89,793
Revenue from incidental businesses		
Revenue for incidental businesses	378,958	476,992
Total revenue from incidental businesses	378,958	476,992
Expenses for incidental businesses		
Expenses for incidental businesses	365,924	468,457
Total expenses for incidental businesses	365,924	468,457
Operating profit	60,496	10,172

(million yen)

	Fiscal year ended March 31,2021 (April 1, 2020 - March 31,2021)	Fiscal year ended March 31,2022 (April 1, 2021 - March 31,2022)
Non-operating income		
Interest income	1,867	1,677
Interest on securities	23	54
Dividend income	1,637	1,895
Dividends from subsidiaries and associates	5,647	40,735
Gain on sale of investment securities in subsidiaries and associates	3,055	-
Miscellaneous income	9,172	16,091
Total non-operating income	21,404	60,453
Non-operating expenses		
Interest expenses	3,818	3,586
Interest on bonds	3,187	3,190
Amortization of bond issuance costs	398	177
Loss on valuation of investment securities of subsidiaries and associates	-	1,499
Miscellaneous expenses	1,460	2,030
Total non-operating expenses	8,865	10,484
Ordinary profit	73,035	60,141
Profit before income taxes	73,035	60,141
Income taxes - current	17,700	4,600
Income taxes - deferred	694	(1,233)
Total income taxes	18,394	3,366
Profit	54,641	56,775