Notice of Differences between Results Forecasts and Actual Results for the Second Quarter of Fiscal Year Ending March 31, 2019, and Revision to the Full-Year Consolidated Forecast

October 25, 2018

Company name: NIPPON GAS CO., LTD.
Code number: 8174
URL: http://www.nichigas.co.jp/
Stock exchange listing: Tokyo Stock Exchange
Representative: Shinji Wada, President and Representative Director
Contact: Shinichi Kiyota, Director
Phone: 03-5308-2116

Nippon Gas Co., Ltd. (“NICIGAS”) hereby announces a differences between its consolidated financial forecast for the Second Quarter (April 1, 2018 to March 31, 2019) of Fiscal Year ending March 31, 2019 (FYE 03/19), announced on April 26, 2018, and actual financial results issued today. In addition, NICIGAS also announces revisions to consolidated full-year financial forecast for FYE 03/19.

1. Differences between Forecast and Actual Results for 2Q of FYE 03/19

Differences between the Consolidated Financial Forecast and Actual Results for 2Q of FYE 03/19
(April 1, 2018 - September 30, 2018)

	Net sales	Operating Income	Ordinary Income	Quarterly Net Profit attributable to owners of parent	Basic Earnings per Share
	million yen	million yen	million yen	million yen	Yen
Previous forecast (A)	53,000	2,000	2,300	1,400	32.78
Actual Results (B)	51,932	1,258	851	382	8.97
Difference (B - A)	△1,067	△741	△1,448	△1,017	
Increase / decrease (%)	△2.0	△37.1	△63.0	△72.6	
(Reference) Results for 2Q of the previous year (fiscal year ended March 31, 2018)	48,465	1,508	1,595	1,087	25.47

Differences between the Non-Consolidated Financial Forecast and Actual Results for 2Q of FYE 03/19

(April 1, 2018 - September 30, 2018)

	Net sales	Ordinary Income	Quarterly Net Profit	Basic Earnings per Share
	million yen	million yen	million yen	Yen
Previous forecast (A)	43,000	1,900	1,300	30.44
Actual Results (B)	38,100	1,125	1,002	23.47
Difference (B - A)	△4,899	△774	△297	
Increase / decrease (%)	△11.4	△40.7	△22.9	
(Reference) Results for 2Q of the previous year (fiscal year ended March 31, 2018)	34,014	1,177	1,102	25.81

2. Revision to Full-Year Financial Forecast

Revisions to Consolidated Full-Year Financial Forecast for FYE 03/19 (April 1, 2018 - March 31, 2019)

	Net sales	Operating Income	Ordinary Income	Net Profit attributable to owners of parent	Basic Earnings per Share
	million yen	million yen	million yen	million yen	Yen
Previous forecast (A)	130,000	13,400	13,800	9,200	215.44
Revised forecast (B)	125,000	9,000	8,000	5,100	119.38
Difference (B - A)	△5,000	△4,400	△5,800	△4,100	
Increase / decrease (%)	△3.8	△32.8	△42.0	△44.6	
(Reference) Results for the previous year (fiscal year ended March 31, 2018)	114,725	10,689	11,093	7,798	182.62

Revisions to Non-Consolidated Full-Year Financial Forecast for FYE 03/19 (April 1, 2018 - March 31, 2019)

	Net sales	Ordinary Income	Profit	Basic Earnings per Share
	million yen	million yen	million yen	Yen
Previous forecast (A)	101,000	9,100	6,300	147.53
Revised forecast (B)	96,700	4,300	3,000	70.22
Difference (B - A)	△4,300	△4,800	△3,300	
Increase / decrease (%)	△4.3	△52.7	△52.4	
(Reference) Results for the previous year (fiscal year ended March 31, 2018)	82,831	6,318	4,066	95.22

3. Reason for the differences between results forecast and actual results for cumulative 2Q of FYE 03/19, and the revision to the full-year consolidation forecast

(1) Reason for the differences between results forecast and actual results for cumulative 2Q of FYE 03/19

Operating Income was below the previous forecast with significantly decrease in gas sales volume due to extremely hot weather. Ordinary Income and Quarterly Net Profit attributable to owners of parent were also below the previous forecast due to the loss from equity method for affiliated companies. Differences for the non-consolidated forecast were caused by the same reason.

(2) Reason for the revision to the full-year consolidated forecast

Made a revision to the full-year consolidated forecast, considering increase in expected SG&A Expenses including prior investments in retail electricity, hike in raw material price and decrease in gas sales volume. Differences for the non-consolidated forecast were caused by the same reason.

Note: Although this financial results forecast is based on information available as of the publication date of this material, actual figures may differ from the forecast due to various factors.