Notice of Differences between Results Forecasts and Actual Results for the Second Quarter of Fiscal Year Ending March 31, 2020, and Revision to the Full-Year Consolidated Forecast

October 31, 2019

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Nippon Gas Co., Ltd. ("NICIGAS") hereby announces differences between its Consolidated Financial Forecast for the Second Quarter (2Q) of Fiscal Year ending March 31, 2020 (FYE 03/20), announced on April 25, 2019, and Actual Financial Results issued today. In addition, NICIGAS also announces revisions to Consolidated Full-Year Financial Forecast for FYE 03/20.

1. Differences between Forecast and Actual Results for the 2Q of FYE 03/20

Differences between the Consolidated Financial Forecast and Actual Results for the 2Q of FYE 03/20
(April 1, 2019 - September 30, 2019)

	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)	56,000	2,100	1,400	600	14.47
Actual Results (B)	59,294	3,210	2,917	2,013	48.76
Difference (B - A)	3,294	1,110	1,517	1,413	
Increase / decrease (%)	5.9	52.9	108.4	235.5	
(Reference) Results for the 2Q of the previous year (FYE 03/19)	51,932	1,258	851	382	8.97

Differences between Non-Consolidated Financial Forecast and Actual Results for the 2Q of FYE 03/20

(April 1, 2019 - September 30, 2019)

	Net sales	Ordinary Income	Quarterly Net Profit	Basic Earnings per Share
	million yen	million yen	million yen	Yen
Previous Forecast (A)	44,700	1,500	1,100	26.52
Actual Results (B)	44,601	2,888	2,474	59.93
Difference (B - A)	△99	1,388	1,374	
Increase / decrease (%)	△0.2	92.5	125.0	
(Reference) Results for the 2Q of the previous year (FYE 03/19)	38,100	1,125	1,002	23.47

2. Revision to Full-Year Financial Forecast

Revisions to Consolidated Full-Year Financial Forecast for FYE 03/20 (April 1, 2019 - March 31, 2020)

	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)	135,000	10,500	9,000	5,600	135.02
Revised Forecast (B)	135,000	11,000	10,000	6,500	157.41
Difference (B - A)	-	500	1,000	900	
Increase / decrease (%)	-	4.8	11.1	16.1	
(Reference) Results for the previous year (FYE 03/19)	122,577	8,927	7,375	4,328	101.69

Revisions to Non-Consolidated Full-Year Financial Forecast for FYE 03/20 (April 1, 2019 - March 31, 2020)

	Net sales	Ordinary Income	Profit	Basic Earnings per Share
	million yen	million yen	million yen	Yen
Previous Forecast (A)	110,000	6,200	4,300	103.68
Revised Forecast (B)	110,000	7,400	5,200	125.93
Difference (B - A)	-	1,200	900	
Increase / decrease (%)	-	19.4	20.9	
(Reference) Results for the previous year (FYE 03/19)	91,859	5,218	3,266	76.75

3. Reason for the differences between Results Forecast and Actual Results for cumulative 2Q of FYE 03/20, and the revision to the Full-Year Consolidated Forecast

(1) Reason for the differences between Results Forecast and Actual Results for cumulative 2Q of FYE 03/20

Operating Income was above the Previous Forecast because of lower gas material price and the result of effort from expense control. Ordinary Income and Quarterly Net Profit attributable to owners of parent were also above the Previous Forecast since the loss from equity method for affiliated companies was below the original expectation. As for the non-consolidated results, differences in Operating Income were caused by the same reason. Differences in the Ordinary Income and Quarterly Net Profit were due to larger-than-expected amount of dividend income received from subsidiary companies, while the loss from equity method was not recognized in the non-consolidated results.

(2) Reason for the revision to the Full-Year Consolidated Forecast

Made an upward revision to Operating Income in the Full-Year Consolidated Forecast, considering the expected lower gas material price and continuing effort of expense control. Additionally, NICIGAS revised up Ordinary Income and Net Profit attributable to owners of parent based on a re-examination of the amount of non-operating profit/loss and extraordinary profit/loss in light of the second-quarter actual figures. Revisions to the Non-consolidated Forecast were made 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.