

January 27th, 2022

Notice of Revisions to the Full-Year Consolidated Financial Results Forecast for the Fiscal Year Ending March 31st, 2022 (FYE 03/22)

Company name: NIPPON GAS CO., LTD.

Code number: 8174

Stock exchange listing: Tokyo Stock Exchange

Representative: Shinji Wada, Representative Director, Chief Executive Officer

Contact: Shinichi Kiyota, Managing Executive Officer

Nippon Gas Co., Ltd. (“NICIGAS”) hereby announces the revisions to the full-year consolidated financial results forecast for the fiscal year ending March 31st, 2022 (“FYE 03/22”) disclosed on July 29th, 2021.

1. Revisions to the Full-Year Consolidated Financial Results Forecast for the FYE 03/22 (April 1st, 2021- March 31st, 2022)

	Net sales (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net profit attributable to owners of parent (million yen)	Basic earnings per share (yen)
Previous Forecast (A)	150,000	14,500	14,500	10,500	91.27
Revised Forecast (B)	160,000	13,000	13,000	10,000	86.47
Increase / decrease (B - A)	10,000	△1,500	△1,500	△500	
Increase / decrease (%)	6.7	△10.3	△10.3	△4.8	
(Reference) Result for the previous year (FYE 03/21)	143,490	13,627	14,062	9,373	78.94

2. Reasons for the Revisions

Net sales expect to exceed the previous forecast due to the increase in sales price of LP gas and City gas, for raw material price increase. On the other hand, it is forecasted lower Operating income, Ordinary income and Net profit attributable to owners of parent than previous forecast, respectively with the reasons of 1) the impact from “Slide time lag” in City gas segment caused by sharp increase in raw material cost, and 2) the decline in gas equipment sales caused by global shortage of electronic components. As a result, NICIGAS revises the FYE 03/22 forecast accordingly.

“Slide time lag” is a time lag caused by the raw material cost adjustment formula introduced in City gas business. In this formula, raw material price fluctuation is borne in cost of sales earlier and in retail price later. With regards to the impact on profit, it would be negative when the raw material price is in upward phase and that would be positive in the downward phase. During this financial year, when raw material has been in a sharp increase, the slide time lag negatively affects NICIGAS’ profit margin.

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