

## Summary of Consolidated Operating Results

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3
<b>Financial Information</b>												
Net sales	million yen	1,187,142	1,294,781	1,380,060	1,512,581	1,528,164	1,322,012	1,183,846	1,296,238	1,371,863	1,368,689	1,364,106
Operating profit	million yen	88,584	77,274	84,773	99,381	105,065	146,674	97,250	78,118	67,977	83,792	112,491
Ordinary profit	million yen	82,372	75,694	90,125	106,044	108,173	134,986	96,276	77,087	63,103	86,018	127,752
Profit attributable to owners of parent	million yen	45,968	45,207	52,467	41,725	76,709	84,324	61,271	37,724	33,601	41,788	80,857
Comprehensive income	million yen	35,833	39,702	83,844	80,850	106,084	38,256	78,029	60,590	27,966	14,996	108,723
Capital expenditures for quality improvement	million yen	53,600	43,713	44,507	41,082	44,698	56,051	48,253	42,191	44,205	57,498	68,873
Depreciation + amortization of goodwill	million yen	97,569	93,624	82,818	83,806	87,785	86,747	86,206	88,723	99,745	91,925	101,444
R&D expenses	million yen	10,918	10,974	10,875	11,793	11,434	11,340	10,374	9,708	10,961	10,174	9,440
Total assets	million yen	1,437,297	1,475,759	1,566,899	1,668,317	1,862,201	1,829,756	1,886,577	1,897,230	2,029,722	2,140,482	2,313,357
Net assets	million yen	688,695	708,904	774,317	828,565	918,869	935,786	991,870	1,028,799	1,035,044	1,027,667	1,114,597
Shareholders' equity	million yen	664,959	684,584	747,802	798,964	888,496	906,623	961,905	999,569	1,004,340	997,492	1,081,881
Balance of interest-bearing debts	million yen	532,493	541,349	540,199	573,586	633,923	567,164	540,668	503,789	647,465	754,006	785,383
Cash flows from operating activities	million yen	126,399	122,793	129,597	154,225	156,908	281,819	148,801	168,731	65,116	182,892	219,797
Cash flows from investing activities	million yen	(82,408)	(107,764)	(116,791)	(175,591)	(110,704)	(144,198)	(137,527)	(110,456)	(204,192)	(232,266)	(198,354)
Cash flows from financing activities	million yen	(41,257)	(8,279)	(27,897)	4,163	22,892	(90,716)	(50,530)	(51,591)	85,262	79,272	(1,636)
Cash and cash equivalents at end of period	million yen	116,230	122,448	109,456	90,359	162,793	209,367	166,912	171,061	115,769	146,813	166,762
Free cash flow (Cash flows from operating activities – Cash flows from investing activities)	million yen	43,991	15,028	12,805	(21,365)	46,204	137,620	11,274	58,274	(139,076)	(49,374)	21,443
Capital expenditures	million yen	69,600	87,171	112,987	124,146	119,398	114,418	88,657	81,716	107,259	131,010	189,454
<b>Per Share information ※1</b>												
Earnings per share (EPS)	yen	108.08	108.55	125.99	100.21	184.31	202.64	147.29	90.71	80.80	100.50	194.48
Net assets per share (BPS)	yen	1,596.63	1,643.85	1,795.79	1,919.49	2,134.92	2,179.23	2,312.68	2,403.68	2,415.37	2,399.06	2,602.18
Dividends	yen	40.0	40.0	42.5	45.0	47.5	50.0	50.0	50.0	50.0	50.0	52.5
<b>Key Ratios</b>												
EBITDA (Operating profit + Depreciation + Amortization of goodwill + Share of profit of entities accounted for using equity method)	million yen	188,315	176,536	173,927	191,105	199,840	228,883	188,403	167,100	159,916	180,943	227,554
Shareholders' equity ratio (Shareholders' equity / Total assets (as of the end of the fiscal year))	%	46.3	46.4	47.7	47.9	47.7	49.5	51.0	52.7	49.5	46.6	46.8
D/E ratio (Interest-bearing debts / Shareholders' equity (as of the end of the fiscal year))		0.80	0.79	0.72	0.72	0.71	0.63	0.56	0.50	0.64	0.76	0.73
Return on equity (ROE) (Profit attributable to owners of parent / Average shareholders' equity during the fiscal year)	%	6.9	6.7	7.3	5.4	9.1	9.4	6.6	3.8	3.4	4.2	7.8
Return on assets (ROA) (Profit attributable to owners of parent / Average total assets during the fiscal year)	%	3.1	3.1	3.4	2.6	4.3	4.6	3.3	2.0	1.7	2.0	3.6
Payout ratio (Annual dividends / Earnings per share (EPS))	%	37.0	36.8	33.7	44.9	25.8	24.7	33.9	55.1	61.9	49.8	27.0
<b>Gas sales volume</b>												
	million m <sup>3</sup>	8,560	8,711	8,534	8,554	8,290	8,052	8,694	8,580	7,935	7,362	7,157
<b>Number of employees</b>												
	employees	19,684	19,818	19,870	21,250	20,982	20,844	20,762	19,997	20,224	20,543	20,941

※1 Calculated in consideration of share consolidation.

※2 "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No.28, February 16, 2018) have been applied from the beginning of the fiscal year ended March 31, 2019. Key management indicators for the fiscal year ended March 31, 2018 are calculated by retroactively applying the above accounting standard.

## [Consolidated Financial Statements and Notes]

**[Consolidated Financial Statements]** This English integrated report is not subject to an audit by an independent auditor. The following Consolidated Financial Statements and Notes and Annexed Consolidated Detailed Schedule are translated by Osaka Gas Co., Ltd. based on the original one attached in the original Annual Securities Report.

Osaka Gas Co., Ltd. and Consolidated Subsidiaries, the Fiscal Years Ended March 31, 2020 and 2021

# Consolidated Balance Sheet

## Assets

	(million yen)	
	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Production facilities	84,258	89,701
Distribution facilities	264,657	268,755
Service and maintenance facilities	55,072	53,481
Other facilities	542,101	546,456
Construction in progress	68,482	112,215
Total property, plant and equipment	※ 1, ※ 2, ※ 3 1,014,572	※ 1, ※ 2, ※ 3 1,070,610
Intangible assets	※ 1 98,322	※ 1 97,912
<b>Investments and other assets</b>		
Investment securities	※ 4 332,200	※ 4 377,074
Long-term loans receivable	25,981	25,686
Retirement benefit asset	44,264	83,494
Deferred tax assets	16,397	25,933
Other	49,526	50,099
Allowance for doubtful accounts	(802)	(800)
Total investments and other assets	※ 1 467,568	※ 1 561,487
Total non-current assets	1,580,462	1,730,009
<b>Current assets</b>		
Cash and deposits	147,201	167,083
Notes and accounts receivable - trade	210,515	211,696
Lease receivables and investment in leases	47,844	54,634
Inventories	※ 5 108,092	※ 5 94,187
Other	47,005	56,349
Allowance for doubtful accounts	(640)	(602)
Total current assets	※ 1 560,019	※ 1 583,347
Total assets	2,140,482	2,313,357

Note: Details of ※ 1, 2, 3, 4, 5, and 7 are provided in "Notes to the Consolidated Balance Sheet" on page 89.

## Liabilities

	(million yen)	
	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
<b>Non-current liabilities</b>		
Bonds payable	289,993	354,995
Long-term borrowings	363,757	333,263
Deferred tax liabilities	21,248	41,845
Provision for gas holder repairs	1,290	1,138
Provision for safety measures	9,339	8,892
Provision for gas appliance warranties	13,074	12,195
Retirement benefit liability	17,590	18,758
Other	84,207	104,886
Total non-current liabilities	※ 1 800,502	※ 1 875,975
<b>Current liabilities</b>		
Current portion of non-current liabilities	71,294	71,981
Notes and accounts payable - trade	59,363	60,453
Income taxes payable	19,045	27,514
Other	162,609	162,834
Total current liabilities	※ 1 312,312	※ 1 322,784
Total liabilities	1,112,815	1,198,759

## Net assets

	(million yen)	
	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
<b>Shareholders' equity</b>		
Share capital	132,166	132,166
Capital surplus	19,483	19,469
Retained earnings	802,313	861,746
Treasury shares	(1,802)	(1,852)
Total shareholders' equity	952,160	1,011,530
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	41,336	69,811
Deferred gains or losses on hedges	(14,161)	(30,365)
Revaluation reserve for land	※ 7 (737)	※ 7 (737)
Foreign currency translation adjustment	10,085	(2,383)
Remeasurements of defined benefit plans	8,809	34,025
Total accumulated other comprehensive income	45,332	70,350
<b>Non-controlling interests</b>	30,174	32,716
Total net assets	1,027,667	1,114,597
Total liabilities and net assets	2,140,482	2,313,357

## Consolidated Statement of Income

(million yen)

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Net sales	1,368,689	1,364,106
Cost of sales	※ 1, ※ 2 961,983	※ 1, ※ 2 921,777
<b>Gross profit</b>	<b>406,705</b>	<b>442,328</b>
Selling, general and administrative expenses	※ 1, ※ 3 322,913	※ 1, ※ 3 329,836
<b>Operating profit</b>	<b>83,792</b>	<b>112,491</b>
<b>Non-operating income</b>		
Interest income	4,262	2,348
Dividend income	7,070	3,378
Share of profit of entities accounted for using equity method	5,225	13,618
Gain on sales of investment securities in subsidiaries and associates	—	3,694
Miscellaneous income	8,187	9,901
<b>Total non-operating income</b>	<b>24,746</b>	<b>32,941</b>
<b>Non-operating expenses</b>		
Interest expenses	12,192	11,087
Miscellaneous expenses	10,327	6,593
<b>Total non-operating expenses</b>	<b>22,520</b>	<b>17,680</b>
<b>Ordinary profit</b>	<b>86,018</b>	<b>127,752</b>
<b>Extraordinary losses</b>		
Impairment losses	※ 4 15,568	※ 4 19,016
<b>Total extraordinary losses</b>	<b>15,568</b>	<b>19,016</b>
<b>Profit before income taxes</b>	<b>70,449</b>	<b>108,735</b>
<b>Income taxes - current</b>	<b>23,451</b>	<b>33,302</b>
<b>Income taxes - deferred</b>	<b>4,056</b>	<b>(8,410)</b>
<b>Total income taxes</b>	<b>27,507</b>	<b>24,891</b>
<b>Profit</b>	<b>42,942</b>	<b>83,844</b>
<b>Profit attributable to non-controlling interests</b>	<b>1,153</b>	<b>2,986</b>
<b>Profit attributable to owners of parent</b>	<b>41,788</b>	<b>80,857</b>

Note: Details of ※ 1, 2, 3, and 4 are provided in "Notes to the Consolidated Statement of Income" on page 90.

## Consolidated Statement of Comprehensive Income

(million yen)

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
<b>Profit</b>	<b>42,942</b>	<b>83,844</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(10,455)	28,421
Deferred gains or losses on hedges	(1,442)	(10,143)
Foreign currency translation adjustment	(1,638)	(13,730)
Remeasurements of defined benefit plans	(6,189)	25,536
Share of other comprehensive income of entities accounted for using equity method	(8,219)	(5,204)
<b>Total other comprehensive income</b>	<b>※ 1 (27,945)</b>	<b>※ 1 24,879</b>
<b>Comprehensive income</b>	<b>14,996</b>	<b>108,723</b>
(Breakdown)		
Comprehensive income attributable to owners of parent	13,728	105,876
Comprehensive income attributable to non-controlling interests	1,268	2,847

Note: Details of ※ 1 are provided in "Notes to the Consolidated Statement of Comprehensive Income" on page 91.

## Consolidated Statement of Changes in Equity

(million yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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
Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)													
Balance at beginning of period	132,166	19,222	782,523	(1,744)	932,167	50,617	(4,007)	(737)	11,189	15,110	72,172	30,704	1,035,044
Cumulative effects of changes in accounting policies			(1,208)		(1,208)	1,215					1,215		7
Restated balance	132,166	19,222	781,314	(1,744)	930,959	51,833	(4,007)	(737)	11,189	15,110	73,388	30,704	1,035,051
Changes during period													
Dividends of surplus			(20,790)		(20,790)								(20,790)
Profit attributable to owners of parent			41,788		41,788								41,788
Purchase of treasury shares				(60)	(60)								(60)
Disposal of treasury shares				2	2								2
Change in ownership interest of parent due to transactions with non-controlling interests			260		260								260
Net changes in items other than shareholders' equity						(10,496)	(10,154)		(1,104)	(6,300)	(28,055)	(530)	(28,585)
Total changes during period	—	260	20,998	(57)	21,201	(10,496)	(10,154)	—	(1,104)	(6,300)	(28,055)	(530)	(7,384)
Balance at end of period	132,166	19,483	802,313	(1,802)	952,160	41,336	(14,161)	(737)	10,085	8,809	45,332	30,174	1,027,667
Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)													
Balance at beginning of period	132,166	19,483	802,313	(1,802)	952,160	41,336	(14,161)	(737)	10,085	8,809	45,332	30,174	1,027,667
Changes during period													
Dividends of surplus			(20,788)		(20,788)								(20,788)
Profit attributable to owners of parent			80,857		80,857								80,857
Purchase of treasury shares				(52)	(52)								(52)
Disposal of treasury shares				2	2								2
Change in scope of equity method			(635)		(635)								(635)
Change in ownership interest of parent due to transactions with non-controlling interests			(13)		(13)								(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	—	(13)	59,433	(49)	59,369	28,474	(16,203)	—	(12,468)	25,215	25,018	2,541	86,930
Balance at end of period	132,166	19,469	861,746	(1,852)	1,011,530	69,811	(30,365)	(737)	(2,383)	34,025	70,350	32,716	1,114,597

# Consolidated Statement of Cash Flows

(million yen)

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	70,449	108,735
Depreciation	91,925	101,444
Amortization of long-term prepaid expenses	5,159	5,106
Impairment losses	15,568	19,016
Decrease (increase) in retirement benefit asset	(3,511)	(3,366)
Interest and dividend income	(11,332)	(5,726)
Interest expenses	12,192	11,087
Share of loss (profit) of entities accounted for using equity method	(5,225)	(13,618)
Loss (gain) on sales of investment securities in subsidiaries and associates	411	(3,694)
Decrease (increase) in trade receivables	12,239	(1,203)
Decrease (increase) in inventories	4,014	26,113
Increase (decrease) in trade payables	664	1,200
Increase (decrease) in accrued expenses	3,316	(124)
Other, net	512	(5,335)
Subtotal	196,384	239,635
Interest and dividends received	21,844	15,461
Interest paid	(12,280)	(11,375)
Income taxes paid	(23,056)	(23,924)
Net cash provided by (used in) operating activities	182,892	219,797
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(117,574)	(169,607)
Purchase of intangible assets	(9,173)	(13,148)
Purchase of long-term prepaid expenses	(9,045)	(6,320)
Purchase of investment securities	(7,997)	(7,088)
Purchase of shares of subsidiaries and associates	(22,965)	(6,309)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	※ 2 (63,350)	※ 2 (5,914)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	558	9,096
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(373)
Other, net	(2,719)	1,311
Net cash provided by (used in) investing activities	(232,266)	(198,354)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(2,579)	(14,659)
Net increase (decrease) in commercial papers	(46,000)	—
Proceeds from long-term borrowings	44,170	35,946
Repayments of long-term borrowings	(47,418)	(44,572)
Proceeds from issuance of bonds	175,000	75,000
Redemption of bonds	(20,000)	(30,000)
Proceeds from share issuance to non-controlling shareholders	240	206
Dividends paid	(20,799)	(20,793)
Dividends paid to non-controlling interests	(1,165)	(749)
Other, net	(2,174)	(2,013)
Net cash provided by (used in) financing activities	79,272	(1,636)
Effect of exchange rate change on cash and cash equivalents	1,145	838
Net increase (decrease) in cash and cash equivalents	31,043	20,644
Cash and cash equivalents at beginning of period	115,769	146,813
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(695)
Cash and cash equivalents at end of period	※ 1 146,813	※ 1 166,762

Note: Details of ※ 1 and 2 are provided in "Notes to the Consolidated Statement of Cash Flows" on page 93.

## [Notes]

### Significant Accounting Policies for Preparation of Consolidated Financial Statements

#### 1. Scope of consolidation

Number of consolidated subsidiaries:

156 (Previous fiscal year), 154 (Current fiscal year)

The names of consolidated subsidiaries are omitted as they are stated in "Group Companies" on page 115.

The Company has acquired shares in GlobalBase Corporation, RenoBase Design Corporation, Osaka Gas Three Rivers, LLC, PaletteCloud Inc., Finex Oy, Kiinteisto Oy Kotkan Huumantie 5, and Shikoku Central Energy K.K., making them the new subsidiaries of the Company. As a result, those subsidiaries are included as consolidated

#### 2. Application of the equity method

Number of equity method affiliates:

23 (Previous fiscal year), 27 (Current fiscal year)

The names of equity method affiliates are omitted as they are stated in "Group Companies" on page 115.

The Company has acquired equity in TOPS Pipeline, LLC and CPV Three Rivers, LLC. As a result, they are included as equity method affiliates from the current fiscal year. Fukushima Gas Power Co., Ltd. and Ichihara Biomass Power Co., Ltd. are included as equity method affiliates from the current fiscal year due to their increased importance. The silent partnership where GK Aomori Wind Power is the operator is included as an equity method affiliate from the current fiscal year because the Company invested in the silent partnership.

#### 3. Fiscal year, etc. of consolidated subsidiaries

Consolidated subsidiaries whose fiscal year-ends are different from the consolidated fiscal year-end are Osaka Gas Australia Pty Ltd, Osaka Gas Gorgon Pty Ltd, Osaka Gas Ichthys Pty Ltd, Osaka Gas Ichthys Development Pty Ltd, Osaka Gas UK, Ltd., Osaka Gas USA Corporation and other companies, totaling 85 companies.

Of the consolidated subsidiaries whose fiscal year-ends are different from the consolidated fiscal year-end, GlobalBase

#### 4. Accounting policies

##### (1) Basis and methodology for the valuation of significant assets

###### ① Inventories

Primarily stated at cost based on the moving-average method. Inventories held for trading recorded on the balance sheet are depreciated to write down the carrying amount based on depreciation of profitability.

###### ② Investment securities

Bonds held to maturity  
Stated at amortized cost

Other securities

Securities for which it is practical to determine fair value  
Stated at fair value based on the market price, etc. at the fiscal year-end (unrealized valuation gains and losses are accounted for as a component of net assets; cost of sales is determined primarily using the moving-average method.)  
Securities for which it is not practical to determine fair value  
Primarily stated at cost based on the moving-average method

###### ③ Derivatives

Stated at fair value

##### (2) Depreciation and amortization method of significant depreciable assets

###### ① Property, plant and equipment (excluding leased assets)

Primarily the declining-balance method  
However, the straight-line method has been used for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and for facilities attached to buildings and structures acquired on or after April 1, 2016.

subsidiaries of the Company from the current fiscal year.

OGCTS CO., LTD. (merged into Daigas Energy Co., Ltd.), Gas and Power Co., Ltd. (merged into Daigas Gas and Power Solution Co., Ltd.), Osaka Gas Engineering Co., Ltd. (merged into Daigas Gas and Power Solution Co., Ltd.), Osaka Gas Resources Canada Ltd. (sold), OG Road Co., Ltd. (liquidated), Osaka Gas Niugini Pty Ltd (sold), Osaka Gas Niugini E&P Pty Ltd (sold), OJV Cayman 4 Limited (liquidated), and OJV Cayman 6 Limited (liquidated) are no longer consolidated subsidiaries of the Company from the current fiscal year.

Aurora Solar Holdings Corporation (sold) is excluded as an equity method affiliate from the current fiscal year.

A major affiliate for which the equity method is not applied is ENNET Corporation.

With regard to affiliates for which the equity method is not applied, their impact on profit or loss and retained earnings, etc. for the current fiscal year is not significant and immaterial on the whole. Therefore, investments in those affiliates are measured at cost.

When the fiscal year-end of equity method affiliates is different from the consolidated fiscal year-end, the financial statements for the fiscal year of such affiliates are used.

Corporation and RenoBase Design Corporation have a fiscal year-end of February 28, and the other consolidated subsidiaries have a fiscal year-end of December 31. However, since the difference between those dates and the consolidated fiscal year-end (March 31) does not exceed 3 months, the consolidated financial statements are prepared using their financial statements as of their fiscal year-end.

###### ② Intangible assets (excluding leased assets)

Primarily the straight-line method

For internal-use software, the straight-line method based on the term available for use within the Company and each subsidiary has been applied.

###### ③ Leased assets

Leased assets resulting from non-ownership-transfer finance leases

The straight-line method over the useful life equal to the lease terms assuming no residual value

##### (3) Basis for recording significant allowances

###### ① Allowance for doubtful accounts

To provide for the bad debts loss of accounts receivable, loans receivable, etc., an estimated uncollectible amount is provided by considering the default ratio in the past for general receivables and the individual collectability for certain receivables including receivables with default possibility.

###### ② Provision for gas holder repairs

To provide for the necessary expenditure for periodical repairs of spherical gas holders, an estimated amount for the next scheduled repair is provided based on the actual expenditure for the previous repair, which is proportionally allotted for the period up to such next scheduled repair.

###### ③ Provision for safety measures

To provide for the necessary expenditure to ensure the safety of the gas business, an estimated amount of the expenditure necessary for promoting the widespread use of safety-enhanced models, for strengthening inspections and ensuring increased awareness as well as for countermeasure works on aged gas pipelines is provided.

###### ④ Provision for gas appliance warranties

To provide for the payment of any service costs under warranty after the sale of appliances, an estimated amount of such costs is provided.

**(4) Accounting for retirement benefits**

- ① Method for attributing projected retirement benefits to periods of service  
In calculating retirement benefit obligations, the benefit formula basis is mainly applied to attribute projected retirement benefits to periods of service until the end of this consolidated fiscal year.
- ② Method for recognizing actuarial gains and losses and past service costs  
Past service costs are expensed mainly in the fiscal year when such costs are incurred. Actuarial gains and losses are amortized on a straight-line basis mainly over a period of 10 years beginning from the next fiscal year after each occurrence.

**(5) Criteria for translating significant assets or liabilities denominated in foreign currencies into Japanese currency**

Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot exchange rate as of the fiscal year-end. Revenues and expenses of overseas subsidiaries are translated into Japanese yen at the average exchange rate during the fiscal year. The resulting translation differences are included in foreign currency translation adjustment and non-controlling interests in net assets.

**(6) Significant hedge accounting method**

- ① Hedge accounting method  
Deferred hedge accounting is adopted. When applicable requirements are met, exceptional accounting for interest rate swaps and allocation accounting for forward exchange contracts, etc. are adopted.
- ② Hedging instruments and hedged items
- |                     |   |
|---------------------|---|
| Hedging instruments | <ul style="list-style-type: none"> <li>• Interest rate swaps</li> <li>• Forward exchange contracts or currency options</li> <li>• Loans payable denominated in foreign currencies</li> <li>• Swaps and options on energy prices, etc.</li> </ul>  |
| Hedged items        | <ul style="list-style-type: none"> <li>• Bonds, loans payable</li> <li>• Forecast transactions denominated in foreign currencies (purchase prices of raw materials, etc.)</li> <li>• Interests in overseas subsidiaries and associates</li> <li>• Purchase prices of raw materials, etc.</li> </ul> |

**③ Hedging policy**

The Group hedges foreign exchange rate and interest rate risk based on its internal rules. Derivative transactions are not entered into unless they are backed by actual demand.

**④ Method for assessing the hedge effectiveness**

Hedge effectiveness is assessed by identifying the corresponding relationship between hedging instruments and hedged items.

**(7) Method and period for amortization of goodwill**

Goodwill is amortized on a straight-line basis over its estimated useful life within 20 years after initial recognition; provided, however, that immaterial goodwill is recognized as income or expense in full upon acquisition.

**(8) Scope of funds in the consolidated statement of cash flows**

Funds stated in the consolidated statement of cash flows (cash and cash equivalents) comprise cash on hand, demand deposits and short-term investments that are readily convertible and subject to an insignificant risk of changes in value with original maturities of three months or less.

**(9) Other significant matters on the preparation of the consolidated financial statements**

- ① Accounting for consumption taxes  
Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.
- ② Accounting policies and procedures adopted in the absence of requirements in relevant accounting standards, etc. that specifically apply to events or transactions that are accounted for Basis for recording significant revenue and expenses  
Revenue from gas and electricity sales is recorded based on the meter reading date, in which gas or electricity usage is measured in a monthly meter reading and the calculated fees are recognized as revenue for that month.

**Significant Accounting Estimates****1 Impairment of property, plant and equipment, intangible assets, and investment in entities accounted for using equity method****(1) Amounts recorded on the consolidated financial statements for this consolidated fiscal year**

(million yen)	
Fiscal year ended March 31, 2021	
Property, plant and equipment	1,070,610
Intangible assets	97,912
Investment in entities accounted for using equity method	210,091

**(2) Information on details of significant accounting estimates for identified items**

The Company and its consolidated subsidiaries assess whether there is any indication of impairment of property, plant and equipment and intangible assets. If there is any indication, they conduct an impairment test. For investments in equity method affiliates, the Company and its consolidated subsidiaries assess whether there is any indication of impairment, and if there is any indication, they conduct an impairment test. The Company and its consolidated subsidiaries estimate future cash flows and discount rates for calculating their present value as the basis for calculating the recoverable amount, etc.

In the event that the recoverable amount, etc. deteriorates due to a decline in profit/loss or cash flows from future operating activities or an increase in the discount rate caused by factors such as a decline in energy prices such as crude oil prices, it may be necessary to record impairment losses.

During the current fiscal year, Osaka Gas Australia Pty Ltd ("Osaka Gas Australia") recognized an indication of impairment on LNG Development Project, in which it had invested, due to the low level of crude oil prices and conducted an impairment test. Having found that the recoverable amount was less than the carrying amount, Osaka Gas Australia recorded impairment losses of ¥14,208 million. (Reference) Amount recorded on the balance sheet of Osaka Gas Australia (seven consolidated companies) for the current fiscal year: Property, plant and equipment and intangible assets ¥106,474 million

**2 Collectability of deferred tax assets****(1) Amounts recorded on the consolidated financial statements for this consolidated fiscal year**

The amount of deferred tax assets is the same as the amount stated in "Consolidated Financial Statements and Notes, Consolidated Financial Statements, Notes (Tax Effect Accounting), 1 Breakdown of major causes for deferred tax assets and deferred tax liabilities."

**(2) Information on details of significant accounting estimates for identified items**

For tax loss carryforwards, tax deductions, and deductible temporary differences, the Company and its consolidated subsidiaries recognize deferred tax assets only for those highly likely to reduce future taxable income. The Company and its consolidated subsidiaries estimate the amount of taxable income expected to be generated in the future and the timing of such generation based on business plans, etc.

In the event that the expected future taxable income has not been generated, the deferred tax assets recorded may not be collected and tax expenses may increase.

**3 Calculation of retirement benefit obligations****(1) Amounts recorded on the consolidated financial statements for this consolidated fiscal year**

(million yen)	
Fiscal year ended March 31, 2021	
Retirement benefit asset	83,494
Retirement benefit liability	18,758
Remeasurements of defined benefit plans	34,025

**(2) Information on details of significant accounting estimates for identified items**

The Company and its consolidated subsidiaries have adopted funded and unfunded defined benefit plans and defined contribution plans for the purpose of providing retirement benefits to employees. The defined benefit plan obligations and defined benefit expenses as of the end of the current fiscal year are recorded based on actuarial assumptions for pensions such as discount rate, retirement rate, mortality rate, and long-term expected rate of return.

If the actual results differ from these assumptions, or if there is a change in the assumptions, the retirement benefit obligations and expenses of the Company and its consolidated subsidiaries may be affected.

**Changes in Accounting Policies****(Accounting standards, etc. not yet applied)**

- "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29; March 31, 2020)
- "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30; March 26, 2021)

**(1) Summary**

These are comprehensive accounting standards on revenue recognition. Revenue is recognized by applying the following five-step approach:

- Step 1: Identify the contracts with customers
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

**(2) Scheduled date of application**

Effective from the beginning of the fiscal year ending March 31, 2022.

**(3) Effects of application**

In the process of measuring the effects at the time of preparing the accompanying consolidated financial statements.

- "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30; July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31; July 4, 2019)

**Changes in Presentation****1 Application of "Accounting Standard for Disclosure of Accounting Estimates"**

The Company has applied the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31; March 31, 2020) from the consolidated financial statements for the current consolidated fiscal year-end, and notes regarding significant accounting estimates are included in the consolidated financial statements.

However, in accordance with the transitional treatment set forth in the provisions of Paragraph 11 of said accounting standard, the details for the previous consolidated fiscal year are not included in said notes.

**2 Notes to the Consolidated Balance Sheet**

"Deferred tax assets" included in "other" under "investments and other assets" for the previous fiscal year are stated as a separate item from the current fiscal year due to increased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, "other" under "investments and other assets" in the consolidated balance sheet for the previous fiscal year is reclassified into "deferred tax assets" of ¥16,397 million and "other" of ¥49,526 million.

"Deferred tax liabilities" included in "other" under "non-current liabilities" for the previous fiscal year are stated as a separate item from the current fiscal year due to increased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, "other" under "non-current liabilities" in the consolidated balance sheet for the previous fiscal year is reclassified into "deferred tax liabilities" of ¥21,248 million and "other" of ¥84,207 million.

"Income taxes payable" included in "other" under "current liabilities" for the previous fiscal year are stated as a separate item from the current fiscal year due to increased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, "other" under "current liabilities" in the consolidated balance sheet for the previous fiscal year is reclassified into "income taxes payable" of ¥19,045 million and "other" of ¥162,609 million.

- "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9; July 4, 2019)
- "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10; July 4, 2019)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19; March 31, 2020)

**(1) Summary**

In order to increase comparability with rules of international accounting standards, the "Accounting Standard for Fair Value Measurement" and "Implementation Guidance on Accounting Standard for Fair Value Measurement" ("Fair Value Measurement Standards") have been developed, defining guidance, etc., on methods for fair value measurement. The Fair Value Measurement Standards will be applied to fair values of the following items.

- Financial instruments in "Accounting Standard for Financial Instruments"
- Inventories held for the purpose of trading in "Accounting Standard for Measurement of Inventories"

In addition, the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" has been revised to stipulate notes for each level of fair value for financial instruments, including breakdowns.

**(2) Scheduled date of application**

Effective from the beginning of the fiscal year ending March 31, 2022.

**(3) Effects of application**

In the process of measuring the effects at the time of preparing the accompanying consolidated financial statements.

**3 Notes to the Consolidated Statement of Cash Flows**

"Loss (gain) on sales of investment securities in subsidiaries and associates" included in "other, net" under cash flows from operating activities for the previous fiscal year is stated as a separate item from the current fiscal year due to increased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, ¥411 million presented in "other, net" under cash flows from operating activities in the previous fiscal year's consolidated statement of cash flows is reclassified into "loss (gain) on sales of investment securities in subsidiaries and associates."

"Increase (decrease) in accrued consumption taxes," stated as a separate item under cash flows from operating activities for the previous fiscal year, is included in "other, net" under cash flows from operating activities from the current fiscal year due to decreased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, ¥4,568 million presented in "increase (decrease) in accrued consumption taxes" in the previous fiscal year's consolidated statement of cash flows is reclassified into "other, net" under cash flows from operating activities.

"Long-term loan advances," stated as a separate item under cash flows from investing activities for the previous fiscal year, is included in "other, net" under cash flows from investing activities from the current fiscal year due to decreased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, ¥(5,443) million presented in "long-term loan advances" in the previous fiscal year's consolidated statement of cash flows is reclassified into "other, net" under cash flows from investing activities. "Net increase (decrease) in short-term borrowings" included in "other, net" under cash flows from financing activities for the previous fiscal year is stated as a separate item from the current fiscal year due to increased materiality. The previous fiscal year's consolidated financial statements are reclassified to reflect this change in presentation.

As a result, ¥(2,579) million presented in "other, net" under cash flows from financing activities in the previous fiscal year's consolidated statement of cash flows is reclassified into "net increase (decrease) in short-term borrowings."

## Additional Information

The Company has applied the "Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections" (ASBJ Statement No. 24; March 31, 2020) from the consolidated financial statements for the current consolidated fiscal year-end, and disclosed "accounting policies and procedures adopted in the absence of requirements in relevant accounting standards, etc. that

specifically apply to events or transactions that are accounted for." For details, please refer to "Consolidated Financial Statements and Notes, Consolidated Financial Statements, Notes (Significant Matters Forming the Basis of Preparation of the Consolidated Financial Statements), 4 Accounting policies, (9) Other significant matters on the preparation of the consolidated financial statements."

## Notes to the Consolidated Balance Sheet

### ※1 Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral are as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Other facilities	125,258 million yen	102,770 million yen
Investment securities	92,135	94,397
Intangible assets	39,445	34,073
"Other" under investments and other assets	33,116	28,769
Cash and deposits	18,628	22,421
Other	9,107	14,395
Total	317,691	296,828

In addition to the above, shares of subsidiaries and affiliates, etc. of ¥27,481 million for the previous fiscal year and ¥25,044 million for the current fiscal year, which were offset as a result of consolidation, were pledged as collateral.

Liabilities with collateral are as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Long-term borrowings	73,006 million yen	96,984 million yen
(current portion thereof	1,347	2,603)
Short-term borrowings	499	255
Other	100	100
Total	73,605	97,339

### ※2 Accumulated advanced depreciation deducted from the acquisition cost of assets related to contribution for construction, etc. is as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Production facilities	826 million yen	826 million yen
Distribution facilities	262,736	263,561
Service and maintenance facilities	719	640
Other facilities	5,908	6,587
Total	270,190	271,616

### ※3 Accumulated depreciation of property, plant and equipment is as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Accumulated depreciation of property, plant and equipment	2,704,741 million yen	2,754,029 million yen

### ※4 Items for affiliates are as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Investment securities (stock)	229,227 million yen	229,618 million yen
(including investments in joint ventures	127,661	124,817)

### ※5 The breakdown of inventories is as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Merchandise and finished goods	21,579 million yen	34,583 million yen
Work in process	8,965	11,982
Raw materials and supplies	77,548	47,621

### ※6 Contingent liabilities

(1) Guarantees and quasi-guarantees for bank loans, etc. to companies other than consolidated companies are as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Aichi Tahara Biomass Power Plant G.K.	— million yen	2,257 million yen
Ruwais Power Company PJSC	1,086	1,139
Ichthys LNG Pty Ltd	1,396	719
Fukushima Gas Power Co., Ltd.	4,600	—
Aurora Solar Corporation	1,147	—
Other	1,138	507
Total	9,368	4,624

### ※7 Revaluation reserve for land

Commercial land of certain consolidated subsidiaries has been revalued in accordance with the Act on Revaluation of Land (Law No. 34 of March 31, 1998) and the Amendment to Act on Revaluation of Land (Law No. 19 of March 31, 2001). Any difference (excluding any amount associated with tax effect accounting) resulting from the revaluation is included in net assets as revaluation reserve for land.

(1) Method for revaluation  
The revaluation is made by making reasonable adjustments to the valuation by road rating which is provided for in Article 2, Item 4 of the Enforcement Order of the Law Concerning the Revaluation of Land (Cabinet Order No. 119 of March 31, 1998).

(2) Date of revaluation March 31, 2002

## Notes to the Consolidated Statement of Income

### ※1

#### Previous Year (April 1, 2019 - March 31, 2020)

The R&D expenses included in "Selling, general and administrative expenses" and in the manufacturing expenses for the fiscal year are ¥10,174 million.

#### Current Year (April 1, 2020 - March 31, 2021)

The R&D expenses included in "Selling, general and administrative expenses" and in the manufacturing expenses for the fiscal year are ¥9,440 million.

### ※2 The balance of inventories at the end of the fiscal year is an amount after write-down of the carrying amount due to decreased profitability, and the following loss on valuation of inventories is included in cost of sales.

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
	1,289 million yen	30 million yen

### ※3 The major expense items and amounts thereof are as follows:

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Salaries	45,736 million yen	49,515 million yen
Retirement benefit expenses	(1,014)	(633)
Provision for gas holder repairs	137	144
Provision of allowance for safety measures	—	1,844
Provision of allowance for doubtful accounts	574	234
Depreciation	47,983	48,672
Consigned work expenses	64,413	65,563

### ※4 Impairment losses

#### Previous Year (April 1, 2019 - March 31, 2020)

#### (1) Concept of grouping

① All non-current assets used in operating the gas business from production to sales of gas are categorized into one asset group as these assets generate cash flows from the gas business in an integrated manner.

② Non-current assets used for businesses other than those described above are generally categorized into groups based on business divisions controlling such non-current assets.

③ Generally, other non-current assets are treated individually.

**(2) Details of impairment losses**

In accordance with the grouping described in (1) above, impairment losses of ¥15,568 million were recognized. Significant losses included in this are as follows:

Asset	Location	Type	Impairment losses (million yen)
Property for business use	Northern Territory of Australia / East Timor	Intangible assets	10,036
		Property, plant and equipment	2,524
	Northern Territory of Australia	Intangible assets	1,909
		Total	4,434

These properties were acquired for the purpose of participating in the gas and condensate development business. The Company reassessed the business value, taking into account the effects of reviewing the development plan and other matters, and accordingly the carrying amount of the assets was reduced to

their recoverable amount, and the reduction was recorded as impairment losses in extraordinary losses.

The recoverable amount of these assets was measured at net sale value determined based on reasonable estimates in consideration of past transactions, etc., or market value.

**Current Year (April 1, 2020 - March 31, 2021)****(1) Concept of grouping**

- ① All non-current assets used in operating the gas business from production to sales of gas are categorized into one asset group as these assets generate cash flows from the gas business in an integrated manner.
- ② Non-current assets used for businesses other than those described above are generally categorized into groups based on business divisions controlling such non-current assets.
- ③ Generally, other non-current assets are treated individually.

**(2) Details of impairment losses**

In accordance with the grouping described in (1) above, impairment losses of ¥19,016 million were recognized. Significant losses included in this are as follows:

Asset	Location	Type	Impairment losses (million yen)
Property for business use	Western Australia of Australia	Property, plant and equipment	12,271
		Intangible assets	1,937
		Total	14,208

These assets were acquired for projects such as refining, liquefying and selling natural gas produced in the region. The Company reassessed the business value, taking into account the effects of factors such as the decline in crude oil prices, and accordingly, the carrying amount of the assets was reduced to

their recoverable amounts, and the reduction was recorded as impairment losses in extraordinary losses.

The recoverable amount of these assets was measured by value in use, which is calculated by discounting future cash flows at 9.6% or 11.5%.

**Notes to the Consolidated Statement of Comprehensive Income****※1 Reclassification adjustments and tax effects related to other comprehensive income**

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
<b>Valuation difference on available-for-sale securities</b>		
Incurring in the fiscal year	(14,537) million yen	39,760 million yen
Reclassification adjustments	168	(102)
Before tax effect adjustments	(14,368)	39,658
Tax effect	3,913	(11,236)
Valuation difference on available-for-sale securities	(10,455)	28,421

**Deferred gains or losses on hedges**

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Incurring in the fiscal year	244 million yen	(10,873) million yen
Reclassification adjustments	604	(1,407)
Before tax effect adjustments	848	(12,280)
Tax effect	(2,290)	2,137
Deferred gains or losses on hedges	(1,442)	(10,143)

**Foreign currency translation adjustment**

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Incurring in the fiscal year	(2,317) million yen	(13,526) million yen
Reclassification adjustments	679	(204)
Before tax effect adjustments	(1,638)	(13,730)
Tax effect	—	—
Foreign currency translation adjustment	(1,638)	(13,730)

**Remeasurements of defined benefit plans**

	Current Year (April 1, 2020 - March 31, 2021)	Previous Year (April 1, 2019 - March 31, 2020)
Incurring in the fiscal year	(5,171) million yen	38,404 million yen
Reclassification adjustments	(3,438)	(2,915)
Before tax effect adjustments	(8,609)	35,488
Tax effect	2,420	(9,951)
Remeasurements of defined benefit plans	(6,189)	25,536

**Share of other comprehensive income of entities accounted for using equity method**

	Current Year (April 1, 2020 - March 31, 2021)	Previous Year (April 1, 2019 - March 31, 2020)
Incurring in the fiscal year	(10,018) million yen	(8,177) million yen
Reclassification adjustments	1,798	2,972
Share of other comprehensive income of entities accounted for using equity method	(8,219)	(5,204)
Total other comprehensive income	(27,945)	24,879

**Notes to the Consolidated Statement of Changes in Equity****Previous Year (April 1, 2019 - March 31, 2020)****1 Matters on shares issued and outstanding**

Type of shares	As of April 1, 2019	Increase	Decrease	As of March 31, 2020
Common shares (thousand shares)	416,680	—	—	416,680

**2 Matters on treasury shares**

Type of shares	As of April 1, 2019	Increase	Decrease	As of March 31, 2020
Common shares (thousand shares)	867	29	1	895

(Overview of reasons for change)

The major reason for increase is as follows: Increase by repurchase of fractional shares 29 thousand shares

The major reason for decrease is as follows: Decrease by disposal of fractional shares 1 thousand shares

**3 Matters on subscription rights to shares, etc.**

Not applicable.

**4 Matters on dividends****(1) Dividends paid**

Resolution	Type of shares	Total dividends paid (million yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 20, 2019	Common shares	10,395	25.00	March 31, 2019	June 21, 2019
Board of Directors' Meeting held on October 29, 2019	Common shares	10,394	25.00	September 30, 2019	November 29, 2019

**(2) Of the dividends whose record date belongs to the fiscal year, the dividends whose effective date falls in the following fiscal year**

Resolution	Type of shares	Total dividends paid (million yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders held on June 26, 2020	Common shares	10,394	25.00	March 31, 2020	June 29, 2020	Retained earnings

**Current Year (April 1, 2020 - March 31, 2021)****1 Matters on shares issued and outstanding**

Type of shares	As of April 1, 2020	Increase	Decrease	As of March 31, 2021
Common shares(thousand shares)	416,680	—	—	416,680

**2 Matters on treasury shares**

Type of shares	As of April 1, 2020	Increase	Decrease	As of March 31, 2021
Common shares (thousand shares)	895	25	1	920

(Overview of reasons for change)

The major reason for increase is as follows: Increase by repurchase of fractional shares 25 thousand shares

The major reason for decrease is as follows: Decrease by disposal of fractional shares 1 thousand shares

**3 Matters on subscription rights to shares, etc.**

Not applicable.

## 4 Matters on dividends

### (1) Dividends paid

Resolution	Type of shares	Total dividends paid (million yen)	Dividends per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 26, 2020	Common shares	10,394	25.00	March 31, 2020	June 29, 2020
Board of Directors' Meeting held on October 29, 2020	Common shares	10,394	25.00	September 30, 2020	November 30, 2020

### (2) Of the dividends whose record date belongs to the fiscal year, the dividends whose effective date falls in the following fiscal year

Resolution	Type of shares	Total dividends paid (million yen)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Annual General Meeting of Shareholders held on June 25, 2021	Common shares	11,433	27.50	March 31, 2021	June 28, 2021	Retained earnings

## Notes to the Consolidated Statement of Cash Flows

### ※1 The relationship between the balance of cash and cash equivalents at end of period and the amount of cash and deposits in the consolidated balance sheet is as follows:

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Cash and deposits	147,201 million yen	167,083 million yen
Time deposits with more than 3 months to maturity	(388)	(320)
Cash and cash equivalents	146,813	166,762

### ※2 Primary components of assets and liabilities of companies that newly became consolidated subsidiaries through acquisition of shares

Previous Year (April 1, 2019 - March 31, 2020)		Current Year (April 1, 2020 - March 31, 2021)
	Current assets	4,765 million yen
	Non-current assets	70,092
	Current liabilities	(8,558)
	Non-current liabilities	(3,263)
	Cost of share acquisition	63,036
	Cash and cash equivalents	(733)
	Foreign currency translation adjustment	(374)
	Balance: Expenditures associated with acquisition of shares	61,929

The following are components of assets and liabilities at the time of commencing consolidation following the new consolidation of Sabine Oil & Gas Corporation ("Sabine") through acquisition of shares, as well as the relationship between the acquisition cost of shares in Sabine and the expenditures (net) associated with acquiring Sabine.

### Current Year (April 1, 2020 - March 31, 2021)

This information is omitted due to lack of materiality.

## Notes to Leases

### 1 Finance lease transactions

#### (As lessor)

#### (1) Breakdown of lease investment assets (Current assets)

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Lease payments receivable component	46,292 million yen	56,399 million yen
Estimated residual value component	501	512
Amount equivalent to interest income	(9,339)	(12,834)
Lease investment assets	37,454	44,076

#### (2) Amounts of lease receivables and lease payments receivable components of lease investment assets expected to be collected after the fiscal year end (Current assets)

	Previous Year (As of March 31, 2020)					
	One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)	More than five years (million yen)
Lease receivables	1,587	1,447	1,298	1,131	981	4,970
Lease investment assets	8,032	7,421	6,819	5,942	4,830	13,245
	Current Year (As of March 31, 2021)					
	One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)	More than five years (million yen)
Lease receivables	1,789	1,631	1,455	1,284	1,103	5,444
Lease investment assets	9,065	8,454	7,567	6,402	5,372	19,536

## 2 Operating lease transactions

### (As lessee)

Future lease payments payable for non-cancellable operating leases

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Due within one year	1,230 million yen	1,491 million yen
Due over one year	3,959	4,010
Total	5,190	5,501

### (Lessor)

Future lease payments receivable for non-cancellable operating leases

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Due within one year	2,154 million yen	2,125 million yen
Due over one year	4,657	4,460
Total	6,812	6,586

## 3 Amounts recorded on the consolidated balance sheet before deducting amounts equivalent to interest for sublease transactions

### (1) Lease receivables and lease investment assets

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Current assets	10,714 million yen	15,628 million yen

### (2) Lease obligations

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Current liabilities	708 million yen	1,026 million yen
Non-current liabilities	7,644	11,778

## Notes to Financial Instruments

### 1 Matters on the status of financial instruments

#### (1) Policies for dealing with financial instruments

It is the Group's policy to raise its operating funds through loans from financial institutions and the issuance of bonds and to conduct fund management through a conservative financial portfolio which limits exposure to losses. The Group uses derivative transactions to hedge the risks described later and does not engage in speculative transactions.

#### (2) Details of financial instruments, risks thereof and risk management structure

Notes and accounts receivable - trade, which are operating receivables, are exposed to customer credit risks. To deal with this risk, the Company and the Group companies manage due dates and balances for each counterparty in accordance with their accounting rules and manuals regarding receivable management, etc. and seek to mitigate collectability concern.

Securities and investment securities, which comprise mainly shares of companies with which the Group has business relationships, are exposed to risks including market price fluctuation risk. The Group continuously reviews its shareholding position by periodically monitoring their market price and the financial condition of the issuers (customer companies), as well as considering the relationship with such customer companies.

Notes and accounts payable - trade, which are operating payables, are mostly settled within one year. Of bonds and loans payable, short-term borrowings are mainly to procure funds for operational transactions, while bonds and long-term borrowings are mainly to procure funds for capital expenditures. Bonds and long-term borrowings procure funds with fixed interest rates.

In derivative transactions, the Group uses interest rate swaps for adjusting the ratio between fixed and floating interest rates and fixing the interest level for bonds and loans payable, forward exchange contracts and currency option contracts for reducing the fluctuation of cash flows due to change in foreign exchange

rates, swap contracts and option contracts on energy prices, etc. for reducing the fluctuation of cash flows due to change in energy prices, etc., and weather derivative contracts, etc. for reducing the fluctuation of cash flows due to change in temperature. Matters on hedge accounting including hedging instruments, hedged items, hedging policy and methods for assessing hedge effectiveness are as described in "Consolidated Financial Statements and Notes, Consolidated Financial Statements, Notes (Significant Matters Forming the Basis of Preparation of the Consolidated Financial Statements), 4 (6) Significant hedge accounting method."

In conducting derivative transactions, the Group primarily enters into contracts only with financial institutions, etc. with high ratings in order to minimize credit risks. Execution and management of derivative transactions are performed by the finance department of each Group company, and the finance department of the Company controls their activities. Transactions by Group companies are conducted in accordance with the internal rules. Although operating payables, loans and bonds payable are exposed to liquidity risk, the Company maintains high credit ratings and secures stable fund procurement measures. In addition, the Group has implemented a cash management system (CMS) and a global cash management system (GCMS) to facilitate funding for Group companies.

#### (3) Supplementary explanation to fair value of financial instruments

Please note that contract amounts of derivative transactions in "2 Matters on fair value, etc. of financial instruments" do not, in themselves, indicate the market risk pertaining to the derivative transactions.



## 2 Matters on fair value, etc. of financial instruments

The carrying amount in the consolidated balance sheet, fair value and difference between them are as follows. Financial instruments whose fair value is deemed to be extremely difficult to determine are not included in the table below (see Note 2).

Previous Year (As of March 31, 2020)			
	Carrying amount in the consolidated balance sheet (million yen)	Fair value (million yen)	Difference (million yen)
(1) Cash and deposits	147,201	147,201	—
(2) Notes and accounts receivable - trade	210,515	210,515	—
(3) Securities and investment securities	86,329	86,329	—
<b>Total assets</b>	<b>444,046</b>	<b>444,046</b>	<b>—</b>
(1) Notes and accounts payable - trade	59,363	59,363	—
(2) Short-term borrowings	20,029	20,029	—
(3) Bonds payable (※1)	319,992	327,165	7,172
(4) Long-term borrowings (※1)	401,827	420,116	18,288
<b>Total liabilities</b>	<b>801,213</b>	<b>826,674</b>	<b>25,461</b>
Derivative transactions (※2)	(675)	(675)	—

(※1) Includes those due within one year.

(※2) Assets and liabilities arising from derivative transactions were offset and indicated by parentheses ( ) when the amount offset was a liability.

Current Year (As of March 31, 2021)			
	Carrying amount in the consolidated balance sheet (million yen)	Fair value (million yen)	Difference (million yen)
(1) Cash and deposits	167,083	167,083	—
(2) Notes and accounts receivable - trade	211,696	211,696	—
(3) Securities and investment securities	127,620	127,620	—
<b>Total assets</b>	<b>506,399</b>	<b>506,399</b>	<b>—</b>
(1) Notes and accounts payable - trade	60,453	60,453	—
(2) Short-term borrowings	13,546	13,546	—
(3) Bonds payable (※1)	364,995	366,069	1,073
(4) Long-term borrowings (※1)	392,244	407,656	15,412
<b>Total liabilities</b>	<b>831,240</b>	<b>847,726</b>	<b>16,486</b>
Derivative transactions (※2)	(2,980)	(2,980)	—

(※1) Includes those due within one year.

(※2) Assets and liabilities arising from derivative transactions were offset and indicated by parentheses ( ) when the amount offset was a liability.

Note 1: Method for measuring fair value of financial instruments and matters on securities and derivative transactions

### Assets

#### (1) Cash and deposits, and (2) Notes and accounts receivable - trade

As these items are settled within a short term, the fair value is approximately equal to the carrying amount. Therefore, the fair value is determined by the carrying amount.

### Liabilities

#### (1) Notes and accounts payable - trade, and (2) Short-term borrowings

As these items are settled within a short term, the fair value is approximately equal to the carrying amount. Therefore, the fair value is determined by the carrying amount.

#### (3) Bonds payable

The fair value of bonds payable issued by the Company is based on their market prices.

### Derivative transactions

Please refer to "Notes to Derivative Transactions."

#### (3) Securities and investment securities

The fair value of shares is based on the market prices at the exchange. The fair value of bonds is based on the market prices at the exchange or the prices provided by counterparty financial institutions. For information on securities classified by holding purpose, please refer to "Notes to Securities."

#### (4) Long-term borrowings

The fair value of long-term borrowings with fixed interest is measured by discounting the sum of the principal and interest at the rate assumed for new similar loans.

The fair value of long-term borrowings with floating interest is determined by the carrying amount, as the fair value is deemed approximately equal to the carrying amount. Interest rate swap contracts which determine the interest rate level of long-term borrowings with floating interest qualify for exceptional accounting. Long-term borrowings with floating interest accompanied by such interest swaps are accounted for as a whole, and the fair value is determined by discounting the sum of their principals and interests at a reasonably estimated rate applied for similar loans.

Note 2: Carrying amount in the consolidated balance sheet of financial instruments whose fair value is extremely difficult to determine

(million yen)

Category	March 31, 2020	March 31, 2021
Shares of affiliates	229,227	229,618
Unlisted stocks, etc.	16,643	19,835

As the above financial instruments do not have market prices and their future cash flows cannot be estimated, their fair value is extremely difficult to determine. Therefore, they are not included in "(3) Securities and investment securities."

Note 3: Expected redemption amounts of monetary receivables and securities with maturities after the consolidated fiscal year-end

Previous Year (As of March 31, 2020)				
	One year or less (million yen)	More than one year, up to five years (million yen)	More than five years, up to ten years (million yen)	More than ten years (million yen)
Cash and deposits	147,201	—	—	—
Notes and accounts receivable - trade	210,515	—	—	—
Securities and investment securities				
Held-to-maturity bonds(Corporate bonds)	—	—	—	180
Available-for-sale securities with maturities (Government bonds and municipal bonds)	—	—	—	98
Available-for-sale securities with maturities (Other)	43	2,211	2,339	0
<b>Total</b>	<b>357,760</b>	<b>2,211</b>	<b>2,339</b>	<b>279</b>

Current Year (As of March 31, 2021)				
	One year or less (million yen)	More than one year, up to five years (million yen)	More than five years, up to ten years (million yen)	More than ten years (million yen)
Cash and deposits	167,083	—	—	—
Notes and accounts receivable - trade	211,696	—	—	—
Securities and investment securities				
Held-to-maturity bonds (Corporate bonds)	—	—	—	4,040
Available-for-sale securities with maturities (Government bonds and municipal bonds)	—	—	—	98
Available-for-sale securities with maturities (Other)	167	1,576	2,831	0
<b>Total</b>	<b>378,946</b>	<b>1,576</b>	<b>2,831</b>	<b>4,139</b>

Note 4: Expected repayment amounts of bonds payable, long-term borrowings and other interest-bearing debts

Previous Year (As of March 31, 2020)						
	One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)	More than five years (million yen)
Short-term borrowings	20,029	—	—	—	—	—
Bonds payable	30,000	10,000	30,000	10,000	—	240,000
Long-term borrowings	38,070	69,332	39,703	48,713	47,651	158,356
<b>Total</b>	<b>88,099</b>	<b>79,332</b>	<b>69,703</b>	<b>58,713</b>	<b>47,651</b>	<b>398,356</b>

Current Year (As of March 31, 2021)						
	One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)	More than five years (million yen)
Short-term borrowings	13,546	—	—	—	—	—
Bonds payable	10,000	30,000	10,000	—	—	315,000
Long-term borrowings	58,981	36,484	53,703	49,026	43,112	150,936
<b>Total</b>	<b>82,528</b>	<b>66,484</b>	<b>63,703</b>	<b>49,026</b>	<b>43,112</b>	<b>465,936</b>

## Notes to Securities

## 1 Available-for-sale securities

## Previous Year (As of March 31, 2020)

	Carrying amount in the consolidated balance sheet (million yen)	Acquisition cost (million yen)	Difference (million yen)
1 Available-for-sale securities whose carrying amount in the consolidated balance sheet exceeds the acquisition cost			
(1) Stocks	78,384	21,297	57,087
(2) Bonds			
Government bonds and municipal bonds, etc.	—	—	—
Subtotal	78,384	21,297	57,087
2 Available-for-sale securities whose carrying amount in the consolidated balance sheet does not exceed the acquisition cost			
(1) Stocks	7,845	8,045	(199)
(2) Bonds			
Government bonds and municipal bonds, etc.	98	98	—
Subtotal	7,944	8,143	(199)
Total	86,329	29,441	56,887

Note: As unlisted stocks (carrying amount in the consolidated balance sheet: ¥11,859 million), etc. do not have market prices and their future cash flows cannot be estimated, their fair value is extremely difficult to determine. Therefore, they are not included.

## Current Year (As of March 31, 2021)

	Carrying amount in the consolidated balance sheet (million yen)	Acquisition cost (million yen)	Difference (million yen)
1 Available-for-sale securities whose carrying amount in the consolidated balance sheet exceeds the acquisition cost			
(1) Stocks	126,094	29,042	97,052
(2) Bonds			
Government bonds and municipal bonds, etc.	—	—	—
Subtotal	126,094	29,042	97,052
2 Available-for-sale securities whose carrying amount in the consolidated balance sheet does not exceed the acquisition cost			
(1) Stocks	1,426	1,544	(118)
(2) Bonds			
Government bonds and municipal bonds, etc.	98	98	—
Subtotal	1,525	1,643	(118)
Total	127,620	30,686	96,933

Note: As unlisted stocks (carrying amount in the consolidated balance sheet: ¥11,209 million), etc. do not have market prices and their future cash flows cannot be estimated, their fair value is extremely difficult to determine. Therefore, they are not included.

## 2 Available-for-sale securities sold during the fiscal year

## Previous Year (April 1, 2019 - March 31, 2020)

Stocks	Total sales	1,147 million yen
	Total gain on sales	1,128
	Total loss on sales	1

## Current Year (April 1, 2020 - March 31, 2021)

Stocks	Total sales	987 million yen
	Total gain on sales	197
	Total loss on sales	0

## 3 Securities for which impairment losses are recognized

For the previous fiscal year, impairment losses of ¥1,041 million for shares of subsidiaries and associates and impairment losses of ¥205 million for available-for-sale securities were recognized.

There is no applicable information for the current fiscal year.

## Derivatives

## 1 Derivative transactions to which hedge accounting is not applied

## Previous Year (As of March 31, 2020)

Underlying asset	Derivative instrument	Type of transaction	Contract amount (million yen)		Fair value (million yen)	Valuation gain (loss) (million yen)
				More than one year		
(a) Commodities	Swap contracts and option contracts on energy prices, etc.	Other than market transactions	42,448	31,129	(1,112)	(1,112)
(b) Currencies	Forward exchange contracts	Other than market transactions	258	—	(10)	(10)
Total			42,706	31,129	(1,123)	(1,123)

Note 1: The fair value is measured mainly based on the prices provided by counterparty financial institutions.

Note 2: As certain derivative transactions no longer satisfy the requirements for hedge accounting, hedge accounting is discontinued for such transactions.

## Current Year (As of March 31, 2021)

Underlying asset	Derivative instrument	Type of transaction	Contract amount (million yen)		Fair value (million yen)	Valuation gain (loss) (million yen)
				More than one year		
(a) Commodities	Swap contracts and option contracts on energy prices, etc.	Other than market transactions	35,875	19,959	(1,208)	(1,208)
(b) Currencies	Forward exchange contracts	Other than market transactions	55	—	8	8
Total			35,931	19,959	(1,200)	(1,200)

Note 1: The fair value is measured mainly based on the prices provided by counterparty financial institutions.

Note 2: As certain derivative transactions no longer satisfy the requirements for hedge accounting, hedge accounting is discontinued for such transactions.

## 2 Derivative transactions to which hedge accounting is applied

## Previous Year (As of March 31, 2020)

Underlying asset	Derivative instrument	Hedge accounting	Major hedged item	Contract amount (million yen)		Fair value (million yen)
					More than one year	
(a) Interest rates	Interest rate swap contracts	Exceptional accounting of interest rate swaps	Long-term borrowings	65,962	65,642	See (Note 2)
		Principal method of accounting	Long-term borrowings and bonds payable	116,353	110,473	(6,235)
(b) Currencies	Forward exchange contracts and currency option contracts	Allocation accounting of forward exchange contracts, etc.	Forecast transactions denominated in foreign currencies	7,012	203	See (Note 3)
		Principal method of accounting	Forecast transactions denominated in foreign currencies	139,829	134,509	13,859
(c) Commodities	Swap contracts and option contracts on energy prices, etc.	Principal method of accounting	Purchase prices of raw materials, etc.	62,937	35,982	(7,186)
Total				392,095	346,812	437

Note 1: The fair value is measured mainly based on the prices provided by counterparty financial institutions.

Note 2: As interest rate swaps subject to exceptional accounting are accounted for together with the hedged long-term borrowings, their fair value is included in that of the long-term borrowings.

Note 3: As forward exchange contracts, etc. subject to allocation accounting are accounted for together with the hedged accounts payable - trade, etc., their fair value is included in that of the accounts payable - trade, etc.

## Current Year (As of March 31, 2021)

Underlying asset	Derivative instrument	Hedge accounting	Major hedged item	Contract amount (million yen)		Fair value (million yen)
					More than one year	
(a) Interest rates	Interest rate swap contracts	Exceptional accounting of interest rate swaps	Long-term borrowings	66,572	66,572	See (Note 2)
		Principal method of accounting	Long-term borrowings and bonds payable	136,203	132,403	(8,181)
(b) Currencies	Forward exchange contracts and currency option contracts	Allocation accounting of forward exchange contracts, etc.	Forecast transactions denominated in foreign currencies	10,166	265	See (Note 3)
		Principal method of accounting	Forecast transactions denominated in foreign currencies	136,474	133,143	13,515
(c) Commodities	Swap contracts and option contracts on energy prices, etc.	Principal method of accounting	Purchase prices of raw materials, etc.	74,778	45,160	(7,111)
Total				424,194	377,545	(1,777)

Note 1: The fair value is measured mainly based on the prices provided by counterparty financial institutions.

Note 2: As interest rate swaps subject to exceptional accounting are accounted for together with the hedged long-term borrowings, their fair value is included in that of the long-term borrowings.

Note 3: As forward exchange contracts, etc. subject to allocation accounting are accounted for together with the hedged accounts payable - trade, etc., their fair value is included in that of the accounts payable - trade, etc.

## Notes to Retirement Benefits

### 1 Summary of the adopted retirement benefit plans

The Company and its consolidated subsidiaries have adopted funded and unfunded defined benefit plans and defined contribution plans. As for defined benefit plans, the Company and most consolidated subsidiaries provide lump sum retirement payment plans, and the Company and certain consolidated subsidiaries provide defined benefit corporate pension plans or corporate pension fund plans. The Company has adopted a defined benefit corporate pension

plan since August 1, 2006 and a defined contribution pension plan to which part of the defined benefit plan transitioned since January 1, 2005.

As certain consolidated subsidiaries participate in the corporate pension fund of the multi-employer pension plans, they cannot determine the amount of pension assets corresponding to their contribution. Therefore, such plans are accounted for in the same manner as defined contribution plans.

### 2 Defined benefit plans

#### (1) Reconciliations of the opening and closing balances of retirement benefit obligations

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Balance at beginning of year	290,819 million yen	287,683 million yen
Service cost	8,596	9,281
Interest cost	912	868
Actuarial loss (gain)	(298)	(7,718)
Benefits paid	(14,531)	(14,992)
Increase associated with an increase in consolidated subsidiaries	2,179	—
Other	5	265
Balance at end of year	287,683	275,388

Note: Consolidated subsidiaries which have adopted the simplified method are included.

#### (2) Reconciliations of the opening and closing balances of plan assets

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Balance at beginning of year	322,665 million yen	314,358 million yen
Expected return on plan assets	6,749	6,805
Actuarial loss (gain)	(5,478)	30,667
Contributions paid by the employer	1,802	1,744
Benefits paid	(13,376)	(14,032)
Increase associated with an increase in consolidated subsidiaries	1,997	—
Other	(0)	581
Balance at end of year	314,358	340,124

Note: Consolidated subsidiaries which have adopted the simplified method are included.

#### (3) Reconciliations of the closing balances of retirement benefit obligations and plan assets, and retirement benefit liability and asset recorded in the consolidated balance sheet

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Funded retirement benefit obligations	270,077 million yen	256,387 million yen
Plan assets	(314,358)	(340,124)
Unfunded retirement benefit obligations	17,606	19,000
Total net defined benefit liability (asset) recorded in the consolidated balance sheet	(26,674)	(64,736)
Retirement benefit liability	17,590	18,758
Retirement benefit asset	(44,264)	(83,494)
Total net defined benefit liability (asset) recorded in the consolidated balance sheet	(26,674)	(64,736)

Note: Consolidated subsidiaries which have adopted the simplified method are included.

#### (4) Retirement benefit costs and components thereof

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Service cost	8,596 million yen	9,281 million yen
Interest cost	912	868
Expected return on plan assets	(6,749)	(6,805)
Net actuarial loss amortization	(3,396)	(2,884)
Past service cost amortization	(30)	(15)
Total retirement benefit costs	(667)	443

Note: The retirement benefit cost for consolidated subsidiaries which have adopted the simplified method is included in "Service cost."

#### (5) Remeasurements of defined benefit plans

Items (before tax effect) recorded in remeasurements of defined benefit plans are as follows:

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Past service cost	30 million yen	15 million yen
Actuarial gain (loss)	8,579	(35,503)
Total	8,609	(35,488)

#### (6) Remeasurements of defined benefit plans

Items (before tax effect) recorded in remeasurements of defined benefit plans are as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Unrecognized past service cost	(15) million yen	— million yen
Unrecognized actuarial gain (loss)	(12,388)	(47,909)
Total	(12,404)	(47,909)

#### (7) Plan assets

##### ① Major components of plan assets

The proportion of major categories to total plan assets is as follows:

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Bonds	23.9 %	19.6 %
Stocks	31.3	31.3
Cash and deposits	28.3	32.5
Other	16.5	16.6
Total	100.0	100.0

Note: The main assets of "Other" are beneficiary securities in the real estate investment trust fund.

##### ② Method for setting long-term expected rate of return

In determining the long-term expected rate of return, the current and projected allocations of plan assets and the current and expected long-term investment returns on various assets constituting plan assets are taken into account.

#### (8) Actuarial assumptions

Major assumptions for actuarial calculations are as follows:

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Discount rate	Mainly 0.3 %	Mainly 0.5 %
Long-term expected rate of return	Mainly 2.1 %	Mainly 2.2 %

### 3 Defined contribution plans

The contribution required to the defined contribution plan of the Company and its consolidated subsidiaries was ¥1,272 million for the previous fiscal year and ¥1,291 million for the current fiscal year.

### 4 Multi-employer pension plans

The multi-employer pension plans were accounted for in the same manner as the defined contribution plan. The contribution required to the corporate pension fund of the multi-employer pension plans was ¥84 million for the previous fiscal year and ¥86 million for the current fiscal year.

#### (1) Recent funded status of multi-employer pension plans

	Previous Year (As of March 31, 2019)	Current Year (As of March 31, 2020)
Amount of plan assets	245,472 million yen	245,064 million yen
Total amount of actuarial obligation and minimum actuarial reserve in pension financing	200,586	202,774
Balance	44,885	42,289

#### (2) Share of the Group's contribution to overall multi-employer pension plans

Previous fiscal year 1.16% (weighted average) (March 1, 2019 - March 31, 2019)

Current fiscal year 1.22% (weighted average) (March 1, 2020 - March 31, 2020)

#### (3) Supplementary explanation

The major factor contributing to the balance in (1) above was retained earnings (¥44,936 million for the previous fiscal year and ¥42,324 million for the current fiscal year).

## Notes to Stock Options

Not applicable.

## Tax Effect Accounting

## 1 Breakdown of major causes for deferred tax assets and deferred tax liabilities

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
<b>Deferred tax assets</b>		
Tax loss carryforwards (Note 2)	83,123 million yen	91,478 million yen
Petroleum resource use tax for international business	17,447	18,997
Excess depreciation of depreciable assets	23,917	15,488
Other	55,015	57,421
Subtotal deferred tax assets	179,504	183,385
Valuation allowance on tax loss carryforwards (Note 2)	(31,113)	(35,967)
Valuation allowance on the total of deductible temporary differences	(58,833)	(46,192)
Subtotal valuation allowance (Note 1)	(89,946)	(82,159)
Total deferred tax assets	89,557	101,226
<b>Deferred tax liabilities</b>		
Temporary differences related to investments in affiliates	(43,960)	(42,248)
Valuation difference on available-for-sale securities	(15,586)	(24,752)
Retirement benefit asset	(12,399)	(23,391)
Other	(22,463)	(26,746)
Total deferred tax liabilities	(94,409)	(117,138)
Net deferred tax assets (liabilities)	(4,851)	(15,912)

Note 1: Valuation allowance has decreased by ¥7,786 million compared with the previous fiscal year. The primary component of this decrease is a decrease of ¥5,180 million in valuation allowance of Osaka Gas Liquefaction USA Corporation, a consolidated subsidiary.

Note 2: Tax loss carryforwards and associated deferred tax assets by carryforward period

## Previous Year (As of March 31, 2020)

	One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)	More than five years (million yen)	Total (million yen)
Tax loss carryforwards (a)	53	11	13	87	85	82,871	83,123
Valuation allowance	35	11	13	87	57	30,908	31,113
Deferred tax assets	18	—	—	—	28	51,963	52,010 (b)

(a) A tax loss carryforward is the amount obtained by multiplying the effective statutory tax rate.

(b) Deferred tax assets of ¥52,010 million are recorded for tax loss carryforwards of ¥83,123 million (amount obtained by multiplying by the effective statutory tax rate). The Company does not recognize valuation allowances for the portion of the tax loss carryforwards deemed to be recoverable due to the prospect of future taxable income from the North American IPP business, the Freeport LNG Project, and the Australian upstream business.

## Current Year (As of March 31, 2021)

	One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)	More than five years (million yen)	Total (million yen)
Tax loss carryforwards (a)	32	15	31	55	98	91,245	91,478
Valuation allowance	13	15	31	52	98	35,755	35,967
Deferred tax assets	19	—	—	2	—	55,489	55,511 (b)

(a) A tax loss carryforward is the amount obtained by multiplying by the effective statutory tax rate.

(b) Deferred tax assets of ¥55,511 million are recorded for tax loss carryforwards of ¥91,478 million (amount obtained by multiplying by the effective statutory tax rate). The Company does not recognize valuation allowances for the portion of the tax loss carryforwards deemed to be recoverable due to the prospect of future taxable income from the North American IPP business, the Freeport LNG Project, and the Australian upstream business.

## 2 Breakdown of major items causing the difference between the statutory effective tax rate and the burden rate of income taxes after applying tax effect accounting

	Previous Year (As of March 31, 2020)	Current Year (As of March 31, 2021)
Statutory effective tax rate	28.0 %	28.0 %
<b>(Reconciliation)</b>		
Share of loss (profit) of entities accounted for using equity method	(2.1)	(3.5)
Valuation allowance	10.9	(1.9)
Difference between the parent's and subsidiaries' effective statutory tax rates	1.9	0.4
Other	0.3	(0.1)
Burden rate of income taxes after applying tax effect accounting	39.0 %	22.9 %

## Business Combinations

Not applicable.

## Notes to Asset Retirement Obligations

Not applicable.

## Real Estate for Lease, etc.

The Company and certain consolidated subsidiaries own office buildings and other properties for lease (including land) in Osaka Prefecture and other areas. Gains from the lease of such leased properties (recorded mainly as operating profit) are ¥7,258 million for the fiscal year ended March 31, 2020 and ¥8,225 million for the

fiscal year ended March 31, 2021.

The carrying amount in the consolidated balance sheet, changes during the fiscal year, and the fair value of the leased properties are as follows:

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
<b>Carrying amount in the consolidated balance sheet</b>		
Balance at beginning of year	128,315 million yen	143,553 million yen
Increase (decrease)	15,237	18,210
Balance at end of year	143,553	161,763
Fair value at end of year	232,263	241,772

Note 1: The carrying amount in the consolidated balance sheet is stated at acquisition cost less accumulated depreciation and accumulated impairment losses.

Note 2: The main factor contributing to an increase was the acquisition of properties (previous fiscal year: ¥15,500 million, current fiscal year: ¥22,770 million).

Note 3: The fair value at the end of the fiscal year is the amount (including the amount adjusted using the index, etc.) determined based mainly on the method prescribed by the "Real Estate Appraisal Standard" and other similar methods.

Note 4: Properties in development (amount recorded on the consolidated balance sheet: ¥3,763 million) are not included in the table above as development is currently underway and therefore it is difficult to determine fair value.

## Segment Information, etc.

## 【Segment Information】

## 1 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, sells 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.

In addition, due to the reorganization of affiliated companies in the energy field on April 1, 2020, certain consolidated subsidiaries that were previously included in the Domestic Energy/Electricity segment are included in the Domestic Energy/Gas segment from the current fiscal year. The segment information presented for the previous fiscal year is based on the reportable segment classification after the reorganization.

## 2 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 "Consolidated Financial Statements and Notes, Consolidated Financial Statements, Notes (Significant

Matters Forming the Basis of Preparation of the Consolidated Financial Statements)." Transactions with other segments are determined according to prevailing market prices.

## 3 Information of sales, profit (loss), assets, liabilities, and other items by reportable segment

Previous Year (April 1, 2019 - March 31, 2020)

	Reportable Segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Domestic Energy/Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
(million yen)							
<b>Net sales</b>							
Revenues from external customers	964,377	200,365	33,430	170,516	1,368,689	—	1,368,689
Transactions with other segments	12,586	1,195	27,823	48,916	90,522	(90,522)	—
<b>Total</b>	<b>976,963</b>	<b>201,561</b>	<b>61,254</b>	<b>219,432</b>	<b>1,459,211</b>	<b>(90,522)</b>	<b>1,368,689</b>
<b>Segment profit</b>							
Operating profit	52,666	8,373	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
<b>Total</b>	<b>53,200</b>	<b>7,855</b>	<b>8,162</b>	<b>19,676</b>	<b>88,895</b>	<b>122</b>	<b>89,018</b>
<b>Segment assets</b>	<b>911,159</b>	<b>208,403</b>	<b>625,410</b>	<b>390,693</b>	<b>2,135,666</b>	<b>4,815</b>	<b>2,140,482</b>
<b>Other items</b>							
Depreciation	55,511	7,438	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	66,007	26,809	8,914	32,216	133,947	(2,937)	131,010

Note 1: Adjustments are as follows:

(1) A major adjustment in segment profit (loss) is the elimination of intersegment transactions.

(2) A major adjustment in segment assets is for investment securities held by the Company.

Note 2: Segment profit (loss) is adjusted by adding share of profit (loss) of entities accounted for using equity method to operating profit (loss).

Current Year (April 1, 2020 - March 31, 2021)

	Reportable Segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Domestic Energy/Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
(million yen)							
<b>Net sales</b>							
Revenues from external customers	903,488	246,162	45,761	168,694	1,364,106	—	1,364,106
Transactions with other segments	12,601	1,129	23,438	47,891	85,059	(85,059)	—
<b>Total</b>	<b>916,089</b>	<b>247,291</b>	<b>69,199</b>	<b>216,585</b>	<b>1,449,166</b>	<b>(85,059)</b>	<b>1,364,106</b>
<b>Segment profit</b>							
Operating profit	64,285	15,739	8,841	19,250	108,116	4,375	112,491
Share of profit (loss) of entities accounted for using equity method	1,050	(706)	13,274	—	13,618	—	13,618
<b>Total</b>	<b>65,335</b>	<b>15,032</b>	<b>22,115</b>	<b>19,250</b>	<b>121,734</b>	<b>4,375</b>	<b>126,109</b>
<b>Segment assets</b>	<b>955,934</b>	<b>274,463</b>	<b>634,126</b>	<b>419,172</b>	<b>2,283,697</b>	<b>29,659</b>	<b>2,313,357</b>
<b>Other items</b>							
Depreciation	56,908	8,550	23,329	12,315	101,103	(1,948)	99,155
Amortization of goodwill	210	393	(7)	1,692	2,288	—	2,288
Investment in entities accounted for using equity method	15,256	3,922	190,912	—	210,091	—	210,091
Increase in property, plant and equipment and intangible assets	80,174	47,592	29,270	35,601	192,640	(3,185)	189,454

Note 1: Adjustments are as follows:

(1) A major adjustment in segment profit (loss) is the elimination of intersegment transactions.

(2) A major adjustment in segment assets is for investment securities held by the Company.

Note 2: Segment profit (loss) is adjusted by adding share of profit (loss) of entities accounted for using equity method to operating profit (loss).

## [Information associated with reportable segments]

Previous Year (April 1, 2019 - March 31, 2020)

### 1 Information by product and service

The information is omitted as similar information is disclosed in "Segment Information."

### 2 Information by geographical area

#### (1) Net sales

The information is omitted as net sales in Japan account for more than 90% of net sales in the consolidated statement of income.

#### (2) Property, plant and equipment

(million yen)

Japan	USA	Australia	Other areas	Total
784,218	100,168	123,503	6,681	1,014,572

### 3 Information by major customer

The information is omitted as there is no external customer who accounts for 10% or more of net sales in the consolidated statement of income.

Current Year (April 1, 2020 - March 31, 2021)

### 1 Information by product and service

The information is omitted as similar information is disclosed in "Segment Information."

### 2 Information by geographical area

#### (1) Net sales

The information is omitted as net sales in Japan account for more than 90% of net sales in the consolidated statement of income.

#### (2) Property, plant and equipment

(million yen)

Japan	USA	Australia	Other areas	Total
849,366	113,973	100,114	7,154	1,070,610

### 3 Information by major customer

The information is omitted as there is no external customer who accounts for 10% or more of net sales in the consolidated statement of income.

## [Information about impairment losses for non-current assets by reportable segment]

Previous Year (April 1, 2019 - March 31, 2020)

	Reportable Segment				Total	Unallocated amounts and elimination	Total
	Domestic Energy/Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
Impairment losses	61	—	14,816	690	15,568	—	15,568

Current Year (April 1, 2020 - March 31, 2021)

	Reportable Segment				Total	Unallocated amounts and elimination	Total
	Domestic Energy/Gas	Domestic Energy/ Electricity	International Energy	Life & Business Solutions			
Impairment losses	1,355	—	14,214	3,446	19,016	—	19,016

## [Information about the amortized amount and unamortized balance of goodwill by reportable segment]

### Previous Year (April 1, 2019 - March 31, 2020)

(million yen)

	Reportable Segment				Total	Unallocated amounts and elimination	Total
	Domestic Energy/Gas	Domestic Energy/Electricity	International Energy	Life & Business Solutions			
Amortized amount during year	—	242	17	1,705	1,966	—	1,966
Unamortized balance at end of year	—	4,868	(14)	7,285	12,139	—	12,139

### Current Year (April 1, 2020 - March 31, 2021)

(million yen)

	Reportable Segment				Total	Unallocated amounts and elimination	Total
	Domestic Energy/Gas	Domestic Energy/Electricity	International Energy	Life & Business Solutions			
Amortized amount during year	210	393	(7)	1,692	2,288	—	2,288
Unamortized balance at end of year	3,299	4,475	(6)	5,938	13,707	—	13,707

## [Information about gain on bargain purchase by reportable segment]

### Previous Year (April 1, 2019 - March 31, 2020)

Not applicable.

### Current Year (April 1, 2020 - March 31, 2021)

Not applicable.

## [Related Party Information]

Not applicable.

## Per Share Information

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Net assets per share	2,399.06 yen	2,602.18 yen
Earnings per share	100.50 yen	194.48 yen

Note 1: Since there were no potential shares with a dilutive effect, data on diluted earnings per share is not presented in this document.

Note 2: The following data was used for calculating earnings per share:

	Previous Year (April 1, 2019 - March 31, 2020)	Current Year (April 1, 2020 - March 31, 2021)
Profit attributable to owners of parent (million yen)	41,788	80,857
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent attributable to common share (million yen)	41,788	80,857
Average number of common shares during the fiscal year (thousand shares)	415,798	415,773

## Significant Events after Reporting Period

### 1 Conclusion of an Absorption-type Split Agreement for Spin-off of the Gas Pipeline Service Business

By resolution of the Board of Directors' meeting held on April 23, 2021, it was decided that on April 1, 2022, as a tentative date, the Company will transfer the general gas pipeline service business through a company split to Osaka Gas Network Co., Ltd. (hereinafter referred to as "Osaka Gas Network" or the "succeeding company"). On the same date, we executed an absorption-type split agreement with the succeeding company (this company split shall be hereinafter referred to as the "Split"). The Split is subject to the approval for the absorption-type split agreement at the Annual Meeting of Shareholders on June 25, 2021, and the relevant authorities' approvals necessary for the Split.

#### (1) Background and purpose of the Split

Pursuant to the June 2015 amendment of the Gas Business Act, the Company, a general gas pipeline service business operator, will be prohibited from engaging also in the retail gas business or the gas production business from April 2022. The purpose of this amendment is to further secure neutrality of the gas pipeline service business. In order to comply with the regulatory requirement and to establish an organizational structure to increase the value of our Group, we established Osaka Gas Network, a wholly-owned subsidiary of the Company, on April 1 of this year and executed an absorption-type split agreement with the subsidiary to transfer our general gas pipeline service business to the subsidiary which will become effective on April 1, 2022. After the absorption-type split, our Group, including Osaka Gas Network, will continue to be a group of companies taking responsibility for the infrastructure sector, including the energy business, and to increase the value of our Group by fulfilling the obligation of the companies in our Group and maximizing the value we provide in our businesses.

#### (2) Outline of the Split

##### ① Schedule of the Split

Board of Directors' meeting to approve the absorption-type split agreement (the Company)	April 23, 2021
Determination by directors to approve the absorption-type split agreement (succeeding company)	April 23, 2021
Execution of the absorption-type split agreement	April 23, 2021
General shareholders meeting to approve the absorption-type split agreement (the Company)	June 25, 2021
Extraordinary general shareholders meeting to approve the absorption-type split agreement (succeeding company)	June 25, 2021
Effective date of the absorption-type split	April 1, 2022(tentative)

#### (3) Outline of parties to the Split

	Splitting company (As of March 31, 2021)	Succeeding company (As of April 1, 2021)
(1) Company name	Osaka Gas Co., Ltd.	Osaka Gas Network Co., Ltd.
(2) Location	4-1-2, Hiranomachi, Chuo-ku, Osaka, Japan	4-1-2, Hiranomachi, Chuo-ku, Osaka, Japan
(3) Title and name of authorized representative	Masataka Fujiwara, President and Representative Director	Tsuyoshi Nakamura, President and Representative Director
(4) Description of business	Manufacturing, supply, and sale of city gas, sale of LPG, and generation and sale of electricity, etc.	Does not conduct business
(5) Share capital	132,166 million yen	100 million yen
(6) Date of establishment	April 10, 1897	April 1, 2021
(7) Total number of issued shares	416,680,000 shares	2,000 shares
(8) End of accounting period	March 31	March 31
(9) Major shareholders and ratio of shareholding	The Master Trust Bank of Japan, Ltd. (Trust Account) 8.13% Custody Bank of Japan, Ltd. (Trust Account) 4.96% Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.) 4.63% Custody Bank of Japan, Ltd. (Trust Account 7) 2.78% MUFG Bank, Ltd. 2.69%	Osaka Gas Co., Ltd. 100%
(10) Operating results and financial position for the most recent fiscal year		
Fiscal year	Fiscal year ended March 31, 2021, consolidated	—
Net assets	1,114,597 million yen	100 million yen
Total assets	2,313,357 million yen	100 million yen
Net assets per share	2,602.18 yen	50,000 yen
Net sales	1,364,106 million yen	—
Operating profit	112,491 million yen	—
Ordinary profit	127,752 million yen	—
Profit attributable to owners of parent	80,857 million yen	—
Earnings per share	194.48 yen	—

Note: Since the succeeding company was incorporated on April 1, 2021 and has no preceding fiscal year, (10) Operating results and financial position for the most recent fiscal year show the Net assets, Total assets and Net assets per share as of the date of incorporation.

#### ② Type of Split

This is an absorption-type split in which the Company is a splitting company, and Osaka Gas Network, our wholly-owned subsidiary, is a succeeding company.

#### ③ Particulars of allotment due to the Split

As part of the Split, Osaka Gas Network, the succeeding company, will issue 6,700,000 common shares and allot all of them to the Company.

#### ④ Treatment of the Company's share options and corporate bonds with share options

The Company has not issued any share options or corporate bonds with share options.

#### ⑤ Increase or decrease in share capital due to the Split

There will be no change in share capital due to the Split.

#### ⑥ Rights and obligations transferred to the succeeding company

In accordance with the absorption-type split agreement, which was executed between the Company and the succeeding company on April 23, 2021, the rights and obligations of the Company in relation to the general gas pipeline service business and its incidental businesses will be transferred to Osaka Gas Network on the effective date of the agreement. With respect to the assumption of obligations by Osaka Gas Network through the Split, Osaka Gas Network will assume the obligations on a non-cumulative basis. In addition, the succeeding company will not assume the obligations associated with the existing bonds we have offered publicly.

#### ⑦ Expectation of performance of obligations

It is expected that the Company and the succeeding company will continue to have assets in excess of liabilities after the Split, and presently, we do not expect the occurrence of any events that would cause an impediment to the performance of obligations arising after the Split. For these reasons, we have determined that there will be no concerns with respect to the ability of the Company and the succeeding company to perform the obligations after the Split.

## (4) Outline of business unit to be split

## ① Description of business unit to be split

General gas pipeline service business and its incidental businesses

## ② Operating results of business unit to be split (Fiscal year ended March 31, 2021)

Description of business unit to be split	Net sales of business subject to split (a)	Non-consolidated net sales of the Company (b)	Ratio (a/b)
General gas pipeline service business and its incidental businesses	58,983 million yen	1,053,584 million yen	5.6%

Note: External net sales are stated.

## ③ Items and amounts of assets and liabilities to be split (As of March 31, 2021)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	49,149 million yen	Current liabilities	32,116 million yen
Non-current assets	327,898 million yen	Non-current liabilities	10,105 million yen
Total	377,048 million yen	Total	42,222 million yen

Note: The amounts shown above are estimates pursuant to the current status as of March 31, 2021. The amounts that will actually be transferred will reflect any increase or decrease that may occur up to the day immediately preceding the effective date of the Split.

## (5) Status after the Split (As of April 1, 2022 (Scheduled))

	Splitting company	Succeeding company
(1) Company name	Osaka Gas Co., Ltd.	Osaka Gas Network Co., Ltd.
(2) Location	4-1-2, Hiranomachi, Chuo-ku, Osaka, Japan	4-1-2, Hiranomachi, Chuo-ku, Osaka, Japan
(3) Title and name of authorized representative	Masataka Fujiwara, President and Representative Director	Tsuyoshi Nakamura, President and Representative Director
(4) Description of business	Manufacturing and sale of city gas, sale of LPG, and generation and sale of electricity, etc.	General gas pipeline service business, etc.
(5) Share capital	132,166 million yen	6,000 million yen
(6) End of accounting period	March 31	March 31

## 2 Issuance of Bonds

Based on the resolution of the Board of Directors' meeting held on March 10, 2021, the Company decided to issue the 41st, 42nd, and 43rd series of domestic unsecured bonds on May 28, 2021, and issued them under the following conditions. A summary of the issuance is as follows:

	41st domestic unsecured bond	42nd domestic unsecured bond	43rd domestic unsecured bond
(1) Type	Straight bond	Straight bond	Straight bond
(2) Issue amount	20,000 million yen	10,000 million yen	10,000 million yen
(3) Issue price	20,000 million yen	10,000 million yen	10,000 million yen
(4) Interest rate	0.220% per year	0.576% per year	0.851% per year
(5) Method of redemption	Lump-sum redemption at maturity	Lump-sum redemption at maturity	Lump-sum redemption at maturity
(6) Maturity	June 3, 2031	June 3, 2041	June 2, 2051
(7) Date of issuance	June 3, 2021	June 3, 2021	June 3, 2021
(8) Collateral	Unsecured	Unsecured	Unsecured
(9) Use of funds	Repayment of loans	Repayment of loans	Repayment of loans

## Annexed Consolidated Detailed Schedules

## [Annexed consolidated detailed schedule of corporate bonds]

Company	Name of issue	Date of issuance	Balance at the beginning of current fiscal year (million yen)	Balance at the end of current fiscal year (included portion due within 1 year) (million yen)	Interest rate (%)	Collateral	Maturity
Osaka Gas	The 18th domestic unsecured bond	February 12, 2003	19,996	19,997	1.47	None	December 20, 2022
Osaka Gas	The 20th domestic unsecured bond	August 17, 2005	19,999	—	1.79	None	September 18, 2020
Osaka Gas	The 21st domestic unsecured bond	June 23, 2006	9,997	9,997	2.33	None	June 23, 2026
Osaka Gas	The 28th domestic unsecured bond	March 9, 2011	10,000	—	1.345	None	March 9, 2021
Osaka Gas	The 29th domestic unsecured bond	December 9, 2011	10,000	10,000 (10,000)	1.16	None	December 9, 2021
Osaka Gas	The 30th domestic unsecured bond	December 14, 2012	10,000	10,000	0.759	None	December 14, 2022
Osaka Gas	The 31st domestic unsecured bond	October 18, 2013	10,000	10,000	0.748	None	October 18, 2023
Osaka Gas	The 32nd domestic unsecured bond	March 24, 2014	15,000	15,000	1.606	None	March 24, 2034
Osaka Gas	The 33rd domestic unsecured bond	October 24, 2014	20,000	20,000	1.402	None	October 24, 2034
Osaka Gas	The 34th domestic unsecured bond	March 5, 2015	10,000	10,000	1.685	None	March 3, 2045
Osaka Gas	The 35th domestic unsecured bond	December 9, 2016	10,000	10,000	0.986	None	December 8, 2056
Osaka Gas	The 36th domestic unsecured bond	June 6, 2019	20,000	20,000	0.642	None	June 4, 2049
Osaka Gas	The 37th domestic unsecured bond	June 6, 2019	20,000	20,000	0.818	None	June 6, 2059
Osaka Gas	The 38th domestic unsecured bond	September 5, 2019	20,000	20,000	0.4	None	September 3, 2049
Osaka Gas	The 39th domestic unsecured bond	September 5, 2019	5,000	5,000	0.545	None	September 5, 2058
Osaka Gas	The 40th domestic unsecured bond	September 5, 2019	10,000	10,000	0.7	None	September 5, 2069
Osaka Gas	#1 Unsecured corporate bonds with interest deferrable clause and early redeemable option (subordinated corporate bonds)	December 12, 2019	50,000	50,000	0.44	None	December 12, 2079
Osaka Gas	#2 Unsecured corporate bonds with interest deferrable clause and early redeemable option (subordinated corporate bonds)	December 12, 2019	50,000	50,000	0.6	None	December 12, 2079
Osaka Gas	#3 Unsecured corporate bonds with interest deferrable clause and early redeemable option (subordinated corporate bonds)	September 10, 2020	—	27,000	0.490	None	September 10, 2080
Osaka Gas	#4 Unsecured corporate bonds with interest deferrable clause and early redeemable option (subordinated corporate bonds)	September 10, 2020	—	48,000	0.630	None	September 10, 2080
Total	—	—	319,992	364,995 (10,000)	—	—	—

Note: The redemption schedule within 5 years after the consolidated fiscal year-end is as follows:

One year or less (million yen)	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)
10,000	30,000	10,000	—	—

### 【Annexed consolidated detailed schedule of borrowings】

Category	Balance at beginning of year (million yen)	Balance at end of year (million yen)	Average interest rate (%)	Payment due
Short-term borrowings	20,029	13,546	0.3	—
Current portion of long-term borrowings	38,070	58,981	1.0	—
Current portion of lease obligations	1,582	1,693	—	—
Long-term borrowings (excluding current portion)	363,757	333,263	1.0	From April 2022 to December 2047
Lease obligations (excluding current portion)	10,574	12,902	—	From April 2022 to February 2039
<b>Total</b>	<b>434,013</b>	<b>420,387</b>	<b>—</b>	<b>—</b>

Note 1: "Average interest rate" shows weighted average interest rates with respect to the year-end balances of borrowings. "Average interest rate" for lease obligations is not stated because lease obligations are recorded in the consolidated balance sheet at the amount before deducting the interest-equivalent component included in the total lease payment.

Note 2: The repayment schedule within 5 years after the consolidated fiscal year-end for long-term borrowings and lease obligations (excluding current portion) is as follows:

	More than one year, up to two years (million yen)	More than two years, up to three years (million yen)	More than three years, up to four years (million yen)	More than four years, up to five years (million yen)
Long-term borrowings	36,484	53,703	49,026	43,112
Lease obligations	1,891	1,402	1,295	1,217

### 【Annexed consolidated detailed schedule of asset retirement obligations】

The amount of asset retirement obligations was 1% or less of total liabilities and net assets at the beginning of the current fiscal year as well as at the end of the current fiscal year. Therefore, the schedule of asset retirement obligations is not disclosed.

### 【Cover】

【Document Title】	Internal Control Report
【Article of the Applicable Law Requiring Document Submission】	Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act
【Place of Filing】	Director-General of the Kanto Local Finance Bureau
【Filing Date】	June 28, 2021
【Company Name】	OSAKA GASU KABUSHIKI KAISHA
【Company Name in English】	OSAKA GAS CO., LTD.
【Name and Title of Representative】	Masataka Fujiwara, Representative Director and President
【Name and Title of Chief Financial Officer】	—
【Address of Registered Headquarter】	4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan Tokyo Stock Exchange, Inc.
【Place for Public Inspection】	(2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (8-20, Sakae 3-chome, Naka-ku, Nagoya)



## 1. Basic framework of internal control over financial reporting

Masataka Fujiwara, Representative Director and President, is responsible for the maintenance and operation of a system for internal control over financial reporting of OSAKA GAS CO., LTD. (the "Company"), and maintains and operates the system for internal control over financial reporting in accordance with the basic framework for internal control set forth in the "Revisions to the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

Internal control is intended to achieve its objectives to a reasonable extent by organically linking basic elements of internal control and having them function in a unified manner. For this reason, there are possibilities that internal control over financial reporting will fail to completely prevent or detect misstatements in financial reporting.

## 2. Assessment scope, base date, and assessment procedures

The assessment of internal control over financial reporting was conducted as of March 31, 2021, the base date or the last day of the fiscal year under review. In making the assessment, we complied with the assessment standards for internal control over financial reporting that are generally accepted as fair and appropriate.

In this assessment, we assessed internal control with a significant impact on overall financial reporting on a consolidated basis (company-wide internal control). Based on the results of such assessment, we selected business processes that we should assess. In assessing such business processes, we analyzed the selected business processes, identified key points in control with a significant impact on the reliability of financial reporting, and assessed the effectiveness of the internal control by assessing the maintenance and operation status of the said key points in control.

As for the scope of the assessment of internal control over financial reporting, we determined the necessary scope for the Company, its consolidated subsidiaries, and equity method associates, based on the materiality of the effect on the reliability of financial reporting. We determined the materiality of the effect on the reliability of financial reporting, while considering the materiality of the monetary and qualitative effects, and reasonably determined the scope of the assessment of internal control over business processes based on the result of the assessment of the company-wide internal control over the Company, 3 2 consolidated subsidiaries, and 7 equity method associates. 122 consolidated subsidiaries and 20 equity method associates were not included in the scope of the assessment of company-wide internal control, as they were judged to be insignificant in terms of monetary and qualitative importance.

With regard to the scope of assessment of internal control over business processes, one business location that generated approximately two-thirds of the consolidated net sales in the previous consolidated fiscal year (after transactions between the consolidated companies have been eliminated) was designated as a "significant business location." For the selected significant business location, we included the business processes leading to net sales, accounts receivable - trade, and inventories in the scope of assessment, as they are accounts that are significantly related to the company's business objectives. Moreover, at business locations other than the selected significant business location, we included business processes related to significant accounts that have a high possibility of material misstatement and involve estimates and forecasts and business processes related to businesses or operations that involve transactions with high risk in the scope of assessment as we regarded them as business processes with high materiality, considering their impact on financial reporting.

## 3. Results of assessment

As a result of the above assessment, we concluded that the Company's internal control over financial reporting was effective as of the end of the fiscal year under review.

## 4. Supplementary information

Not applicable.

## 5. Other

### Basis of Presenting Internal Control Report

The report on internal control over financial reporting of Osaka Gas Co., Ltd. ("Internal Control Report") is prepared on the basis of generally accepted assessment standards of internal control over financial reporting in Japan and is translated from the Internal Control Report prepared by Osaka Gas Co., Ltd. as required by the Financial Instruments and Exchange Act of Japan.

This English integrated report is not subject to an audit by an independent auditor.

The following Independent Auditor's Report and Internal Control Audit Report is translated by Osaka Gas Co., Ltd. based on the original one attached in the original Annual Securities Report.

## Independent Auditor's Report on the Financial Statements and Internal Control Over Financial Reporting

To the Board of Directors of Osaka Gas Co., Ltd.

June 25, 2021

KPMG AZSA LLC  
Osaka Office, Japan

Daisuke Harada (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kenta Tsujii (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Shoichiro Shigeta (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Osaka Gas Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Financial Information" section in the company's Annual Report, which comprise the consolidated balance sheet as at March 31, 2021 and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies, other explanatory information and supplementary schedules, in accordance with Article 193-2(1) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the valuation of property, plant and equipment and intangible assets recorded by Osaka Gas Australia Pty Ltd	
The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of Osaka Gas Co., Ltd., property, plant and equipment and intangible assets of ¥106,474 million (see "Notes to Consolidated Financial Statements (Significant Accounting Estimates)") owned by Osaka Gas Australia Pty Ltd ("Osaka Gas Australia"), a consolidated subsidiary in the International Energy segment, are recorded. They represented 4.6% of total assets. Osaka Gas Australia applies International Financial Reporting Standards (IFRS) and conducts an impairment test for any property, plant and equipment and intangible assets of a cash-generating unit for which there are indications of impairment, and if the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and the reduction in the carrying amount is recognized as impairment losses. The recoverable amount is the higher of either the value in use or fair value less cost of disposal.</p> <p>Osaka Gas Australia has equity stakes in LNG development projects, and the profitability of those projects is affected by current and future crude oil price fluctuations, etc. As crude oil prices remained low during the current fiscal year, Osaka Gas Australia recognized indications of impairment for a portion of the cash-generating unit and conducted an impairment test. Having found that the recoverable amount was less than the carrying amount, Osaka Gas Australia recorded impairment losses of ¥14,208 million (see "Notes to Consolidated Financial Statements, (Notes to the Consolidated Statement of Income), ※4 Impairment losses").</p> <p>Osaka Gas Australia used the value in use as the recoverable amount in the impairment test. The future cash flows used to measure the value in use were estimated based on the business plan prepared by management. Key assumption underlying the business plan, such as the prospects for crude oil prices involved a high degree of uncertainty. Accordingly, management's judgment thereon had a significant effect on the estimated future cash flows. In addition, selecting appropriate models and input data for estimating the discount rate, used to calculate the value in use requires a high degree of expertise in valuation.</p> <p>We, therefore, determined that our assessment of the appropriateness of the valuation of property, plant and equipment and intangible assets recorded by Osaka Gas Australia was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>In order to assess the appropriateness of the valuation of property, plant and equipment and intangible assets recorded by Osaka Gas Australia, we requested the component auditors of Osaka Gas Australia to perform an audit. Then we evaluated the report of the component auditors as to whether sufficient and appropriate audit evidence was obtained from the following procedures among others:</p> <p>(1) Internal control testing Test of the design effectiveness of internal controls relevant to measuring the value in use used for the impairment test.</p> <p>(2) Assessment of the reasonableness of the estimated value in use Assessment of the reasonableness of the crude oil price and discount rates, which are the key assumptions used in calculating the value in use by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Performance of the following procedures by engaging a valuation specialist within the network firms of the component auditors: <ul style="list-style-type: none"> <li>• Assessment of the appropriateness of the valuation model used to calculate the value in use</li> <li>• Comparison of the range of discount rates independently calculated by the specialist based on information published by external organizations with the discount rates adopted by management</li> <li>• Comparison of the range of the crude oil prices independently calculated by the specialist based on information published by external organizations with the crude oil prices adopted by management</li> </ul> </li> <li>• Sensitivity analysis with regard to changes in crude oil prices and discount rates</li> <li>• Comparison of business plan with actual business performance</li> </ul>

Accuracy of gas sales and electricity sales excluding wholesale	
The key audit matter	How the matter was addressed in our audit
<p>Net sales were ¥903,488 million in the Domestic Energy/Gas segment and ¥246,162 million in the Domestic Energy/Electricity segment. They represented 84.3% of consolidated net sales. Of these, gas sales in the Domestic Energy/Gas segment and electricity sales excluding wholesale in the Domestic Energy/Electricity segment (hereinafter collectively referred to as "Gas and Electricity Sales") are particularly important in terms of the number of transactions and the amount recorded.</p> <p>Gas and Electricity Sales are calculated using contract details data based on contracts with customers, sales volume data based on meter reading data, etc. There is a risk of material misstatement regarding the accuracy of the recorded amounts in recording Gas and Electricity Sales, mainly due to the following reasons:</p> <ul style="list-style-type: none"> <li>• The amount of each transaction is small, but the number of customers and contracts is very large, and the number of transactions processed is extremely large.</li> <li>• The recorded amount is automatically calculated and aggregated by the business processing system and linked to the accounting system. Therefore, the recording process is highly dependent on automated internal controls of the business processing system.</li> <li>• In the event that the contract details data, sales volume data, etc. are incorrect or the automatic calculation logic is incorrect, the impact could be far-reaching and have a significant impact on financial reporting due to the high degree of dependence on automated internal controls.</li> </ul> <p>We, therefore, determined that our assessment of the accuracy of gas sales and electricity sales excluding wholesale was one of the most significant in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>In order to assess the accuracy of gas and electricity sales, we primarily performed the following audit procedures:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the internal controls relevant to the revenue recognition process for Gas and Electricity Sales. In the assessment, we focused on the following internal controls, based on our understanding of the revenue recognition process. In addition, our IT specialists were involved in the assessment.</p> <ul style="list-style-type: none"> <li>• Approval procedures for entering into contracts</li> <li>• Automated internal control over the output of error reports that indicate abnormal meter reading data that deviate from a certain range in comparison with the previous meter readings</li> <li>• Verification procedures for error reports that indicate abnormal meter reading data</li> <li>• Automated internal control over fee calculations based on contract details data, sales volume data, etc.</li> <li>• Approval procedures for manually correcting the results of automated calculations</li> <li>• Automated internal control over the accuracy and completeness of data linkage from the business processing system to the accounting system</li> </ul> <p>In understanding the revenue recognition process, we prepare a process flow chart in order to clarify which areas have risk of material misstatement and whether the corresponding internal controls are designed.</p> <p>(2) Substantive testing</p> <ul style="list-style-type: none"> <li>• For Gas and Electricity Sales other than gas sales to large customers, we divided the population by categories of major rate plan options, developed independent estimates of sales for each category, and compared it with actual amounts.</li> <li>• For gas sales to large customers, we developed independent estimates of sales for the entire amount and compared it with actual amounts.</li> <li>• For gas sales to large customers, we identified customers who showed statistical outliers in the relationship between sales volume and sales unit prices, interviewed persons in charge, and inspected their contracts.</li> <li>• We directly obtained response to the balance confirmation letters sent to the customers selected based on their monetary importance, using the balance of accounts receivable related to Gas and Electricity Sales as the population, and checked whether they matched book balances.</li> </ul>

#### Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on the Audit of the Internal Control Report

##### Opinion

We also have audited the accompanying internal control report of Osaka Gas Co., Ltd. as at March 31, 2021, in accordance with Article 193-2(2) of the Financial Instruments and Exchange Act of Japan.

In our opinion, the accompanying internal control report, which states that the internal control over financial reporting was effective as at March 31, 2021, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

##### Basis for Opinion

We conducted our audit of the internal control report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Internal Control Report* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control report in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

#### Auditor's Responsibilities for the Audit of the Internal Control Report

Our objectives are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of the internal control report and to issue an auditor's report that includes our opinion.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed, depending on the auditor's judgment, based on significance of effect on the reliability of financial reporting.
- Evaluate the overall presentation of the internal control report, including the appropriateness of the scope, procedures and results of the assessments that management presents.
- Obtain sufficient appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and performance of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of our audit of the internal control report, the results thereof, material weaknesses in internal control identified during our audit of internal control report, and those that were remediated.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan

#### Notes to the Reader of Audit Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Financial Instruments and Exchange Act of Japan.

\* 1 The above is an electronic version of the original audit report, which is kept separately by the Annual Securities Report (Yuka Shoken Houkokusho) filing Company.

2 XBRL data is not within the scope of the audit.