

Osaka Gas Co., Ltd. (9532)

Q&A at the Analysts' Meeting for the 1st quarter of fiscal year ended March 31 2023 financial results

(Held on August 1, 2022)

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Q1: What is the assumption in estimating 79.5 billion yen in losses related to the fire incident in Freeport LNG Project?

A1: The forecast was made based on Freeport's announcement on June 30 that it is estimated that the resumption of partial liquefaction operations will be early October 2022, and that the company continues to target year-end for a return to full production.

Q2: Could the loss from the fire at Freeport lead to the change of Osaka Gas' strategy for LNG procurement and sales?

A2: Our strategy for LNG procurement and sales has always been to place the highest priority on maintaining stable gas supply and diversifying our sources. We will continue pursuing the stable supply and supply-demand balance of gas in our procurement and sales of LNG.

Q3: Please give us an update on the status of Freeport's plant restoration.

A3: There has been no update from Freeport since their news release announced on June 30, and we believe that restoration is underway for the partial resumption of liquefaction operations in early October.

Q4: What is the reason behind the upward revision of the full-year forecasts for the International Energy Business by 10.0 billion yen from the previous forecasts despite the expected loss of 14.5 billion yen related to the fire at Freeport?

A4: There are mainly two factors in the upward revision. First is a 6.0 billion yen increase in profit estimated for Osaka Gas Australia due to the change in the oil price assumption. Second is a 9.5 billion yen increase in profit estimated for Osaka Gas USA despite a 14.5 billion yen loss related to the fire at Freeport. OGUSA expects a gain rather than loss thanks to the remarkable profit increase in Sabine's shale gas business because of their growing production and the rising gas price.

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