



Financial Report for 3rd Quarter of FY2022.3 (April 2021 – December 2021)

Creating Value for a Sustainable Future

January 2022
Osaka Gas Co., Ltd.



I am Matsusi, Senior General Manager of Investor Relations Office.

Thank you for taking time to participate in our conference call to discuss our financial results for the 3rd quarter of FY2022.3.

On behalf of the company, I would like to express my gratitude for your continued support and understanding in regard to the Company's businesses.

I would now like to explain the financial results for the 3rd quarter of FY2022.3 in accordance with the presentation materials disclosed on our website.

Please look at page 4.

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Management information is available on Osaka Gas websites.

Financial reports, integrated reports, fact books and road show materials can be accessed and downloaded at the following URL. <https://www.osakagas.co.jp/en/ir/>

Disclaimer

Certain statements contained herein are forward-looking statements, strategies, and plans, which reflect our judgment based on the information so far available. Actual results may differ materially from those discussed in such statements. Among the factors that could cause actual results to differ materially are: economic trends in Japan, sharp fluctuations in exchange rates and crude oil prices, and extraordinary weather conditions.

Note regarding gas sales volume

All gas sales volumes are indicated based on the standard heating value at 45 MJ/m³.

Note regarding consolidated gas sales volume

The fiscal year of Nabari Kintetsu Gas, Toyooka Energy, and Shingu Gas ends on December 31.

I . Summary of Business Results for 3rd Quarter of FY2022.3 and Forecasts for FY2022.3



Summary of Business Results for 3rd Quarter of FY2022.3

- ✓ Net sales increased by ¥80.8 billion from the previous year to ¥1,043.7 billion, mainly due to an increase in sales from a rise in LNG prices in the Domestic Energy business and higher sales from the Sabine Shale Gas Project and Freeport LNG Project in the International Energy business.
- ✓ Ordinary profit decreased by ¥24.2 billion from the previous year to ¥57.2 billion due to the time-lag effect in the Domestic Energy business.

billions yen	A. FY22.3 3Q	B. FY21.3 3Q	A-B	(A-B)/B	Remarks
Net sales	1,043.7	962.8	+80.8	+8.4%	Increased due to a rise in LNG prices and in Sabine and Freeport, etc.
Ordinary profit	57.2	81.5	-24.2	-29.8%	
Time-lag effect (Gas and Electricity)*1	-46.8	20.0	-66.8	-	Breakdown of YoY difference (-66.8) Gas -47.2, Electricity -19.6
Ordinary profit excluding time-lag effect	104.1	61.5	+42.6	+69.3%	
Profit attributable to owners of parent	44.8	57.6	-12.7	-22.2%	

*1 Included in the Domestic Energy

		A. FY22.3 3Q	B. FY21.3 3Q	A-B	Remarks
Crude oil price	USD/bbl	74.0	38.4	+35.6	A: Average of preliminary monthly data up to Dec. 2021
Exchange rate	JPY/USD	111.1	106.1	+5.0	

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Page 4 summarizes the financial results for the 3rd quarter of FY2022.3.

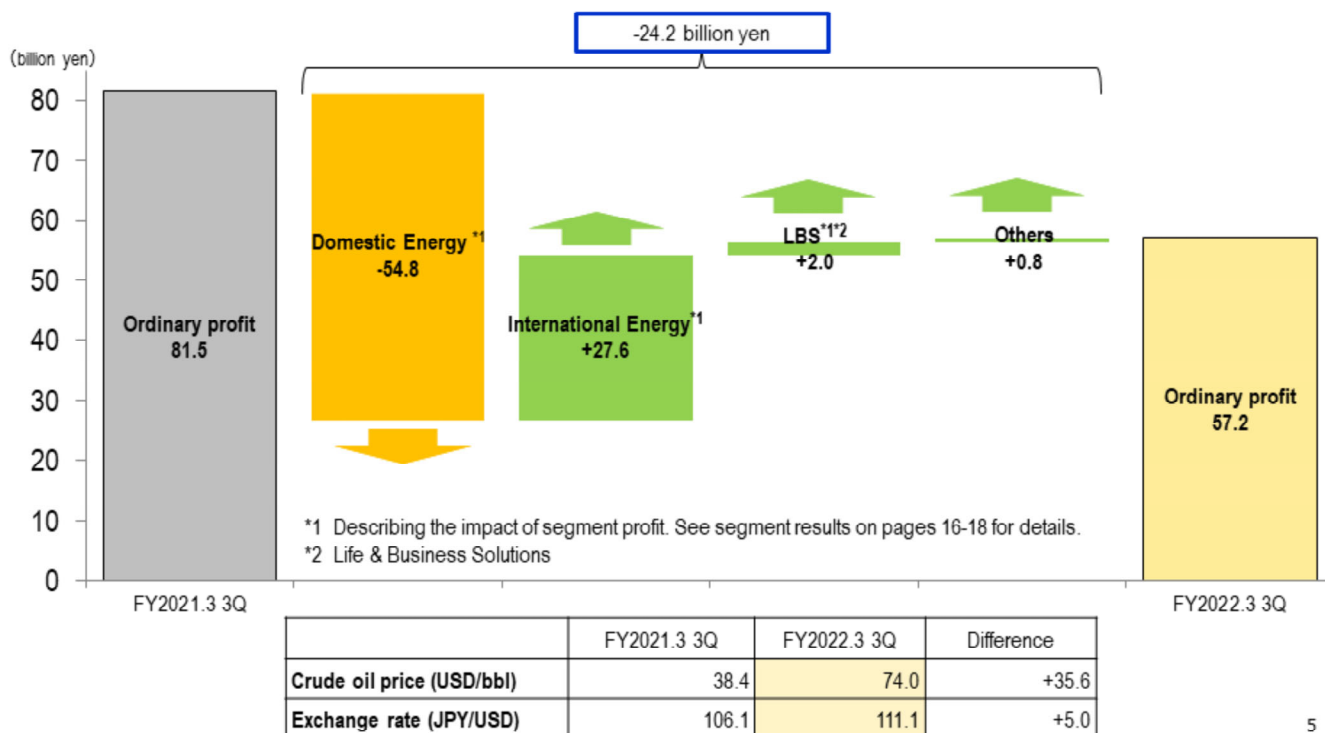
Consolidated net sales increased by ¥80.8 billion year on year to ¥1,043.7 billion in the 3rd quarter. The main reason for the increase was that the Domestic Energy business sales increased due to a rise in sales price accompanied with high LNG prices and the International Energy business sales increased due to the strong performance of the Sabine Shale Gas Project and Freeport LNG Project.

Consolidated ordinary profit and profit attributable to owners decreased from the previous year mainly due to the negative time-lag effect.

The year-on-year differences are explained in the following pages.

YoY Comparison of 3rd Quarter of FY2022.3

- ✓ Ordinary profit decreased by ¥24.2 billion to ¥57.2 billion from the previous year, mainly due to the negative time-lag effect in the Domestic Energy business, despite an increase in profit in the International Energy business as a result of profit contributions from the Freeport LNG Project and the Sabine Shale Gas Project.



Page 5 summarizes the year-on-year comparison of consolidated ordinary profit using segment profits.

Compared to the same period last year, consolidated ordinary profit decreased to ¥57.2 billion this year.

The main reason for the decrease was the negative time-lag effect in the Domestic Energy business. Segments profit in Domestic Energy business decreased by ¥54.8 billion.

In the International Energy business, profits increased by ¥27.6 billion due to the profit contribution from the Freeport LNG Project and the Sabine Shale Gas Project.

In the Life & Business Solutions segment, profit increased by ¥2.0 billion mainly due to the reduced impact of the COVID-19 in the information solutions business.

The decrease in profit in the Domestic Energy business was partially offset by increased profit in the International Energy business and the Life & Business Solutions business, but the overall decrease was ¥24.2 billion compared to the previous year.

Summary of Forecasts for FY2022.3: Revision of Business Forecasts

- ✓ We have revised our business forecasts for FY2022.3 due to changes in the business environment, which is the basis of our business forecasts, such as rising crude oil prices.
- ✓ Net sales are expected to increase by ¥37.0 billion to ¥1,547.0 billion from the previous forecast (July 29, 2021), mainly due to the expected increase in unit sales prices in the gas business caused by the rise in crude oil prices.
- ✓ Ordinary profit is expected to remain unchanged at ¥95.0 billion, partly due to increased profits in the International Energy business resulting from rising crude oil, despite the negative time-lag effect and a decrease in profit from the gas appliances sales in the Domestic Energy business.

billion yen	A. FY22.3 forecasts	B. FY22.3 previous forecasts	A-B	(A-B)/B	Remarks
Net sales	1,547.0	1,510.0	+37.0	+2.5%	Increase in the unit selling prices due to rising crude oil price, etc.
Operating Profit	80.5	80.5	±0.0	±0.0%	
Ordinary profit	95.0	95.0	±0.0	±0.0%	
Segment profit ^{*1,2}	94.5	94.5	±0.0	±0.0%	
Domestic Energy	30.0	36.5	-6.5	-17.8%	The loss on time-lag effect and gas appliances sales, etc.
Electricity ^{*3}	12.0	13.0	-1.0	-7.7%	The loss on time-lag effect, etc.
International Energy	45.5	40.0	+5.5	+13.8%	Increase in Sabine and the upstream business in Australia, etc.
Life & Business Solutions	19.0	19.0	±0.0	±0.0%	
Adjustments	0.0	-1.0	+1.0	-	
Profit attributable to owners of parent	77.5	70.5	+7.0	+9.9%	Gain on sales of investment securities of subsidiaries and associates, etc.

*1,2,3 See notes for segment profit on page 15

		A. FY22.3 forecasts	B. FY22.3 previous forecasts	A-B	Remarks
Crude oil price	USD/bbl	76.7	73.0	+3.7	Jan. 2022 to Mar. 2022: 85.0 USD/bbl
Exchange rate	JPY/USD	112.1	109.9	+2.2	Jan. 2022 to Mar. 2022: 115.0 JPY/USD

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Page 6 summarizes the main points of our forecasts for FY2022.3.

We have revised our forecasts for FY2022.3 due to changes in the business environment including current rising crude oil prices.

The crude oil price assumption has been changed from 75\$/bbl to 85\$/bbl, and the foreign exchange rate assumption has been changed from 110yen/\$ to 115yen/\$.

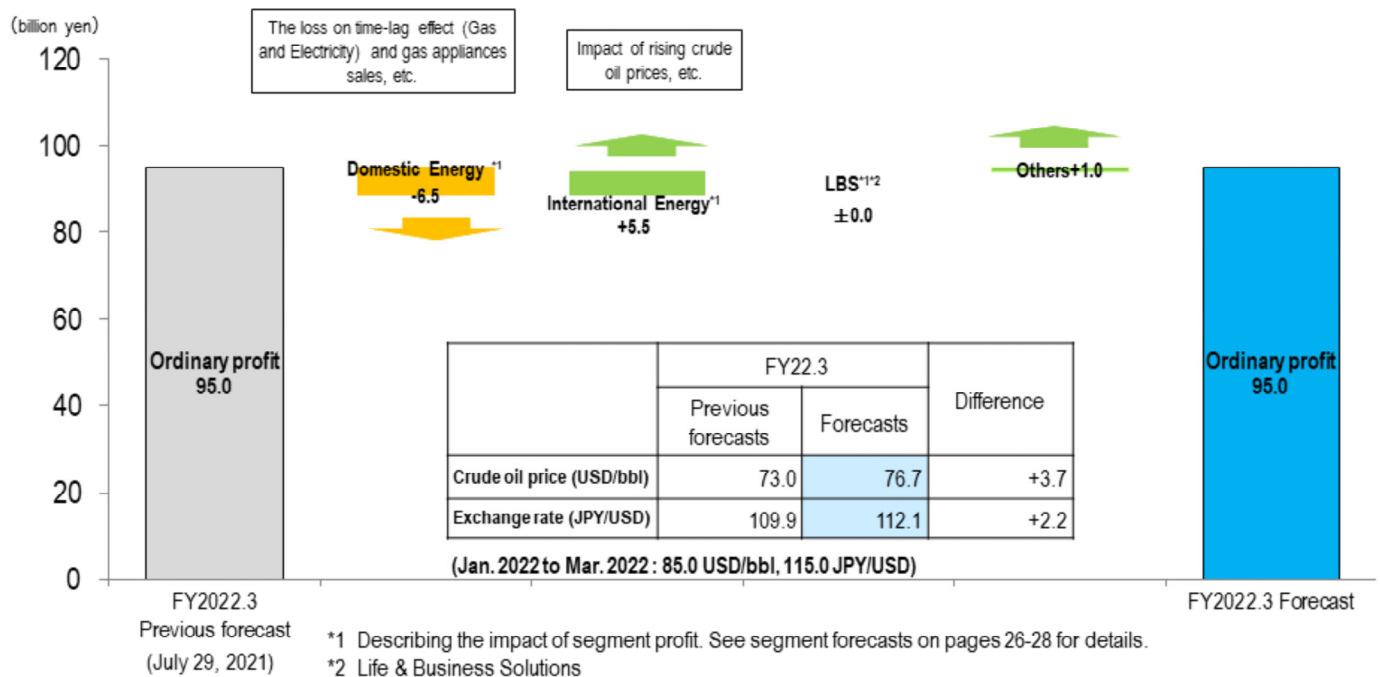
As a result, net sales are expected to increase by ¥37.0 billion from the previous forecast to ¥1,547.0 billion, mainly due to the expected increase in unit selling prices caused by the rise in crude oil prices.

Operating profit and ordinary profit are expected to remain unchanged from the previous forecast, partly due to increased profits in the International Energy businesses despite the negative time-lag effect in the Domestic Energy business.

Profit attributable to owners of parent is expected to increase by ¥7.0 billion from the previous forecast to ¥77.5 billion mainly due to gains on sales of investment securities of subsidiaries and associates, etc.

FY2022.3 Forecasts against Previous Forecasts

- ✓ We maintain our previous forecast for consolidated ordinary profit for FY2022.3 after revising upward our assumptions for the crude oil price and exchange rate, increasing the expected scale of the negative time-lag effect in the Domestic Energy business, and factoring in the effects of higher profits in the International Energy business, etc.



Page 7 shows the breakdown of the ordinary profit difference between revised full-year forecast and the previous forecast.

Consolidated ordinary profit of ¥95.0 billion remains unchanged, but the breakdown has been changed.

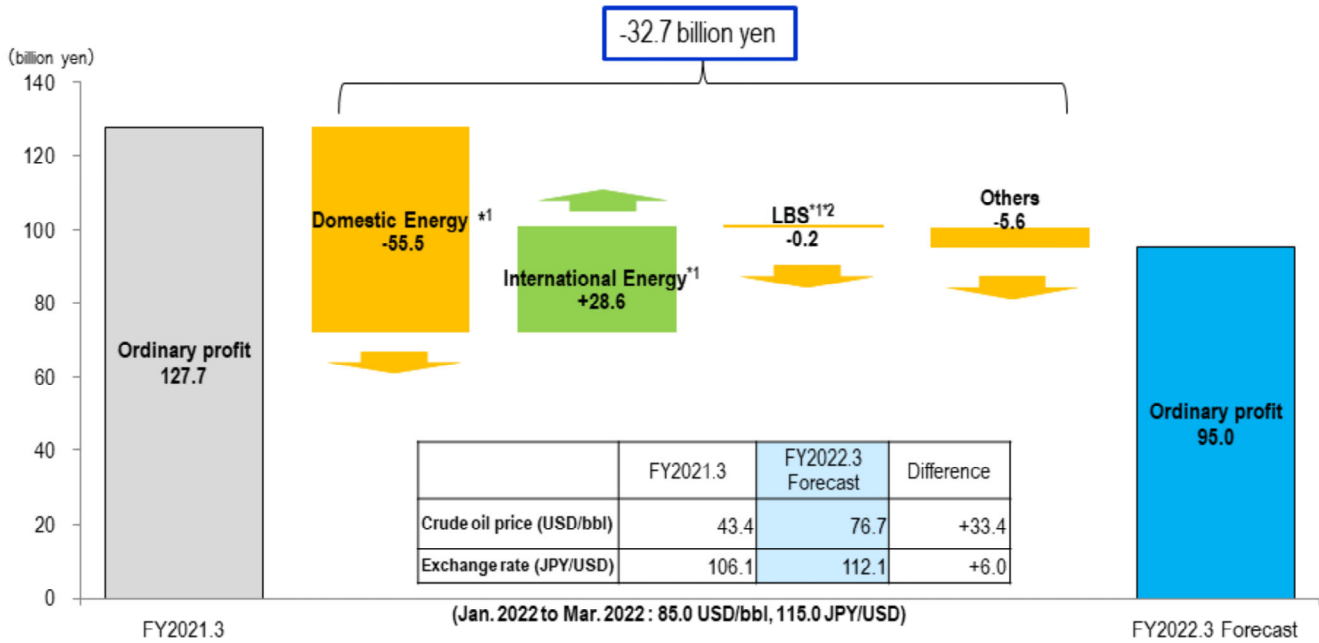
In the Domestic Energy business, the forecast reflects a decrease in profit due to the expansion of time-lag losses caused by a rise in crude oil prices and decreased sales of gas appliances as a result of difficulties in component procurement.

On the other hand, the International Energy business is expected to increase by ¥ 5.5 billion, reflecting higher profits from Sabine Shale Gas Project due to rising Henry Hub prices and upstream businesses in Australia due to rising crude oil prices.

In the Life & Business Solutions segment, profit remains unchanged, and others is expected to increase by ¥1.0 billion from the previous based on the 3rd quarter results.

YoY Comparison of FY2022.3 Forecasts

- ✓ Revised each segment profits, though consolidated ordinary profit remains at previous forecast.
- ✓ Consolidated ordinary profit is expected to decrease by ¥32.7 billion to ¥95.0 billion from the previous year, due to the significant impact of the negative time-lag effect in the Domestic Energy business, despite the increase in the International Energy business.



*1 Describing the impact of segment profit. See segment forecasts on pages 26-28 for details.

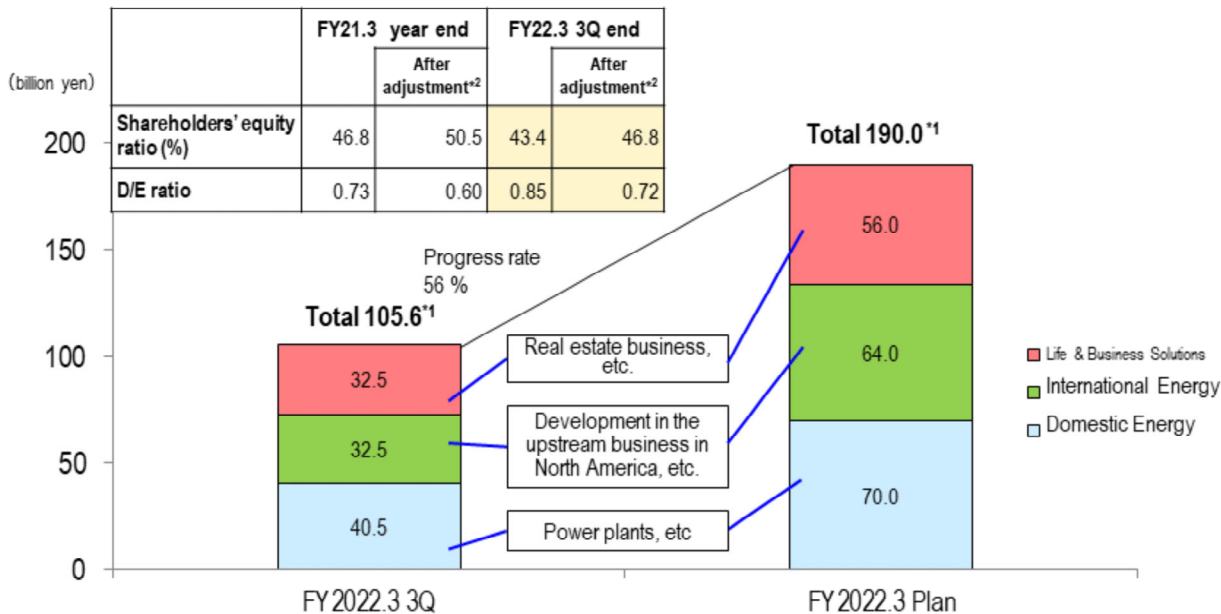
*2 Life & Business Solutions

Page 8 shows the comparison between the consolidated ordinary profit forecast for FY2022.3 and the results of the previous year.

As explained earlier, consolidated ordinary profit for the full FY2022.3 remains unchanged from the previous forecasts, while the segment profit is expected to increase further in the International Energy business and decrease further in the Domestic Energy business.

Results of Investments for Growth for 3rd Quarter of FY2022.3

- ✓ In 3rd quarter of FY2022.3, we invested ¥105.6 billion for business growth, such as for the development of power plants in the Domestic Energy business and the upstream business in North America in the International Energy business.
- ✓ The financial soundness indicators were maintained at the target levels: around 50% in shareholders' equity ratio and around 0.7 in D/E ratio, taking into account the 50% of the issued hybrid bonds as equity.



*1 Amounts of investment include both capital expenditure items and investment-and-loan items, and therefore the amounts of investment are different from actual amounts of capital expenditures.

*2 Calculated with 50% of issued hybrid bonds as equity. Total ¥175 billion (Dec. 2019 ¥100 billion, Sep. 2020 ¥75 billion). It does not mean that shareholders will be diluted.

Page 9 shows the results of investments for growth.

This year we plan to spend ¥190.0 billion, as the end of the 3rd quarter of FY2022.3, ¥105.6 billion was spent for investment for growth and progress rate is 56%.

We have been investing in power plants in the Domestic Energy business, development of upstream projects in North America in the International Energy business and real estate business in the Life & Business Solutions business.

As for financial soundness indicators as of the end of December 2021, the shareholder equity ratio was 46.8%, and the D/E ratio was 0.72, taking into account the 50% of the issued hybrid bonds as equity.

Investment for business growth will continue to be executed in an appropriate balance with the company's financial soundness.

II . Business Results for 3rd Quarter of FY2022.3



Pages 10 to 18 provide details of the financial results for the 3rd quarter of FY2022.3, and page 19 and following provide details of the forecast for the full FY2022.3.

This concludes my explanation of the financial results for the 3rd quarter of FY2022.3 and the forecast for the full FY2022.3.

1. Net Sales and Profit

billion yen	A. FY22.3 3Q	B. FY21.3 3Q	A-B	(A-B)/B	Remarks
Net sales	1,043.7	962.8	+80.8	+8.4%	
Operating Profit	42.6	74.8	-32.1	-43.0%	
Ordinary profit	57.2	81.5	-24.2	-29.8%	
Time-lag effect (Gas and Electricity) *1	-46.8	20.0	-66.8	-	
Ordinary profit excluding time-lag effect	104.1	61.5	+42.6	+69.3%	
Profit attributable to owners of parent	44.8	57.6	-12.7	-22.2%	
Earnings per share (EPS) (yen)	107.8	138.6	-30.8	-22.2%	
EBITDA*2	135.7	158.6	-22.9	-14.5%	

*1 Included in the Domestic Energy.

*2 EBITDA = Operating profit + share of profit/loss of entities accounted for using equity method + depreciation (including amortization of goodwill)

		A. FY22.3 3Q	B. FY21.3 3Q	A-B	Remarks
Crude oil price	USD/bbl	74.0	38.4	+35.6	A: Average of preliminary monthly data up to Dec. 2021
Exchange rate	JPY/USD	111.1	106.1	+5.0	

YoY Comparison of 3rd Quarter of FY2022.3
2. Asset, Equity, and Debt

billion yen	A. FY22.3 3Q end	B. FY21.3 year end	FY21.3 3Q end	A-B	Remarks
Total assets	2,564.7	2,313.3	2,205.9	+251.4	Progress in the investment for growth, etc.
Shareholders' equity	1,113.6	1,081.8	1,013.0	+31.7	
Book value per share (BPS)(yen)	2,678.4	2,602.2	2,436.6	+76.2	
Interest-bearing debts	949.9	785.3	799.9	+164.5	Bond issue, etc.
Hybrid bonds	175.0	175.0	175.0	±0.0	

	A. FY22.3 3Q end	FY21.3 year end	B. FY21.3 3Q end	A-B	Remarks
ROIC	2.8%	6.2%	-	-	
ROE	4.1%	7.8%	5.7%	-1.6%	

	A. FY22.3 3Q end	B. FY21.3 year end	FY21.3 3Q end	A-B	Remarks
Shareholders' equity ratio	43.4%	46.8%	45.9%	-3.3%	
After adjustment ^{*1}	46.8%	50.5%	49.9%	-3.7%	
Debt/Equity ratio	0.85	0.73	0.79	+0.13	
After adjustment ^{*1}	0.72	0.60	0.65	+0.12	

*1 Calculated with 50% of issued hybrid bonds as equity. It does not mean that shareholders will be diluted.

YoY Comparison of 3rd Quarter of FY2022.3 3. Investment and Cash Flow

billion yen	A. FY22.3 3Q	B. FY21.3 3Q	A-B	Remarks
Investment for quality improvement	42.5	42.6	-0.1	
Investment for growth	105.6	105.2	+0.4	
Domestic Energy	40.5	54.1	-13.5	Power plants, etc.
International Energy	32.5	25.8	+6.6	Development in the upstream business in North America, etc.
Life & Business Solutions	32.5	25.2	+7.3	Real estate business, etc.
Capital expenditures	134.9	128.8	+6.0	
Depreciation	79.3	74.0	+5.2	

billion yen	A. FY22.3 3Q	B. FY21.3 3Q	A-B	Remarks
Free cash flow* ¹	-127.8	-19.2	-108.5	

*1 Free cash flow = Cash flows from operating activities - Cash flows from investing activities

4. Customer Accounts and Sales Volume

	A. FY22.3 3Q end	B. FY21.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	9,703	9,401	+302	+3.2%	
	A. FY22.3 3Q	B. FY21.3 3Q	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m³)	4,867	4,928	-60	-1.2%	
(Non-consolidated) Gas sales volume	4,841	4,900	-59	-1.2%	
Residential	1,046	1,090	-44	-4.1%	Decreasing number of units for gas supply, etc.
Monthly gas sales volume per household (m³ / month)	24.4	24.6	-0.2	-0.8%	
Non-residential	3,795	3,810	-15	-0.4%	
Electricity sales volume (GWh) ^{*1}	11,983	11,435	+547	+4.8%	
Residential	4,294	3,914	+381	+9.7%	
Non-residential	7,689	7,522	+167	+2.2%	
(Non-consolidated) Number of units for gas supply	4,928	5,069	-141	-2.8%	
Number of low-voltage electricity supply	1,592	1,476	+116	+7.9%	

* 1 From FY2022.3 electricity sales reflects the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date, as the revenue for electricity sales is estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition. Electricity sales volume for the FY2021.3 is based on monthly meter readings.

	A. FY22.3 3Q	B. FY21.3 3Q	A-B	Remarks
Average temperature (°C)	20.4	20.4	-0.1	

5. Segment Sales and Profit

billion yen	A. FY22.3 3Q	B. FY21.3 3Q	A-B	(A-B)/B	Remarks
Net Sales^{*1}	1,043.7	962.8	+80.8	+8.4%	
Domestic Energy	868.6	814.5	+54.1	+6.7%	Increased due to a rise in LNG prices, etc.
International Energy	55.9	32.3	+23.6	+73.2%	Increased in Sabine and Freeport and the upstream business in Australia, etc.
Life & Business Solutions	163.3	154.3	+8.9	+5.8%	
Adjustments	-44.2	-38.2	-5.9	-	
Segment profit^{**2}	56.4	84.5	-28.1	-33.3%	
Domestic Energy	3.0	57.9	-54.8	-94.7%	The loss on time-lag effect, etc.
Electricity^{*3}	6.8	11.6	-4.8	-41.6%	
International Energy	37.3	9.6	+27.6	+286.4%	Increased in Freeport, Sabine and the upstream business in Australia, etc.
Life & Business Solutions	14.8	12.7	+2.0	+16.4%	Increased due to the reduced impact of the COVID-19, etc.
Adjustments	1.2	4.2	-3.0	-	
Profit/Loss on time-lag effect (Gas and Electricity)^{*4}	-46.8	20.0	-66.8	-	
Profit/Loss on market value of derivative^{*5}	3.1	-6.5	+9.7	-	

*1 From FY22.3, "Domestic Energy / Gas" and "Domestic Energy / Electricity" are integrated into the "Domestic Energy". Osaka Gas International Transport Inc. and its subsidiaries are transferred "Domestic Energy" from "International Energy". Osaka Gas' operating expenses for International Energy business, which was previously included in "Domestic Energy / Gas" are transferred into "International Energy." Results For FY2021.3 this page are calculated with consideration of the reclassification.

*2 Segment profit = Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method

*3 It is a simple total of the profit in Osaka Gas Co., Ltd.'s incidental electricity business and profits of its affiliated companies involved in electricity business, which is different from the profit in the Domestic Energy / Electricity, which we used as a segment name before.

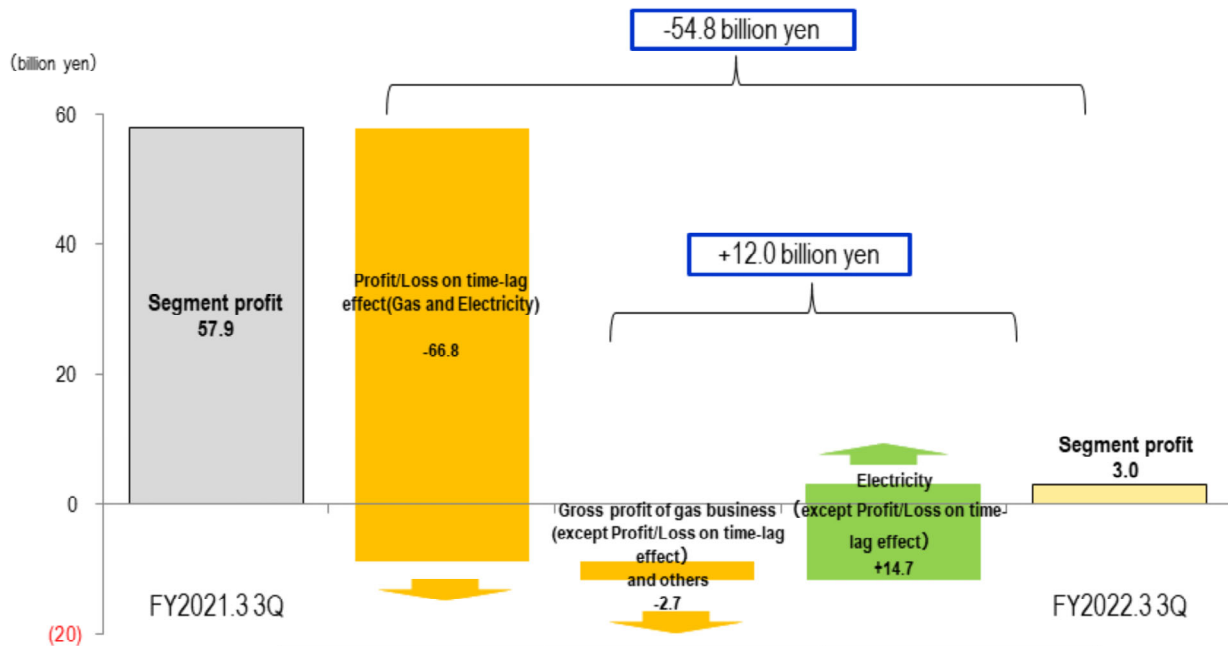
*4 Included in the Domestic Energy.

*5 Included in the International Energy.

Results for 3rd Quarter of FY2022.3 in Each Segment

1. Domestic Energy (Gas and Electricity)

✓ Domestic Energy segment profit decreased by ¥54.8 billion to ¥3.0 billion due to the negative time-lag effect.

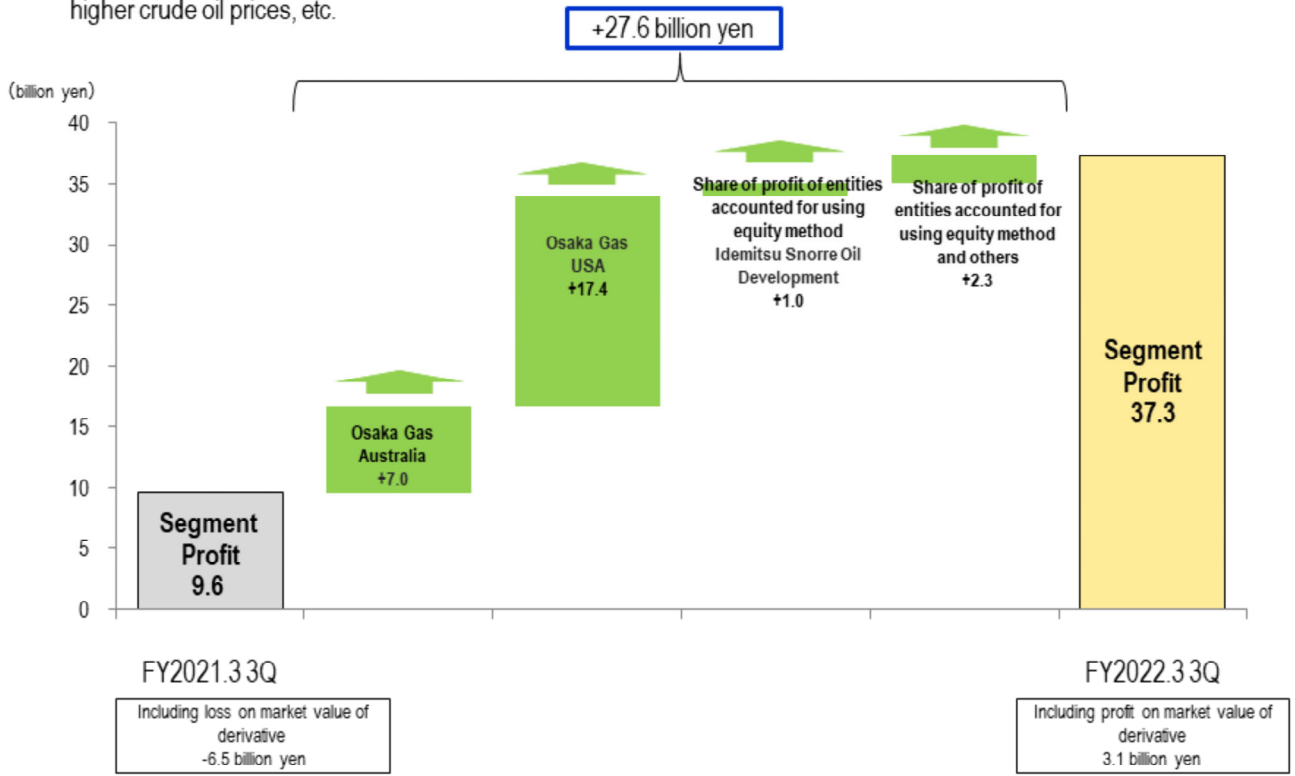


billion yen	FY22.3 3Q	Dfference from previous year
Profit/Loss on time-lag effect	-46.8	-66.8
Gas	-32.1	-47.2
Electricity	-14.7	-19.6

Results for 3rd Quarter of FY2022.3 in Each Segment

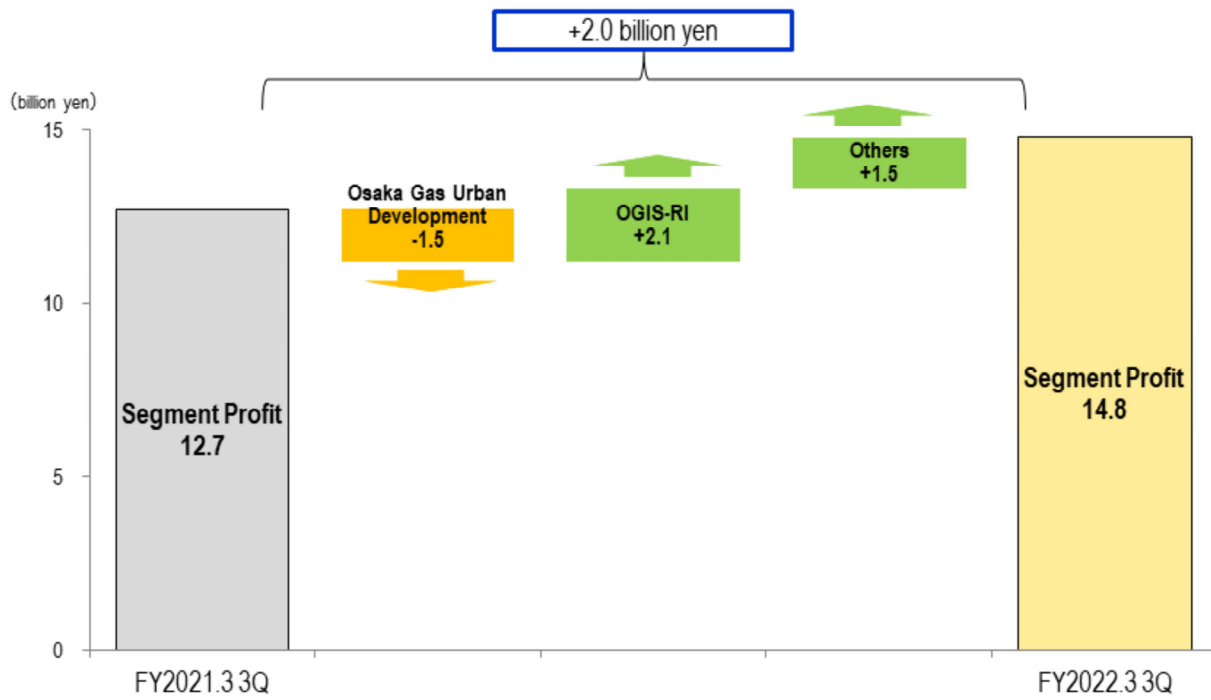
2. International Energy

- ✓ International Energy segment profit increased by ¥27.6 billion to ¥37.3 billion, mainly due to the contribution of the Freeport LNG project and increased profits from the Sabine Shale Gas Project and the upstream business in Australia as a result of higher crude oil prices, etc.



3. Life & Business Solutions

- ✓ Life & Business Solutions segment profit increased by ¥2.0 billion to ¥14.8 billion, mainly due the reduced impact of the COVID-19 in the information solutions.



III. Forecasts for FY2022.3



FY2022.3 Forecasts against Previous Forecasts Segment Sales and Profit

- ✓ Revised from the previous forecast of the Domestic Energy and the International Energy segments.
- ✓ No change in Life & Business Solutions segment.

billion yen	A. FY22.3 forecasts	B. FY22.3 previous forecasts	A-B	(A-B)/B	Remarks
Net Sales^{*1}	1,547.0	1,510.0	+37.0	+2.5%	
Domestic Energy	1,296.5	1,265.0	+31.5	+2.5%	Increase in the unit selling prices due to the rise in crude oil price, etc.
International Energy	75.5	70.0	+5.5	+7.9%	Increase in Sabine and upstream business in Australia, etc.
Life & Business Solutions	230.0	230.0	±0.0	±0.0%	
Adjustments	-55.0	-55.0	±0.0	±0.0%	
Segment profit^{*1*2}	94.5	94.5	±0.0	±0.0%	
Domestic Energy	30.0	36.5	-6.5	-17.8%	The loss on time-lag effect and gas appliances sales, etc.
Electricity^{*3}	12.0	13.0	-1.0	-7.7%	The loss of time-lag effect, etc.
International Energy	45.5	40.0	+5.5	+13.8%	Increase in Sabine and the upstream business Australia, etc.
Life & Business Solutions	19.0	19.0	±0.0	±0.0%	
Adjustments	0.0	-1.0	+1.0	-	
Profit/Loss on time-lag effect^{*4}	-46.2	-29.9	-16.3	-	
(Non-consolidated) Gas business	-31.0	-23.8	-7.2	-	
Electricity business	-15.2	-6.1	-9.1	-	

*1,2,3 See notes for segment profit on page 15

*4 Included in the Domestic Energy.

YoY Comparison of FY2022.3 Forecasts

1. Net Sales and Profit

✓ Revised from the previous forecasts.

billion yen	A. FY22.3 forecasts	B. FY21.3	A-B	(A-B)/B	Remarks
Net sales	1,547.0	1,364.1	+182.8	+13.4%	Increase in the unit selling prices due to the rise in crude oil price, etc.
Operating Profit	80.5	112.4	-31.9	-28.4%	
Ordinary profit	95.0	127.7	-32.7	-25.6%	The loss on time-lag effect in the Domestic Energy business, etc.
Time-lag effect (Gas and Electricity) ^{*1}	-46.2	1.6	-47.8	-	
Ordinary profit excluding time-lag effect	141.2	126.0	+15.1	+12.0%	
Profit attributable to owners of parent	77.5	80.8	-3.3	-4.2%	
Earnings per share (EPS) (yen)	186.4	194.5	-8.1	-4.2%	
EBITDA^{*2}	200.0	227.5	-27.5	-12.1%	
NOPAT^{*3}	83.5	111.5	-28.0	-25.1%	

*1 Included in non-consolidated gas business and electricity business.

*2 EBITDA = Operating profit + share of profit/loss of entities accounted for using equity method + depreciation (including amortization of goodwill)

*3 NOPAT = Ordinary profit + Financial expenses (Interest expenses - Interest income) - Income taxes

		A. FY22.3 forecasts	B. FY21.3	A-B	Remarks
Crude oil price	USD/bbl	76.7	43.4	+33.4	Jan. 2022 to Mar. 2022 : 85.0 USD/bbl
Exchange rate	JPY/USD	112.1	106.1	+6.0	Jan. 2022 to Mar. 2022 :115.0 JPY/USD

+3.7

+2.2

YoY Comparison of FY2022.3 Forecasts

2. Asset, Equity, and Debt

- ✓ No change in B/S items from the previous forecasts.
- ✓ Revised from the previous forecasts of ROE due to changes profit attributable to owners of the parent company.

billion yen	A. FY22.3 forecasts	B. FY21.3 year end	A-B	Remarks
Total assets	2,444.4	2,313.3	+131.0	Progress in the investment for growth, etc.
Shareholders' equity	1,116.6	1,081.8	+34.8	
Book value per share (BPS) (yen)	2,685.7	2,602.2	+83.6	
Interest-bearing debts	882.8	785.3	+97.4	Increase due to a new financing, etc.
Invested capital^{*1}	1,987.9	1,856.8	+131.0	

*1 Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased liabilities to us)

	A. FY22.3 forecasts	B. FY21.3 year end	A-B	Remarks
ROIC	4.4%	6.2%	-1.8%	
ROE	7.1%	7.8%	-0.7%	

	A. FY22.3 forecasts	B. FY21.3 year end	A-B	Remarks
Shareholders' equity ratio	45.7%	46.8%	-1.1%	
After adjustment ^{*1}	49.3%	50.5%	-1.3%	
Debt/Equity ratio	0.79	0.73	+0.06	
After adjustment ^{*1}	0.66	0.60	+0.06	

*1 Calculated with 50% of issued hybrid bonds as equity. It does not mean that shareholders will be diluted.

YoY Comparison of FY2022.3 Forecasts

3. Cash Flow and Investment

✓ No change from the previous forecasts.

billion yen	A. FY22.3 forecasts	B. FY21.3	A-B	Remarks
Cash flows from operating activities	165.1	219.7	-54.6	
Cash flows from investing activities ^{*1}	-259.0	-198.3	-60.6	
Free cash flow ^{*2}	-93.8	21.4	-115.2	

*1 Forecasts are amount of investment.

*2 Free cash flow = Cash flows from operating activities - Cash flows from investing activities

billion yen	A. FY22.3 forecasts	B. FY21.3	A-B	Remarks
Investment for quality improvement	69.0	68.8	+0.1	
Investment for growth	190.0	152.5	+37.4	
Domestic Energy	70.0	80.7	-10.7	
International Energy	64.0	32.6	+31.3	
Life & Business Solutions	56.0	39.0	+16.9	
Capital expenditures	196.0	189.4	+6.5	
Depreciation	105.5	101.4	+4.0	

4. Customer Accounts and Sales Volume

- ✓ Revised from the previous forecasts of the number of customer accounts.
- ✓ No change in other figures.

	A. FY22.3 forecasts	B. FY21.3	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	9,800	9,401	+399	+4.2%	The previous forecast; 9,680
Consolidated gas sales volume (million m³)	6,987	7,157	-169	-2.4%	
(Non-consolidated) gas sales volume	6,956	7,121	-165	-2.3%	
Residential	1,695	1,862	-167	-9.0%	Rebound from the impact of air and water temperature, etc.
Non-Residential	5,261	5,259	+2	+0.0%	
Electricity Sales Volume (GWh)*¹	18,024	16,133	+1,891	+11.7%	

*1 From FY2022.3 electricity sales reflects the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date, as the revenue for electricity sales is estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition. Electricity sales volume for the FY2021.3 is based on monthly meter readings.

	A. FY22.3 forecasts	B. FY21.3	A-B	Remarks
Average temperature (°C)	17.2	17.6	-0.4	

YoY Comparison of FY2022.3 Forecasts

5. Segment Sales and Profit

✓ Revised from the previous forecasts.

billion yen	A. FY22.3 forecasts	B. FY21.3	A-B	(A-B)/B	Remarks
Net Sales^{*1}	1,547.0	1,364.1	+182.8	+13.4%	
Domestic Energy	1,296.5	1,158.3	+138.1	+11.9%	Increase in the unit selling prices due to the rise in crude oil price, etc.
International Energy	75.5	44.2	+31.2	+70.4%	Increase in Sabine, Freeport, and upstream business in Australia, etc.
Life & Business Solutions	230.0	216.5	+13.4	+6.2%	Increase in the material business, etc.
Adjustments	-55.0	-55.1	+0.1	-	
Segment profit^{*1*2}	94.5	126.1	-31.6	-25.1%	
Domestic Energy	30.0	85.5	-55.5	-65.0%	The loss on time-lag effect, etc.
Electricity^{*3}	12.0	14.8	-2.8	-19.1%	
International Energy	45.5	16.8	+28.6	+169.4%	Increase in Freeport, Sabine and the upstream business Australia, etc.
Life & Business Solutions	19.0	19.2	-0.2	-1.3%	
Adjustments	0.0	4.3	-4.3	-	
Profit/Loss on time-lag effect^{*4}	-46.2	1.6	-47.8	-	
(Non-consolidated) Gas business	-31.0	-1.6	-29.3	-	
Electricity business	-15.2	3.3	-18.5	-	

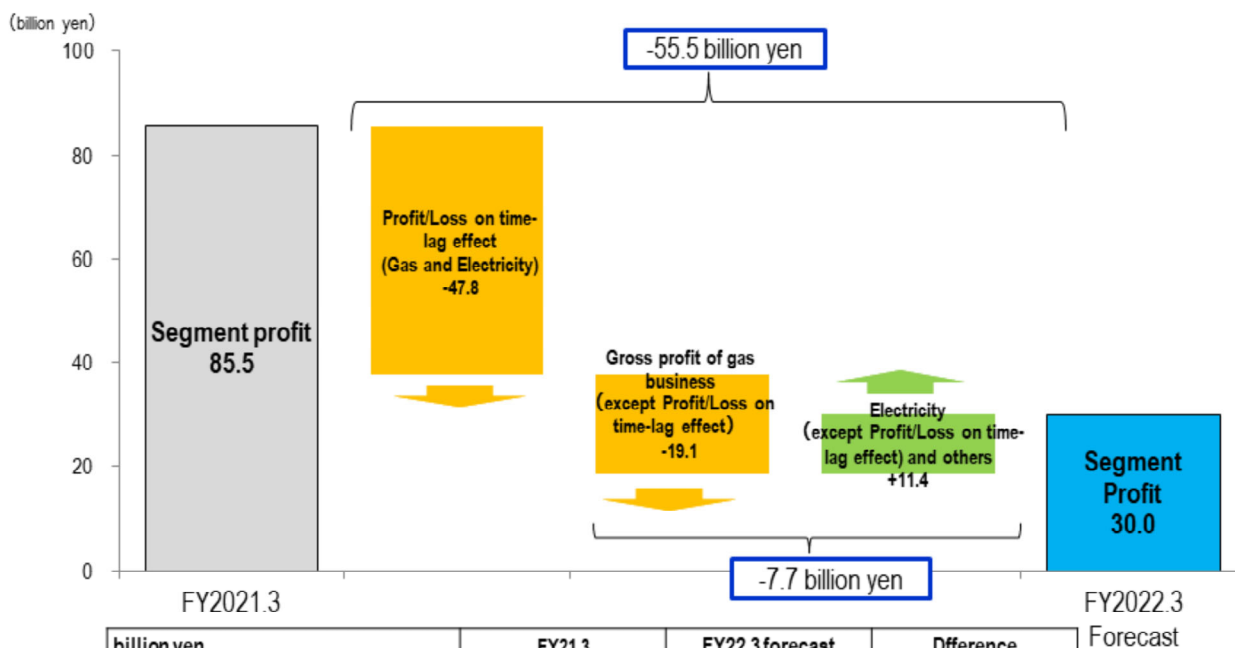
*1,2,3 See notes for segment sales and profit on page 15

*4 Included in the Domestic Energy.

Forecasts for FY2022.3 in Each Segment

1. Domestic Energy (Gas and Electricity)

- ✓ Domestic Energy segment profit revised downward by ¥6.5 billion from the previous forecast.
- ✓ Expected to decrease by ¥55.5 billion to ¥30.0 billion due to the negative time-lag effect and the loss of low temperature effect in winter FY2021.3.

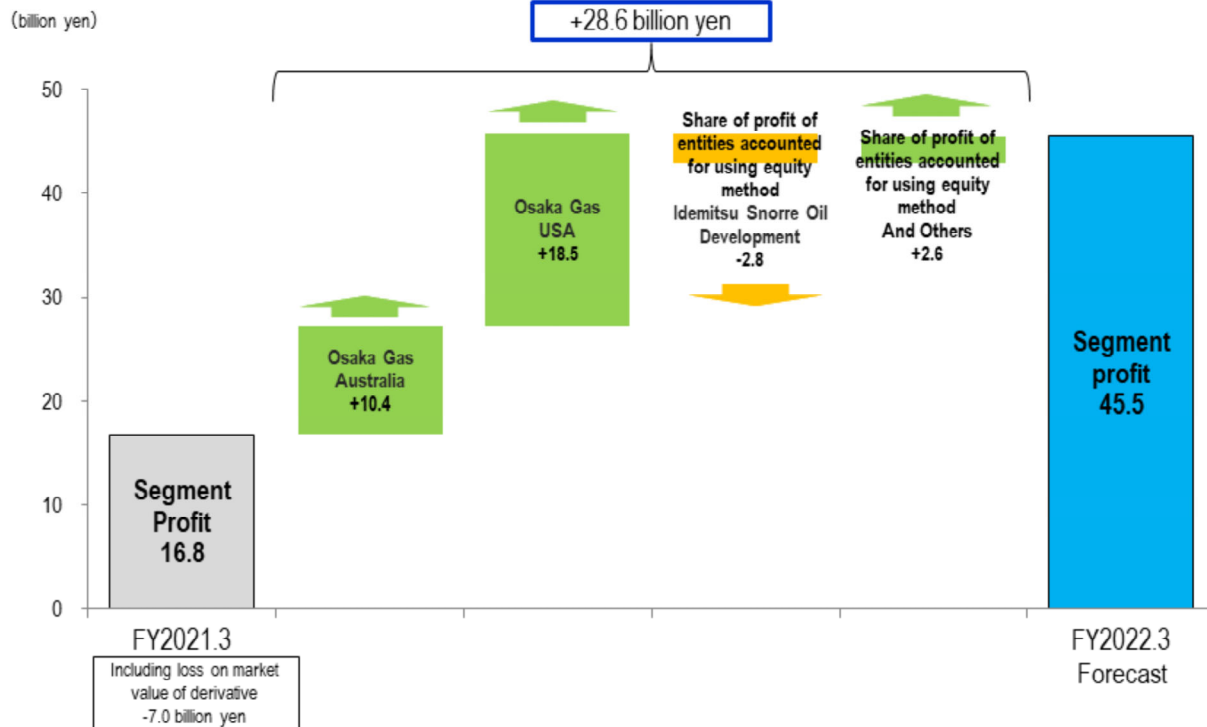


billion yen	FY21.3	FY22.3 forecast	Dfference
Profit/Loss on time-lag effect	1.6	-46.2	-47.8
Gas	-1.6	-31.0	-29.3
Electricity	3.3	-15.2	-18.5

Forecasts for FY2022.3 in Each Segment

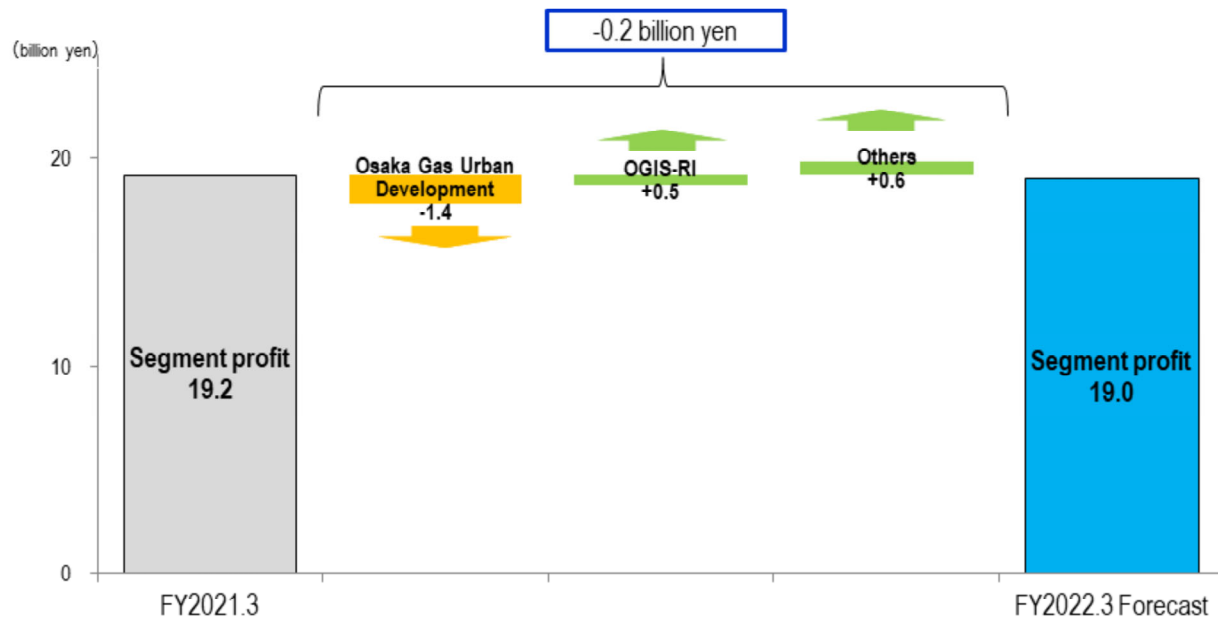
2. International Energy

- ✓ International Energy segment profit revised upward by ¥5.5 billion from the previous forecast.
- ✓ Expected to increase by ¥28.6 billion to ¥45.5 billion mainly due to increased profits from the Sabine Shale Gas project and the upstream business in Australia as a result of higher crude oil prices, etc., as well as profit contribution from the Freeport LNG project.



3. Life & Business Solutions

- ✓ No change from the previous forecast.
- ✓ Life & Business Solutions segment profit is expected to remain at almost the same level as the previous year.



- **Atmospheric and water temperatures**
 - A +1 degree Celsius change in atmospheric and water temperatures will affect the residential gas sales volume: increase/decrease of approx. **-7%** in spring and autumn, approx. **-8%** in summer, and approx. **-6%** in winter.
- **Crude oil prices**
 - LNG prices are linked to crude oil prices. A +1USD/bbl change in crude oil prices from October will have an effect of approx. **-0.0** billion yen on annual ordinary profit.
- **Foreign exchange rate**
 - LNG prices are affected by fluctuations in the USD/JPY exchange rate. A +1 yen fluctuation in the USD/JPY exchange rate from October will have an effect of approx. **-0.9** billion on annual ordinary profit.
- **Materials costs**
 - Although the fuel cost adjustment system allows us to reflect changes in fuel costs in gas rates in the medium- and long-term, an increase in fuel costs is likely to affect the business results due to a time lag in reflecting cost fluctuations, and also depends on the composition of fuel suppliers.
- **Interest rate**
 - A +1% change in the domestic interest rate will have an effect of approx. +1.6 billion yen on annual consolidated non-operating expenses(interest expenses).

Oct.	<ul style="list-style-type: none"> ■ OSAKA GAS (THAILAND) and Parfun Sign CNG Agreement Switching Fuel from Coal to Natural Gas to Reduce CO2 Emissions in Thailand ■ Carbon Neutral Research Hub Opens as a Research and Development Site for Carbon Neutral Technology ■ Business Partnership with Yamazen Corporation for Self-Consumption Solar Power Generation Service ■ INPEX, Osaka Gas to Commence Technical Development Business on CO2 Emissions Reduction and Practical Application of Effective CO2 Use Through One of World's Largest Methanation Operations - Toward the Practical Application of Technology Enabling Carbon Neutralization of City Gas - ■ Reduction of CO2 Emissions by Co-firing Natural Gas and Heavy Oil in the Lime Firing Kiln at the Mishima Mill of Daio Paper ■ Implementation of Natural Gas Supply Business in Shikokuchuo City, Ehime Prefecture ■ Osaka Gas issues the Daigas Group Integrated Report 2021 and launches the Daigas Group Sustainability website ■ SOL Energy Begins Rooftop Solar Generation Business in Vietnam ■ Osaka Gas and Sky Solar Japan sign an agreement on the joint development and ownership of photovoltaic power plants ■ Osaka Gas to Sell its Shares in Idemitsu Snorre Oil Development Co., Ltd.
Nov.	<ul style="list-style-type: none"> ■ Osaka Gas to Participate in Electricity Balancing Services Business in Europe ■ Osaka Gas to Start Accepting Applications for the "Online Medical Questionnaire Option," a New Optional Electricity Rate Plan for Clinics and Doctor's Offices ■ Osaka Gas to Convert Coal-fired Power Plant at the Toyobo Iwakuni Production Center to Contribute to Reducing CO2 Emissions by 80,000 Tons/year
Dec.	<ul style="list-style-type: none"> ■ Joint Study for Sales of SPACECOOL, a New Material Using Radiant Cooling Technology ■ Business Partnership with Hamacast Co., Ltd. for Self-Consumption Solar Power Generation Service -Expanding services under the D-Solar system with a 20-year waterproof roof warranty- ■ Commencement of Joint Research on Long- and Mid-Term Weather Forecasting —Proving early predictions of heat waves and cold waves and contributing to stable energy supply— ■ First Adoption of Naturally Derived Ketone Bodies-Produced by Osaka Gas through Its Unique Fermentation Process-as Cosmetic Raw Material ■ Agreement between Green Power Fuel and Shiso City, Hyogo Prefecture, on the Utilization of Fast Growing Trees -Aiming for local production and consumption of biomass fuels and sustainable growth of domestic forestry- ■ Osaka Gas Becomes the First Japanese Company to Participate in City Gas Distribution Business in India ■ Osaka Gas Australia to Undertake Joint Methanation Study with ATCO Australia

* Press releases were issued in the above indicated months.

■ Domestic Energy ■ International Energy ■ Life & Business Solutions ■ Others