

*Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: Adopted

(Note) For detailed information, please refer to "2. (3) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements" on Page 9 of the Attachment to this Brief Report of Consolidated Financial Statements.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions to accounting standards, etc.: Adopted

(ii) Changes in accounting policies other than (i) above: Adopted

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Issued shares (common shares)

(i) Number of issued shares at the end of each period (including treasury shares):

As of December 31, 2022 416,680,000 shares

As of March 31, 2022 416,680,000 shares

(ii) Number of treasury shares at the end of each period:

As of December 31, 2022 997,431 shares

As of March 31, 2022 1,036,697 shares

(iii) Average number of shares during each period:

Nine months ended December 31, 2022 415,668,794 shares

Nine months ended December 31, 2021 415,779,947 shares

*Quarterly Brief Report of Consolidated Financial Statements is outside the scope of quarterly review by a certified public accountant or an audit firm.

*Notes on proper use of forecasts and other matters

1. Forward-looking statements contained in this document, including financial results forecasts, are based on information currently available to Osaka Gas Co., Ltd. (the "Company") and certain assumptions that the Company regards as reasonable. Actual results may differ significantly from these forecasts, due to various factors. As for notes regarding assumptions used for and the use of the financial results forecasts, please refer to "1. (3) Forecasts of Consolidated Financial Results" on Page 4 of the Attachment to this Brief Report of Consolidated Financial Statements.

2. The Company plans to hold a results briefing for institutional investors and analysts on February 6, 2023.

Immediately after the briefing, the presentation materials and contents will be made available on the Company's website.

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1. Overview of Quarterly Consolidated Financial Results

(1) Consolidated Operating Results

(Overview of Quarterly Operating Results)

Consolidated net sales for the Nine months ended December 31, 2022 increased by ¥537.4 billion year-on-year to ¥1,596.5 billion. This was primarily due to an increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas under the fuel cost adjustment system in the Domestic Energy Business and an increase in sales from the upstream project in the USA and Australia in the International Energy Business. Consolidated ordinary profit decreased by ¥78.5 billion year-on-year to a loss of ¥6.8 billion. This was primarily due to increased costs for LNG procurement(*1) and the impact of a time lag between fluctuations in raw material costs, etc. and their reflection in the unit selling prices(*2) in the Domestic Energy Business, despite an increase in profit from the International Energy Business and the Life & Business Solutions Business. Profit attributable to owners of parent decreased by ¥56.5 billion year-on-year to a net loss of ¥1.3 billion. This was primarily due to the reasons mentioned above and the recording of a gain on sales of cross-held shares as an extraordinary income.

(*1)A fire broke out at the liquefaction plant of the Freeport LNG Project (hereinafter “Project”), one of the Daigas Group’s (hereinafter “Group”) investments and LNG sources, and the Project’s operations at the plant have been suspended since. In response to the shutdown, we have been preparing to secure replacement LNG for the volumes the Group originally planned to procure from the Project during the shutdown period and has been arranging modification regarding the contracts related to its LNG procurement from the Project.

(*2)There is a time lag between fluctuations in raw material costs and fuel costs and their reflection in the unit selling prices under the raw material and fuel costs adjustment system, which causes a temporary increase/decrease in profit.

(billion yen)

| | Consolidated results | Compared with previous fiscal year(*) | |
|--|----------------------|---------------------------------------|----------------------------|
| | | increase/decrease | increase/decrease rate (%) |
| Net sales | 1,596.5 | +537.4 | +50.7 |
| Cost of sales | 1,468.8 | +610.5 | +71.1 |
| Selling, general and administrative expenses | 142.5 | -0.1 | -0.1 |
| Operating profit (loss) | -14.9 | -72.9 | — |
| Ordinary profit (loss) | -6.8 | -78.5 | — |
| Profit (loss) attributable to owners of parent | -1.3 | -56.5 | — |

(*)Starting from the first quarter of this fiscal year, we prepare quarterly consolidated financial statements by following the “Regulation on Quarterly Consolidated Financial Statements”. In these quarterly consolidated financial statements, figures for the same period of the previous fiscal year were calculated retroactively in accordance with the “Regulation on Quarterly Consolidated Financial Statements”. Until the previous fiscal year, we followed the “Regulation on Quarterly Consolidated Financial Statements” and the “Accounting Rules for Gas Utility” in preparing quarterly consolidated financial statements.

(Quarterly Domestic Gas Sales Breakdown)

| | | Nine months ended December 31, 2022 | YoY Changes rate (%) |
|---|-----------------------|--|----------------------|
| Gas sales volume (million m ³) | Residential | 1,096 | -5.2 |
| | Non-residential, etc. | 3,834 | +0.5 |
| | Total | 4,931 | -0.8 |
| Number of gas supply (thousands) | | 4,997 | -0.8 |

[45MJ/m³]

(Quarterly Domestic Electricity Sales Breakdown)

| | | Nine months ended December 31, 2022 | YoY Changes rate (%) |
|--|-----------------|--|----------------------|
| Electricity sales volume (GWh) | Retail | 4,579 | +6.6 |
| | Wholesale, etc. | 6,909 | -10.1 |
| | Total | 11,487 | -4.1 |
| Number of low-voltage electricity supply (thousands) | | 1,685 | +5.8 |

(2) Consolidated Financial Position

Starting from the first quarter of this fiscal year, we prepare quarterly consolidated financial statements by following the “Regulation on Quarterly Consolidated Financial Statements”. Until the previous fiscal year, we followed the “Regulation on Quarterly Consolidated Financial Statements” and the “Accounting Rules for Gas Utility” in preparing quarterly consolidated financial statements. As of the end of the previous fiscal year, “Property, plant and equipment” was classified by function in accordance with the “Accounting Rules for Gas Utility”, but since the first quarter of this fiscal year, it is classified by form in accordance with the “Regulation on Quarterly Consolidated Financial Statements”. The amounts at the end of the previous fiscal year have been prepared on a retrospective basis.

Total assets as of December 31, 2022 increased by ¥518.2 billion compared with March 31, 2022 to ¥3,106.3 billion. This was primarily due to an increase in current assets resulting from an increase in accounts receivable - trade and an increase in non-current assets resulting from progress of investment activities.

Net assets totaled ¥1,387.0 billion and the ratio of shareholders’ equity to total assets was 43.8%.

(3) Forecasts of Consolidated Financial Results

Considering recent trends in our performance and other factors, forecasts of consolidated financial results for the fiscal year ending March 31, 2023 have been revised from the previous forecasts as shown in the tables below.

Consolidated net sales is expected to exceed the previous forecasts mainly due to the rise in the unit selling price of city gas under the fuel cost adjustment system. Consolidated operating profit and consolidated ordinary profit are expected to remain unchanged from the previous forecasts, as the negative impact, including increases in costs and losses associated with a fire broken out at the liquefaction plant of the Freeport LNG Project, is expected to offset the positive impact, including an increase in profit of city gas caused by the improvement of our long-term LNG contract competitiveness compared to JLC price, and a reduction of negative impact of the time lag. Profit attributable to owners of parent is expected to increase due to the recording of a gain on sales of cross-held shares as an extraordinary income in the third quarter of this fiscal year.

(Reference) Assumptions for the crude oil price and exchange rate (January 2023 - March 2023)
Crude oil price (All Japan CIF price) at 85USD/bbl
Exchange rate (TTM) at 135JPY/USD

Changes from the previous forecasts of consolidated financial results in the Brief Report of Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2023 announced on October 31, 2022 are shown in the tables below.

The revised forecast includes the estimated negative impact of approximately 149.5 billion yen (*) due to costs, losses and expected revenue decrease associated with a fire broken out at the liquefaction plant of the Freeport LNG Project, one of the Group's investments and LNG sources. As a result of recording 115.8 billion yen in costs and losses associated with above in the consolidated financial results for the third quarter of the fiscal year ending March 31, 2023, the negative impact of 125.8 billion yen out of estimated negative impact of approximately 149.5 billion yen has appeared.

Revision of Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Earnings per share |
|---|-------------|------------------|-----------------|---|--------------------|
| | million yen | million yen | million yen | million yen | yen |
| Previous forecasts (A) | 2,250,000 | 43,000 | 46,000 | 29,000 | 69.75 |
| Revised forecasts (B) | 2,275,000 | 43,000 | 46,000 | 36,000 | 86.58 |
| Changes (B - A) | +25,000 | - | - | +7,000 | |
| Changes (%) | +1.1 | - | - | +24.1 | |
| (Reference) Actual results of fiscal year ended March 31, 2022 | 1,591,120 | 99,201 | 113,525 | 130,421 | 313.69 |

(*) It is calculated under the certain assumptions based on information available as of the date of publication of this document.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(million yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 131,089 | 178,278 |
| Notes and accounts receivable - trade, and contract assets | 227,118 | 366,347 |
| Inventories | 145,445 | 244,957 |
| Other | 204,636 | 209,564 |
| Allowance for doubtful accounts | (639) | (1,059) |
| Total current assets | 707,651 | 998,088 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 188,637 | 183,940 |
| Machinery, equipment and vehicles, net | 580,547 | 642,310 |
| Land | 222,350 | 228,240 |
| Leased assets, net | 10,609 | 10,270 |
| Construction in progress | 138,915 | 175,532 |
| Other, net | 15,221 | 13,972 |
| Total property, plant and equipment | 1,156,281 | 1,254,267 |
| Intangible assets | 95,251 | 104,761 |
| Investments and other assets | | |
| Investment securities | 359,225 | 450,771 |
| Other | 270,407 | 299,232 |
| Allowance for doubtful accounts | (731) | (739) |
| Total investments and other assets | 628,901 | 749,265 |
| Total non-current assets | 1,880,434 | 2,108,294 |
| Total assets | 2,588,086 | 3,106,383 |

(million yen)

| | As of March 31,2022 | As of December 31,2022 |
|---|---------------------|------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 104,935 | 131,747 |
| Other | 295,254 | 612,830 |
| Total current liabilities | 400,190 | 744,577 |
| Non-current liabilities | | |
| Bonds payable | 364,998 | 424,998 |
| Long-term borrowings | 350,502 | 394,300 |
| Retirement benefit liability | 18,853 | 19,328 |
| Other | 157,452 | 136,162 |
| Total non-current liabilities | 891,806 | 974,791 |
| Total liabilities | 1,291,996 | 1,719,368 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 132,166 | 132,166 |
| Capital surplus | 19,071 | 19,096 |
| Retained earnings | 977,907 | 951,571 |
| Treasury shares | (2,115) | (2,038) |
| Total shareholders' equity | 1,127,030 | 1,100,795 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 67,905 | 63,048 |
| Deferred gains or losses on hedges | (15,313) | 9,284 |
| Revaluation reserve for land | (737) | (737) |
| Foreign currency translation adjustment | 39,108 | 141,545 |
| Remeasurements of defined benefit plans | 53,624 | 47,941 |
| Total accumulated other comprehensive income | 144,586 | 261,081 |
| Non-controlling interests | 24,472 | 25,137 |
| Total net assets | 1,296,089 | 1,387,014 |
| Total liabilities and net assets | 2,588,086 | 3,106,383 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income

(million yen)

| | Nine months ended December 31,2021 | Nine months ended December 31,2022 |
|---|---------------------------------------|---------------------------------------|
| Net sales | 1,059,067 | 1,596,525 |
| Cost of sales | 858,348 | 1,468,883 |
| Gross profit | 200,718 | 127,642 |
| Selling, general and administrative expenses | 142,702 | 142,569 |
| Operating profit (loss) | 58,016 | (14,926) |
| Non-operating income | | |
| Interest income | 1,494 | 2,434 |
| Dividend income | 2,832 | 3,647 |
| Share of profit of entities accounted for using equity method | 13,727 | 8,476 |
| Miscellaneous income | 7,983 | 9,649 |
| Total non-operating income | 26,037 | 24,208 |
| Non-operating expenses | | |
| Interest expenses | 7,749 | 9,290 |
| Miscellaneous expenses | 4,605 | 6,811 |
| Total non-operating expenses | 12,355 | 16,101 |
| Ordinary profit (loss) | 71,698 | (6,820) |
| Extraordinary income | | |
| Gain on sale of investment securities | - | 10,481 |
| Total extraordinary income | - | 10,481 |
| Extraordinary losses | | |
| Impairment losses | - | 3,948 |
| Total extraordinary losses | - | 3,948 |
| Profit (loss) before income taxes | 71,698 | (287) |
| Income taxes | 13,770 | 61 |
| Profit (loss) | 57,928 | (349) |
| Profit attributable to non-controlling interests | 2,768 | 1,047 |
| Profit (loss) attributable to owners of parent | 55,159 | (1,396) |

Quarterly Consolidated Statements of Comprehensive Income

(million yen)

| | Nine months ended December 31,2021 | Nine months ended December 31,2022 |
|--|---------------------------------------|---------------------------------------|
| Profit (loss) | 57,928 | (349) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (723) | (4,909) |
| Deferred gains or losses on hedges | (17,359) | 91 |
| Foreign currency translation adjustment | 24,323 | 102,278 |
| Remeasurements of defined benefit plans | (3,868) | (5,562) |
| Share of other comprehensive income of entities accounted for using equity method | 9,304 | 24,853 |
| Total other comprehensive income | 11,676 | 116,751 |
| Comprehensive income | 69,605 | 116,401 |
| (Break down) | | |
| Comprehensive income attributable to owners of parent | 66,126 | 115,097 |
| Comprehensive income attributable to non-controlling interests | 3,478 | 1,303 |

(3) Notes to the Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Significant Changes in the Value of Shareholders' Equity)

Nine months ended December 31, 2022 (April 1, 2022 - December 31, 2022)

Not applicable

(Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

For major consolidated subsidiaries, the effective tax rates (after applying tax effect accounting) expected to be imposed on their income before income taxes applicable to the tax year in which this third quarter is included were estimated based on reasonable assumptions. Tax expenses for this third quarter were then calculated by multiplying the income before income taxes of respective subsidiaries for the quarter by the estimated effective tax rates.

(Changes in Accounting Policies)

(Implementation Guidance on Accounting Standard for Fair Value Measurement)

We have adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan Guidance No. 31, issued on June 17, 2021, hereinafter "Implementation Guidance on Fair Value Accounting Standard") since the beginning of the first quarter of this fiscal year. In accordance with the transitional treatment set forth in Article 27-2 of the Implementation Guidance on the Fair Value Accounting Standard, the Implementation Guidance on Fair Value Accounting Standard has been adopted prospectively. There is no effect on the quarterly consolidated financial statements by adopting the guidance.

(Revenue Recognition for Gas Sales)

As a "deemed gas retailer formerly conducting general gas utility services" and pursuant to the Act for Partial Revision of the Electricity Business Act and Other Related Acts (Act No. 47 of 2015, hereinafter "Revised Act"), parts of our supply area in which proper competitive relations with other gas retailers or energy suppliers not being ensured were designated as "designated former service area" and transitional rate regulation was imposed on us in the area. The purpose of this regulation is to protect the interests of consumers against the full liberalization of gas retail business. Effective October 1, 2021, the designation as "designated former service area" for a "deemed gas retailer formerly conducting general gas utility services" was lifted, pursuant to Article 22, Paragraph 2 of the supplementary provisions on the Revised Act. Also, pursuant to the June 2015 amendment of the Gas Business Act, we, a general gas pipeline service business operator, have been 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 sector. In order to comply with the regulatory requirement and to establish a new organization to increase the value of our Group, we established Osaka Gas Network Co., Ltd., a wholly-owned subsidiary of the Company, on April 1, 2021 and transferred our general gas pipeline service business to the said subsidiary effective April 1, 2022 through absorption-type split.

Since we had been positioned as a "deemed gas retailer formerly conducting general gas utility services" and a "general gas pipeline service business operator", we had prepared our quarterly non-consolidated and consolidated financial statements in accordance with the "Regulation on Quarterly Financial Statements", the "Regulation on Quarterly Consolidated Financial Statements" and the "Accounting Rules for Gas Utility". As transitional measures for a "deemed gas retailer formerly conducting general gas utility services" were lifted and we are no longer in a position of a "general gas pipeline service business operator", we have prepared quarterly financial statements in accordance with the "Regulation on Quarterly Financial Statements" since the beginning of the first quarter of this fiscal year. Along with this, we have prepared quarterly consolidated

financial statements in accordance with the “Regulation on Quarterly Consolidated Financial Statements” since the beginning of the first quarter of this fiscal year. For the reasons given above, the way to recognize gas sales revenue has changed from recognizing gas fee calculated on the gas sales volume based on monthly meter readings as revenues for the month to reflecting the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date in accordance with Article 103-2 of the Implementation Guidance on Accounting Standard for Revenue Recognition. The change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis.

As a result, consolidated net sales, operating profit, ordinary profit and profit before income taxes for the Nine months ended December 31, 2021 each increased by 14,365 million yen compared to those before retrospective application. Notes and accounts receivable - trade for the previous fiscal year increased by 18,267 million yen, other in current liabilities increased by 1,660 million yen, other in non-current liabilities increased by 4,649 million yen and retained earnings increased by 2,164 million yen. Retained earnings at the beginning of previous fiscal year increased by 9,792 million yen as the cumulative effect amount was reflected to net assets at the beginning of the previous fiscal year.

(Segment Information)

Nine months ended December 31, 2021 (April 1, 2021 - December 31, 2021) (million yen)

| | Domestic Energy | International Energy | Life & Business Solutions | Total | Adjustments | Consolidated |
|---|-----------------|----------------------|---------------------------|-----------|-------------|--------------|
| Net sales | 884,315 | 55,949 | 163,343 | 1,103,609 | (44,541) | 1,059,067 |
| Segment profit | | | | | | |
| Operating profit | 17,898 | 24,939 | 14,802 | 57,640 | 376 | 58,016 |
| Share of profit of entities accounted for using equity method | 1,365 | 12,361 | - | 13,727 | - | 13,727 |
| Total | 19,264 | 37,301 | 14,802 | 71,367 | 376 | 71,743 |

(*)Starting from the first quarter of this fiscal year, we prepare quarterly consolidated financial statements by following the “Regulation on Quarterly Consolidated Financial Statements”. In these quarterly consolidated financial statements, figures for the same period of the previous fiscal year were calculated retroactively in accordance with the “Regulation on Quarterly Consolidated Financial Statements”. Until the previous fiscal year, we followed the “Regulation on Quarterly Consolidated Financial Statements” and the “Accounting Rules for Gas Utility” in preparing quarterly consolidated financial statements.

Nine months ended December 31, 2022 (April 1, 2022 - December 31, 2022) (million yen)

| | Domestic Energy | International Energy | Life & Business Solutions | Total | Adjustments | Consolidated |
|---|-----------------|----------------------|---------------------------|-----------|-------------|--------------|
| Net sales | 1,376,086 | 90,392 | 183,136 | 1,649,616 | (53,090) | 1,596,525 |
| Segment profit (loss) | | | | | | |
| Operating profit (loss) | (83,696) | 48,469 | 20,386 | (14,841) | (85) | (14,926) |
| Share of profit of entities accounted for using equity method | 2,435 | 6,041 | - | 8,476 | - | 8,476 |
| Total | (81,261) | 54,510 | 20,386 | (6,364) | (85) | (6,450) |