



Financial Report for FY2023.3 (April 2022– March 2023)

May 8, 2023

Osaka Gas Co., Ltd.



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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

This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Note regarding the results of FY2023.3: Figures for FY2022.3 were calculated retroactively due to changes in accounting policies, etc. In addition, as the Japanese group relief system will be applied starting in FY2024.3, our tax effect accounting as of the end of FY2023.3 was calculated on a group relief basis.

Note regarding forward-looking statements: 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. The forecast for FY24.3 is based on the outlook announced on March 9, 2023, and does not reflect the effects of changes in business performance since the announcement.

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: Nabari Kintetsu Gas and Shingu Gas's fiscal year ends on December 31. Toyooka Energy's fiscal year ended on December 31 until FY2022.3, but starting in FY2023.3, it ends on March 31.

I. Highlights of FY2023.3 Results and FY2024.3 Forecasts

Figures for the fiscal year ended March 31, 2022 were calculated retroactively due to changes in accounting policies, etc.

Highlights

<p>1 FY23.3 ordinary profit resulted in a positive number due to the increased earnings in the International Energy and Life & Business Solutions segments despite the significant losses in the Domestic Energy segment mainly due to the Freeport plant shutdown.</p>	<ul style="list-style-type: none"> ● FY22.3 Ordinary profit 113.5 billion yen ● Losses related to Freeport shutdown -147.7 billion yen ● FY23.3 Ordinary profit 75.6 billion yen 										
<p>2 FY24.3 ordinary profit is expected to be higher than FY23.3 based on the assumption of the Freeport plant's operation resumption and the improvement of the time-lag impact.</p>	<ul style="list-style-type: none"> ● FY24.3 Ordinary profit forecast 159.0 billion yen (up by 83.3 billion yen) 										
<p>3 FY23.3 ROIC declined from the last year mainly due to decreased NOPAT. FY24.3 ROIC is expected to reach the target set for the final year of the current Medium-Term Business Plan.</p>	<ul style="list-style-type: none"> ● FY23.3 ROIC 2.7% ● FY24.3 ROIC forecast 5.4% (Medium-Term Plan's target about 5%) 										
<p>4 FY23.3 financial soundness indicators ended up at the Medium-Term Plan's target levels after declining during the fiscal year. FY24.3 indicators are expected to remain at the target levels.</p>	<p>Shareholders' equity ratio¹</p> <ul style="list-style-type: none"> ● End of 2Q of FY23.3 46.0% ● End of 4Q of FY23.3 52.5% (Medium-Term Plan's target level: about 50%) 										
<p>5 FY23.3 dividends increased, marking the third consecutive year increase from FY21.3. FY24.3 dividends are expected to increase further.</p>	<ul style="list-style-type: none"> ● Annual dividends (yen/share) <table border="1" data-bbox="1257 1210 1906 1375"> <thead> <tr> <th>FY20.3</th> <th>FY21.3</th> <th>FY22.3</th> <th>FY23.3</th> <th>FY24.3 (Forecast)</th> </tr> </thead> <tbody> <tr> <td>50.0</td> <td>52.5</td> <td>57.5</td> <td>60.0</td> <td>65.0</td> </tr> </tbody> </table>	FY20.3	FY21.3	FY22.3	FY23.3	FY24.3 (Forecast)	50.0	52.5	57.5	60.0	65.0
FY20.3	FY21.3	FY22.3	FY23.3	FY24.3 (Forecast)							
50.0	52.5	57.5	60.0	65.0							

FY2023.3 Results vs FY2022.3 Results

- ✓ Net sales increased year on year due to the higher unit selling prices of city gas and LNG in the Domestic Energy segment and to the higher unit selling prices of the upstream businesses in the USA and Australia in the International Energy segment.
- ✓ Ordinary profit and profit attributable to owners of the parent decreased year on year mainly due to losses related to Freeport LNG's plant shutdown. ROIC was also lower than in FY22.3.
- ✓ Financial soundness indicators ended up at almost the same level as at the end of FY22.3.
- ✓ The dividends forecast was 60.0 yen/share, up 2.5 yen from FY22.3, as originally planned.

(billion yen)	FY2023.3	FY2022.3	YoY Difference
Net sales	2,275.1	1,591.1	+683.9
Ordinary profit	75.6	113.5	-37.8
Profit attributable to owners of parent	57.1	130.4	-73.3
ROIC(%)	2.7%	7.1%	-4.4%
Shareholders' equity ratio(%)¹	52.5%	52.5%	-0.1%
Debt/Equity ratio¹	0.60	0.54	+0.07
Annual dividends(yen/share)	60.0	57.50	+2.5

¹ Calculated with 50% of issued hybrid bonds as equity.

FY2024.3 Forecasts vs FY2023.3 Results

- ✓ Net sales are expected to decrease from FY23.3 due to the lower unit selling prices of city gas in the Domestic Energy segment in response to falling procurement prices of feedstock.
- ✓ Ordinary profit and profit attributable to owners of the parent are expected to increase from FY23.3 based on the assumption of the Freeport plant's operation resumption and the improvement of the time-lag impact.
- ✓ ROIC is also expected to improve along with profit growth and reach the target set for the final year of the current Medium-Term Plan.
- ✓ The dividends target is 65.0 yen/share, up 5.0 yen from FY23.3.

(billion yen)	FY24.3 Forecasts	FY2023.3	YoY Difference
Net sales	2,017.0	2,275.1	-258.1
Ordinary profit	159.0	75.6	+83.3
Profit attributable to owners of parent	116.0	57.1	+58.8
ROIC(%)	5.4%	2.7%	+2.8%
Shareholders' equity ratio(%)¹	50.5%	52.5%	-1.9%
Debt/Equity ratio¹	0.59	0.60	-0.01
Annual dividends(yen/share)	65.0	60.0	+5.0

¹ Calculated with 50% of issued hybrid bonds as equity.

Impact of Freeport LNG's Plant Shutdown

- ✓ FY2023.3 losses related to Freeport LNG's plant shutdown:¹ -147.7 billion yen (billion yen)

Segment	Type of impact	Title of account	FY23.3 results	Reference	
				Forecast Announced on Feb 6, 2023	Difference
Domestic Energy	<u>LNG for gas retail</u> Cost incurred for the procurement of replacement LNG	Gas business gross profit	-131.7	-133.3	+1.6
	<u>LNG for wholesale</u> Loss incurred from related contracts	Others			
International Energy	<u>Owner's loss 1</u> Freeport earnings loss due to the shutdown, etc.	Operating profit/loss of OGUSA ²	-14.4	-14.5	+0.1
	<u>Owner's loss 2</u> Train 1 earnings loss due to the shutdown, etc.	Others (share of profit of entities accounted for using equity method)			
Non-operating income/loss(Exchange rate impact)			-1.5	-1.7	+0.2
Total impact on ordinary profit			-147.7	-149.5	+1.8

¹ See page 30 for information on the to the Freeport LNG Project, including our LNG procurement and investment in the Project.

² Osaka Gas USA Corporation

YoY Comparison of Results

- ✓ Ordinary profit decreased by 37.8 billion yen from the previous year, mainly due to losses related to Freeport LNG's plant shutdown, despite the enhancement of our long-term LNG contracts competitiveness against JLC (Japan LNG cocktail price), the improvement of the time-lag impact, and profit increase in the International Energy segment.

Main factors of increase/decrease

YoY Difference
-37.8 billion yen
 (113.5→75.6)

Domestic Energy
-71.4 billion yen¹
 (44.1→-27.3)

International Energy
+25.3 billion yen^{1,2}
 (44.3→69.7)

Life & Business Solutions
+5.7 billion yen¹
 (23.5→29.2)

Others
+2.4 billion yen
 (1.5→4.0)

Time-lag: +27.6 (-62.3→-34.7)
 Gas: +28.3 (-44.7→-16.4) Electricity: -0.7 (-17.5→-18.3)

Gross profit of gas business: -25.1 (271.8→246.7)

- Losses related to Freeport LNG's plant shutdown (LNG for gas retail)³
- Decrease in gas sales volume (residential use: -152 million m³, etc.)
- Lack of temporary profit increase we had in FY22.3
- + Improved competitiveness of our long-term LNG contracts compared to JLC

Electricity: -1.9 (31.6→29.6)

- Losses due to the average fuel cost exceeding the upper limit
- Increase in power procurement costs of JEPX and negotiated contracts
- + Enhancement of gas-based electricity competitiveness against coal-based electricity, whose cost has been soaring

Others: -72.0 (-196.9→-269.0)

- Losses related to Freeport LNG's plant shutdown (LNG for wholesale)³
- + Profit increase in LNG sales

Osaka Gas USA: +14.7 (27.8→42.5)

- + Profit increase in the Sabine Shale Gas Project due to higher gas price and sales volume increase
- Losses related to Freeport LNG's plant shutdown (owner's loss)³

Osaka Gas Australia: +12.7 (9.1→21.8)

- + Profit increase in upstream businesses due to higher LNG selling prices

Others: -2.0 (7.3→5.2)

- Losses related to Freeport LNG's plant shutdown (owner's loss)³
- + Profit increase in IPP business in North America

Jacobi: +3.1 (3.7→6.8)

Osaka Gas Urban Development: +1.8 (7.7→9.6)

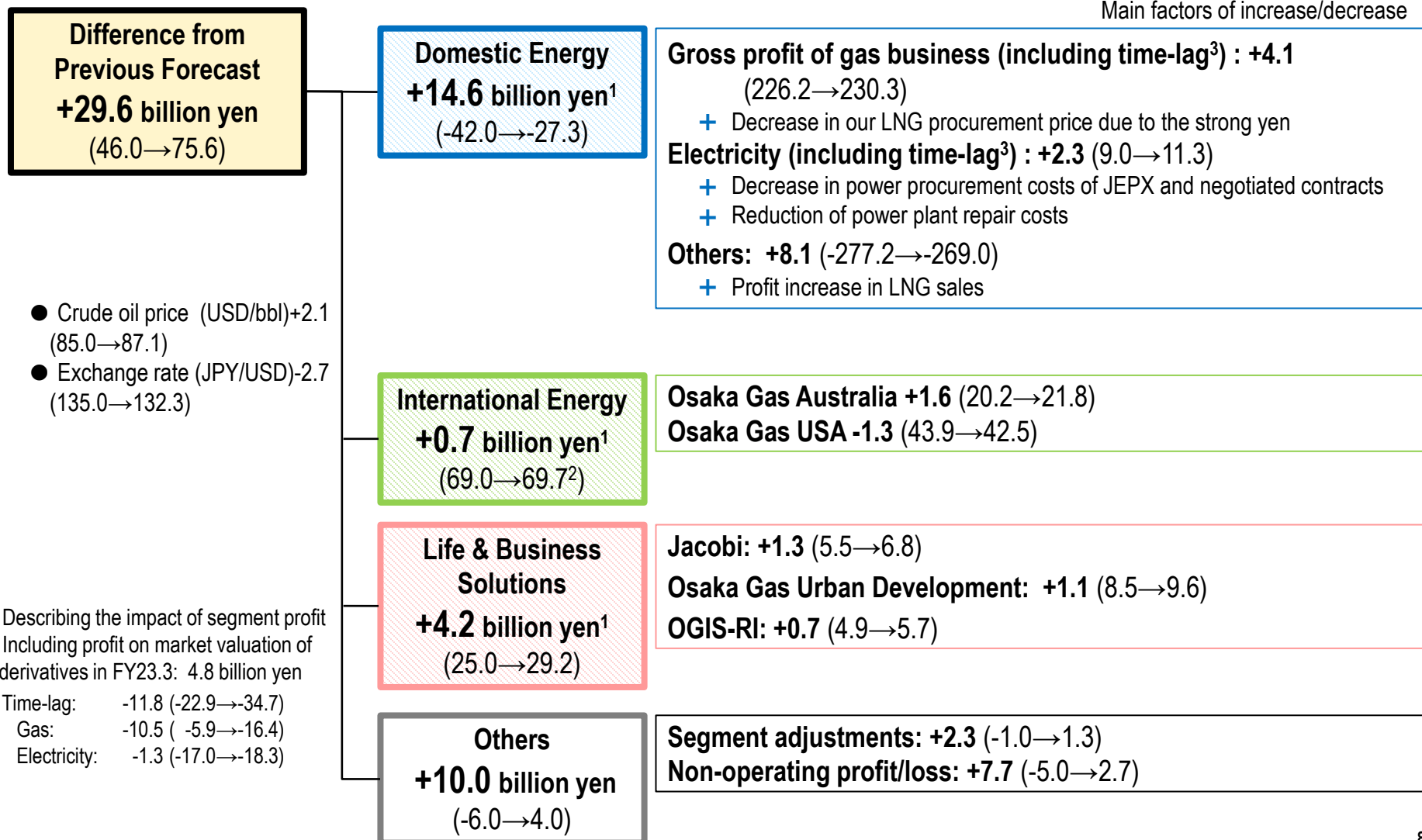
- Crude oil price (USD/bbl)+25.5 (77.2→102.7)
- Exchange rate (JPY/USD)+23.1 (112.4→135.5)

1 Describing the impact of segment profit
 2 Including profit on market valuation of derivatives: +6.4 (-1.5→4.8)
 3 Losses related to Freeport LNG's plant shutdown

Domestic Energy	-131.7 billion yen
International Energy	-14.4 billion yen
Others	-1.5 billion yen
Total	-147.7 billion yen

Comparison between Forecasts (Feb 6, 2023) and Results

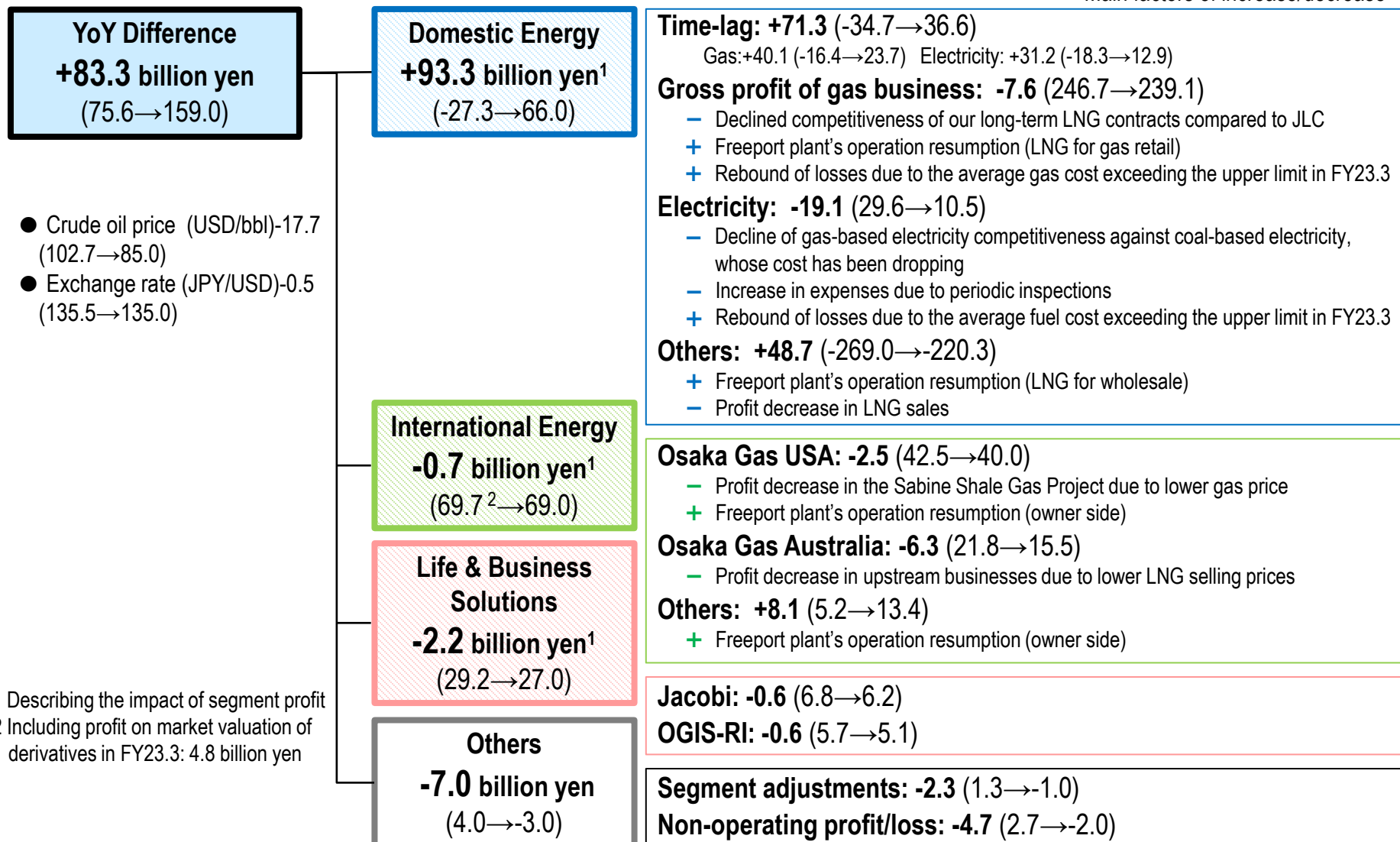
- ✓ Ordinary profit increased by 29.6 billion yen from the previous forecast, primarily due to LNG's higher unit selling prices boosting the LNG sales profit, the stronger yen resulting in the gas business' higher earnings, and the profit growth in the Life & Business Solutions segment.



Comparison between FY2023.3 Results and FY2024.3 Forecasts

- ✓ Ordinary profit is expected to increase by 83.3 billion yen from the previous year, based on the assumption of the Freeport plant's operation resumption and the improvement of the time-lag impact.

Main factors of increase/decrease



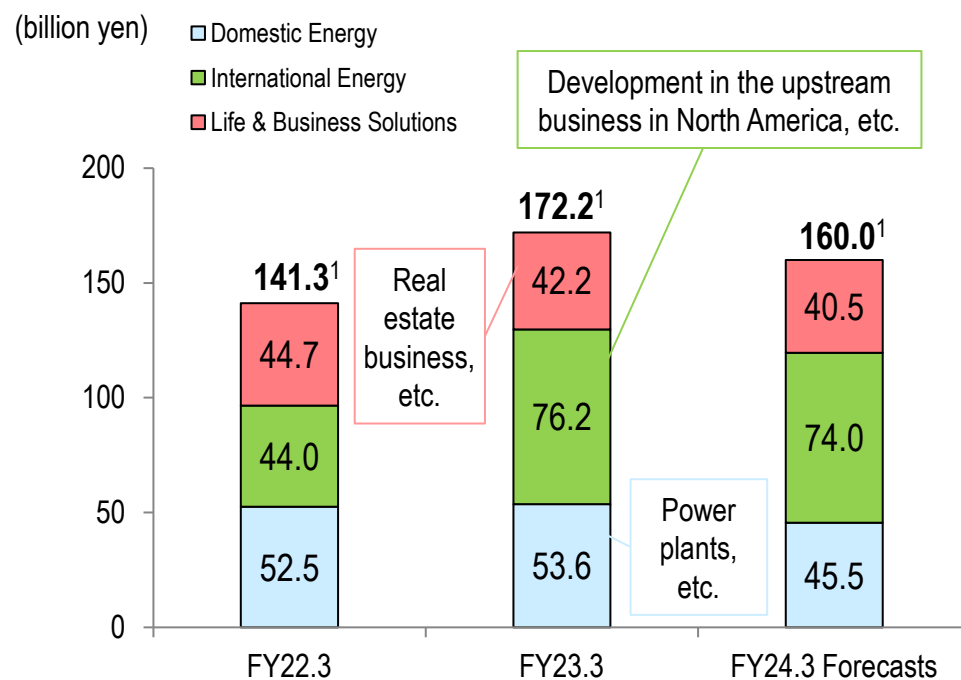
1 Describing the impact of segment profit

2 Including profit on market valuation of derivatives in FY23.3: 4.8 billion yen

Investment for Business Growth: FY2023.3 Results and FY2024.3 Forecasts

- ✓ In FY2023.3, we invested 172.2 billion yen for business growth.
- ✓ The financial soundness indicators were maintained at the target levels: around 50% in shareholders' equity ratio and around 0.7 in D/E ratio.

Investment for Growth



Financial soundness indicators

	FY22.3 year-end results	FY23.3 year-end results	FY24.3 year-end forecasts
Shareholders' equity ratio	52.5% (49.1%)	52.5% (49.3%)	50.5% (47.6%)
D/E ratio	0.54 (0.64)	0.60 (0.71)	0.59 (0.69)

Note: The figures are calculated with 50% of issued hybrid bonds (175 billion yen) as equity. (Dec. 2019: 100 billion yen, Sep. 2020: 75 billion yen)
The figures in parentheses are original before adjustment above.

¹ The investment for business growth includes investments in plants and equipment, investments in equity shares, and business loans for projects and startups.

II . FY2023.3 Results

Figures for the fiscal year ended March 31, 2022 were calculated retroactively due to changes in accounting policies, etc.

1. Net Sales and Profit

billion yen	A. FY23.3	B. FY22.3	A-B	(A-B)/B	Remarks
Net sales	2,275.1	1,591.1	+683.9	+43.0%	Increase in sales from the higher unit selling price of city gas and a rise in LNG selling prices, etc.
Operating profit	60.0	99.2	-39.2	-39.5%	Increased costs for LNG procurement, etc.
Ordinary profit	75.6	113.5	-37.8	-33.4%	Increased costs for LNG procurement, etc.
Time-lag effect¹	-34.7	-62.3	+27.6	-	
(Non-consolidated) Gas	-16.4	-44.7	+28.3	-	
(Non-consolidated) Electricity	-18.3	-17.5	-0.7	-	
Profit attributable to owners of parent	57.1	130.4	-73.3	-56.2%	Increased costs for LNG procurement, etc.
Earnings per share (EPS) (yen)	137.4	313.7	-176.3	-56.2%	
EBITDA²	192.7	220.9	-28.1	-12.8%	Increased costs for LNG procurement, etc.
NOPAT³	59.3	138.7	-79.3	-57.2%	Increased costs for LNG procurement, etc.

1 Included in Domestic Energy.

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

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

	A. FY23.3	B. FY22.3	A-B	Remarks
Crude oil price (USD/bbl)	102.7	77.2	+25.5	Average of preliminary monthly data up to March 2023
Exchange rate (JPY/USD)	135.5	112.4	+23.1	

2. Asset, Equity, and Debt

billion yen	A. FY23.3 year end	B. FY22.3 year end	A-B	Remarks
Total assets	2,819.5	2,588.0	+231.5	
Shareholders' equity	1,391.4	1,271.6	+119.8	
Book value per share (BPS) (yen)	3,347.3	3,059.4	+287.9	
Interest-bearing debts	981.5	815.0	+166.4	Increase due to a new financing, etc.
Hybrid bonds	175.0	175.0	±0.0	

	A. FY23.3	B. FY22.3	A-B	Remarks
ROIC	2.7%	7.1%	-4.4%	Increased costs for LNG procurement, etc.
Domestic Energy	-0.9%	3.6%	-4.4%	
International Energy	8.6%	16.6%	-8.0%	
Life & Business Solutions	5.6%	4.8%	+0.8%	
ROE	4.3%	11.0%	-6.8%	Increased costs for LNG procurement, etc.

	A. FY23.3 year end	B. FY22.3 year end	A-B	Remarks
Shareholders' equity ratio	49.3%	49.1%	+0.2%	
After adjustment ¹	52.5%	52.5%	-0.1%	
Debt/Equity ratio	0.71	0.64	+0.06	
After adjustment ¹	0.60	0.54	+0.07	

¹ Calculated with 50% of issued hybrid bonds as equity.

3. Investment and Cash Flow

billion yen	A. FY23.3	B. FY22.3	A-B	Remarks
Investment for quality improvement	65.0	67.9	-2.9	
Investment for growth	172.2	141.3	+30.9	
Domestic Energy	53.6	52.5	+1.1	
International Energy	76.2	44.0	+32.1	
Life & Business Solutions	42.2	44.7	-2.4	
Capital expenditures	195.3	189.3	+6.0	
Depreciation	119.8	108.9	+10.9	

billion yen	A. FY23.3	B. FY22.3	A-B	Remarks
Cash flows from operating activities	33.5	145.3	-111.7	Increase in working capital, etc.
Cash flows from investing activities	203.9	152.1	+51.7	
Free cash flow ¹	-170.3	-6.8	-163.5	

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

4. Customer Accounts and Sales Volume

(thousands)	A. FY23.3 year end	B. FY22.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts	10,021	9,812	+209	+2.1%	
Number of units for gas supply	5,004	5,026	-22	-0.4%	
Number of low-voltage electricity supply	1,707	1,613	+94	+5.8%	

	A. FY23.3	B. FY22.3	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m³)^{1,2}	6,845	7,090	-245	-3.5%	
Residential	1,697	1,849	-152	-8.2%	
Non-residential	5,148	5,241	-93	-1.8%	
Electricity sales volume (GWh)²	15,883	16,760	-876	-5.2%	
Residential	6,390	6,189	+201	+3.3%	
Non-residential	9,493	10,571	-1,078	-10.2%	

	A. FY23.3	B. FY22.3	A-B	Remarks
Average temperature (°C)	17.8	17.2	+0.7	

1 45MJ/m³

2 Gas sales volume and electricity sales volume reflect 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 gas sales and electricity sales are estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition.

5. Segment Sales and Profit

billion yen	A. FY23.3	B. FY22.3	A-B	(A-B)/B	Remarks
Net Sales	2,275.1	1,591.1	+683.9	+43.0%	
Domestic Energy	1,971.6	1,340.7	+630.9	+47.1%	Increase in sales from the higher unit selling price of city gas and a rise in LNG selling prices, etc.
International Energy	123.2	80.7	+42.5	+52.6%	Increase in sales in upstream businesses in the USA and Australia, etc.
Life & Business Solutions	258.5	237.0	+21.4	+9.1%	Increase in the material solutions business, etc.
Adjustments	-78.4	-67.5	-10.8	-	
Segment profit¹	72.9	112.0	-39.1	-34.9%	
Domestic Energy	-27.3	44.1	-71.4	-	Increase costs for LNG procurement, etc.
Electricity	11.3	14.0	-2.7	-19.2%	
International Energy	69.7	44.3	+25.3	+57.3%	Increase in income in upstream businesses in the USA and Australia, etc.
Life & Business Solutions	29.2	23.5	+5.7	+24.3%	Increase in the material solutions business, etc.
Adjustments	1.3	0.0	+1.2	-	
Profit/loss on time-lag effect²	-34.7	-62.3	+27.6	-	
(Non-consolidated) Gas	-16.4	-44.7	+28.3	-	
(Non-consolidated) Electricity	-18.3	-17.5	-0.7	-	
Profit/loss on market valuation of derivatives³	4.8	-1.5	+6.4	-	

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

2 Included in the Domestic Energy.

3 Included in the International Energy.

III. Comparison between Forecasts and Results

Comparison between Forecasts and Results

1. Net Sales and Profit

Previous forecasts were published on February 6, 2023.

billion yen	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net sales	2,275.1	2,275.0	+0.1	+0.0%	
Operating profit	60.0	43.0	+17.0	+39.5%	Increase in LNG selling prices, etc.
Ordinary profit	75.6	46.0	+29.6	+64.5%	Increase in LNG selling prices, etc.
Time-lag effect¹	-34.7	-22.9	-11.8	-	
(Non-consolidated) Gas	-16.4	-5.9	-10.5	-	
(Non-consolidated) Electricity	-18.3	-17.0	-1.3	-	
Profit attributable to owners of parent	57.1	36.0	+21.1	+58.6%	Increase in LNG selling prices, etc.
Earnings per share (EPS) (yen)	137.4	86.6	+50.8	+58.7%	
EBITDA²	192.7	161.0	+31.7	+19.7%	Increase in LNG selling prices, etc.
NOPAT³	59.3	40.4	+18.9	+46.9%	Increase in LNG selling prices, etc.

1 Included in Domestic Energy.

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

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

	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	Remarks
Crude oil price (USD/bbl)	102.7	96.4	+6.3	Average of preliminary monthly data up to March 2023
Exchange rate (JPY/USD)	135.5	135.7	-0.2	

Comparison between Forecasts and Results

2. Asset, Equity, and Debt

Previous forecasts were published on February 6, 2023.

billion yen	A. FY23.3 year end	B. FY23.3 Previous Forecasts	A-B	Remarks
Total assets	2,819.5	2,835.3	-15.7	
Shareholders' equity	1,391.4	1,353.2	+38.2	
Book value per share (BPS) (yen)	3,347.3	3,254.6	+92.7	
Interest-bearing debts	981.5	1,032.3	-50.7	

	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	Remarks
ROIC	2.7%	1.8%	+0.9%	Increase in LNG selling prices, etc.
ROE	4.3%	2.7%	+1.5%	Increase in LNG selling prices, etc.

	A. FY23.3 year end	B. FY23.3 Previous Forecasts	A-B	Remarks
Shareholders' equity ratio	49.3%	47.7%	+1.6%	
After adjustment ¹	52.5%	50.8%	+1.6%	
Debt/Equity ratio	0.71	0.76	-0.06	
After adjustment ¹	0.60	0.66	-0.05	

¹ Calculated with 50% of issued hybrid bonds as equity.

Comparison between Forecasts and Results

3. Investment and Cash Flow

Previous forecasts were published on February 6, 2023.

billion yen	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	Remarks
Investment for quality improvement	65.0	74.0	-8.9	
Investment for growth	172.2	200.0	-27.7	
Capital expenditures	195.3	192.0	+3.3	
Depreciation	119.8	110.0	+9.8	

billion yen	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	Remarks
Cash flows from operating activities	33.5	121.7	-88.1	Increase in working capital, etc.
Cash flows from investing activities ¹	203.9	274.0	-70.0	
Free cash flow ²	-170.3	-152.2	-18.1	

1 Forecasts are amount of investment.

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

Comparison between Forecasts and Results

4. Customer Accounts and Sales Volume

Previous forecasts were published on February 6, 2023.

	A. FY23.3 year end	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,021	10,202	-181	-1.8%	

	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m³)^{1,2}	6,845	6,834	+11	+0.2%	
Residential	1,697	1,732	-35	-2.0%	
Non-residential	5,148	5,102	+46	+0.9%	
Electricity sales volume (GWh)²	15,883	16,215	-332	-2.0%	

	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	Remarks
Average temperature (°C)	17.8	17.6	+0.2	

¹ 45MJ/m³

² Gas sales volume and electricity sales volume reflect 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 gas sales and electricity sales are estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition.

Comparison between Forecasts and Results

5. Segment Sales and Profit

Previous forecasts were published on February 6, 2023.

billion yen	A. FY23.3	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net Sales	2,275.1	2,275.0	+0.1	+0.0%	
Domestic Energy	1,971.6	1,974.0	-2.3	-0.1%	
International Energy	123.2	116.0	+7.2	+6.3%	
Life & Business Solutions	258.5	260.0	-1.4	-0.6%	
Adjustments	-78.4	-75.0	-3.4	-	

Segment profit¹	72.9	51.0	+21.9	+43.0%	
Domestic Energy	-27.3	-42.0	+14.6	-	Increase in LNG selling prices, etc.
Electricity	11.3	9.0	+2.3	+26.3%	
International Energy	69.7	69.0	+0.7	+1.0%	
Life & Business Solutions	29.2	25.0	+4.2	+16.9%	Increase in the material solutions business, etc.
Adjustments	1.3	-1.0	+2.3	-	

Profit/loss on time-lag effect²	-34.7	-22.9	-11.8	-	
(Non-consolidated) Gas	-16.4	-5.9	-10.5	-	
(Non-consolidated) Electricity	-18.3	-17.0	-1.3	-	

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

2 Included in the Domestic Energy.

IV. FY2024.3 Forecasts

1. Net Sales and Profit

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Net sales	2,017.0	2,275.1	-258.1	-11.3%	Decrease in sales from the lower unit selling price of city gas, etc.
Operating profit	139.5	60.0	+79.4	+132.5%	Decreased costs for LNG procurement, etc.
Ordinary profit	159.0	75.6	+83.3	+110.2%	Decreased costs for LNG procurement, etc.
Time-lag effect¹	36.6	-34.7	+71.3	-	
(Non-consolidated) Gas	23.7	-16.4	+40.1	-	
(Non-consolidated) Electricity	12.9	-18.3	+31.2	-	
Profit attributable to owners of parent	116.0	57.1	+58.8	+103.1%	Decreased costs for LNG procurement, etc.
Earnings per share (EPS) (yen)	279.1	137.4	+141.7	+103.1%	
EBITDA²	264.5	192.7	+71.7	+37.2%	Decreased costs for LNG procurement, etc.
NOPAT³	126.7	59.3	+67.4	+113.6%	Decreased costs for LNG procurement, etc.

1 Included in Domestic Energy.

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

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

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Crude oil price (USD/bbl)	85.0	102.7	-17.7	April 2023 to March 2024 : 85 USD/bbl
Exchange rate (JPY/USD)	135.0	135.5	-0.5	April 2023 to March 2024 : 135 JPY/USD

2. Asset, Equity, and Debt

billion yen	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	Remarks
Total assets	2,956.8	2,819.5	+137.2	
Shareholders' equity	1,407.1	1,391.4	+15.7	
Book value per share (BPS) (yen)	3,385.1	3,347.3	+37.8	
Interest-bearing debts	972.6	981.5	-8.9	

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
ROIC	5.4%	2.7%	+2.8%	Decreased costs for LNG procurement, etc.
ROE	8.5%	4.3%	+4.2%	Decreased costs for LNG procurement, etc.

	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	Remarks
Shareholders' equity ratio	47.6%	49.3%	-1.8%	
After adjustment ¹	50.5%	52.5%	-1.9%	
Debt/Equity ratio	0.69	0.71	-0.01	
After adjustment ¹	0.59	0.60	-0.01	

1 Calculated with 50% of issued hybrid bonds as equity.

3. Cash Flow and Investment

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Investment for quality improvement	90.0	65.0	+24.9	
Investment for growth	160.0	172.2	-12.2	
Domestic Energy	45.5	53.6	-8.1	
International Energy	74.0	76.2	-2.2	
Life & Business Solutions	40.5	42.2	-1.7	
Capital expenditures	214.0	195.3	+18.6	
Depreciation	103.5	119.8	-16.3	

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Cash flows from operating activities	282.0	33.5	+248.4	Rebound of increase in working capital in FY23.3, etc.
Cash flows from investing activities ¹	250.0	203.9	+46.0	
Free cash flow ²	32.0	-170.3	+202.3	

1 Forecasts are amount of investment.

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

4. Customer Accounts and Sales Volume

	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,156	10,021	+135	+1.4%	

	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m ³) ^{1,2}	6,778	6,845	-67	-1.0%	
Residential	1,715	1,697	+18	+1.0%	
Non-residential	5,063	5,148	-85	-1.6%	
Electricity sales volume (GWh) ²	15,620	15,883	-263	-1.7%	

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Average temperature (°C)	17.3	17.8	-0.5	

1 45MJ/m³

2 Gas sales volume and electricity sales volume reflect 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 gas sales and electricity sales are estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition.

5. Segment Sales and Profit

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Net Sales	2,017.0	2,275.1	-258.1	-11.3%	
Domestic Energy	1,688.0	1,971.6	-283.6	-14.4%	Decrease in sales from the lower unit selling price of city gas, etc.
International Energy	125.0	123.2	+1.7	+1.4%	
Life & Business Solutions	277.0	258.5	+18.4	+7.1%	
Adjustments	-73.0	-78.4	+5.4	-	

Segment profit¹	161.0	72.9	+88.0	+120.8%	
Domestic Energy	66.0	-27.3	+93.3	-	Decreased costs for LNG procurement, etc.
Electricity	23.5	11.3	+12.1	+106.8%	Time-lag effect, etc.
International Energy	69.0	69.7	-0.7	-1.0%	
Life & Business Solutions	27.0	29.2	-2.2	-7.7%	
Adjustments	-1.0	1.3	-2.3	-	

Profit/loss on time-lag effect²	36.6	-34.7	+71.3	-	
(Non-consolidated) Gas	23.7	-16.4	+40.1	-	
(Non-consolidated) Electricity	12.9	-18.3	+31.2	-	

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

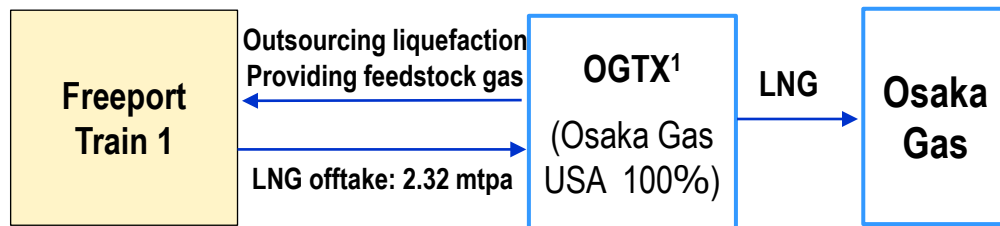
2 Included in the Domestic Energy.

V . Reference

Daigas Group's Involvement in Freeport LNG Project

- Osaka Gas invests in Freeport and procures 2.32 million tons/year of LNG from the project.

LNG Procurement (Domestic Energy Segment)



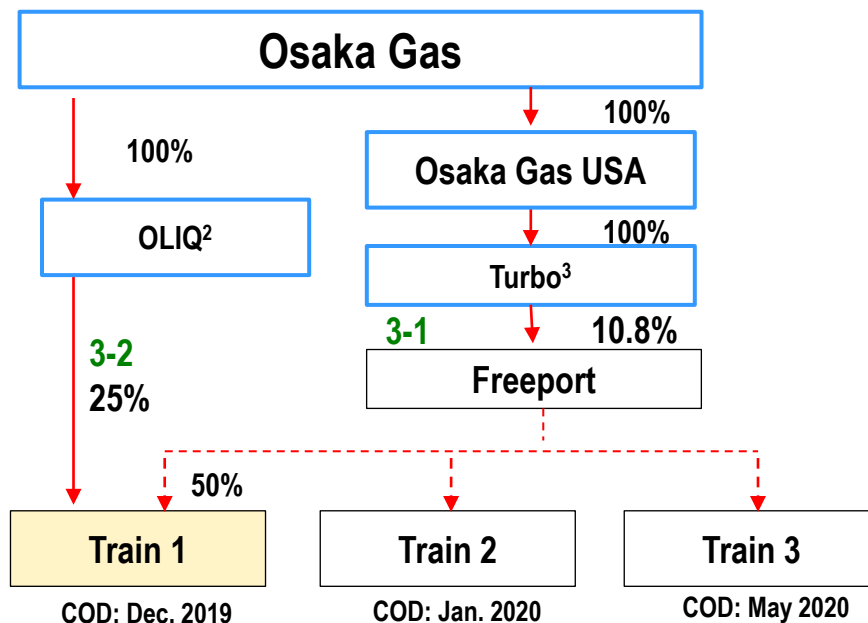
Impact 1. LNG for retail

(recorded in **gas business gross profit**):
Cost incurred for the procurement of replacement LNG

Impact 2. LNG for wholesale

(recorded in **others under Domestic Energy segment**):
Loss incurred from related contracts

Investment (International Energy Segment)



Impact 3. Owner's earnings

Earnings loss due to the shutdown from the following two investments

- 3-1. Freeport** (recorded in **operating profit/loss**)
- 3-2. Train 1** (recorded in **share of profit of entities accounted for using equity method**)

1 Osaka Gas Trading and Export LLC
2 Osaka Gas Liquefaction LLC
3 Turbo LLC

Sales Volume & Profit Sensitivity to External Factors

Atmospheric and water temperatures

Range of fluctuation		Impact on residential gas sales volume
Atmospheric and water temperatures	+1 degree Celsius	-7%

Crude oil price and exchange rate

Impact after April 2023
 under the following assumptions
 Crude oil price: 85 USD/bbl
 Exchange: 135 JPY/USD

Range of fluctuation		Segment	Segment Impact	Net impact on consolidated ordinary profit
Crude oil price	+1USD/bbl	International Energy	Positive	-0.93 billion yen
		Domestic Energy	Negative	
Exchange rate	+1JPY/USD	International Energy	Positive	-0.38 billion yen
		Domestic Energy	Negative	

