

First Quarter of the Fiscal Year Ending March 31, 2024

Brief Report of Consolidated Financial Statements (Japanese GAAP)



* This document is an English translation of materials originally disclosed in Japanese and is provided for reference purpose only.

July 31, 2023

Name of Listed Company	: Osaka Gas Co., Ltd.	Listed Exchanges:	Prime Market of Tokyo
Code No.	: 9532	URL:	https://www.osakagas.co.jp/en/
Representative Officer	: Title: President	Name:	Masataka Fujiwara
Contact	: Title: Manager, Finance Dept.	Name:	Shinji Konno
Scheduled Date of Financial Report Filing with the Financial Services Agency	: August 4, 2023		
Scheduled Date of Dividend Payment	: -		
Preparation of Supplementary Explanation Documents for Operating Results	: Yes		
Holding of an Informational Meeting for Operating Results	: Yes (for institutional investors and analysts)		

(Amounts less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 - June 30, 2023)

(1) Consolidated Operating Results (% of change from the same period in the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2023	512,611	9.7	73,664	900.0	82,672	516.3	60,560	440.7
Three months ended June 30, 2022	467,119	49.0	7,366	-79.9	13,413	-67.3	11,200	-63.5

(Note) Comprehensive income: Three months ended June 30, 2023 90,239 million yen (213.6% YoY)
 Three months ended June 30, 2022 28,775 million yen (-53.4% YoY)

	Earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2023	145.69	-
Three months ended June 30, 2022	26.95	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity / Total assets
	million yen	million yen	%
As of June 30, 2023	2,839,226	1,494,567	51.7
As of March 31, 2023	2,819,589	1,417,178	49.3

<Reference> Shareholders' equity: As of June 30, 2023 1,469,217 million yen
 As of March 31, 2023 1,391,421 million yen

2. Dividends

	Dividends per share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Annual
	yen	yen	yen	yen	yen
Year ended March 31, 2023	-	30.00	-	30.00	60.00
Year ending March 31, 2024	-				
Year ending March 31, 2024 (Forecast)		32.50	-	32.50	65.00

(Note) Revision of the dividend forecast from previously announced figures: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	2,017,000	-11.3	139,500	132.5	159,000	110.2	116,000	103.1	279.06

(Note) Revision of the financial results forecasts from previously announced figures: None

*Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023 (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 8 of the Attachment to this Summary 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.: None
 - (ii) Changes in accounting policies other than (i) above: None
 - (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 June 30, 2023	416,680,000 shares
	As of March 31, 2023	416,680,000 shares
(ii) Number of treasury shares at the end of each period:	As of June 30, 2023	1,002,924 shares
	As of March 31, 2023	1,000,693 shares
(iii) Average number of shares during each period:	Three months ended June 30, 2023	415,678,250 shares
	Three months ended June 30, 2022	415,642,249 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 3 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 July 31, 2023. Immediately after the briefing, the presentation materials 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 three months ended June 30, 2023 increased by ¥45.4 billion year-on-year to ¥512.6 billion. This was primarily due to the higher unit selling price of city gas under the fuel cost adjustment system in the Domestic Energy Business. Consolidated ordinary profit increased by ¥69.2 billion year-on-year to ¥82.6 billion. This was primarily due to the positive impact of a time lag between fluctuations in raw material costs, etc. and their reflection in the unit selling prices(*), and the absence of increased costs for LNG procurement following the suspension of operations at the liquefaction plant of the Freeport LNG Project in the previous fiscal year in the Domestic Energy Business. Profit attributable to owners of parent increased by ¥49.3 billion year-on-year to ¥60.5 billion.

(*)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	512.6	+45.4	+9.7
Cost of sales	385.1	-29.2	-7.1
Selling, general and administrative expenses	53.7	+8.4	+18.6
Operating profit	73.6	+66.2	+900.0
Ordinary profit	82.6	+69.2	+516.3
Profit attributable to owners of parent	60.5	+49.3	+440.7

(Quarterly Domestic Gas Sales Breakdown)

		Three months ended June 30, 2023	YoY Changes rate (%)
Gas sales volume (million m ³)	Residential	376	-3.7
	Non-residential, etc.	1,160	-9.0
	Total	1,535	-7.7
Number of gas supply (thousands)		5,024	+0.4

[45MJ/m³]

(Quarterly Domestic Electricity Sales Breakdown)

		Three months ended June 30, 2023	YoY Changes rate (%)
Electricity sales volume (GWh)	Retail	1,272	+4.6
	Wholesale, etc.	1,588	-27.0
	Total	2,860	-15.7
Number of low-voltage electricity supply (thousands)		1,743	+5.7

(2) Consolidated Financial Position

Total assets as of June 30, 2023 increased by ¥19.6 billion compared with March 31, 2023 to ¥2,839.2 billion. This was primarily due to an increase in cash and deposits resulting from the issuance of bonds and an increase in non-current assets resulting from progress of investment activities.

Net assets totaled ¥1,494.5 billion and the ratio of shareholders' equity to total assets was 51.7%.

(3) Forecasts of Consolidated Financial Results

No revisions have been made to the previous forecasts of financial results announced on May 8, 2023.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	85,087	133,813
Notes and accounts receivable - trade, and contract assets	279,602	201,676
Inventories	219,380	231,996
Other	197,998	196,112
Allowance for doubtful accounts	(1,132)	(968)
Total current assets	780,936	762,630
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	187,685	182,644
Machinery, equipment and vehicles, net	616,247	615,719
Land	231,327	232,694
Construction in progress	182,611	198,650
Other, net	25,917	25,248
Total property, plant and equipment	1,243,788	1,254,957
Intangible assets	105,120	103,502
Investments and other assets		
Investment securities	440,911	464,992
Other	249,531	253,963
Allowance for doubtful accounts	(699)	(819)
Total investments and other assets	689,743	718,136
Total non-current assets	2,038,652	2,076,596
Total assets	2,819,589	2,839,226

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(million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	69,142	62,271
Other	390,656	296,243
Total current liabilities	459,798	358,514
Non-current liabilities		
Bonds payable	425,018	460,018
Long-term borrowings	386,516	390,613
Retirement benefit liability	19,703	19,799
Other	111,372	115,711
Total non-current liabilities	942,611	986,144
Total liabilities	1,402,410	1,344,659
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus	19,096	19,096
Retained earnings	1,010,078	1,058,358
Treasury shares	(2,045)	(2,050)
Total shareholders' equity	1,159,295	1,207,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,085	78,573
Deferred gains or losses on hedges	25,268	40,661
Revaluation reserve for land	(1,947)	(1,947)
Foreign currency translation adjustment	97,838	103,883
Remeasurements of defined benefit plans	42,881	40,475
Total accumulated other comprehensive income	232,125	261,646
Non-controlling interests	25,757	25,349
Total net assets	1,417,178	1,494,567
Total liabilities and net assets	2,819,589	2,839,226

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

(million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	467,119	512,611
Cost of sales	414,443	385,190
Gross profit	52,675	127,421
Selling, general and administrative expenses	45,309	53,757
Operating profit	7,366	73,664
Non-operating income		
Interest income	463	1,313
Dividend income	1,842	1,383
Share of profit of entities accounted for using equity method	5,707	4,478
Miscellaneous income	2,423	8,598
Total non-operating income	10,437	15,774
Non-operating expenses		
Interest expenses	2,635	3,443
Miscellaneous expenses	1,755	3,322
Total non-operating expenses	4,390	6,766
Ordinary profit	13,413	82,672
Profit before income taxes	13,413	82,672
Income taxes	1,617	22,190
Profit	11,796	60,482
Profit (loss) attributable to non-controlling interests	596	(78)
Profit attributable to owners of parent	11,200	60,560

Quarterly Consolidated Statements of Comprehensive Income

(million yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	11,796	60,482
Other comprehensive income		
Valuation difference on available-for-sale securities	(346)	10,419
Deferred gains or losses on hedges	(17,438)	18,931
Foreign currency translation adjustment	25,788	4,914
Remeasurements of defined benefit plans	(1,839)	(1,745)
Share of other comprehensive income of entities accounted for using equity method	10,814	(2,763)
Total other comprehensive income	16,979	29,757
Comprehensive income	28,775	90,239
(Breakdown)		
Comprehensive income attributable to owners of parent	27,845	90,081
Comprehensive income attributable to non-controlling interests	930	157

(3) Notes to the Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Significant Changes in the Value of Shareholders' Equity)

Three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)

Not applicable

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

(Calculation of tax expenses)

The effective tax rates (after applying tax effect accounting) expected to be imposed on income before income taxes applicable to the tax year in which this first quarter is included were estimated based on reasonable assumptions. Tax expenses for this first quarter were then calculated by multiplying the income before income taxes for the quarter by the estimated effective tax rates.

(Segment Information)

Three months ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(million yen)

	Domestic Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	400,632	27,807	56,097	484,538	(17,419)	467,119
Segment profit (loss)						
Operating profit (loss)	(12,901)	16,067	5,057	8,223	(857)	7,366
Share of profit of entities accounted for using equity method	500	5,207	-	5,707	-	5,707
Total	(12,401)	21,275	5,057	13,931	(857)	13,073

Three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)

(million yen)

	Domestic Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	444,682	22,056	59,062	525,801	(13,189)	512,611
Segment profit						
Operating profit	58,152	9,372	4,922	72,448	1,216	73,664
Share of profit (loss) of entities accounted for using equity method	(37)	4,516	-	4,478	-	4,478
Total	58,114	13,889	4,922	76,926	1,216	78,143