

Osaka Gas Co., Ltd. (9532)

Presentation script at the Analysts' Meeting held on July 31, 2023, on the financial results for the 1st quarter of fiscal year ended March 31, 2024 (FY24.3)

I am Hiroki Matsui, General Manager of IR Department of Osaka Gas.

Thank you for taking the time today to participate in this meeting for the first quarter of the year ending March 31, 2024 (1Q FY2024.3).

On behalf of the company, I would like to express our gratitude for your continued support and understanding as we pursue our goals in our businesses.

I will refer to the slides of Financial Report for 1st Quarter of FY2024.3, which are available on our website. Please look at page 3.

P3. FY2024.3 1Q Results vs FY2023.3 1Q Results

- First, I would like to explain the financial results for 1Q FY2024.3.
- Net sales for 1Q were 512.6 billion yen, up 45.4 billion yen from the same period last year, mainly due to higher unit selling price of city gas in the Domestic Energy business.
- Ordinary profit was 82.6 billion yen, up 69.2 billion yen from the same period last year, mainly due to the improvement of the time-lag impact and the reduction of LNG procurement cost following the Freeport LNG plant's operation resumption.
- Profit attributable to owners of the parent was 60.5 billion yen, up 49.3 billion yen from the same period last year.

P4 YoY Comparison of 1Q Results

- Page 4 summarizes the year-on-year comparison of consolidated ordinary profit.
- In the Domestic Energy, segment profit increased by 70.5 billion yen from the last year, mainly due to the improvement of the time-lag impact and the Freeport LNG plant's operation resumption.
- In the International Energy, segment profit decreased by 7.3 billion yen, mainly due to the owner's losses related to Freeport LNG's plant shutdown during January to February 2023 and the decreased income from Osaka Gas Australia's upstream businesses.
- In the Life & Business Solutions, segment profit remained at a level close to the same period last year.

P5 FY2024.3 Forecasts vs FY2023.3 Results

- Page 5 shows a comparison between the FY24.3 forecasts and the FY23.3 results.
- Although the 1st quarter results for the current fiscal year saw an increase in both sales and profits compared with the last year, they are largely in line with our forecasts, so we maintained the forecasts for FY24.3.
- In FY24.3, net sales are expected to decrease from the FY23.3 level due to lower LNG prices reducing city gas unit selling prices in the Domestic Energy.
- Ordinary profit and profit attributable to owners of the parent are expected to increase from the FY23.3 level based on the assumption of the Freeport LNG plant's operation resumption and the improvement of the time-lag impact.
- ROIC is expected to reach the 5% target set for the final year of the current Medium-Term Plan. The dividends

are targeted at 65 yen/share, up 5 yen from FY23.3.

P6 Comparison between FY2023.3 Results and FY2024.3 Forecasts

- Page 6 shows a comparison between the FY23.3 results and FY24.3 ordinary profit forecasts.
- In the Domestic Energy, segment profit is expected to increase by 93.3 billion yen from the last year, mainly due to the Freeport LNG plant's operation resumption and the improvement of the time-lag impact.
- In the International Energy, segment profit is expected to decrease by 0.7 billion yen, mainly due to reduced income from the upstream businesses, which suffered from lower energy prices, despite an increase in profits from Freeport LNG as its plant resumed operation.
- In the Life & Business Solutions, segment profit is expected to decrease by 2.2 billion yen due to the absence of a strong performance as we had in FY23.3.
- In light of all the above, our forecast for ordinary profit for FY24.3 on a consolidated basis is 159.0 billion yen, up 83.3 billion yen from FY23.3.

P7 Results and Forecasts for Investment for Growth

- Page 7 shows the investments for business growth and the financial soundness indicators.
- In 1Q of FY24.3, we invested 40.2 billion yen for business growth, mainly in power generation in the Domestic Energy, North American upstream business development in the International Energy, and real estate business in the Life & Business Solutions.
- As for the financial soundness indicators, we maintained the shareholder equity ratio of around 50% and a D/E ratio of approximately 0.7, as targeted in the Medium-Term Plan.

Please refer to:

pages 8 to 13 for the financial results for 1Q FY2024.3,

pages 14 to 19 for a comparison between the FY24.3 forecasts and the FY23.3 results.

This concludes my presentation. Thank you.

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