

Third 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.

January 30, 2024

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	: February 9, 2024		
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 Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 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	%
Nine months ended December 31, 2023	1,510,147	-5.4	140,692	—	174,571	—	126,405	—
Nine months ended December 31, 2022	1,596,525	50.7	-14,926	—	-6,820	—	-1,396	—

(Note) Comprehensive income: Nine months ended December 31, 2023 238,307 million yen (104.7% YoY)
 Nine months ended December 31, 2022 116,401 million yen (67.2% YoY)

	Earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2023	304.50	-
Nine months ended December 31, 2022	-3.36	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity / Total assets
	million yen	million yen	%
As of December 31, 2023	3,088,426	1,618,446	51.5
As of March 31, 2023	2,819,589	1,417,178	49.3

<Reference> Shareholders' equity: As of December 31, 2023 1,591,887 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	-	32.50	-		
Year ending March 31, 2024 (Forecast)				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	2,121,000	-6.8	139,500	132.5	170,000	124.7	116,000	103.1	279.97

(Note) Revision of the financial results forecasts from previously announced figures: Yes

(Note) Among the purchase of treasury shares resolved at the board of directors meeting held on October 27, 2023, the effect of the purchase after January 1, 2024 is not included in the calculation of "Earnings per share" in the forecasts of consolidated financial results.

*Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 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.: 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 December 31, 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 December 31, 2023	4,715,497 shares
	As of March 31, 2023	1,000,693 shares
(iii) Average number of shares during each period:	Nine months ended December 31, 2023	415,125,330 shares
	Nine months ended December 31, 2022	415,668,794 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 January 30, 2024. Immediately after the briefing, the presentation materials and contents will be made available on the Company's website.

Table of Contents for Attachment

1. Overview of Quarterly Consolidated Financial Results	2
(1) Consolidated Operating Results	2
(2) Consolidated Financial Position	3
(3) Forecasts of Consolidated Financial Results	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to the Quarterly Consolidated Financial Statements	8
(Going Concern Assumption)	8
(Significant Changes in the Value of Shareholders' Equity)	8
(Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements)	8
(Segment Information)	8

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, 2023 decreased by ¥86.3 billion year-on-year to ¥1,510.1 billion. This was primarily due to the lower unit selling price of LNG and a decrease in gas volume in the Domestic Energy Business. Consolidated ordinary profit increased by ¥181.3 billion year-on-year to ¥174.5 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 ¥127.8 billion year-on-year to ¥126.4 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	1,510.1	-86.3	-5.4
Cost of sales	1,205.7	-263.1	-17.9
Selling, general and administrative expenses	163.7	+21.1	+14.9
Operating profit	140.6	+155.6	—
Ordinary profit	174.5	+181.3	—
Profit attributable to owners of parent	126.4	+127.8	—

(Quarterly Domestic Gas Sales Breakdown)

		Nine months ended December 31, 2023	YoY Changes rate (%)
Gas sales volume (million m ³)	Residential	1,044	-4.8
	Non-residential, etc.	3,626	-5.4
	Total	4,670	-5.3
Number of gas supply (thousands)		5,037	+0.8

[45MJ/m³]

(Quarterly Domestic Electricity Sales Breakdown)

		Nine months ended December 31, 2023	YoY Changes rate (%)
Electricity sales volume (GWh)	Retail	4,828	+5.4
	Wholesale, etc.	5,885	-14.8
	Total	10,713	-6.7
Number of low-voltage electricity supply (thousands)		1,811	+7.5

(2) Consolidated Financial Position

Total assets as of December 31, 2023 increased by ¥268.8 billion compared with March 31, 2023 to ¥3,088.4 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 ¥1,618.4 billion and the ratio of shareholders' equity to total assets was 51.5%.

(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, 2024 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 increase in LNG sales. Consolidated operating profit is expected to remain unchanged from the previous forecasts, but consolidated ordinary profit is expected to exceed the previous forecasts mainly due to the foreign exchange gains. Profit attributable to owners of parent are expected to remain unchanged from the previous forecasts.

(Reference) Assumptions for the crude oil price and exchange rate (January 2024 - March 2024)

Crude oil price (All Japan CIF price) at 75USD/bbl

Exchange rate (TTM) at 145JPY/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, 2024 announced on October 27, 2023 are shown in the tables below.

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

	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)	2,095,000	139,500	159,000	116,000	279.06
Revised forecasts (B)	2,121,000	139,500	170,000	116,000	279.97
Changes (B - A)	+26,000	-	+11,000	-	
Changes (%)	+1.2	-	+6.9	-	
(Reference) Actual results of fiscal year ended March 31, 2023	2,275,113	60,001	75,649	57,110	137.39

(Note) Among the purchase of treasury shares resolved at the board of directors meeting held on October 27, 2023, the effect of the purchase after January 1, 2024 is not included in the calculation of "Earnings per share" in the forecasts of consolidated financial results.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(million yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	85,087	153,328
Notes and accounts receivable - trade, and contract assets	279,602	250,609
Inventories	219,380	237,628
Other	197,998	224,365
Allowance for doubtful accounts	(1,132)	(1,048)
Total current assets	780,936	864,883
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	187,685	189,414
Machinery, equipment and vehicles, net	616,247	683,802
Land	231,327	239,520
Construction in progress	182,611	186,764
Other, net	25,917	25,024
Total property, plant and equipment	1,243,788	1,324,527
Intangible assets	105,120	109,400
Investments and other assets		
Investment securities	440,911	527,955
Other	249,531	262,525
Allowance for doubtful accounts	(699)	(865)
Total investments and other assets	689,743	789,614
Total non-current assets	2,038,652	2,223,542
Total assets	2,819,589	3,088,426

(million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	69,142	101,797
Other	390,656	384,243
Total current liabilities	459,798	486,041
Non-current liabilities		
Bonds payable	425,018	460,019
Long-term borrowings	386,516	379,422
Retirement benefit liability	19,703	20,096
Other	111,372	124,399
Total non-current liabilities	942,611	983,938
Total liabilities	1,402,410	1,469,979
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus	19,096	19,107
Retained earnings	1,010,078	1,110,799
Treasury shares	(2,045)	(12,730)
Total shareholders' equity	1,159,295	1,249,343
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,085	75,805
Deferred gains or losses on hedges	25,268	62,727
Revaluation reserve for land	(1,947)	(2,395)
Foreign currency translation adjustment	97,838	169,435
Remeasurements of defined benefit plans	42,881	36,971
Total accumulated other comprehensive income	232,125	342,544
Non-controlling interests	25,757	26,558
Total net assets	1,417,178	1,618,446
Total liabilities and net assets	2,819,589	3,088,426

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	1,596,525	1,510,147
Cost of sales	1,468,883	1,205,712
Gross profit	127,642	304,434
Selling, general and administrative expenses	142,569	163,742
Operating profit (loss)	(14,926)	140,692
Non-operating income		
Interest income	2,434	7,247
Dividend income	3,647	3,568
Share of profit of entities accounted for using equity method	8,476	20,553
Other	9,649	17,983
Total non-operating income	24,208	49,352
Non-operating expenses		
Interest expenses	9,290	10,691
Other	6,811	4,781
Total non-operating expenses	16,101	15,473
Ordinary profit (loss)	(6,820)	174,571
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	(287)	174,571
Income taxes	61	47,387
Profit (loss)	(349)	127,183
Profit attributable to non-controlling interests	1,047	777
Profit (loss) attributable to owners of parent	(1,396)	126,405

Quarterly Consolidated Statements of Comprehensive Income

(million yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	(349)	127,183
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,909)	7,603
Deferred gains or losses on hedges	91	29,790
Foreign currency translation adjustment	102,278	70,546
Remeasurements of defined benefit plans	(5,562)	(5,224)
Share of other comprehensive income of entities accounted for using equity method	24,853	8,409
Total other comprehensive income	116,751	111,124
Comprehensive income	116,401	238,307
(Breakdown)		
Comprehensive income attributable to owners of parent	115,097	237,272
Comprehensive income attributable to non-controlling interests	1,303	1,035

(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, 2023 (April 1, 2023 - December 31, 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 third quarter is included were estimated based on reasonable assumptions. Tax expenses were then calculated by multiplying the income before income taxes by the estimated effective tax rates.

(Segment Information)

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)

Nine months ended December 31, 2023 (April 1, 2023 - December 31, 2023) (million yen)

	Domestic Energy	International Energy	Life & Business Solutions	Total	Adjustments	Consolidated
Net sales	1,283,004	79,737	200,409	1,563,151	(53,003)	1,510,147
Segment profit						
Operating profit	77,017	37,443	24,106	138,567	2,124	140,692
Share of profit of entities accounted for using equity method	3,007	17,545	-	20,553	-	20,553
Total	80,025	54,988	24,106	159,120	2,124	161,245