Osaka Gas Co., Ltd. (9532)

Presentation script at the Analysts' Meeting held on May 9, 2025, on the financial results for the year ending March 31, 2025 (FY2025.3)

Speaker: Masataka Fujiwara, Representative Director and President

I am Masataka Fujiwara from Osaka Gas.

Thank you for taking the time to participate in today's meeting on the financial results for the year ending March 31, 2025 (FY2025.3).

On behalf of the company, I would like to express our gratitude for your continued support and understanding as we work toward our business objectives.

I will reference the slides of the Financial Report for the 3rd Quarter of FY2025.3, which are available on our website.

Please begin by looking at page 2.

Page 3: Highlights

First, I will highlight the key results of FY2025.3 and the forecasts for FY2026.3.

・FY2025.3, the initial year of our Medium-Term Management Plan, our business experienced steady progress.

・We also encountered one-time factors that contributed to increased profits, leading to ordinary profits that surpassed our expectations. Both ROIC and ROE exceeded forecasts.

・As part of our capital management strategy, we executed a share buyback totaling 40 billion yen.

・Additionally, we implemented asset-light management strategies to enhance capital efficiency, including the decision to sell our U.S. thermal power plant as we reviewed our held assets.

・There have been no changes to the forecasts for FY2026.3 since the announcement of the Business Plan in March 2025.

・For FY2026.3, we aim to increase the annual dividend by 10 yen from the previous year, targeting 105 yen per share in line with the shareholder return policy outlined in the Medium-Term Management Plan 2026.

・Furthermore, we will implement share buybacks with a repurchase period of approximately one year and a maximum amount of 70 billion yen.

・To achieve the ROE target of 8% set in the Medium-Term Management Plan 2026, we will focus on improving capital efficiency through profit enhancement and control over our shareholder's equity.

Next, I will discuss our Update on Corporate Value Enhancement Initiatives.

I. Update on Corporate Value Enhancement Initiatives

Page 4: Key Indicators in the Medium-Term Management Plan 2026

Page 4 presents the progress of the Medium-Term Management Plan 2026.

・FY2025.3 has made overall smooth progress, except for ROE, which has not yet reached the 8% target when excluding the temporary profit increase in power business and time-lag effects.

・Toward FY2027.3, the final year of the Medium-Term Management Plan, we aim for an ROIC of 5% and an

ROE of 8%, with further targets of a 6% ROIC and a 10% ROE by the early 2030s.

Page 5: Strategic Initiatives in the Medium-Term Management Plan 2026

・We are expanding our energy value chain businesses both domestically and internationally, focusing on natural gas and LNG as critical transition fuels. In the Domestic Energy segment, we are preparing for the operational start of the Himeji Natural Gas Power Plant Units 1 and 2. In the International Energy segment, we are implementing measures to ensure a stable income stream from Sabine in the U.S. and have made additional investments in our gas distribution business in India.

・In the Life & Business Solutions segment, we are accelerating growth by leveraging synergies across Group companies and harnessing the unique strengths developed by each company.

・Additionally, we are adopting a balanced approach to the development of e-methane and renewable energy projects as key future businesses that will contribute to achieving a carbon-neutral society.

Page 6: Cash Allocation in the Medium-Term Management Plan 2026

Page 6 shows the status of cash allocation.

・We consistently improved operating cash flow through strong business performance while advancing asset replacement, including the sale of investment securities and assets.

・We have also steadily implemented investments for growth and shareholder returns while ensuring financial soundness.

Page 7: Shareholder Returns in the Medium-Term Management Plan 2026

Page 7 explains shareholder returns.

・For FY2026.3, we will implement share buybacks totaling up to 70 billion yen over approximately one year from May 9, 2025, to April 24, 2026.

・Additionally, we aim for an annual dividend of 105 yen per share for FY2026.3, which represents a 10-yen increase from the previous year.

・Looking ahead, we aim to maintain dividends that align with a DOE of 3.0% and our progressive dividend policy, all while ensuring financial soundness and implementing share buybacks flexibly to enhance capital efficiency.

Page 8: Governance Enhancement Initiatives

Page 8 introduces our initiatives to enhance corporate governance.

・Effective June 2024, Osaka Gas transitioned to a Company with an Audit and Supervisory Committee.

・The purpose of this transition is to enhance discussions on management policies and strategies at the board of directors, strengthen supervisory functions, and enable more agile decision-making. This change was made in response to increasing energy security risks and significant shifts in the business environment.

・We have observed that the transition has improved discussions on crucial issues, such as management strategies and challenges.

・We will conduct regular reviews of the operations of each meeting body to further strengthen governance.

Page 9: Sustainability Initiatives

Page 9 outlines our sustainability initiatives.

・We are making steady progress toward achieving non-financial targets for FY27.3 and FY31.3.

・In February 2025, we launched our Energy Transition 2050, which details our overall vision and initiatives aimed at achieving a carbon-neutral society by 2050, in line with the government's 7th Strategic Energy Plan.

In the following pages, I will explain the financial results for FY2025.3 and the forecasts for FY2026.3.

II. Summary of FY2025.3 Results and FY2026.3 Forecasts

Page 11: Summary of FY2025.3 Results vs FY2024.3 Results

First, I will highlight the key points of FY2025.3 results compared to the previous year.

・Net sales decreased by 14 billion yen to 2.069 trillion yen, due to a decline in LNG sales volume and lower gas unit prices under the gas rate adjustment system, despite an increase in electricity sales volume in the Domestic Energy segment.

・Ordinary profit decreased by 36.9 billion yen to 189.6 billion yen mainly due to a decrease in time-lag profit.

・Profit attributable to owners of the parent increased by 1.7 billion yen to 134.4 billion yen mainly due to extraordinary gains from the sale of investment securities.

Page 12: Year-on-Year Comparison of Results

Page 12 outlines the reasons for the difference in ordinary profit by segment compared to the previous year.

・The Domestic Energy segment saw a decrease of 14.7 billion yen due to a reduction in time-lag profits.

・The International Energy segment experienced a decrease of 7.7 billion yen due to the temporary shutdown of the Freeport LNG plant.

・The Life & Business Solutions segment reported a decrease of 2.2 billion yen due to a drop in sales volume at Jacobi.

・Starting this quarter, the performance breakdown of the International Energy segment is presented by region for improved organization and clarity.

Page 13: Comparison between Forecasts (Feb.3, 2025) and Results

Page 13 compares the results with the previous forecast announced on February 3.

・Ordinary profit increased by 36.6 billion yen compared to the forecast.

・The Domestic Energy segment saw an increase of 23 billion yen due to strong electricity market transactions and higher gas sales volume resulting from low temperatures in February.

・The International Energy segment experienced an increase of 1.4 billion yen due to higher profits in upstream operations.

・The Life & Business Solutions business reported a decrease of 1.2 billion yen due to lower sales volume in the materials solutions business.

Page 14: Summary of FY2026.3 Forecasts vs FY2025.3 Results

Page 14 presents the key points of FY2026.3 forecast compared to the previous year.

・Net sales are projected to decrease by 29 billion yen to 2.04 trillion yen due to a decline in gas unit prices in the Domestic Energy business.

・Ordinary profit is projected to decrease by 24.6 billion yen to 165 billion yen, mainly due to the absence of profits from electricity market transactions realized in FY25.3 and a change in the timing of profit recognition for our U.S. renewable energy business.

・Profit attributable to owners of the parent is projected to decrease by 7.4 billion yen to 127 billion yen.

Page 15: Comparison between FY2025.3 Results and FY2026.3 Forecasts

Page 15 outlines the reasons for the difference between FY2026.3 forecast and the previous year's ordinary profit results by segment.

・The Domestic Energy segment's ordinary profit is projected to decrease by 10 billion yen due to the absence of profit from electricity market transactions realized in FY25.3.

・The International Energy segment's ordinary profit is projected to decrease by 10.9 billion yen due to a decline in profits from upstream businesses in Australia resulting from falling oil prices.

・The Life & Business Solutions segment's ordinary profit is projected to increase by 5.2 billion yen due to strong performance in our real estate property development business.

Page 16: Results and Forecasts for Investment for Growth

Page 16 outlines our investments for growth and our financial soundness.

・In FY2025.3, we invested 209.4 billion yen for business growth:

- Domestic Energy segment: power plants.
- International Energy segment: upstream business in the U.S. and gas distribution business in India.
- Life & Business Solutions segment: real estate property development.

・For FY2026.3, we plan to invest 209 billion yen for business growth.

・As of the end of FY2025.3, our financial soundness indicators met the target levels set in the Medium-Term Management Plan 2026, including a shareholders' equity ratio of 45% or higher and a D/E ratio of 0.8 or lower.

Please refer to:

pages 17-22 for the Year-on-Year Comparison of FY2025.3 Results

pages 23-28 for the Comparison between Forecasts (Feb. 3, 2025) and Results

pages 29-34 for the Year-on-Year Comparison of FY2026.3 Forecasts and

pages 35-40 for Reference information, including Sales Volume & Profit Sensitivity to External Factors, Foreign Currency Translation Adjustment, Crude Oil Price, Exchange Rate, and Time-Lag Effect.

This concludes my presentation. Thank you.

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