Osaka Gas Co., Ltd. (9532)

Presentation Script for the First Quarter Financial Results Briefing for the Fiscal Year Ending March 31, 2027 (FY2027) (Held on July 30, 2026)

Speaker: Ko Sakanashi, Representative Director, Executive Vice President, and CFO

I'm Ko Sakanashi, Representative Director, Executive Vice President, and CFO of Osaka Gas. Thank you for taking the time to join our first-quarter financial results briefing for FY2027. We also appreciate your continued support of our business. Today, I'll explain our first-quarter financial results for FY2027 using the presentation materials available on our website.

Page 3: Executive Summary

Please turn to page 3. This page provides an executive summary of our financial results.

The top section summarizes our first-quarter results. Ordinary profit including the time-lag effect was 50.2 billion yen, down 9.0 billion yen year on year, mainly due to time-lag losses resulting from higher crude oil prices.

Meanwhile, ordinary profit excluding the time-lag effect was 57.9 billion yen, up 12.7 billion yen year on year, mainly driven by the improved competitiveness of our long-term LNG contracts.

The bottom section shows our revised full-year forecasts, reflecting recent business performance. Ordinary profit including the time-lag effect remains unchanged at 190.0 billion yen, while ordinary profit excluding the time-lag effect has been revised upward by 14.0 billion yen to 197.0 billion yen. ROIC and ROE are expected to reach 5.0% and 8.0% or more, respectively, achieving the targets for the final year of our Medium-Term Management Plan.

We have also revised our assumptions from July onward to a crude oil price of $80 per barrel and an exchange rate of 160 yen to the U.S. dollar.

Page 5: Limited Impact of Middle East Instability on the Daigas Group

Please turn to page 5. I'll now explain the impact of the instability in the Middle East on the Daigas Group.

At present, we do not expect any significant impact on our LNG procurement or the supply of gas and electricity.

We have no long-term procurement contracts with countries that require transit through the Strait of Hormuz, and our LNG procurement is diversified across multiple countries and regions.

In addition, we secure LNG primarily through long-term contracts and ensure power supply capacity through our own power generation assets.

We will continue to closely monitor the situation and its potential impact on our business, while considering the possibility of prolonged instability and preparing any necessary countermeasures.

Next, I'll explain the first-quarter results. Please turn to page 7.

Page 7: FY2027 Q1 Results | Overview

Page 7 highlights the key points of our first-quarter financial results.

Net sales were 478.0 billion yen, remaining largely unchanged year on year.

As I mentioned earlier, ordinary profit including the time-lag effect was down 9.0 billion yen year on year, while ordinary profit excluding the time-lag effect was up 12.7 billion yen year on year.

Profit attributable to owners of the parent was down 12.8 billion yen year on year including the time-lag effect, but up 2.7 billion yen excluding the time-lag effect.

I'll explain the factors behind these changes on the next page.

Page 8: FY2027 Q1 Results | Ordinary Profit (YoY Change)

Page 8 breaks down the year-on-year changes in ordinary profit by segment.
The chart on the left shows the year-on-year changes both including and excluding the time-lag effect. The table on the right side shows the breakdown by segment.
Domestic Energy segment profit was down 22.6 billion yen year on year including the time-lag effect. This was mainly due to time-lag losses in both the gas and electricity businesses, which reduced profit by 21.8 billion yen. Excluding the time-lag effect, gross profit in the gas business was up 3.3 billion yen, while profit in the electricity business was down 6.4 billion yen, resulting in an overall decline of 0.8 billion yen.
International Energy segment profit was up 0.2 billion yen year on year, remaining largely in line with the previous year. Lower earnings from the U.S. power business were largely offset by solid performance in the upstream businesses in the U.S. and Australia.
The Life & Business Solutions (LBS) segment recorded a 1.5 billion yen increase in profit, driven by higher earnings in real estate development and materials.
In Others, ordinary profit was up 11.7 billion yen. This reflected higher segment adjustments due to a shift in the timing of profit recognition for an Australian LNG cargo, together with higher non-operating income, including gains on the sale of equity in U.S. IPP projects and foreign exchange gains.
Details are provided on page 9 for your reference.
Next, I'll explain our full-year forecasts. Please turn to page 11.

Page 11: FY2027 Full-Year Forecasts | Revision Overview (vs. May 8 Forecasts)

We have revised our full-year forecasts to reflect the impact of heightened tensions in the Middle East and recent business performance.
Net sales are expected to increase by 100.0 billion yen from the previous forecast to 2,170.0 billion yen, primarily driven by higher gas selling prices under the gas rate adjustment system.
Ordinary profit including the time-lag effect remains unchanged at 190.0 billion yen, while our forecast for ordinary profit excluding the time-lag effect has been revised upward by 14.0 billion yen to 197.0 billion yen.
Profit attributable to owners of the parent including the time-lag effect remains unchanged at 145.0 billion yen, while our forecast excluding the time-lag effect has been revised upward by 9.9 billion yen to 149.9 billion yen.
I'll explain the changes from the previous forecast on the next page.

Page 12: FY2027 Full-Year Forecasts | Ordinary Profit (vs. May 8 Forecasts)

Page 12 breaks down the changes from the previous forecast in ordinary profit by segment.
In the Domestic Energy segment, although we expect time-lag losses due to higher crude oil prices and yen depreciation, , our forecast excluding the time-lag effect has been revised upward by 5.0 billion yen for the gas business and 3.0 billion yen for the electricity business. This is mainly due to the improved competitiveness of our long-term LNG contracts and higher electricity market prices.
In the International Energy segment, we have revised the forecast upward by 3.5 billion yen, driven by higher earnings from the upstream businesses in the U.S. and Australia.
In Others, we have revised the forecast upward by 2.5 billion yen, reflecting the first-quarter financial results.

Page 13: FY2027 Full-Year Forecasts | Revision Overview (YoY Change)

Page 13 compares our revised full-year forecasts with the results for the previous fiscal year.
Net sales are expected to increase by 139.6 billion yen year on year to 2,170.0 billion yen.
Ordinary profit including the time-lag effect is expected to decrease by 14.5 billion yen year on year due to time-lag losses,

while ordinary profit excluding the time-lag effect is expected to increase by 1.6 billion yen year on year to 197.0 billion yen.
I'll explain the factors for these changes on the next page.

Page 14: FY2027 Full-Year Forecasts | Ordinary Profit (YoY Change)

Page 14 breaks down the year-on-year changes in our ordinary profit forecast by segment.
The chart on the left shows the year-on-year changes both including and excluding the time-lag effect. The table on the right side shows the breakdown by segment.
Domestic Energy segment profit is expected to decrease by 22.4 billion yen including the time-lag effect, and by 6.3 billion yen excluding the time-lag effect.
Meanwhile, International Energy segment profit is expected to increase by 0.6 billion yen, the LBS segment profit increase by 3.0 billion yen, and Others by 4.2 billion yen, mainly reflecting higher segment adjustments and non-operating income.
Details are provided on page 15 for your reference.

Page 16: Investment for Growth: Results and Forecasts

Page 16 provides an overview of our investments for growth and financial soundness indicators.
The chart on the left side shows our investments for growth.
Investments for growth totaled 55.4 billion yen in the first quarter.
The main investments were in power plants in the Domestic Energy segment, the U.S. upstream business in the International Energy segment, and real estate development in the LBS segment.
The chart on the right side shows our financial soundness indicators.
As of the end of the first quarter, the shareholders' equity ratio was 55.0%, and the D/E ratio was 0.52.
Both indictors remain within the targets set out in the Medium-Term Management Plan: a shareholders' equity ratio of 45% or higher and a D/E ratio of 0.8 or lower.
We will continue to make investments for growth aimed at sustainable growth and enhance corporate value over the medium to long term, while maintaining financial soundness.

I will not cover the remaining slides in detail. However, supplementary information, including key external factors affecting profit, an overview of the balance sheet, is provided from page 19, while changes in key figures are provided from page 24 for your reference.

This concludes my presentation.