



# Financial Report for 3<sup>rd</sup> Quarter of FY2023.3 (April 2022– December 2022)

February 6, 2023  
Osaka Gas Co., Ltd.



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**Management information is available on Osaka Gas websites.**

Financial reports, integrated reports, fact books and road show materials can be accessed and downloaded at the following URL. <https://www.daigasgroup.com/en/ir/>

**Disclaimer**

Figures for the previous year were calculated retroactively in accordance with the Regulation on Consolidated Financial Statements ("Regulation"). Starting from this fiscal year, we prepare consolidated financial statements by following the Regulation. Until the previous fiscal year, our consolidated financial statements followed the Accounting Rules for Gas Utility as well as the Regulation.

Certain statements contained herein are forward-looking statements, strategies, and plans, which reflect our judgment based on the information so far available. Actual results may differ materially from those discussed in such statements. Among the factors that could cause actual results to differ materially are: economic trends in Japan, sharp fluctuations in exchange rates and crude oil prices, and extraordinary weather conditions

**Note regarding gas sales volume**

All gas sales volumes are indicated based on the standard heating value at 45 MJ/m<sup>3</sup>.

**Note regarding consolidated gas sales volume**

The fiscal year of Nabari Kintetsu Gas, Toyooka Energy, and Shingu Gas ends on December 31.

# I. Summary of Business Results for 3rd Quarter of FY2023.3 and Forecasts for FY2023.3

Figures for the fiscal year ended March 31, 2022 were calculated retroactively due to changes in accounting policies, etc.



## Summary of Business Results of 3Q and Forecast Revision

### Summary of Business Results of 3Q

- Net sales increased year on year due to the higher LNG selling prices and higher city gas unit selling price in the Domestic Energy business, and an increase in sales from the upstream businesses in the USA and Australia in the International Energy business.
- Ordinary profit and net profit decreased year on year due to losses related to Freeport LNG's plant shutdown and an increase in the time-lag loss.

(billion yen)	3Q of FY2023.3	3Q of FY2022.3	Difference
<b>Net sales</b>	<b>1,596.5</b>	<b>1,059.0</b>	<b>+537.4</b>
<b>Ordinary profit</b>	<b>-6.8</b>	<b>71.6</b>	<b>-78.5</b>
<b>Profit attributable to owners of parent</b>	<b>-1.3</b>	<b>55.1</b>	<b>-56.5</b>

### Summary of Forecast Revision

Previous forecasts were published on October 31, 2022.

- Net sales forecast was revised upward due to the higher city gas unit selling price under the gas cost adjustment system
- Ordinary profit forecast remains unchanged due to the enhancement of our long-term LNG contract competitiveness against JLC<sup>1</sup> and a decrease in the time-lag loss, despite an expected increase in losses related to Freeport LNG's plant shutdown.
- Profit attributable to owners of parent was revised upward due to the recording of extraordinary income from the sale of cross-held shares.

(billion yen)	Revised Forecasts	Previous forecasts	Difference from previous forecasts	YoY Difference
<b>Net sales</b>	<b>2,275.0</b>	<b>2,250.0</b>	<b>+25.0</b>	<b>+683.8</b>
<b>Ordinary profit</b>	<b>46.0</b>	<b>46.0</b>	<b>± 0.0</b>	<b>-67.5</b>
<b>Profit attributable to owners of parent</b>	<b>36.0</b>	<b>29.0</b>	<b>+7.0</b>	<b>-94.4</b>
Crude oil price (USD/bbl) <sup>2</sup>	85	100	-	-
Exchange rate (JPY/USD) <sup>2</sup>	135	145	-	-

## Impact of Freeport LNG Project's Plant shutdown

- ✓ Losses related to Freeport LNG's plant shutdown<sup>1</sup> were -125.8 billion yen in 3Q FY2023.3.
- ✓ Forecasts are expected to be 149.5 billion yen, 40.0 billion yen higher than the previous forecast<sup>2</sup> mainly due to the delay in the restart of Freeport LNG's plant operation and increased costs associated with LNG procurement due to soaring LNG spot prices.

(billion yen)

Segment	Reason of the influences	Title of account	3Q Result	Full Year Forecast		
				Revised	Previous <sup>2</sup>	Difference
Domestic Energy	<b>LNG for gas retail</b> Cost incurred for the procurement of replacement LNG	Gas business gross profit	-114.1	-133.3	-93.5	-39.8
	<b>LNG for wholesale</b> Loss incurred from related contracts	Others				
International Energy	<b>Owner's loss 1</b> Freeport earnings loss due to the shutdown	Operating profit/loss of OGUSA <sup>3</sup>	-9.9	-14.5	-14.5	±0.0
	<b>Owner's loss 2</b> Train 1 earnings loss due to the shutdown	Others (share of profit of entities accounted for using equity method)				
Non-operating income/loss(Exchange rate impact)			-1.7	-1.7	-1.5	-0.2
<b>Total impact on ordinary profit</b>			<b>-125.8</b>	<b>-149.5</b>	<b>-109.5</b>	<b>-40.0</b>

<sup>1</sup> See page 28 for information on the to the Freeport LNG Project, including our LNG procurement and investment in the Project.

<sup>2</sup> Previous forecasts were published on October 31, 2022.

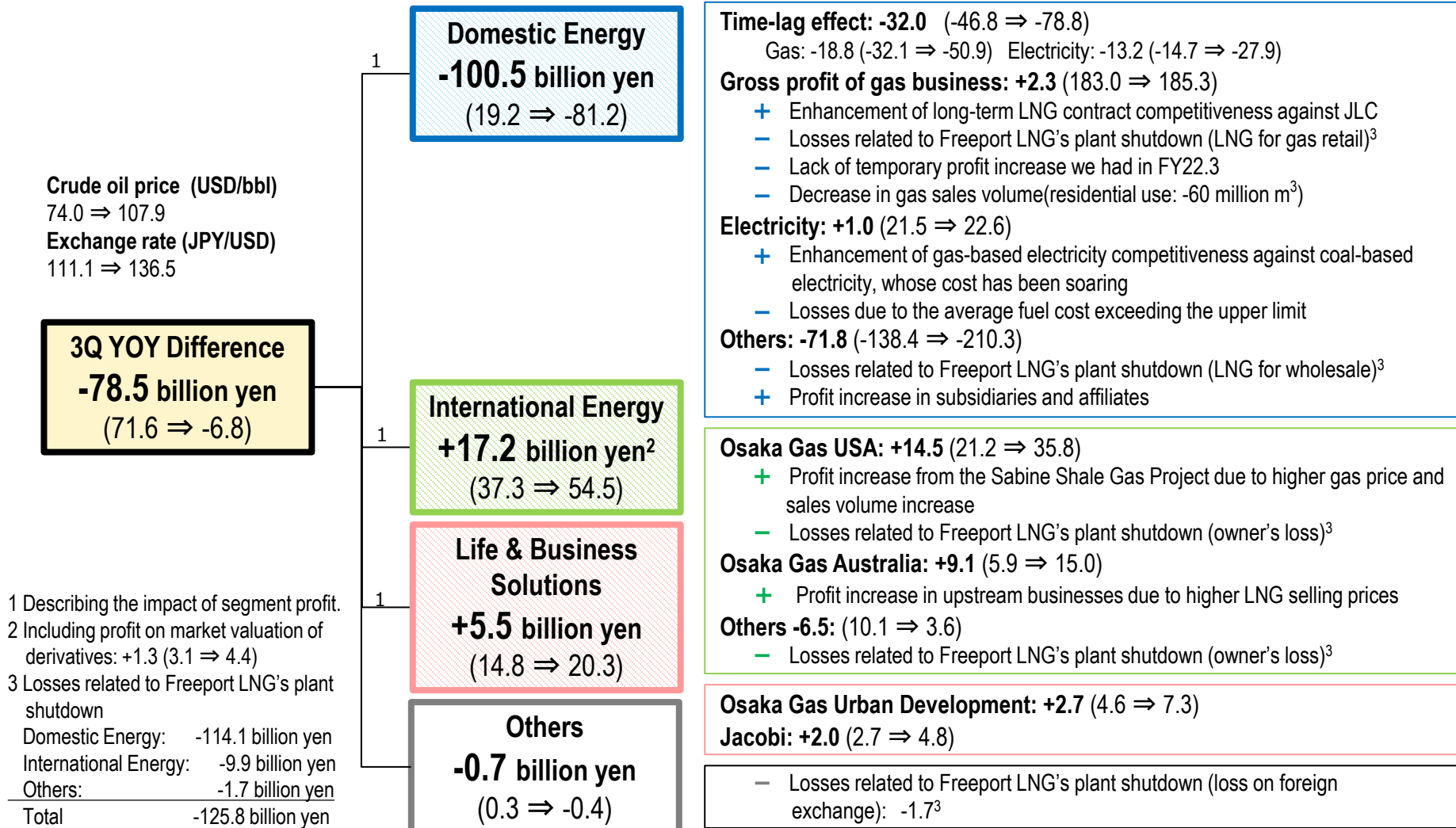
<sup>3</sup> Osaka Gas USA Corporation

# Breakdown of Change in Ordinary Profit

## YoY Comparison of 3Q Results

- ✓ Ordinary profit decreased by 78.5 billion yen from the previous year, mainly due to losses related to Freeport LNG's plant shutdown and an increase in time-lag losses, despite the enhancement of our long-term LNG contracts competitiveness against JLC (Japan LNG cocktail price) and increased income from International Energy business.

Main factors of increase/decrease



1 Describing the impact of segment profit.  
 2 Including profit on market valuation of derivatives: +1.3 (3.1 ⇒ 4.4)  
 3 Losses related to Freeport LNG's plant shutdown  
 Domestic Energy: -114.1 billion yen  
 International Energy: -9.9 billion yen  
 Others: -1.7 billion yen  
 Total -125.8 billion yen

# Comparison between Previous Forecasts (Oct. 2022) and Revised Forecasts

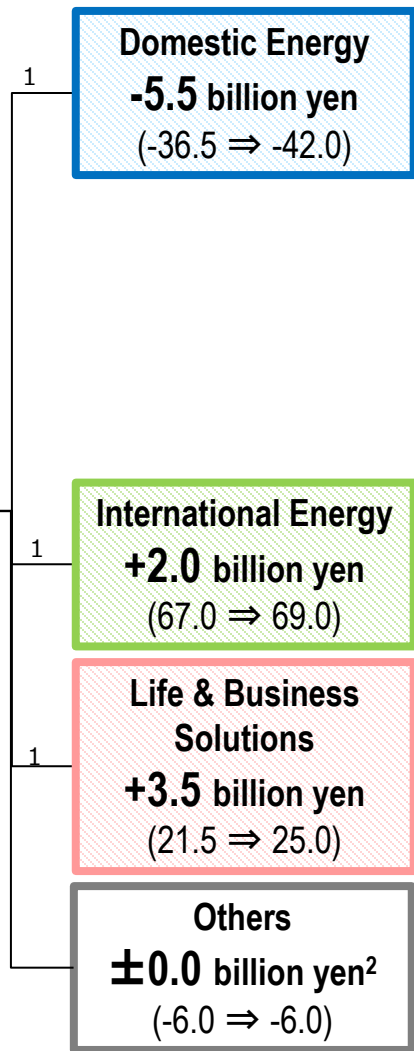
- ✓ Ordinary profit forecast remains unchanged due to the enhancement of our long-term LNG contract competitiveness against JLC and a decrease in the time-lag loss, despite an expected increase in losses related to Freeport LNG's plant shutdown.

Main factors of increase/decrease

<Assumption>

Crude oil price (USD/bbl)  
100 ⇒ 85  
Exchange rate (JPY/USD)  
145 ⇒ 135

**Difference from Previous Forecast**  
**±0.0 billion yen**  
(46.0 ⇒ 46.0)



**Time-lag effect: +17.1** (-40.0 ⇒ -22.9)  
Gas: +13.6(-19.5 ⇒ -5.9) Electricity: +3.5(-20.5 ⇒ -17.0)  
**Gross profit of gas business: -11.1** (243.2 ⇒ 232.1)  
- Losses related to Freeport LNG's plant shutdown (LNG for gas retail)<sup>2</sup>  
- Losses due to the average LNG price exceeding the upper limit  
+ Enhancement of our long-term LNG contract competitiveness against JLC  
**Electricity: -6.0** (32.0 ⇒ 26.0)  
- Decline in availability of own power supply  
**Others: -5.5** (-271.7 ⇒ -277.2)  
- Losses related to Freeport LNG's plant shutdown (LNG for wholesale)<sup>2</sup>  
+ Profit increase in subsidiaries and affiliates

**Osaka Gas Australia: +2.0** (18.2 ⇒ 20.2)

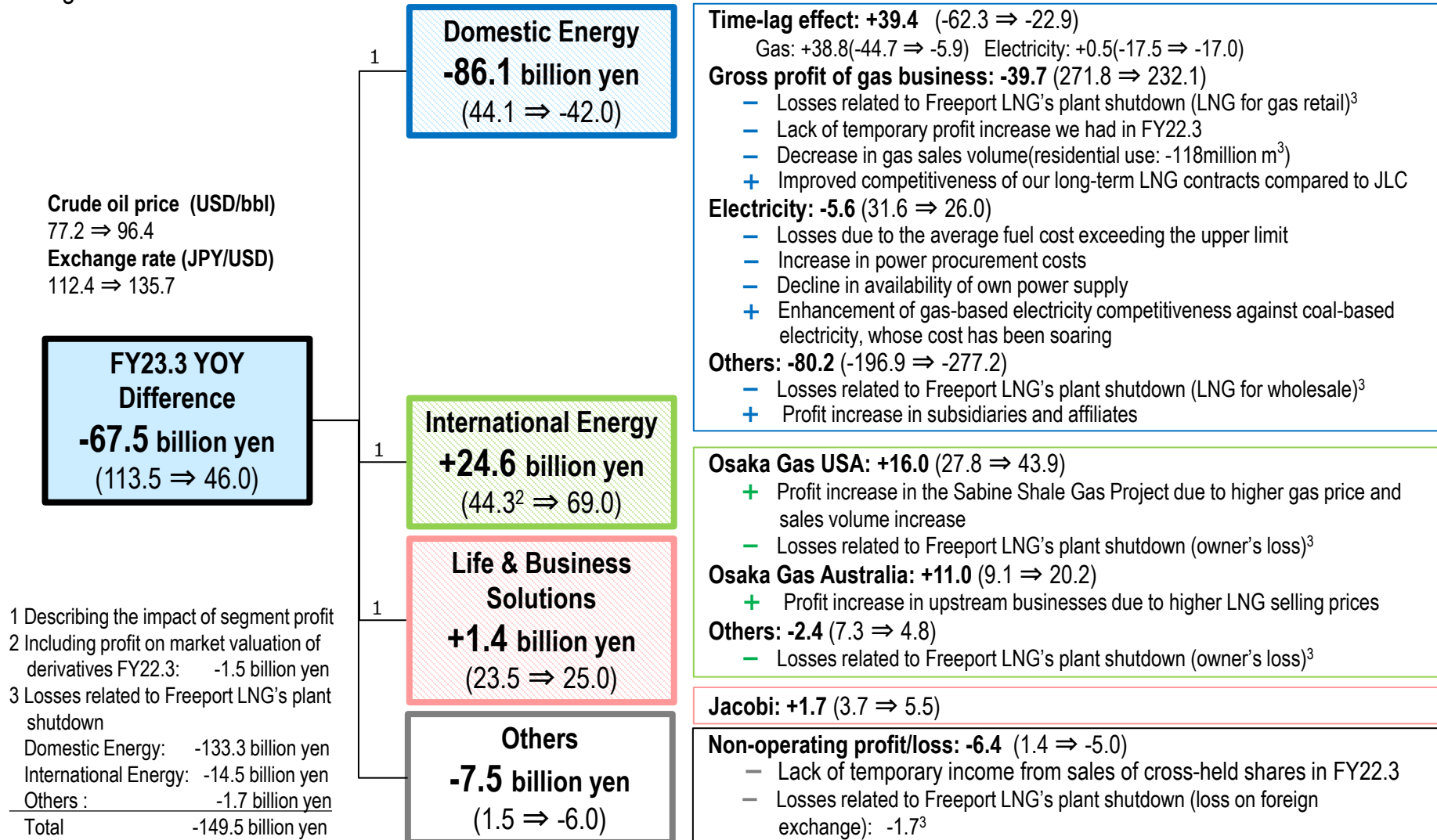
**Jacobi: +1.5** (4.0 ⇒ 5.5)  
**Osaka Gas Urban Development: +1.5** (7.0 ⇒ 8.5)  
**OGIS-RI: +0.5** (4.4 ⇒ 4.9)

1 Describing the impact of segment profit.  
2 Losses related to Freeport LNG's plant shutdown  
Domestic Energy: -39.8 billion yen  
Others: -0.2 billion yen  
Total: -40.0 billion yen

# Comparison between Results of Previous Year and Forecasts

- ✓ Ordinary profit decreased by 67.5 billion yen from the previous year, mainly due to losses related to Freeport LNG's plant shutdown, despite a decrease in the time-lag loss and the enhancement of our long-term LNG contracts competitiveness against JLC.

Main factors of increase/decrease



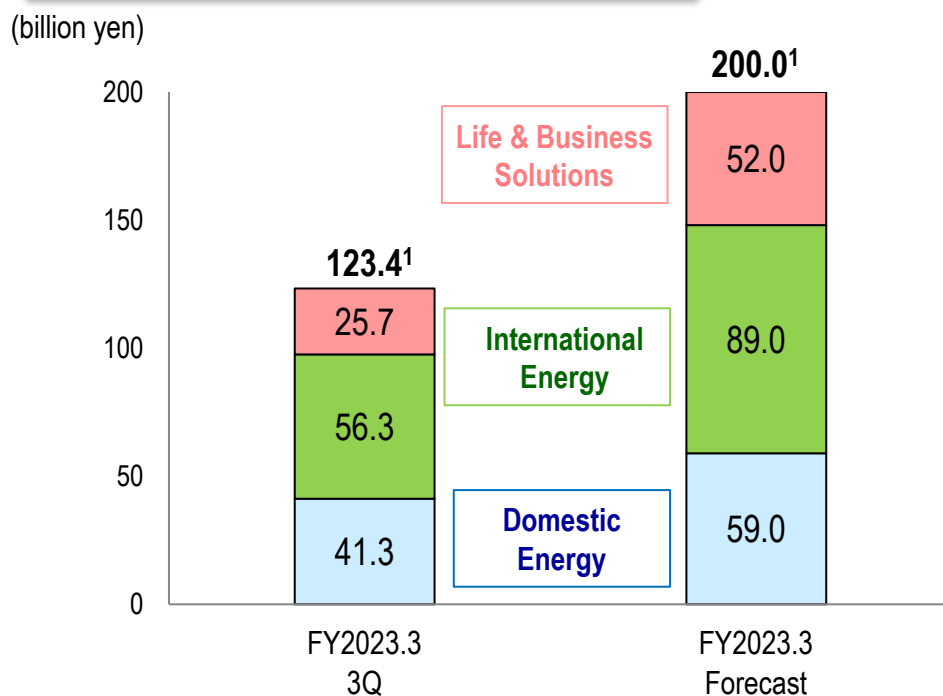
1 Describing the impact of segment profit  
 2 Including profit on market valuation of derivatives FY22.3: -1.5 billion yen  
 3 Losses related to Freeport LNG's plant shutdown  
 Domestic Energy: -133.3 billion yen  
 International Energy: -14.5 billion yen  
 Others: -1.7 billion yen  
 Total -149.5 billion yen



# Results and Forecasts for Investment for Business Growth

- ✓ In 3Q of FY2023.3, we invested 123.4 billion yen for growth.
- ✓ Although financial soundness indicators fell below the Mid-Term Management Plan's targets of "Shareholders' equity ratio of around 50% and D/E ratio of around 0.7," we expect that the indicators will recover to the target level by the end of FY2023.3 on an equity-adjusted basis for issued hybrid bonds.
- ✓ We will carefully proceed with investment for business growth by examining each asset and assessing their potential impact on our financial soundness.

## Investment for Growth



## Financial soundness indicators

	FY22.3 year end	FY23.3 3Q end	Year end forecasts
<b>Shareholders' equity ratio</b>	49.1% (52.5%)	43.8% (46.7%)	47.7% (50.8%)
<b>D/E ratio</b>	0.64 (0.54)	0.88 (0.76)	0.76 (0.66)

Note: The figures in parentheses are calculated with 50% of issued hybrid bonds (175 billion yen) as equity. (Dec. 2019: 100 billion yen, Sep. 2020: 75 billion yen)

<sup>1</sup> Amounts of investment include both capital expenditure items and investment-and-loan items, and therefore the amounts of investment are different from actual amounts of capital expenditures.

## II . Business Results for 3rd Quarter of FY2023.3

Figures for the fiscal year ended March 31, 2022 were calculated retroactively due to changes in accounting policies, etc.



## 1. Net Sales and Profit

billion yen	A. FY23.3 3Q	B. FY22.3 3Q	A-B	(A-B)/B	Remarks
<b>Net sales</b>	1,596.5	1,059.0	+537.4	+50.7%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>Operating profit</b>	-14.9	58.0	-72.9	-	- Increased costs for LNG procurement, etc.
<b>Ordinary profit</b>	-6.8	71.6	-78.5	-	- Increased costs for LNG procurement, etc.
<b>Time-lag effect<sup>1</sup></b>	-78.8	-46.8	-32.0	-	
<b>Gas</b>	-50.9	-32.1	-18.8	-	
<b>Electricity</b>	-27.9	-14.7	-13.2	-	
<b>Profit attributable to owners of parent</b>	-1.3	55.1	-56.5	-	- Increased costs for LNG procurement, etc.
<b>Earnings per share (EPS) (yen)</b>	-3.4	132.7	-136.0	-	
<b>EBITDA<sup>2</sup></b>	79.9	151.0	-71.0	-47.1%	
<b>NOPAT<sup>3</sup></b>	-0.0	64.1	-64.2	-	

1 Included in Domestic Energy.

2 EBITDA = Operating profit + share of profit/loss of entities accounted for using equity method + depreciation (including amortization of goodwill)

3 NOPAT = Ordinary profit + Financial expenses (Interest expenses - Interest income) - Income taxes

	A. FY23.3 3Q	B. FY22.3 3Q	A-B	Remarks
<b>Crude oil price (USD/bbl)</b>	107.9	74.0	+33.9	A: Average of preliminary monthly data up to December 2022
<b>Exchange rate (JPY/USD)</b>	136.5	111.1	+25.4	

## 2. Asset, Equity, and Debt

billion yen	A. FY23.3 3Q end	B. FY22.3 year end	A-B	Remarks
Total assets	3,106.3	2,588.0	+518.2	
Shareholders' equity	1,361.8	1,271.6	+90.2	
Book value per share (BPS) (yen)	3,276.2	3,059.4	+216.8	
Interest-bearing debts	1,194.9	815.0	+379.8	Increase due to a new financing, etc.
Hybrid bonds	175.0	175.0	±0.0	

	A. FY23.3 3Q	B. FY22.3 3Q	A-B	Remarks
ROIC	-0.0%	3.3%	-3.3%	Increased costs for LNG procurement, etc.
ROE	-0.1%	5.0%	-5.1%	Increased costs for LNG procurement, etc.

	A. FY23.3 3Q end	B. FY22.3 year end	A-B	Remarks
Shareholders' equity ratio	43.8%	49.1%	-5.3%	
After adjustment <sup>1</sup>	46.7%	52.5%	-5.9%	
Debt/Equity ratio	0.88	0.64	+0.24	
After adjustment <sup>1</sup>	0.76	0.54	+0.23	

<sup>1</sup> Calculated with 50% of issued hybrid bonds as equity.

## 3. Investment and Cash Flow

billion yen	A. FY23.3 3Q	B. FY22.3 3Q	A-B	Remarks
Investment for quality improvement <sup>1</sup>	42.9	42.5	+0.3	
Investment for growth	123.4	105.6	+17.8	
Domestic Energy	41.3	40.5	+0.8	
International Energy	56.3	32.5	+23.8	
Life & Business Solutions	25.7	32.5	-6.8	Development in the upstream business in North America, etc.
Capital expenditures	133.8	134.9	-1.0	
Depreciation	86.4	79.3	+7.1	
Free cash flow <sup>2</sup>	-290.1	-127.8	-162.3	

1 Total investment for quality improvement by Osaka Gas and Osaka Gas Network

2 Free cash flow = Cash flows from operating activities - Cash flows from investing activities

## 4. Customer Accounts and Sales Volume

	A. FY23.3 3Q end	B. FY22.3 3Q end	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	9,979	9,703	+276	+2.8%	

	A. FY23.3 3Q	B. FY22.3 3Q	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m <sup>3</sup> ) <sup>1,2</sup>	4,931	4,971	-41	-0.8%	
Residential	1,096	1,156	-60	-5.2%	
Non-residential	3,834	3,815	+19	+0.5%	
Electricity sales volume (GWh) <sup>2</sup>	11,487	11,983	-495	-4.1%	
Residential	4,579	4,294	+285	+6.6%	
Non-residential	6,909	7,689	-780	-10.1%	
Number of units for gas supply <sup>3</sup>	4,997	5,038	-42	-0.8%	
Number of low-voltage electricity supply	1,685	1,592	+92	+5.8%	

	A. FY23.3 3Q	B. FY22.3 3Q	A-B	Remarks
Average temperature (°C)	20.8	20.4	+0.4	

<sup>1</sup> 45MJ/m<sup>3</sup>

<sup>2</sup> Gas sales volume and electricity sales volume reflect the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date, as the revenue for gas sales and electricity sales are estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition.

<sup>3</sup> Domestic consolidated basis

## 5. Segment Sales and Profit

billion yen	A. FY23.3 3Q	B. FY22.3 3Q	A-B	(A-B)/B	Remarks
<b>Net Sales</b>	1,596.5	1,059.0	+537.4	+50.7%	
<b>Domestic Energy</b>	1,376.0	884.3	+491.7	+55.6%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>International Energy</b>	90.3	55.9	+34.4	+61.6%	Increase in sales in upstream businesses in the USA and Australia, etc.
<b>Life &amp; Business Solutions</b>	183.1	163.3	+19.7	+12.1%	Increase in the real estate business, etc.
<b>Adjustments</b>	-53.0	-44.5	-8.5	-	
<b>Segment profit<sup>1</sup></b>	-6.4	71.7	-78.1	-	
<b>Domestic Energy</b>	-81.2	19.2	-100.5	-	Increased costs for LNG procurement, etc.
<b>Electricity</b>	-5.3	6.8	-12.1	-	Loss on time-lag effect, etc.
<b>International Energy</b>	54.5	37.3	+17.2	+46.1%	Increase in income in upstream businesses in the USA and Australia, etc.
<b>Life &amp; Business Solutions</b>	20.3	14.8	+5.5	+37.7%	Increase in the real estate business, etc.
<b>Adjustments</b>	-0.0	0.3	-0.4	-	
<b>Profit/loss on time-lag effect<sup>2</sup></b>	-78.8	-46.8	-32.0	-	
<b>Gas</b>	-50.9	-32.1	-18.8	-	
<b>Electricity</b>	-27.9	-14.7	-13.2	-	
<b>Profit/loss on market valuation of derivatives<sup>3</sup></b>	4.4	3.1	+1.3	+43.6%	

1 Segment profit = Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

2 Included in the Domestic Energy.

3 Included in the International Energy.

## III. FY2023.3 Forecasts against Previous Forecasts





# FY2023.3 Forecasts against Previous Forecasts

## 1. Net Sales and Profit

Previous forecasts were published on October 31, 2022.

billion yen	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net sales	2,275.0	2,250.0	+25.0	+1.1%	Increase in sales mainly due to higher city gas unit selling price
Operating profit	43.0	43.0	±0.0	±0%	
Ordinary profit	46.0	46.0	±0.0	±0%	
Time-lag effect <sup>1</sup>	-22.9	-40.0	+17.1	-	
Gas	-5.9	-19.5	+13.6	-	
Electricity	-17.0	-20.5	+3.5	-	
Profit attributable to owners of parent	36.0	29.0	+7.0	+24.1%	Sales of cross-held shares
Earnings per share (EPS) (yen)	86.6	69.7	+16.8	+24.1%	
EBITDA <sup>2</sup>	161.0	161.0	±0.0	±0%	
NOPAT <sup>3</sup>	40.4	43.4	-3.0	-6.9%	

1 Included in Domestic Energy.

2 EBITDA = Operating profit + share of profit/loss of entities accounted for using equity method + depreciation (including amortization of goodwill)

3 NOPAT = Ordinary profit + Financial expenses (Interest expenses - Interest income) - Income taxes

	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
Crude oil price (USD/bbl)	96.4	106.0	-9.5	Jan. 2023 to March 2023 : 85 USD/bbl
Exchange rate (JPY/USD)	135.7	139.5	-3.8	Jan. 2023 to March 2023 : 135 JPY/USD

# FY2023.3 Forecasts against Previous Forecasts

## 2. Asset, Equity, and Debt

Previous forecasts were published on October 31, 2022.

billion yen	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
Total assets	2,835.3	2,772.7	+62.5	
Shareholders' equity	1,353.2	1,290.6	+62.5	
Book value per share (BPS) (yen)	3,254.6	3,104.1	+150.5	
Interest-bearing debts	1,032.3	1,032.3	±0.0	

	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
ROIC	1.8%	2.0%	-0.2%	
ROE	2.7%	2.3%	+0.5%	

	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
Shareholders' equity ratio	47.7%	46.5%	+1.2%	
After adjustment <sup>1</sup>	50.8%	49.7%	+1.1%	
Debt/Equity ratio	0.76	0.80	-0.04	
After adjustment <sup>1</sup>	0.66	0.69	-0.03	

<sup>1</sup> Calculated with 50% of issued hybrid bonds as equity.

## 3. Investment and Cash Flow

Previous forecasts were published on October 31, 2022.

billion yen	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
Investment for quality improvement <sup>1</sup>	74.0	74.0	±0.0	
Investment for growth	200.0	200.0	±0.0	
Domestic Energy	59.0	59.0	±0.0	
International Energy	89.0	89.0	±0.0	
Life & Business Solutions	52.0	52.0	±0.0	
Capital expenditures	192.0	192.0	±0.0	
Depreciation	110.0	110.0	±0.0	

<sup>1</sup> Total investment for quality improvement by Osaka Gas and Osaka Gas Network

billion yen	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
Cash flows from operating activities	121.7	114.7	+7.0	Increase in net profit
Cash flows from investing activities <sup>2</sup>	274.0	274.0	±0.0	
Free cash flow <sup>3</sup>	-152.2	-159.2	+7.0	Increase in net profit

<sup>2</sup> Forecasts are amount of investment.

<sup>3</sup> Free cash flow = Cash flows from operating activities - Cash flows from investing activities

## 4. Customer Accounts and Sales Volume

Previous forecasts were published on October 31, 2022.

	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,202	10,202	±0	±0%	
Consolidated gas sales volume (million m <sup>3</sup> ) <sup>1,2</sup>	6,834	6,834	±0	±0%	
Residential	1,732	1,732	±0	±0%	
Non-residential	5,102	5,102	±0	±0%	
Electricity sales volume (GWh) <sup>2</sup>	16,215	16,215	±0	±0%	

	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	Remarks
Average temperature (°C)	17.6	17.6	+0.0	

<sup>1</sup> 45MJ/m<sup>3</sup>

<sup>2</sup> Gas sales volume and electricity sales volume reflect the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date, as the revenue for gas sales and electricity sales are estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition.

5. Segment Sales and Profit

Previous forecasts were published on October 31, 2022.

billion yen	A. FY23.3 Revised Forecasts	B. FY23.3 Previous Forecasts	A-B	(A-B)/B	Remarks
<b>Net Sales</b>	2,275.0	2,250.0	+25.0	+1.1%	
<b>Domestic Energy</b>	1,974.0	1,961.0	+13.0	+0.7%	Increase in sales from the higher unit selling price of city gas, etc.
<b>International Energy</b>	116.0	114.0	+2.0	+1.8%	Increase in sales in upstream businesses in Australia, etc.
<b>Life &amp; Business Solutions</b>	260.0	250.0	+10.0	+4.0%	Increase in the material solutions business, etc.
<b>Adjustments</b>	-75.0	-75.0	±0.0	-	

<b>Segment profit<sup>1</sup></b>	51.0	51.0	±0.0	±0%	
<b>Domestic Energy</b>	-42.0	-36.5	-5.5	-	Increased costs for LNG procurement, etc.
<b>Electricity</b>	9.0	11.5	-2.5	-21.7%	Decline in availability of own power supply, etc.
<b>International Energy</b>	69.0	67.0	+2.0	+3.0%	Increase in income in upstream businesses in Australia, etc.
<b>Life &amp; Business Solutions</b>	25.0	21.5	+3.5	+16.3%	Increase in the material solutions business, etc.
<b>Adjustments</b>	-1.0	-1.0	±0.0	-	

<b>Profit/loss on time-lag effect<sup>2</sup></b>	-22.9	-40.0	+17.1	-	
<b>Gas</b>	-5.9	-19.5	+13.6	-	
<b>Electricity</b>	-17.0	-20.5	+3.5	-	

1 Segment profit = Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

2 Included in the Domestic Energy.

## IV. YoY Comparison of FY2023.3 Forecasts

Figures for the fiscal year ended March 31, 2022 were calculated retroactively due to changes in accounting policies, etc.



## 1. Net Sales and Profit

billion yen	A. FY23.3 Forecasts	B. FY22.3	A-B	(A-B)/B	Remarks
Net sales	2,275.0	1,591.1	+683.8	+43.0%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
Operating profit	43.0	99.2	-56.2	-56.7%	Increased costs for LNG procurement, etc.
Ordinary profit	46.0	113.5	-67.5	-59.5%	Increased costs for LNG procurement, etc.
Time-lag effect <sup>1</sup>	-22.9	-62.3	+39.4	-	
Gas	-5.9	-44.7	+38.8	-	
Electricity	-17.0	-17.5	+0.5	-	
Profit attributable to owners of parent	36.0	130.4	-94.4	-72.4%	Increased costs for LNG procurement, etc.
Earnings per share (EPS) (yen)	86.6	313.7	-227.1	-72.4%	
EBITDA <sup>2</sup>	161.0	220.9	-59.9	-27.1%	
NOPAT <sup>3</sup>	40.4	138.7	-98.3	-70.9%	

1 Included in Domestic Energy.

2 EBITDA = Operating profit + share of profit/loss of entities accounted for using equity method + depreciation (including amortization of goodwill)

3 NOPAT = Ordinary profit + Financial expenses (Interest expenses - Interest income) - Income taxes

	A. FY23.3 Forecasts	B. FY22.3	A-B	Remarks
Crude oil price (USD/bbl)	96.4	77.2	+19.3	Jan. 2023 to March 2023 : 85 USD/bbl
Exchange rate (JPY/USD)	135.7	112.4	+23.4	Jan. 2023 to March 2023 : 135 JPY/USD

## 2. Asset, Equity, and Debt

billion yen	A. FY23.3 Forecasts	B. FY22.3 year end	A-B	Remarks
Total assets	2,835.3	2,588.0	+247.2	
Shareholders' equity	1,353.2	1,271.6	+81.5	
Book value per share (BPS) (yen)	3,254.6	3,059.4	+195.2	
Interest-bearing debts	1,032.3	815.0	+217.2	Increase due to a new financing, etc.

	A. FY23.3 Forecasts	B. FY22.3	A-B	Remarks
ROIC	1.8%	7.1%	-5.2%	Increased costs for LNG procurement, etc.
ROE	2.7%	11.0%	-8.3%	Increased costs for LNG procurement, etc.

	A. FY23.3 Forecasts	B. FY22.3 year end	A-B	Remarks
Shareholders' equity ratio	47.7%	49.1%	-1.4%	
After adjustment <sup>1</sup>	50.8%	52.5%	-1.7%	
Debt/Equity ratio	0.76	0.64	+0.12	
After adjustment <sup>1</sup>	0.66	0.54	+0.12	

<sup>1</sup> Calculated with 50% of issued hybrid bonds as equity.



## 3. Investment and Cash Flow

billion yen	A. FY23.3 Forecasts	B. FY22.3	A-B	Remarks
Investment for quality improvement <sup>1</sup>	74.0	67.9	+6.0	
Investment for growth	200.0	141.3	+58.6	
Domestic Energy	59.0	52.5	+6.4	
International Energy	89.0	44.0	+44.9	Development in the upstream business in North America, etc.
Life & Business Solutions	52.0	44.7	+7.2	
Capital expenditures	192.0	189.3	+2.6	
Depreciation	110.0	108.9	+1.0	

<sup>1</sup> Total investment for quality improvement by Osaka Gas and Osaka Gas Network

billion yen	A. FY23.3 Forecasts	B. FY22.3	A-B	Remarks
Cash flows from operating activities	121.7	145.3	-23.6	
Cash flows from investing activities <sup>2</sup>	274.0	152.1	+121.8	
Free cash flow <sup>3</sup>	-152.2	-6.8	-145.4	

<sup>2</sup> Forecasts are amount of investment.

<sup>3</sup> Free cash flow = Cash flows from operating activities - Cash flows from investing activities

## 4. Customer Accounts and Sales Volume

	A. FY23.3 Forecasts	B. FY22.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,202	9,812	+390	+4.0%	
Consolidated gas sales volume (million m <sup>3</sup> ) <sup>1,2</sup>	6,834	7,090	-256	-3.6%	
Residential	1,732	1,849	-118	-6.4%	
Non-residential	5,102	5,241	-139	-2.6%	
Electricity sales volume (GWh) <sup>2</sup>	16,215	16,760	-545	-3.2%	

	A. FY23.3 Forecasts	B. FY22.3	A-B	Remarks
Average temperature (°C)	17.6	17.2	+0.4	

1 45MJ/m<sup>3</sup>

2 Gas sales volume and electricity sales volume reflect the estimated usage amount for the period between the last meter reading day in the account closing month and the account closing date, as the revenue for gas sales and electricity sales are estimated and recorded based on the Implementation Guidance on Accounting Standard for Revenue Recognition.

## 5. Segment Sales and Profit

billion yen	A. FY23.3 Forecasts	B. FY22.3	A-B	(A-B)/B	Remarks
<b>Net Sales</b>	2,275.0	1,591.1	+683.8	+43.0%	
<b>Domestic Energy</b>	1,974.0	1,340.7	+633.2	+47.2%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>International Energy</b>	116.0	80.7	+35.2	+43.6%	Increase in sales in upstream businesses in the USA and Australia, etc.
<b>Life &amp; Business Solutions</b>	260.0	237.0	+22.9	+9.7%	Increase in the material solutions business, etc.
<b>Adjustments</b>	-75.0	-67.5	-7.4	-	

<b>Segment profit<sup>1</sup></b>	51.0	112.0	-61.0	-54.5%	
<b>Domestic Energy</b>	-42.0	44.1	-86.1	-	Increased costs for LNG procurement, etc.
<b>Electricity</b>	9.0	14.0	-5.0	-36.0%	Losses due to the average fuel cost exceeding the upper limit, etc.
<b>International Energy</b>	69.0	44.3	+24.6	+55.6%	Increase in profit in upstream businesses in the USA and Australia, etc.
<b>Life &amp; Business Solutions</b>	25.0	23.5	+1.4	+6.3%	Increase in the material solutions business, etc.
<b>Adjustments</b>	-1.0	0.0	-1.0	-	

<b>Profit/loss on time-lag effect<sup>2</sup></b>	-22.9	-62.3	+39.4	-	
<b>Gas</b>	-5.9	-44.7	+38.8	-	
<b>Electricity</b>	-17.0	-17.5	+0.5	-	

1 Segment profit = Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

2 Included in the Domestic Energy.

## V . Reference



# Daigas Group's Involvement in Freeport LNG Project

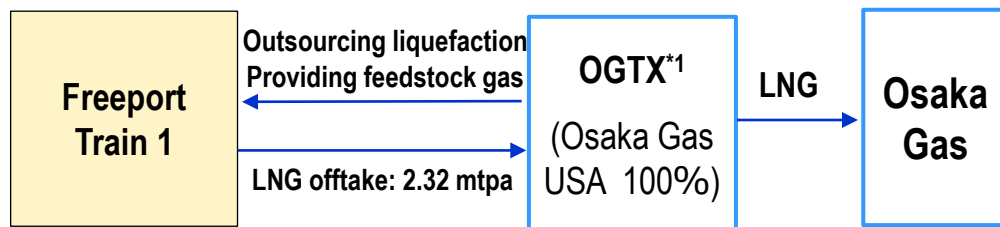
\*1 Osaka Gas Trading and Export LLC

\*2 Osaka Gas Liquefaction LLC

\*3 Turbo LLC

- ✓ Osaka Gas procures 2.32 million tons/year of LNG from Freeport and invests in the project
- ✓ Osaka Gas expects to incur a loss of 149.5 billion yen for the full year due to the plant shut down following a fire in June 2022

## LNG Procurement (Domestic Energy Segment)



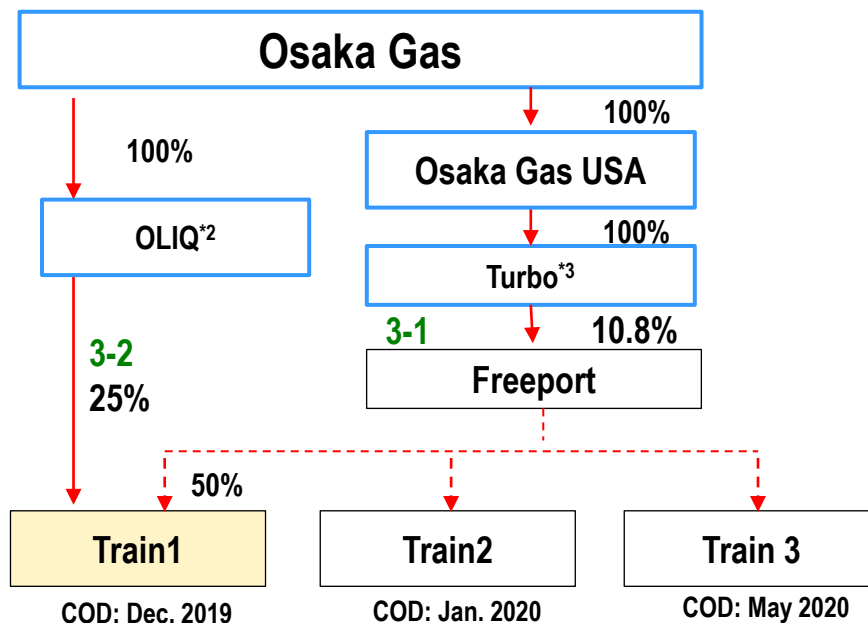
### Impact 1. LNG for retail

(recorded in **gas business gross profit**):  
Cost incurred for the procurement of replacement LNG

### Impact 2. LNG for wholesale

(recorded in **Others under Domestic Energy segment**):  
Loss incurred from related contracts

## Investment (International Energy Segment)



### Impact 3. Owner's earnings

Earnings loss due to the shutdown from the following two investments

- 3-1. Freeport** (recorded in **operating profit/loss**)
- 3-2. Train 1** (recorded in **share of profit of entities accounted for using equity method**)

## Sales Volume & Profit Sensitivity to External Factors

### Atmospheric and water temperatures

Range of fluctuation		Impact on residential gas sales volume
Atmospheric and water temperatures	+1 degree Celsius	-7%

### Crude oil price and exchange rate

Impact on the following assumptions after January 2023

Crude oil price: 85 USD/bbl  
Exchange: 135 JPY/USD

Range of fluctuation		Segment	Segment Impact	Net impact on consolidated ordinary profit
Crude oil price	+1USD/bbl	International Energy	No impact	-40 million yen
		Domestic Energy	Negative	
Exchange rate	+1JPY/USD	International Energy	No impact	-1.0 billion yen
		Domestic Energy	Negative	

## (Reference) Topics in 3<sup>rd</sup> Quarter of FY2023.3

Oct.	<ul style="list-style-type: none"> <li>■ <u>Goto Floating Wind Farm LLC Consortium Begins Offshore Wind Turbine Assembly-Towards Realization of Floating Offshore Wind Power Generator-</u></li> <li>■ <u>Daigas Group to Start Supply and Demand Management Service for Self-Wheeling Using a Solar Power Generation System—Collaboration in the Self-Wheeling Project of KANEKA CORPORATION—</u></li> <li>■ <u>First Contract for “DayZpower,” Joint PPA Business with Yamazen, Concluded - To Be Adopted at Kaisei Mill of Nippon Paper Creca -</u></li> <li>■ <u>Three Partners to Jointly Undertake Proof of Concept (PoC) Applying “CO2NNEXTM”, a Digital Platform for CO2 Accounting across its Supply Chain for Synthetic Methanes</u></li> <li>■ <u>Osaka Gas Participates in Mega Solar Power Plant Owned by Sonnedix</u></li> <li>■ <u>Osaka Gas’s Investment in the Public-Private Investment Fund "Japan Green Investment Corp. for Carbon Neutrality" -Toward the Realization of Carbon Neutrality by 2050-</u></li> </ul>
Nov.	<ul style="list-style-type: none"> <li>■ <u>Osaka Gas Signs an Agreement with a Power Generation Company in Which Daini Denryoku Has a Stake for Procurement of Electricity from New Non-FIT Solar Power Plants</u></li> <li>■ <u>Announcement of the Start of Accepting Orders for Japan’s First Compact Gas Pressure Cooker for Professional Use</u></li> <li>■ <u>Conclusion of Basic Agreement on Digestion Gas Power Generation Project at Ako Sewage Management Center</u></li> <li>■ <u>Joint Development of 84 Small and Medium-Sized Photovoltaic Power Plants with a Total Capacity of approximately 8MW by Osaka Gas and JPN ENERGY Integrated System</u></li> <li>■ <u>Osaka Gas Concludes Memorandum of Understanding for Joint Study of New Storage Battery Business: Expansion of Alliance with WEST HOLDINGS</u></li> <li>■ <u>Tokyo Gas, Osaka Gas, Toho Gas and Mitsubishi Collaborate to Produce e-methane in the US and Transport It to Japan, Utilizing Cameron LNG in Louisiana</u></li> </ul>
Dec.	<ul style="list-style-type: none"> <li>■ <u>Osaka Gas and giftee Jointly Launch the Digital Gift Ticket Service “Ittoku Pass” and the Hometown-Tax Collection System “Kansai Odekake Tax,” Which Are Intended to Operate in Coordination with Local Businesses and Local Governments, Respectively</u></li> <li>■ <u>Joint Development and Introduction of Quantitative Evaluation Method for Sake Brewing Process Using Gas Sensing Technology — Using the IoT Service “D-Fire” for Visualization to Ensure Consistency in the Quality of Sake —</u></li> <li>■ <u>Daigas Energy Launches Demand Response Service D-Response+: Demonstration of Remote AI-Controlled Energy Management System</u></li> <li>■ <u>Changes to the gas terms and conditions for some users (gradual elimination of upper limits)</u></li> <li>■ <u>Changes to the basic gas terms and conditions and the electricity supply terms and conditions, etc. following the adoption of the "Electricity and Gas Price Volatility Mitigation Project"</u></li> <li>■ <u>Establishment of the Study Committee (Joint Committee) for Practical Application of Innovative Methanation Technologies Aimed at Achieving Carbon Neutrality in 2050</u></li> <li>■ <u>Osaka Gas USA, Tallgrass, and Green Plains to Study e-methane Production from Biomass-Based CO2 in the U.S. Midwest</u></li> <li>■ <u>Osaka Gas Recognized with "A" Score for Water Security and "A-" for Climate Change by CDP</u></li> <li>■ <u>Osaka Gas Selected for Dow Jones Sustainability Indices Asia Pacific Index for 14th Consecutive Year</u></li> </ul>

\* Press releases were issued in the above indicated months. ■ Domestic Energy ■ International Energy ■ Others

