



# Financial Report for FY2023.3 (April 2022– March 2023)

May 8, 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.osakagas.co.jp/en/ir/>

**Disclaimer**

This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**Note regarding the results of FY2023.3:** Figures for FY2022.3 were calculated retroactively due to changes in accounting policies, etc. In addition, as the Japanese group relief system will be applied starting in FY2024.3, our tax effect accounting as of the end of FY2023.3 was calculated on a group relief basis.

**Note regarding forward-looking statements:** 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. The forecast for FY24.3 is based on the outlook announced on March 9, 2023, and does not reflect the effects of changes in business performance since the announcement.

**Note regarding gas sales volume:** All gas sales volumes are indicated based on the standard heating value at 45 MJ/m3.

**Note regarding consolidated gas sales volume:** Nabari Kintetsu Gas and Shingu Gas's fiscal year ends on December 31. Toyooka Energy's fiscal year ended on December 31 until FY2022.3, but starting in FY2023.3, it ends on March 31.

# I. Highlights of FY2023.3 Results and FY2024.3 Forecasts

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

## Highlights

| <p><b>1</b> FY23.3 ordinary profit resulted in a positive number due to the increased earnings in the International Energy and Life &amp; Business Solutions segments despite the significant losses in the Domestic Energy segment mainly due to the Freeport plant shutdown.</p> | <ul style="list-style-type: none"> <li>● FY22.3 Ordinary profit<br/>113.5 billion yen</li> <li>● Losses related to Freeport shutdown<br/>-147.7 billion yen</li> <li>● FY23.3 Ordinary profit<br/>75.6 billion yen</li> </ul>   |        |        |                      |        |                      |      |      |      |      |      |
|--|---|--------|--------|----------------------|--------|----------------------|------|------|------|------|------|
| <p><b>2</b> FY24.3 ordinary profit is expected to be higher than FY23.3 based on the assumption of the Freeport plant's operation resumption and the improvement of the time-lag impact.</p>   | <ul style="list-style-type: none"> <li>● FY24.3 Ordinary profit forecast<br/>159.0 billion yen<br/>(up by 83.3 billion yen)</li> </ul>  |        |        |                      |        |                      |      |      |      |      |      |
| <p><b>3</b> FY23.3 ROIC declined from the last year mainly due to decreased NOPAT. FY24.3 ROIC is expected to reach the target set for the final year of the current Medium-Term Business Plan.</p>  | <ul style="list-style-type: none"> <li>● FY23.3 ROIC 2.7%</li> <li>● FY24.3 ROIC forecast 5.4%<br/>(Medium-Term Plan's target about 5%)</li> </ul>  |        |        |                      |        |                      |      |      |      |      |      |
| <p><b>4</b> FY23.3 financial soundness indicators ended up at the Medium-Term Plan's target levels after declining during the fiscal year. FY24.3 indicators are expected to remain at the target levels.</p>  | <p>Shareholders' equity ratio<sup>1</sup></p> <ul style="list-style-type: none"> <li>● End of 2Q of FY23.3 46.0%</li> <li>● End of 4Q of FY23.3 52.5%<br/>(Medium-Term Plan's target level: about 50%)</li> </ul>   |        |        |                      |        |                      |      |      |      |      |      |
| <p><b>5</b> FY23.3 dividends increased, marking the third consecutive year increase from FY21.3. FY24.3 dividends are expected to increase further.</p>  | <ul style="list-style-type: none"> <li>● Annual dividends (yen/share)</li> </ul> <table border="1" data-bbox="1257 1210 1906 1375"> <thead> <tr> <th>FY20.3</th> <th>FY21.3</th> <th>FY22.3</th> <th>FY23.3</th> <th>FY24.3<br/>(Forecast)</th> </tr> </thead> <tbody> <tr> <td>50.0</td> <td>52.5</td> <td>57.5</td> <td>60.0</td> <td>65.0</td> </tr> </tbody> </table> | FY20.3 | FY21.3 | FY22.3               | FY23.3 | FY24.3<br>(Forecast) | 50.0 | 52.5 | 57.5 | 60.0 | 65.0 |
| FY20.3   | FY21.3  | FY22.3 | FY23.3 | FY24.3<br>(Forecast) |        |                      |      |      |      |      |      |
| 50.0   | 52.5  | 57.5   | 60.0   | 65.0                 |        |                      |      |      |      |      |      |

## FY2023.3 Results vs FY2022.3 Results

- ✓ Net sales increased year on year due to the higher unit selling prices of city gas and LNG in the Domestic Energy segment and to the higher unit selling prices of the upstream businesses in the USA and Australia in the International Energy segment.
- ✓ Ordinary profit and profit attributable to owners of the parent decreased year on year mainly due to losses related to Freeport LNG's plant shutdown. ROIC was also lower than in FY22.3.
- ✓ Financial soundness indicators ended up at almost the same level as at the end of FY22.3.
- ✓ The dividends forecast was 60.0 yen/share, up 2.5 yen from FY22.3, as originally planned.

| (billion yen)                                    | FY2023.3       | FY2022.3       | YoY Difference |
|--|----------------|----------------|----------------|
| <b>Net sales</b>                                 | <b>2,275.1</b> | <b>1,591.1</b> | <b>+683.9</b>  |
| <b>Ordinary profit</b>                           | <b>75.6</b>    | <b>113.5</b>   | <b>-37.8</b>   |
| <b>Profit attributable to owners of parent</b>   | <b>57.1</b>    | <b>130.4</b>   | <b>-73.3</b>   |
| <b>ROIC(%)</b>                                   | <b>2.7%</b>    | <b>7.1%</b>    | <b>-4.4%</b>   |
| <b>Shareholders' equity ratio(%)<sup>1</sup></b> | <b>52.5%</b>   | <b>52.5%</b>   | <b>-0.1%</b>   |
| <b>Debt/Equity ratio<sup>1</sup></b>             | <b>0.60</b>    | <b>0.54</b>    | <b>+0.07</b>   |
| <b>Annual dividends(yen/share)</b>               | <b>60.0</b>    | <b>57.50</b>   | <b>+2.5</b>    |

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

## FY2024.3 Forecasts vs FY2023.3 Results

- ✓ Net sales are expected to decrease from FY23.3 due to the lower unit selling prices of city gas in the Domestic Energy segment in response to falling procurement prices of feedstock.
- ✓ Ordinary profit and profit attributable to owners of the parent are expected to increase from FY23.3 based on the assumption of the Freeport plant's operation resumption and the improvement of the time-lag impact.
- ✓ ROIC is also expected to improve along with profit growth and reach the target set for the final year of the current Medium-Term Plan.
- ✓ The dividends target is 65.0 yen/share, up 5.0 yen from FY23.3.

| (billion yen)                                    | FY24.3 Forecasts | FY2023.3       | YoY Difference |
|--|------------------|----------------|----------------|
| <b>Net sales</b>                                 | <b>2,017.0</b>   | <b>2,275.1</b> | <b>-258.1</b>  |
| <b>Ordinary profit</b>                           | <b>159.0</b>     | <b>75.6</b>    | <b>+83.3</b>   |
| <b>Profit attributable to owners of parent</b>   | <b>116.0</b>     | <b>57.1</b>    | <b>+58.8</b>   |
| <b>ROIC(%)</b>                                   | <b>5.4%</b>      | <b>2.7%</b>    | <b>+2.8%</b>   |
| <b>Shareholders' equity ratio(%)<sup>1</sup></b> | <b>50.5%</b>     | <b>52.5%</b>   | <b>-1.9%</b>   |
| <b>Debt/Equity ratio<sup>1</sup></b>             | <b>0.59</b>      | <b>0.60</b>    | <b>-0.01</b>   |
| <b>Annual dividends(yen/share)</b>               | <b>65.0</b>      | <b>60.0</b>    | <b>+5.0</b>    |

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

## Impact of Freeport LNG's Plant Shutdown

- ✓ FY2023.3 losses related to Freeport LNG's plant shutdown:<sup>1</sup> -147.7 billion yen (billion yen)

| Segment   | Type of impact   | Title of account   | FY23.3 results | Reference                         |            |
|---|--|--|----------------|-----------------------------------|------------|
|   |  |  |                | Forecast Announced on Feb 6, 2023 | Difference |
| Domestic Energy                                 | <b><u>LNG for gas retail</u></b><br>Cost incurred for the procurement of replacement LNG | Gas business gross profit  | <b>-131.7</b>  | -133.3                            | +1.6       |
|   | <b><u>LNG for wholesale</u></b><br>Loss incurred from related contracts                  | Others   |                |                                   |            |
| International Energy                            | <b><u>Owner's loss 1</u></b><br>Freeport earnings loss due to the shutdown, etc.         | Operating profit/loss of OGUSA <sup>2</sup>                            | <b>-14.4</b>   | -14.5                             | +0.1       |
|   | <b><u>Owner's loss 2</u></b><br>Train 1 earnings loss due to the shutdown, etc.          | Others (share of profit of entities accounted for using equity method) |                |                                   |            |
| Non-operating income/loss(Exchange rate impact) |  |  | <b>-1.5</b>    | -1.7                              | +0.2       |
| <b>Total impact on ordinary profit</b>          |  |  | <b>-147.7</b>  | -149.5                            | +1.8       |

<sup>1</sup> See page 30 for information on the to the Freeport LNG Project, including our LNG procurement and investment in the Project.

<sup>2</sup> Osaka Gas USA Corporation

## YoY Comparison of Results

- ✓ Ordinary profit decreased by 37.8 billion yen from the previous year, mainly due to losses related to Freeport LNG's plant shutdown, despite the enhancement of our long-term LNG contracts competitiveness against JLC (Japan LNG cocktail price), the improvement of the time-lag impact, and profit increase in the International Energy segment.

Main factors of increase/decrease

**YoY Difference**  
**-37.8 billion yen**  
 (113.5→75.6)

**Domestic Energy**  
**-71.4 billion yen<sup>1</sup>**  
 (44.1→-27.3)

**International Energy**  
**+25.3 billion yen<sup>1,2</sup>**  
 (44.3→69.7)

**Life & Business Solutions**  
**+5.7 billion yen<sup>1</sup>**  
 (23.5→29.2)

**Others**  
**+2.4 billion yen**  
 (1.5→4.0)

**Time-lag: +27.6 (-62.3→-34.7)**  
 Gas: +28.3 (-44.7→-16.4) Electricity: -0.7 (-17.5→-18.3)

**Gross profit of gas business: -25.1 (271.8→246.7)**

- Losses related to Freeport LNG's plant shutdown (LNG for gas retail)<sup>3</sup>
- Decrease in gas sales volume (residential use: -152 million m<sup>3</sup>, etc.)
- Lack of temporary profit increase we had in FY22.3
- + Improved competitiveness of our long-term LNG contracts compared to JLC

**Electricity: -1.9 (31.6→29.6)**

- Losses due to the average fuel cost exceeding the upper limit
- Increase in power procurement costs of JEPX and negotiated contracts
- + Enhancement of gas-based electricity competitiveness against coal-based electricity, whose cost has been soaring

**Others: -72.0 (-196.9→-269.0)**

- Losses related to Freeport LNG's plant shutdown (LNG for wholesale)<sup>3</sup>
- + Profit increase in LNG sales

**Osaka Gas USA: +14.7 (27.8→42.5)**

- + Profit increase in the Sabine Shale Gas Project due to higher gas price and sales volume increase
- Losses related to Freeport LNG's plant shutdown (owner's loss)<sup>3</sup>

**Osaka Gas Australia: +12.7 (9.1→21.8)**

- + Profit increase in upstream businesses due to higher LNG selling prices

**Others: -2.0 (7.3→5.2)**

- Losses related to Freeport LNG's plant shutdown (owner's loss)<sup>3</sup>
- + Profit increase in IPP business in North America

**Jacobi: +3.1 (3.7→6.8)**

**Osaka Gas Urban Development: +1.8 (7.7→9.6)**

- Crude oil price (USD/bbl)+25.5 (77.2→102.7)
- Exchange rate (JPY/USD)+23.1 (112.4→135.5)

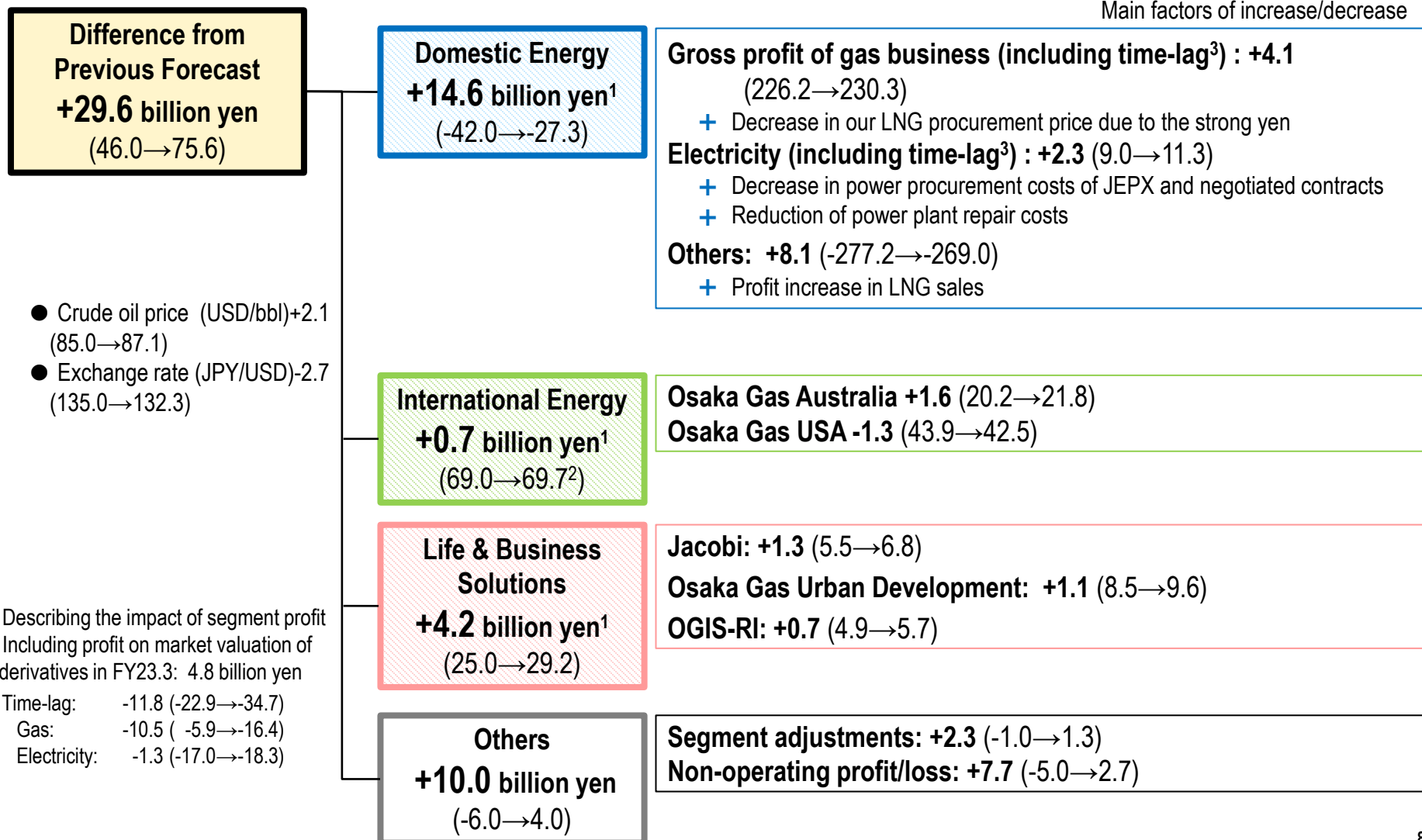
1 Describing the impact of segment profit  
 2 Including profit on market valuation of derivatives: +6.4 (-1.5→4.8)  
 3 Losses related to Freeport LNG's plant shutdown

|                      |                           |
|----------------------|---------------------------|
| Domestic Energy      | -131.7 billion yen        |
| International Energy | -14.4 billion yen         |
| Others               | -1.5 billion yen          |
| <b>Total</b>         | <b>-147.7 billion yen</b> |



## Comparison between Forecasts (Feb 6, 2023) and Results

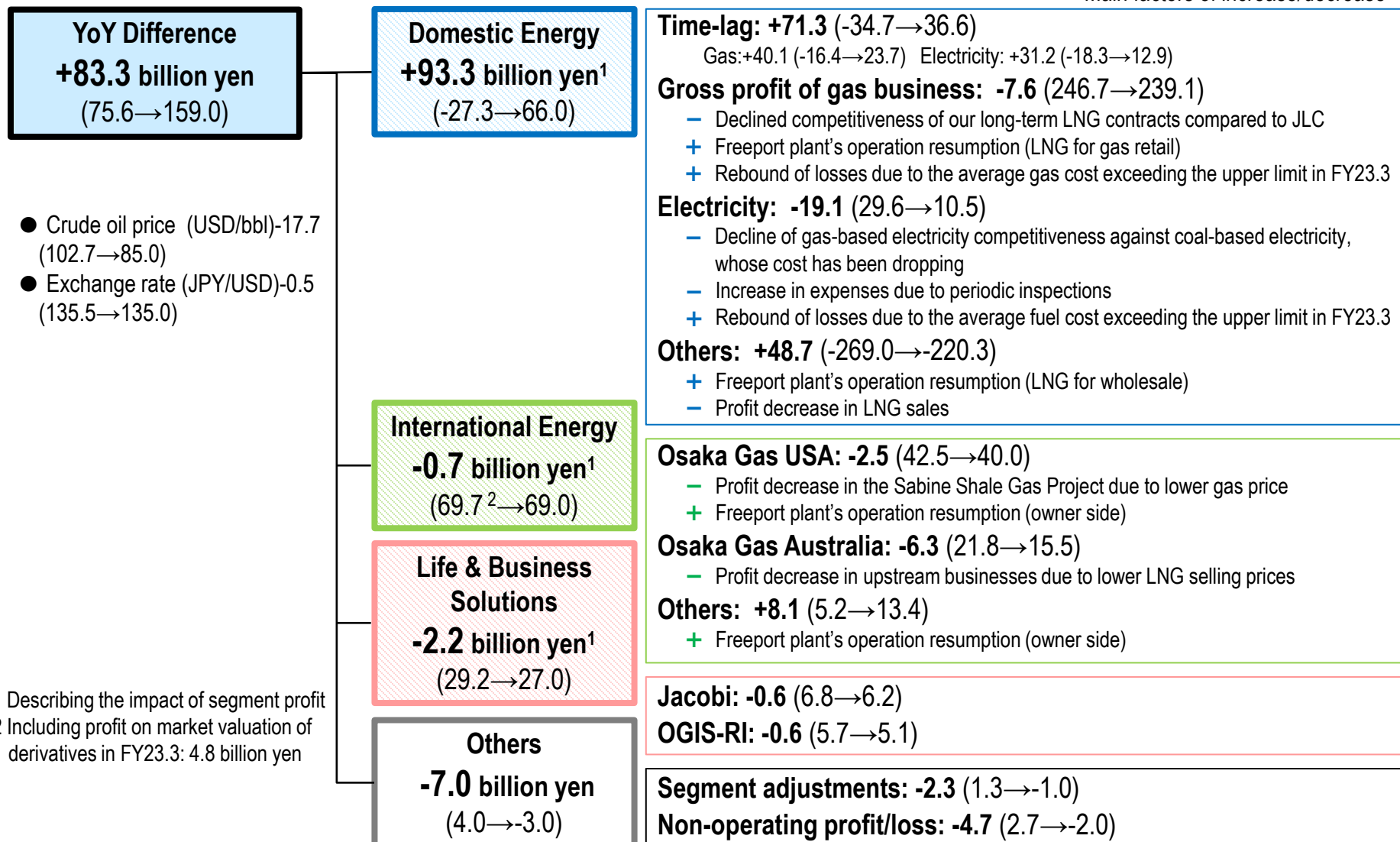
- ✓ Ordinary profit increased by 29.6 billion yen from the previous forecast, primarily due to LNG's higher unit selling prices boosting the LNG sales profit, the stronger yen resulting in the gas business' higher earnings, and the profit growth in the Life & Business Solutions segment.



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

- ✓ Ordinary profit is expected to increase by 83.3 billion yen from the previous year, based on the assumption of the Freeport plant's operation resumption and the improvement of the time-lag impact.

Main factors of increase/decrease



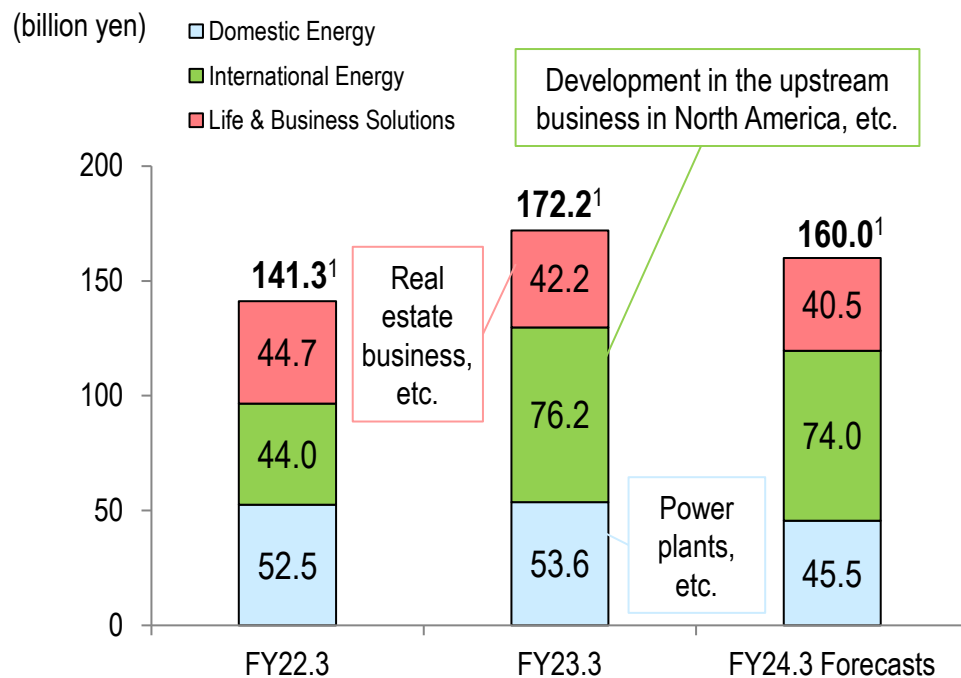
1 Describing the impact of segment profit

2 Including profit on market valuation of derivatives in FY23.3: 4.8 billion yen

# Investment for Business Growth: FY2023.3 Results and FY2024.3 Forecasts

- ✓ In FY2023.3, we invested 172.2 billion yen for business growth.
- ✓ The financial soundness indicators were maintained at the target levels: around 50% in shareholders' equity ratio and around 0.7 in D/E ratio.

## Investment for Growth



## Financial soundness indicators

|                                   | FY22.3 year-end results | FY23.3 year-end results | FY24.3 year-end forecasts |
|-----------------------------------|-------------------------|-------------------------|---------------------------|
| <b>Shareholders' equity ratio</b> | 52.5%<br>(49.1%)        | 52.5%<br>(49.3%)        | 50.5%<br>(47.6%)          |
| <b>D/E ratio</b>                  | 0.54<br>(0.64)          | 0.60<br>(0.71)          | 0.59<br>(0.69)            |

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

<sup>1</sup> The investment for business growth includes investments in plants and equipment, investments in equity shares, and business loans for projects and startups.

## II . FY2023.3 Results

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 | B. FY22.3 | A-B    | (A-B)/B | Remarks   |
|--|-----------|-----------|--------|---------|---|
| <b>Net sales</b>                               | 2,275.1   | 1,591.1   | +683.9 | +43.0%  | Increase in sales from the higher unit selling price of city gas and a rise in LNG selling prices, etc. |
| <b>Operating profit</b>                        | 60.0      | 99.2      | -39.2  | -39.5%  | Increased costs for LNG procurement, etc.   |
| <b>Ordinary profit</b>                         | 75.6      | 113.5     | -37.8  | -33.4%  | Increased costs for LNG procurement, etc.   |
| <b>Time-lag effect<sup>1</sup></b>             | -34.7     | -62.3     | +27.6  | -       |   |
| <b>(Non-consolidated) Gas</b>                  | -16.4     | -44.7     | +28.3  | -       |   |
| <b>(Non-consolidated) Electricity</b>          | -18.3     | -17.5     | -0.7   | -       |   |
| <b>Profit attributable to owners of parent</b> | 57.1      | 130.4     | -73.3  | -56.2%  | Increased costs for LNG procurement, etc.   |
| <b>Earnings per share (EPS) (yen)</b>          | 137.4     | 313.7     | -176.3 | -56.2%  |   |
| <b>EBITDA<sup>2</sup></b>                      | 192.7     | 220.9     | -28.1  | -12.8%  | Increased costs for LNG procurement, etc.   |
| <b>NOPAT<sup>3</sup></b>                       | 59.3      | 138.7     | -79.3  | -57.2%  | Increased costs for LNG procurement, etc.   |

1 Included in Domestic Energy.

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

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

|                                  | A. FY23.3 | B. FY22.3 | A-B   | Remarks  |
|----------------------------------|-----------|-----------|-------|--|
| <b>Crude oil price (USD/bbl)</b> | 102.7     | 77.2      | +25.5 | Average of preliminary monthly data up to March 2023 |
| <b>Exchange rate (JPY/USD)</b>   | 135.5     | 112.4     | +23.1 |  |

## 2. Asset, Equity, and Debt

| billion yen                      | A. FY23.3<br>year end | B. FY22.3<br>year end | A-B    | Remarks                               |
|----------------------------------|-----------------------|-----------------------|--------|---------------------------------------|
| <b>Total assets</b>              | 2,819.5               | 2,588.0               | +231.5 |                                       |
| <b>Shareholders' equity</b>      | 1,391.4               | 1,271.6               | +119.8 |                                       |
| Book value per share (BPS) (yen) | 3,347.3               | 3,059.4               | +287.9 |                                       |
| <b>Interest-bearing debts</b>    | 981.5                 | 815.0                 | +166.4 | Increase due to a new financing, etc. |
| Hybrid bonds                     | 175.0                 | 175.0                 | ±0.0   |                                       |

|                           | A. FY23.3 | B. FY22.3 | A-B   | Remarks                                   |
|---------------------------|-----------|-----------|-------|---|
| <b>ROIC</b>               | 2.7%      | 7.1%      | -4.4% | Increased costs for LNG procurement, etc. |
| Domestic Energy           | -0.9%     | 3.6%      | -4.4% |   |
| International Energy      | 8.6%      | 16.6%     | -8.0% |   |
| Life & Business Solutions | 5.6%      | 4.8%      | +0.8% |   |
| <b>ROE</b>                | 4.3%      | 11.0%     | -6.8% | Increased costs for LNG procurement, etc. |

|                                   | A. FY23.3<br>year end | B. FY22.3<br>year end | A-B   | Remarks |
|-----------------------------------|-----------------------|-----------------------|-------|---------|
| <b>Shareholders' equity ratio</b> | 49.3%                 | 49.1%                 | +0.2% |         |
| After adjustment <sup>1</sup>     | 52.5%                 | 52.5%                 | -0.1% |         |
| <b>Debt/Equity ratio</b>          | 0.71                  | 0.64                  | +0.06 |         |
| After adjustment <sup>1</sup>     | 0.60                  | 0.54                  | +0.07 |         |

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

### 3. Investment and Cash Flow

| billion yen                        | A. FY23.3 | B. FY22.3 | A-B   | Remarks |
|------------------------------------|-----------|-----------|-------|---------|
| Investment for quality improvement | 65.0      | 67.9      | -2.9  |         |
| Investment for growth              | 172.2     | 141.3     | +30.9 |         |
| Domestic Energy                    | 53.6      | 52.5      | +1.1  |         |
| International Energy               | 76.2      | 44.0      | +32.1 |         |
| Life & Business Solutions          | 42.2      | 44.7      | -2.4  |         |
| Capital expenditures               | 195.3     | 189.3     | +6.0  |         |
| Depreciation                       | 119.8     | 108.9     | +10.9 |         |

| billion yen                          | A. FY23.3 | B. FY22.3 | A-B    | Remarks                           |
|--------------------------------------|-----------|-----------|--------|-----------------------------------|
| Cash flows from operating activities | 33.5      | 145.3     | -111.7 | Increase in working capital, etc. |
| Cash flows from investing activities | 203.9     | 152.1     | +51.7  |                                   |
| Free cash flow <sup>1</sup>          | -170.3    | -6.8      | -163.5 |                                   |

<sup>1</sup> Free cash flow = Cash flows from operating activities - Cash flows from investing activities

## 4. Customer Accounts and Sales Volume

| (thousands)                              | A. FY23.3<br>year end | B. FY22.3<br>year end | A-B  | (A-B)/B | Remarks |
|--|-----------------------|-----------------------|------|---------|---------|
| Number of customer accounts              | 10,021                | 9,812                 | +209 | +2.1%   |         |
| Number of units for gas supply           | 5,004                 | 5,026                 | -22  | -0.4%   |         |
| Number of low-voltage electricity supply | 1,707                 | 1,613                 | +94  | +5.8%   |         |

|  | A. FY23.3 | B. FY22.3 | A-B    | (A-B)/B | Remarks |
|--|-----------|-----------|--------|---------|---------|
| <b>Consolidated gas sales volume (million m<sup>3</sup>)<sup>1,2</sup></b> | 6,845     | 7,090     | -245   | -3.5%   |         |
| Residential  | 1,697     | 1,849     | -152   | -8.2%   |         |
| Non-residential  | 5,148     | 5,241     | -93    | -1.8%   |         |
| <b>Electricity sales volume (GWh)<sup>2</sup></b>                          | 15,883    | 16,760    | -876   | -5.2%   |         |
| Residential  | 6,390     | 6,189     | +201   | +3.3%   |         |
| Non-residential  | 9,493     | 10,571    | -1,078 | -10.2%  |         |

|                                 | A. FY23.3 | B. FY22.3 | A-B  | Remarks |
|---------------------------------|-----------|-----------|------|---------|
| <b>Average temperature (°C)</b> | 17.8      | 17.2      | +0.7 |         |

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 | B. FY22.3 | A-B    | (A-B)/B | Remarks   |
|--------------------------------------|-----------|-----------|--------|---------|---|
| <b>Net Sales</b>                     | 2,275.1   | 1,591.1   | +683.9 | +43.0%  |   |
| <b>Domestic Energy</b>               | 1,971.6   | 1,340.7   | +630.9 | +47.1%  | Increase in sales from the higher unit selling price of city gas and a rise in LNG selling prices, etc. |
| <b>International Energy</b>          | 123.2     | 80.7      | +42.5  | +52.6%  | Increase in sales in upstream businesses in the USA and Australia, etc.                                 |
| <b>Life &amp; Business Solutions</b> | 258.5     | 237.0     | +21.4  | +9.1%   | Increase in the material solutions business, etc.   |
| <b>Adjustments</b>                   | -78.4     | -67.5     | -10.8  | -       |   |

|                                      |       |       |       |        |  |
|--------------------------------------|-------|-------|-------|--------|--|
| <b>Segment profit<sup>1</sup></b>    | 72.9  | 112.0 | -39.1 | -34.9% |  |
| <b>Domestic Energy</b>               | -27.3 | 44.1  | -71.4 | -      | Increase costs for LNG procurement, etc.                                 |
| <b>Electricity</b>                   | 11.3  | 14.0  | -2.7  | -19.2% |  |
| <b>International Energy</b>          | 69.7  | 44.3  | +25.3 | +57.3% | Increase in income in upstream businesses in the USA and Australia, etc. |
| <b>Life &amp; Business Solutions</b> | 29.2  | 23.5  | +5.7  | +24.3% | Increase in the material solutions business, etc.                        |
| <b>Adjustments</b>                   | 1.3   | 0.0   | +1.2  | -      |  |

|   |       |       |       |   |  |
|---|-------|-------|-------|---|--|
| <b>Profit/loss on time-lag effect<sup>2</sup></b>                 | -34.7 | -62.3 | +27.6 | - |  |
| <b>(Non-consolidated) Gas</b>                                     | -16.4 | -44.7 | +28.3 | - |  |
| <b>(Non-consolidated) Electricity</b>                             | -18.3 | -17.5 | -0.7  | - |  |
| <b>Profit/loss on market valuation of derivatives<sup>3</sup></b> | 4.8   | -1.5  | +6.4  | - |  |

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. Comparison between Forecasts and Results

# Comparison between Forecasts and Results

## 1. Net Sales and Profit

Previous forecasts were published on February 6, 2023.

| billion yen                                    | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B   | (A-B)/B | Remarks                              |
|--|-----------|------------------------------------|-------|---------|--------------------------------------|
| <b>Net sales</b>                               | 2,275.1   | 2,275.0                            | +0.1  | +0.0%   |                                      |
| <b>Operating profit</b>                        | 60.0      | 43.0                               | +17.0 | +39.5%  | Increase in LNG selling prices, etc. |
| <b>Ordinary profit</b>                         | 75.6      | 46.0                               | +29.6 | +64.5%  | Increase in LNG selling prices, etc. |
| <b>Time-lag effect<sup>1</sup></b>             | -34.7     | -22.9                              | -11.8 | -       |                                      |
| <b>(Non-consolidated) Gas</b>                  | -16.4     | -5.9                               | -10.5 | -       |                                      |
| <b>(Non-consolidated) Electricity</b>          | -18.3     | -17.0                              | -1.3  | -       |                                      |
| <b>Profit attributable to owners of parent</b> | 57.1      | 36.0                               | +21.1 | +58.6%  | Increase in LNG selling prices, etc. |
| <b>Earnings per share (EPS) (yen)</b>          | 137.4     | 86.6                               | +50.8 | +58.7%  |                                      |
| <b>EBITDA<sup>2</sup></b>                      | 192.7     | 161.0                              | +31.7 | +19.7%  | Increase in LNG selling prices, etc. |
| <b>NOPAT<sup>3</sup></b>                       | 59.3      | 40.4                               | +18.9 | +46.9%  | Increase in LNG selling prices, etc. |

1 Included in Domestic Energy.

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

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

|                                  | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B  | Remarks  |
|----------------------------------|-----------|------------------------------------|------|--|
| <b>Crude oil price (USD/bbl)</b> | 102.7     | 96.4                               | +6.3 | Average of preliminary monthly data up to March 2023 |
| <b>Exchange rate (JPY/USD)</b>   | 135.5     | 135.7                              | -0.2 |  |

# Comparison between Forecasts and Results

## 2. Asset, Equity, and Debt

Previous forecasts were published on February 6, 2023.

| billion yen                      | A. FY23.3<br>year end | B. FY23.3<br>Previous<br>Forecasts | A-B   | Remarks |
|----------------------------------|-----------------------|------------------------------------|-------|---------|
| Total assets                     | 2,819.5               | 2,835.3                            | -15.7 |         |
| Shareholders' equity             | 1,391.4               | 1,353.2                            | +38.2 |         |
| Book value per share (BPS) (yen) | 3,347.3               | 3,254.6                            | +92.7 |         |
| Interest-bearing debts           | 981.5                 | 1,032.3                            | -50.7 |         |

|      | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B   | Remarks                              |
|------|-----------|------------------------------------|-------|--------------------------------------|
| ROIC | 2.7%      | 1.8%                               | +0.9% | Increase in LNG selling prices, etc. |
| ROE  | 4.3%      | 2.7%                               | +1.5% | Increase in LNG selling prices, etc. |

|                               | A. FY23.3<br>year end | B. FY23.3<br>Previous<br>Forecasts | A-B   | Remarks |
|-------------------------------|-----------------------|------------------------------------|-------|---------|
| Shareholders' equity ratio    | 49.3%                 | 47.7%                              | +1.6% |         |
| After adjustment <sup>1</sup> | 52.5%                 | 50.8%                              | +1.6% |         |
| Debt/Equity ratio             | 0.71                  | 0.76                               | -0.06 |         |
| After adjustment <sup>1</sup> | 0.60                  | 0.66                               | -0.05 |         |

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

# Comparison between Forecasts and Results

## 3. Investment and Cash Flow

Previous forecasts were published on February 6, 2023.

| billion yen                        | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B   | Remarks |
|------------------------------------|-----------|------------------------------------|-------|---------|
| Investment for quality improvement | 65.0      | 74.0                               | -8.9  |         |
| Investment for growth              | 172.2     | 200.0                              | -27.7 |         |
| Capital expenditures               | 195.3     | 192.0                              | +3.3  |         |
| Depreciation                       | 119.8     | 110.0                              | +9.8  |         |

| billion yen                                       | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B   | Remarks                           |
|---|-----------|------------------------------------|-------|-----------------------------------|
| Cash flows from operating activities              | 33.5      | 121.7                              | -88.1 | Increase in working capital, etc. |
| Cash flows from investing activities <sup>1</sup> | 203.9     | 274.0                              | -70.0 |                                   |
| Free cash flow <sup>2</sup>                       | -170.3    | -152.2                             | -18.1 |                                   |

1 Forecasts are amount of investment.

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

# Comparison between Forecasts and Results

## 4. Customer Accounts and Sales Volume

Previous forecasts were published on February 6, 2023.

|  | A. FY23.3<br>year end | B. FY23.3<br>Previous<br>Forecasts | A-B  | (A-B)/B | Remarks |
|--|-----------------------|------------------------------------|------|---------|---------|
| <b>Number of customer accounts (thousands)</b> | 10,021                | 10,202                             | -181 | -1.8%   |         |

|  | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B  | (A-B)/B | Remarks |
|--|-----------|------------------------------------|------|---------|---------|
| <b>Consolidated gas sales volume (million m<sup>3</sup>)<sup>1,2</sup></b> | 6,845     | 6,834                              | +11  | +0.2%   |         |
| <b>Residential</b>   | 1,697     | 1,732                              | -35  | -2.0%   |         |
| <b>Non-residential</b>   | 5,148     | 5,102                              | +46  | +0.9%   |         |
| <b>Electricity sales volume (GWh)<sup>2</sup></b>                          | 15,883    | 16,215                             | -332 | -2.0%   |         |

|                                 | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B  | Remarks |
|---------------------------------|-----------|------------------------------------|------|---------|
| <b>Average temperature (°C)</b> | 17.8      | 17.6                               | +0.2 |         |

<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.

# Comparison between Forecasts and Results

## 5. Segment Sales and Profit

Previous forecasts were published on February 6, 2023.

| billion yen                          | A. FY23.3 | B. FY23.3<br>Previous<br>Forecasts | A-B  | (A-B)/B | Remarks |
|--------------------------------------|-----------|------------------------------------|------|---------|---------|
| <b>Net Sales</b>                     | 2,275.1   | 2,275.0                            | +0.1 | +0.0%   |         |
| <b>Domestic Energy</b>               | 1,971.6   | 1,974.0                            | -2.3 | -0.1%   |         |
| <b>International Energy</b>          | 123.2     | 116.0                              | +7.2 | +6.3%   |         |
| <b>Life &amp; Business Solutions</b> | 258.5     | 260.0                              | -1.4 | -0.6%   |         |
| <b>Adjustments</b>                   | -78.4     | -75.0                              | -3.4 | -       |         |

|                                      |       |       |       |        |   |
|--------------------------------------|-------|-------|-------|--------|---|
| <b>Segment profit<sup>1</sup></b>    | 72.9  | 51.0  | +21.9 | +43.0% |   |
| <b>Domestic Energy</b>               | -27.3 | -42.0 | +14.6 | -      | Increase in LNG selling prices, etc.              |
| <b>Electricity</b>                   | 11.3  | 9.0   | +2.3  | +26.3% |   |
| <b>International Energy</b>          | 69.7  | 69.0  | +0.7  | +1.0%  |   |
| <b>Life &amp; Business Solutions</b> | 29.2  | 25.0  | +4.2  | +16.9% | Increase in the material solutions business, etc. |
| <b>Adjustments</b>                   | 1.3   | -1.0  | +2.3  | -      |   |

|   |       |       |       |   |  |
|---|-------|-------|-------|---|--|
| <b>Profit/loss on time-lag effect<sup>2</sup></b> | -34.7 | -22.9 | -11.8 | - |  |
| <b>(Non-consolidated) Gas</b>                     | -16.4 | -5.9  | -10.5 | - |  |
| <b>(Non-consolidated) Electricity</b>             | -18.3 | -17.0 | -1.3  | - |  |

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

2 Included in the Domestic Energy.

## IV. FY2024.3 Forecasts



## 1. Net Sales and Profit

| billion yen                                    | A. FY24.3<br>Forecasts | B. FY23.3 | A-B    | (A-B)/B | Remarks   |
|--|------------------------|-----------|--------|---------|---|
| <b>Net sales</b>                               | 2,017.0                | 2,275.1   | -258.1 | -11.3%  | Decrease in sales from the lower unit selling price of city gas, etc. |
| <b>Operating profit</b>                        | 139.5                  | 60.0      | +79.4  | +132.5% | Decreased costs for LNG procurement, etc.                             |
| <b>Ordinary profit</b>                         | 159.0                  | 75.6      | +83.3  | +110.2% | Decreased costs for LNG procurement, etc.                             |
| <b>Time-lag effect<sup>1</sup></b>             | 36.6                   | -34.7     | +71.3  | -       |   |
| <b>(Non-consolidated) Gas</b>                  | 23.7                   | -16.4     | +40.1  | -       |   |
| <b>(Non-consolidated) Electricity</b>          | 12.9                   | -18.3     | +31.2  | -       |   |
| <b>Profit attributable to owners of parent</b> | 116.0                  | 57.1      | +58.8  | +103.1% | Decreased costs for LNG procurement, etc.                             |
| <b>Earnings per share (EPS) (yen)</b>          | 279.1                  | 137.4     | +141.7 | +103.1% |   |
| <b>EBITDA<sup>2</sup></b>                      | 264.5                  | 192.7     | +71.7  | +37.2%  | Decreased costs for LNG procurement, etc.                             |
| <b>NOPAT<sup>3</sup></b>                       | 126.7                  | 59.3      | +67.4  | +113.6% | Decreased costs for LNG procurement, etc.                             |

1 Included in Domestic Energy.

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

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

|                                  | A. FY24.3<br>Forecasts | B. FY23.3 | A-B   | Remarks                                |
|----------------------------------|------------------------|-----------|-------|--|
| <b>Crude oil price (USD/bbl)</b> | 85.0                   | 102.7     | -17.7 | April 2023 to March 2024 : 85 USD/bbl  |
| <b>Exchange rate (JPY/USD)</b>   | 135.0                  | 135.5     | -0.5  | April 2023 to March 2024 : 135 JPY/USD |

## 2. Asset, Equity, and Debt

| billion yen                      | A. FY24.3<br>Forecasts | B. FY23.3<br>year end | A-B    | Remarks |
|----------------------------------|------------------------|-----------------------|--------|---------|
| Total assets                     | 2,956.8                | 2,819.5               | +137.2 |         |
| Shareholders' equity             | 1,407.1                | 1,391.4               | +15.7  |         |
| Book value per share (BPS) (yen) | 3,385.1                | 3,347.3               | +37.8  |         |
| Interest-bearing debts           | 972.6                  | 981.5                 | -8.9   |         |

|      | A. FY24.3<br>Forecasts | B. FY23.3 | A-B   | Remarks                                   |
|------|------------------------|-----------|-------|---|
| ROIC | 5.4%                   | 2.7%      | +2.8% | Decreased costs for LNG procurement, etc. |
| ROE  | 8.5%                   | 4.3%      | +4.2% | Decreased costs for LNG procurement, etc. |

|                               | A. FY24.3<br>Forecasts | B. FY23.3<br>year end | A-B   | Remarks |
|-------------------------------|------------------------|-----------------------|-------|---------|
| Shareholders' equity ratio    | 47.6%                  | 49.3%                 | -1.8% |         |
| After adjustment <sup>1</sup> | 50.5%                  | 52.5%                 | -1.9% |         |
| Debt/Equity ratio             | 0.69                   | 0.71                  | -0.01 |         |
| After adjustment <sup>1</sup> | 0.59                   | 0.60                  | -0.01 |         |

1 Calculated with 50% of issued hybrid bonds as equity.

### 3. Cash Flow and Investment

| billion yen                        | A. FY24.3<br>Forecasts | B. FY23.3 | A-B   | Remarks |
|------------------------------------|------------------------|-----------|-------|---------|
| Investment for quality improvement | 90.0                   | 65.0      | +24.9 |         |
| Investment for growth              | 160.0                  | 172.2     | -12.2 |         |
| Domestic Energy                    | 45.5                   | 53.6      | -8.1  |         |
| International Energy               | 74.0                   | 76.2      | -2.2  |         |
| Life & Business Solutions          | 40.5                   | 42.2      | -1.7  |         |
| Capital expenditures               | 214.0                  | 195.3     | +18.6 |         |
| Depreciation                       | 103.5                  | 119.8     | -16.3 |         |

| billion yen                                       | A. FY24.3<br>Forecasts | B. FY23.3 | A-B    | Remarks  |
|---|------------------------|-----------|--------|--|
| Cash flows from operating activities              | 282.0                  | 33.5      | +248.4 | Rebound of increase in working capital in FY23.3, etc. |
| Cash flows from investing activities <sup>1</sup> | 250.0                  | 203.9     | +46.0  |  |
| Free cash flow <sup>2</sup>                       | 32.0                   | -170.3    | +202.3 |  |

1 Forecasts are amount of investment.

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

## 4. Customer Accounts and Sales Volume

|   | A. FY24.3<br>Forecasts | B. FY23.3<br>year end | A-B  | (A-B)/B | Remarks |
|---|------------------------|-----------------------|------|---------|---------|
| Number of customer accounts (thousands) | 10,156                 | 10,021                | +135 | +1.4%   |         |

|  | A. FY24.3<br>Forecasts | B. FY23.3 | A-B  | (A-B)/B | Remarks |
|--|------------------------|-----------|------|---------|---------|
| Consolidated gas sales volume (million m <sup>3</sup> ) <sup>1,2</sup> | 6,778                  | 6,845     | -67  | -1.0%   |         |
| Residential  | 1,715                  | 1,697     | +18  | +1.0%   |         |
| Non-residential  | 5,063                  | 5,148     | -85  | -1.6%   |         |
| Electricity sales volume (GWh) <sup>2</sup>                            | 15,620                 | 15,883    | -263 | -1.7%   |         |

|                          | A. FY24.3<br>Forecasts | B. FY23.3 | A-B  | Remarks |
|--------------------------|------------------------|-----------|------|---------|
| Average temperature (°C) | 17.3                   | 17.8      | -0.5 |         |

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. FY24.3<br>Forecasts | B. FY23.3 | A-B    | (A-B)/B | Remarks   |
|--------------------------------------|------------------------|-----------|--------|---------|---|
| <b>Net Sales</b>                     | 2,017.0                | 2,275.1   | -258.1 | -11.3%  |   |
| <b>Domestic Energy</b>               | 1,688.0                | 1,971.6   | -283.6 | -14.4%  | Decrease in sales from the lower unit selling price of city gas, etc. |
| <b>International Energy</b>          | 125.0                  | 123.2     | +1.7   | +1.4%   |   |
| <b>Life &amp; Business Solutions</b> | 277.0                  | 258.5     | +18.4  | +7.1%   |   |
| <b>Adjustments</b>                   | -73.0                  | -78.4     | +5.4   | -       |   |

|                                      |       |       |       |         |   |
|--------------------------------------|-------|-------|-------|---------|---|
| <b>Segment profit<sup>1</sup></b>    | 161.0 | 72.9  | +88.0 | +120.8% |   |
| <b>Domestic Energy</b>               | 66.0  | -27.3 | +93.3 | -       | Decreased costs for LNG procurement, etc. |
| <b>Electricity</b>                   | 23.5  | 11.3  | +12.1 | +106.8% | Time-lag effect, etc.                     |
| <b>International Energy</b>          | 69.0  | 69.7  | -0.7  | -1.0%   |   |
| <b>Life &amp; Business Solutions</b> | 27.0  | 29.2  | -2.2  | -7.7%   |   |
| <b>Adjustments</b>                   | -1.0  | 1.3   | -2.3  | -       |   |

|   |      |       |       |   |  |
|---|------|-------|-------|---|--|
| <b>Profit/loss on time-lag effect<sup>2</sup></b> | 36.6 | -34.7 | +71.3 | - |  |
| <b>(Non-consolidated) Gas</b>                     | 23.7 | -16.4 | +40.1 | - |  |
| <b>(Non-consolidated) Electricity</b>             | 12.9 | -18.3 | +31.2 | - |  |

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

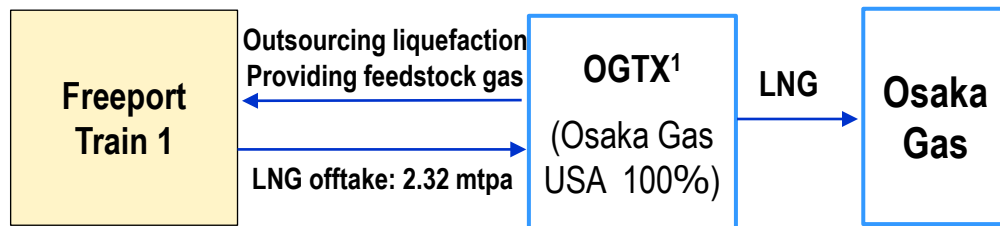
2 Included in the Domestic Energy.

## V . Reference

# Daigas Group's Involvement in Freeport LNG Project

- Osaka Gas invests in Freeport and procures 2.32 million tons/year of LNG from the project.

## LNG Procurement (Domestic Energy Segment)



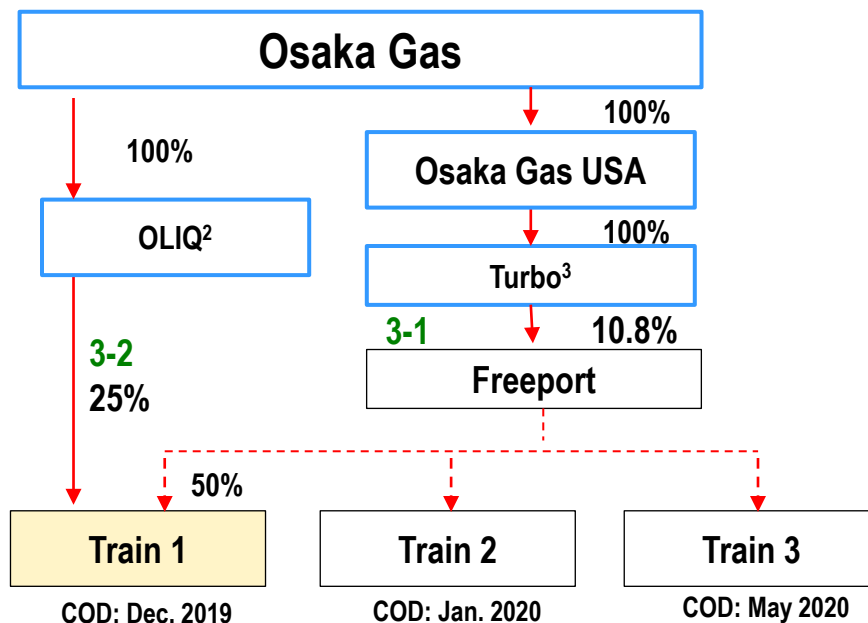
### Impact 1. LNG for retail

(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**)

1 Osaka Gas Trading and Export LLC  
2 Osaka Gas Liquefaction LLC  
3 Turbo LLC

# 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 after April 2023  
 under the following assumptions  
 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 | Positive       | -0.93 billion yen                          |
|                      |           | Domestic Energy      | Negative       |  |
| Exchange rate        | +1JPY/USD | International Energy | Positive       | -0.38 billion yen                          |
|                      |           | Domestic Energy      | Negative       |  |



