

Third Quarter of the Fiscal Year Ending March 31, 2024

Brief Report of Consolidated Financial Statements (Japanese GAAP)



* This document is an English translation of materials originally disclosed in Japanese and is provided for reference purpose only.

January 30, 2024

| | | | |
|------------------------------------------------------------------------------|--------------------------------------------------|-------------------|-----------------------------------------------------------------------------|
| Name of Listed Company | : Osaka Gas Co., Ltd. | Listed Exchanges: | Prime Market of Tokyo |
| Code No. | : 9532 | URL: | https://www.osakagas.co.jp/en/ |
| Representative Officer | : Title: President | Name: | Masataka Fujiwara |
| Contact | : Title: Manager, Finance Dept. | Name: | Shinji Konno |
| Scheduled Date of Financial Report Filing with the Financial Services Agency | : February 9, 2024 | | |
| Scheduled Date of Dividend Payment | : - | | |
| Preparation of Supplementary Explanation Documents for Operating Results | : Yes | | |
| Holding of an Informational Meeting for Operating Results | : Yes (for institutional investors and analysts) | | |

(Amounts less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(1) Consolidated Operating Results (% of change from the same period in the previous year.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-------------|------|------------------|---|-----------------|---|-----------------------------------------|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Nine months ended December 31, 2023 | 1,510,147 | -5.4 | 140,692 | — | 174,571 | — | 126,405 | — |
| Nine months ended December 31, 2022 | 1,596,525 | 50.7 | -14,926 | — | -6,820 | — | -1,396 | — |

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

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

(2) Consolidated Financial Position

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

<Reference> Shareholders' equity: As of December 31, 2023 1,591,887 million yen
 As of March 31, 2023 1,391,421 million yen

2. Dividends

| | Dividends per share | | | | |
|---------------------------------------|----------------------|-----------------------|----------------------|--------------------|--------|
| | End of First Quarter | End of Second Quarter | End of Third Quarter | End of Fiscal Year | Annual |
| | yen | yen | yen | yen | yen |
| Year ended March 31, 2023 | - | 30.00 | - | 30.00 | 60.00 |
| Year ending March 31, 2024 | - | 32.50 | - | | |
| Year ending March 31, 2024 (Forecast) | | | | 32.50 | 65.00 |

(Note) Revision of the dividend forecast from previously announced figures: None

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

(% of change from the previous fiscal year.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-------------|------|------------------|-------|-----------------|-------|-----------------------------------------|-------|--------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Full year | 2,121,000 | -6.8 | 139,500 | 132.5 | 170,000 | 124.7 | 116,000 | 103.1 | 279.97 |

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

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

*Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023 (changes in specified subsidiaries resulting in a change in the scope of consolidation): None
- (2) Adoption of special accounting treatments for quarterly consolidated financial statements: Adopted
(Note) For detailed information, please refer to "2. (3) Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements" on Page 8 of the Attachment to this Brief Report of Consolidated Financial Statements.
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
 - (i) Changes in accounting policies due to revisions to accounting standards, etc.: None
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

(4) Issued shares (common shares)

| | | |
|------------------------------------------------------------------------------------|-------------------------------------|--------------------|
| (i) Number of issued shares at the end of each period (including treasury shares): | As of December 31, 2023 | 416,680,000 shares |
| | As of March 31, 2023 | 416,680,000 shares |
| (ii) Number of treasury shares at the end of each period: | As of December 31, 2023 | 4,715,497 shares |
| | As of March 31, 2023 | 1,000,693 shares |
| (iii) Average number of shares during each period: | Nine months ended December 31, 2023 | 415,125,330 shares |
| | Nine months ended December 31, 2022 | 415,668,794 shares |

*Quarterly Brief Report of Consolidated Financial Statements is outside the scope of quarterly review by a certified public accountant or an audit firm.

*Notes on proper use of forecasts and other matters

1. Forward-looking statements contained in this document, including financial results forecasts, are based on information currently available to Osaka Gas Co., Ltd. (the "Company") and certain assumptions that the Company regards as reasonable. Actual results may differ significantly from these forecasts, due to various factors. As for notes regarding assumptions used for and the use of the financial results forecasts, please refer to "1. (3) Forecasts of Consolidated Financial Results" on Page 3 of the Attachment to this Brief Report of Consolidated Financial Statements.
2. The Company plans to hold a results briefing for institutional investors and analysts on January 30, 2024. Immediately after the briefing, the presentation materials and contents will be made available on the Company's website.

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1. Overview of Quarterly Consolidated Financial Results

(1) Consolidated Operating Results

(Overview of Quarterly Operating Results)

Consolidated net sales for the Nine months ended December 31, 2023 decreased by ¥86.3 billion year-on-year to ¥1,510.1 billion. This was primarily due to the lower unit selling price of LNG and a decrease in gas volume in the Domestic Energy Business. Consolidated ordinary profit increased by ¥181.3 billion year-on-year to ¥174.5 billion. This was primarily due to the positive impact of a time lag between fluctuations in raw material costs, etc. and their reflection in the unit selling prices(*), and the absence of increased costs for LNG procurement following the suspension of operations at the liquefaction plant of the Freeport LNG Project in the previous fiscal year in the Domestic Energy Business. Profit attributable to owners of parent increased by ¥127.8 billion year-on-year to ¥126.4 billion.

(*) There is a time lag between fluctuations in raw material costs and fuel costs and their reflection in the unit selling prices under the raw material and fuel costs adjustment system, which causes a temporary increase/decrease in profit.

(billion yen)

| | Consolidated results | Compared with previous fiscal year | |
|----------------------------------------------|----------------------|------------------------------------|----------------------------|
| | | increase/decrease | increase/decrease rate (%) |
| Net sales | 1,510.1 | -86.3 | -5.4 |
| Cost of sales | 1,205.7 | -263.1 | -17.9 |
| Selling, general and administrative expenses | 163.7 | +21.1 | +14.9 |
| Operating profit | 140.6 | +155.6 | — |
| Ordinary profit | 174.5 | +181.3 | — |
| Profit attributable to owners of parent | 126.4 | +127.8 | — |

(Quarterly Domestic Gas Sales Breakdown)

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

[45MJ/m³]

(Quarterly Domestic Electricity Sales Breakdown)

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

(2) Consolidated Financial Position

Total assets as of December 31, 2023 increased by ¥268.8 billion compared with March 31, 2023 to ¥3,088.4 billion. This was primarily due to an increase in cash and deposits resulting from the issuance of bonds and an increase in non-current assets resulting from progress of investment activities.

Net assets totaled ¥1,618.4 billion and the ratio of shareholders' equity to total assets was 51.5%.

(3) Forecasts of Consolidated Financial Results

Considering recent trends in our performance and other factors, forecasts of consolidated financial results for the fiscal year ending March 31, 2024 have been revised from the previous forecasts as shown in the tables below.

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

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

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

Exchange rate (TTM) at 145JPY/USD

Changes from the previous forecasts of consolidated financial results in the Brief Report of Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2024 announced on October 27, 2023 are shown in the tables below.

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

| | Net sales | Operating profit | Ordinary profit | Profit attributable to owners of parent | Earnings per share |
|-------------------------------------------------------------------|-------------|------------------|-----------------|-----------------------------------------|--------------------|
| | million yen | million yen | million yen | million yen | yen |
| Previous forecasts (A) | 2,095,000 | 139,500 | 159,000 | 116,000 | 279.06 |
| Revised forecasts (B) | 2,121,000 | 139,500 | 170,000 | 116,000 | 279.97 |
| Changes (B - A) | +26,000 | - | +11,000 | - | |
| Changes (%) | +1.2 | - | +6.9 | - | |
| (Reference) Actual results of fiscal year ended March 31, 2023 | 2,275,113 | 60,001 | 75,649 | 57,110 | 137.39 |

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

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(million yen)

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

(million yen)

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

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(million yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2023 |
|---------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Net sales | 1,596,525 | 1,510,147 |
| Cost of sales | 1,468,883 | 1,205,712 |
| Gross profit | 127,642 | 304,434 |
| Selling, general and administrative expenses | 142,569 | 163,742 |
| Operating profit (loss) | (14,926) | 140,692 |
| Non-operating income | | |
| Interest income | 2,434 | 7,247 |
| Dividend income | 3,647 | 3,568 |
| Share of profit of entities accounted for using equity method | 8,476 | 20,553 |
| Other | 9,649 | 17,983 |
| Total non-operating income | 24,208 | 49,352 |
| Non-operating expenses | | |
| Interest expenses | 9,290 | 10,691 |
| Other | 6,811 | 4,781 |
| Total non-operating expenses | 16,101 | 15,473 |
| Ordinary profit (loss) | (6,820) | 174,571 |
| Extraordinary income | | |
| Gain on sale of investment securities | 10,481 | - |
| Total extraordinary income | 10,481 | - |
| Extraordinary losses | | |
| Impairment losses | 3,948 | - |
| Total extraordinary losses | 3,948 | - |
| Profit (loss) before income taxes | (287) | 174,571 |
| Income taxes | 61 | 47,387 |
| Profit (loss) | (349) | 127,183 |
| Profit attributable to non-controlling interests | 1,047 | 777 |
| Profit (loss) attributable to owners of parent | (1,396) | 126,405 |

Quarterly Consolidated Statements of Comprehensive Income

(million yen)

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

(3) Notes to the Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Significant Changes in the Value of Shareholders' Equity)

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

Not applicable

(Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

The effective tax rates (after applying tax effect accounting) expected to be imposed on income before income taxes applicable to the tax year in which this third quarter is included were estimated based on reasonable assumptions. Tax expenses were then calculated by multiplying the income before income taxes by the estimated effective tax rates.

(Segment Information)

Nine months ended December 31, 2022 (April 1, 2022 - December 31, 2022) (million yen)

| | Domestic Energy | International Energy | Life & Business Solutions | Total | Adjustments | Consolidated |
|---------------------------------------------------------------|-----------------|----------------------|---------------------------|-----------|-------------|--------------|
| Net sales | 1,376,086 | 90,392 | 183,136 | 1,649,616 | (53,090) | 1,596,525 |
| Segment profit (loss) | | | | | | |
| Operating profit (loss) | (83,696) | 48,469 | 20,386 | (14,841) | (85) | (14,926) |
| Share of profit of entities accounted for using equity method | 2,435 | 6,041 | - | 8,476 | - | 8,476 |
| Total | (81,261) | 54,510 | 20,386 | (6,364) | (85) | (6,450) |

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

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