



Daigas Group Financial Report for 3rd Quarter of FY2024.3

January 30, 2024
Osaka Gas Co., Ltd.

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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.

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/>

Note regarding the results: Osaka Gas and some of its domestic consolidated subsidiaries started to apply the Japanese group relief in FY24.3.

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.

FY24.3 forecasts take into account the possible impact of share buyback announced October 27, 2023. However, the possible impact of share buyback after January 1, 2024, is not taken into account in the calculation of the payout ratio, earnings per share, and book-value per share.

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

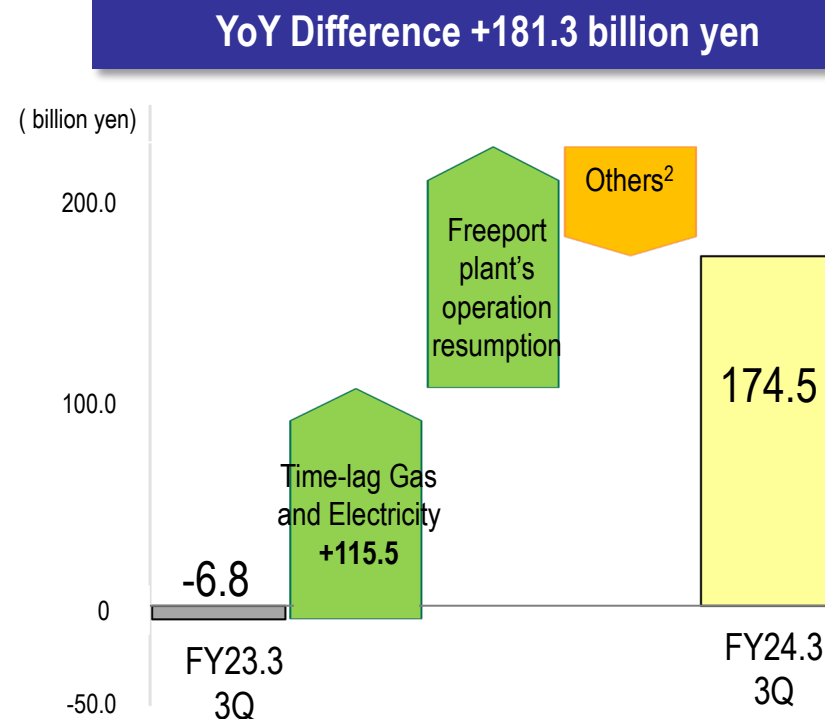
Note regarding consolidated gas sales volume: Nabari Kintetsu Gas and Shingu Gas's fiscal year ends on December 31.

I. Highlights of Business Results for 3rd Quarter of FY2024.3 and Revised Forecasts for FY2024.3

Summary of FY2024.3 3Q Results vs FY2023.3 3Q Results

- ✓ Net sales decreased year on year due to lower LNG selling prices and decline in gas sales volume in the Domestic Energy segment.
- ✓ Ordinary profit and profit attributable to owners of the parent increased year on year mainly due to the improvement of the time-lag impact and the Freeport plant's operation resumption.
- ✓ The cumulative amount of share buyback announced on October 27, 2023, reached 10.7 billion yen (approx. 54% of the total repurchase amount, 20.0 billion yen) as of the end of December 2023.

(billion yen)	FY24.3 3Q	FY23.3 3Q	YoY Difference
Net sales	1,510.1	1,596.5	-86.3
Ordinary profit	174.5	-6.8	+181.3
Profit attributable to owners of parent	126.4	-1.3	+127.8
ROIC (%)¹	5.3%	-0.0%	+5.3%



¹ ROIC = NOPAT / Invested capital (average of the beginning and the end of each fiscal year)
 NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes
 Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased Liabilities to us)

² Declined competitiveness of our long-term LNG contracts compared to JLC and other market conditions factors

Main factors of increase/decrease

YoY Difference
+181.3 billion yen
 -6.8→174.5

- Crude oil price (USD/bbl) -21.3 (107.9→86.6)
- Exchange rate (JPY/USD)+6.8 (136.5→143.3)

Domestic Energy
+161.2 billion yen¹
 -81.2→80.0

Time-lag: +115.5 (-78.8→36.7)
 Gas: +73.4 (-50.9→22.5) Electricity: +42.0 (-27.9→14.1)

Gross profit of gas business: -18.6(185.3→166.6)
 - Declined competitiveness of our long-term LNG contracts compared to JLC
 + Freeport plant's operation resumption (LNG for gas retail)³

Electricity: -8.1 (22.6→14.4)
 - Decrease in selling price due to market conditions, mainly the coal price
 - Profit decrease in subsidiaries
 - Increase in expenses due to periodic inspections
 + Absence of losses due to the average fuel cost exceeding the upper limit, as we had in FY23.3

Others: +72.5 (-210.3→-137.7)
 + Freeport plant's operation resumption (LNG for wholesale)³
 - Profit decrease in LNG sales

International Energy
+0.4 billion yen^{1,2}
 54.5→54.9

Osaka Gas USA: -6.1 (35.8→29.6)
 - Profit decrease in upstream businesses

Osaka Gas Australia: -4.3 (15.0→10.7)
 - Profit decrease in upstream businesses

Others: +11.0 (3.6→14.6)
 + Profit increase in IPP projects in North America
 + Freeport plant's operation resumption (owner side)

Life & Business Solutions
+3.7 billion yen¹
 20.3→24.1

Osaka Gas Urban Development: +2.8 (7.3→10.1)
OGIS-RI: +0.4 (3.3→3.7)

Others
+15.9 billion yen
 -0.4→15.4

Segment adjustments: +2.2(-0.0→2.1)
Non-operating profit/loss: +13.6 (-0.3→13.3)

1 Describing the impact of segment profit
 2 Including profit on market valuation of derivatives: -1.2(4.4→3.2)
 3 Absence of losses related to Freeport LNG's plant shutdown, as we had in 3Q FY23.3 +114.1

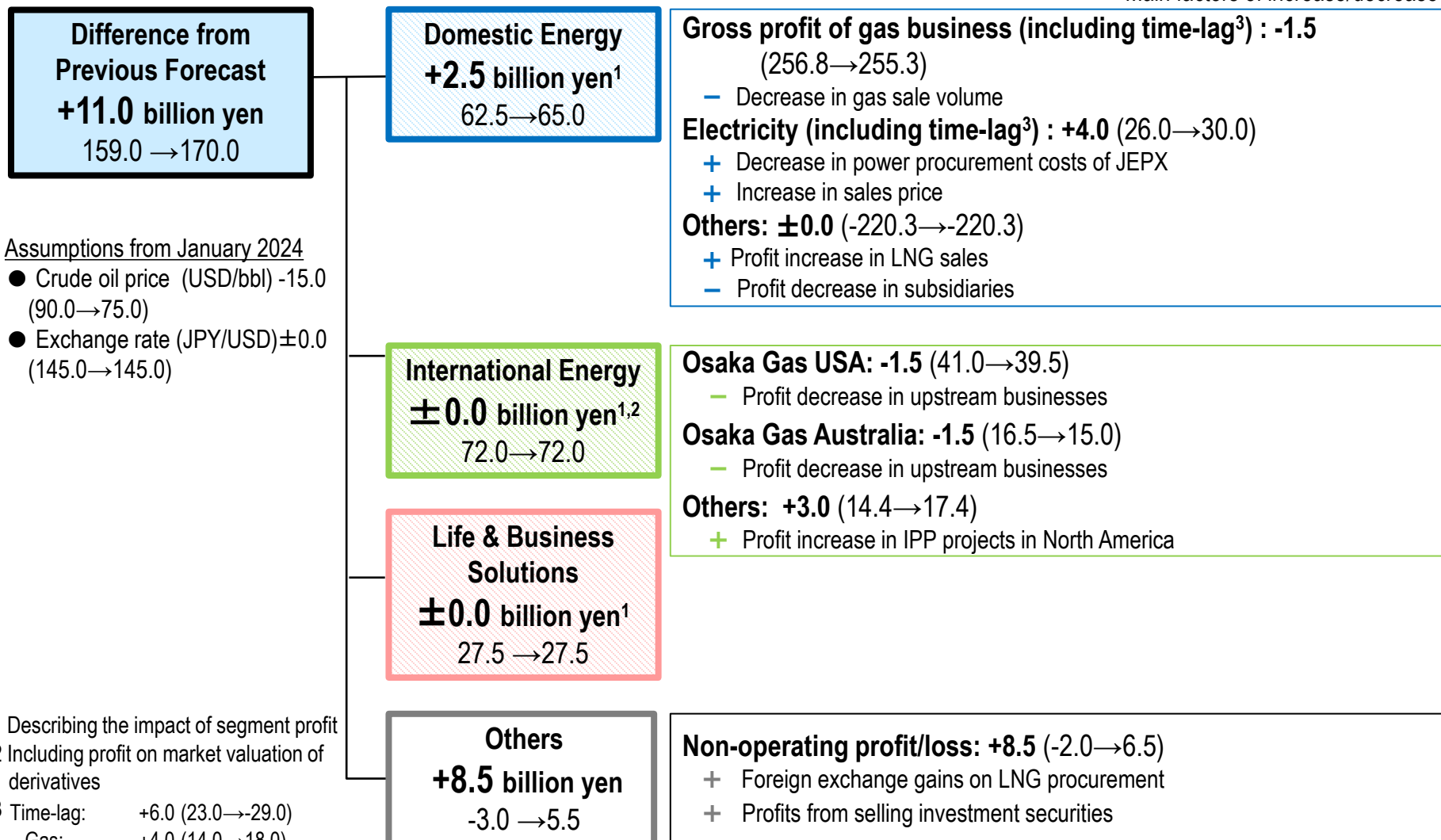
Summary of FY2024.3 Forecast Revision

- ✓ The forecasts for FY24.3 have been revised based on the performance trends in 3Q of FY24.3.
- ✓ Net sales forecast was revised upward to 2,121.0 billion yen, which is an increase of 26.0 billion yen from the previous forecast (October 27, 2023), mainly due to LNG sales between 1Q and 3Q exceeding the plan.
- ✓ Ordinary profit forecast was revised upward to 170.0 billion yen, which is an increase of 11.0 billion yen from the previous forecast, mainly due to non-operating profit between 1Q and 3Q exceeding the plan, driven by foreign exchange gains.
- ✓ Profit attributable to owners of the parent remains unchanged, mainly due to expected posting of extraordinary losses in 4Q.

(billion yen)	FY24.3 Revised Forecasts	FY24.3 Previous Forecasts	Changes
Net sales	2,121.0	2,095.0	+26.0
Ordinary profit	170.0	159.0	+11.0
Domestic Energy	65.0	62.5	+2.5
International Energy	72.0	72.0	± 0.0
Life & Business Solutions	27.5	27.5	± 0.0
Others	5.5	-3.0	+8.5
Profit attributable to owners of parent	116.0	116.0	± 0.0

Comparison between Previous Forecasts (October 2023) and Revised Forecasts

Main factors of increase/decrease



Assumptions from January 2024

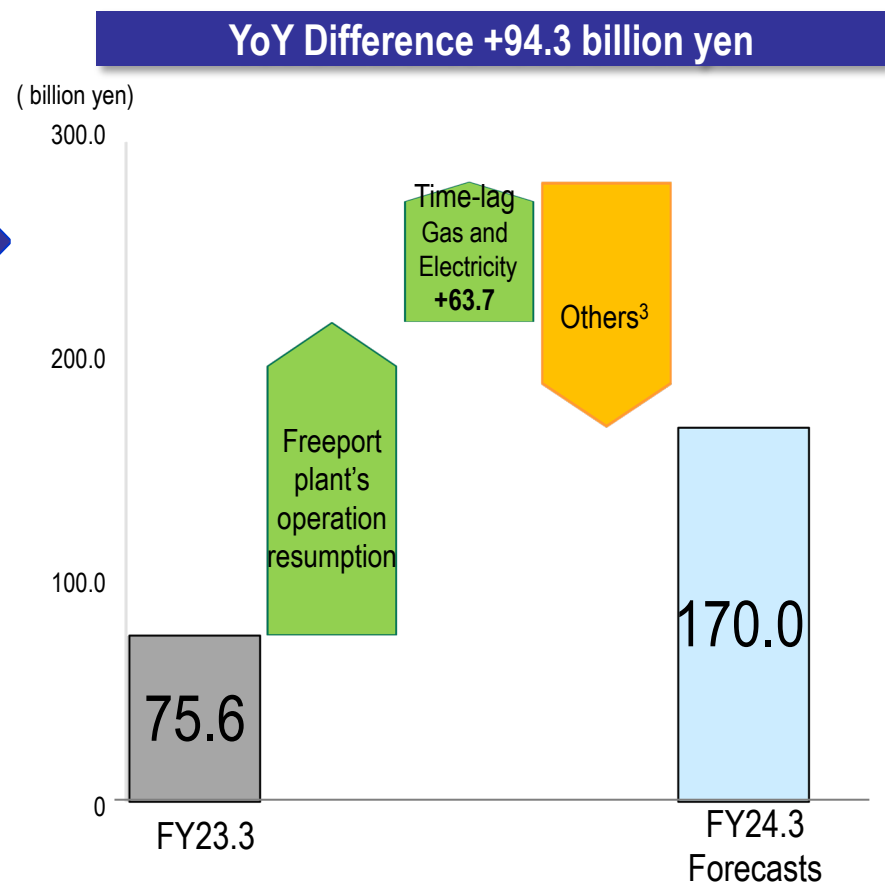
- Crude oil price (USD/bbl) -15.0 (90.0 → 75.0)
- Exchange rate (JPY/USD) ±0.0 (145.0 → 145.0)

1 Describing the impact of segment profit
 2 Including profit on market valuation of derivatives
 3 Time-lag: +6.0 (23.0 → 29.0)
 Gas: +4.0 (14.0 → 18.0)
 Electricity: +2.0 (9.0 → 11.0)

Summary of FY2024.3 Forecasts vs FY2023.3 Results

- ✓ Net sales are expected to decrease from FY23.3 due to the lower LNG selling prices and decline in gas sales volume in the Domestic Energy segment.
- ✓ 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.

(billion yen)	FY24.3 Forecasts	FY23.3	YoY Difference
Net sales	2,121.0	2,275.1	-154.1
Ordinary profit	170.0	75.6	+94.3
Profit attributable to owners of parent	116.0	57.1	+58.8
ROIC (%)¹	5.5%	2.7%	+2.8%
Shareholders' equity ratio(%)²	52.1%	52.5%	-0.4%
Debt/Equity ratio²	0.56	0.60	-0.04
Annual dividends (yen/share)	65.0	60.0	+5.0



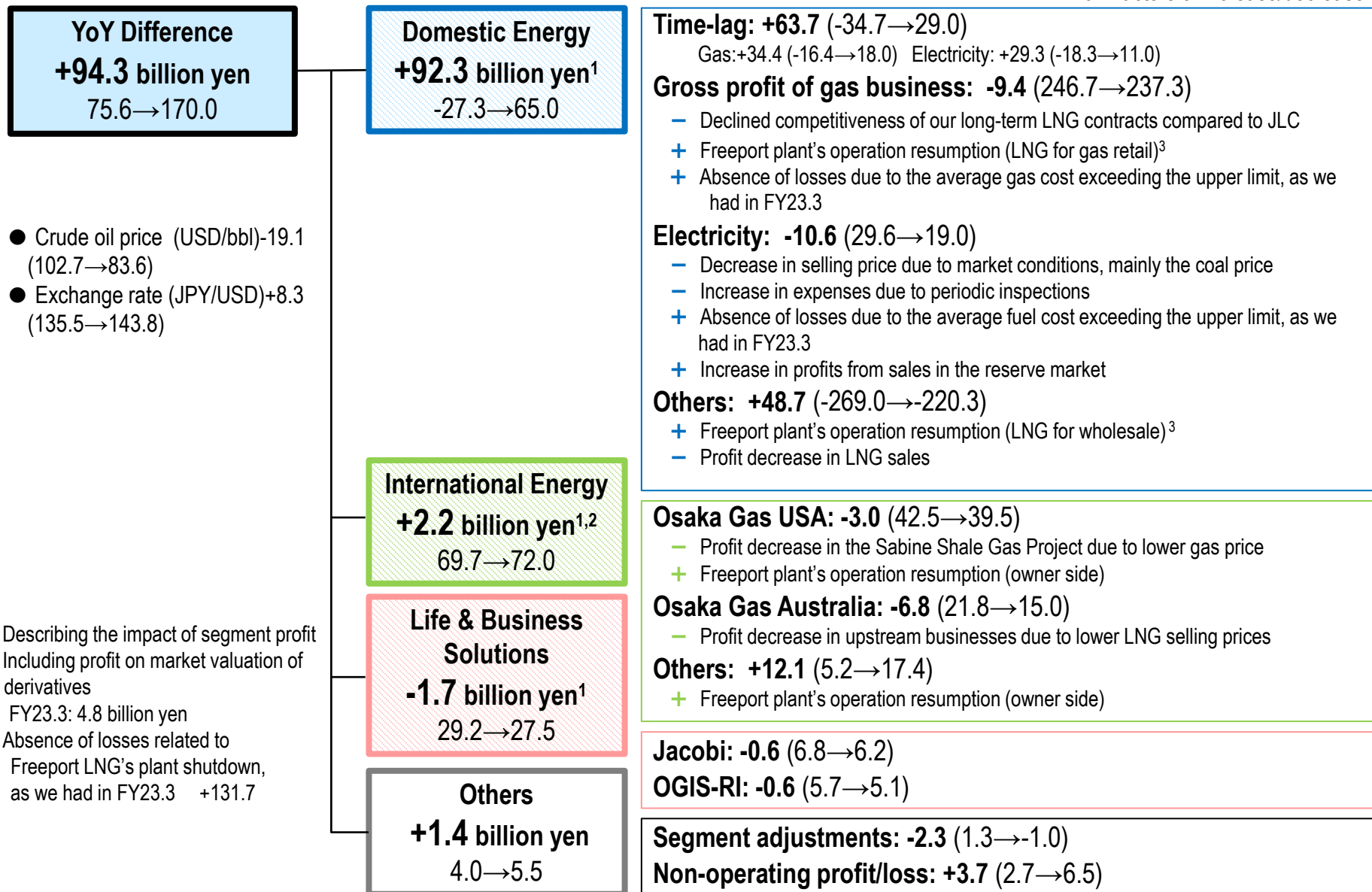
1 ROIC = NOPAT / Invested capital (average of the beginning and the end of each fiscal year)
 NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes
 Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased Liabilities to us)

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

3 Declined competitiveness of our long-term LNG contracts compared to JLC and other market conditions factors

Comparison between FY2023.3 Results and FY2024.3 Forecasts

Main factors of increase/decrease

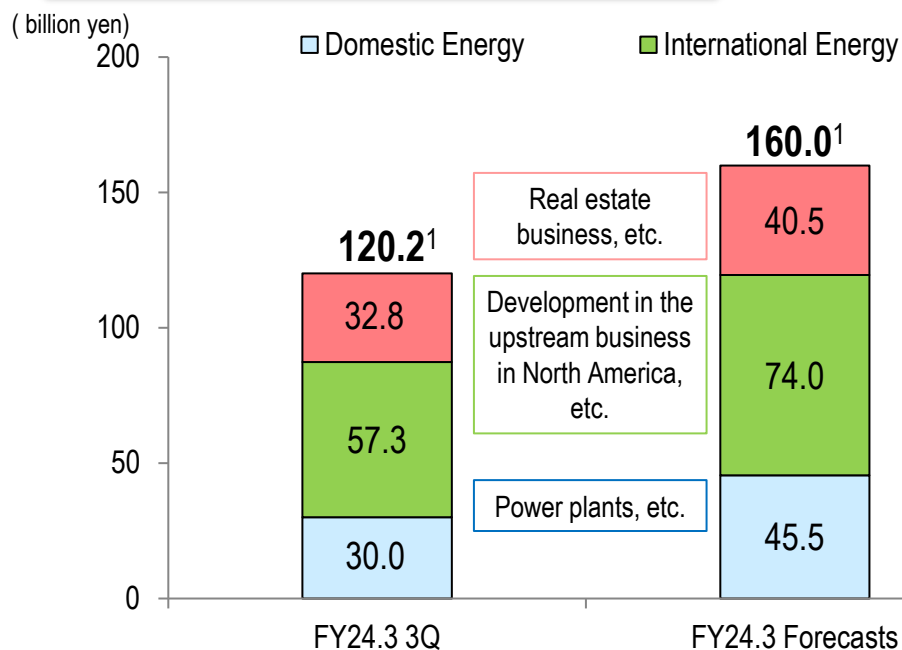


1 Describing the impact of segment profit
 2 Including profit on market valuation of derivatives
 FY23.3: 4.8 billion yen
 3 Absence of losses related to Freeport LNG's plant shutdown, as we had in FY23.3 +131.7

Results and Forecasts for Investment for Growth

- ✓ In 3Q of FY24.3, we invested 120.2 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

- The figures are calculated with 50% of issued hybrid bonds (175 billion yen) as equity. The figures in parentheses are original before adjustment above.

	FY23.3 year-end results	FY24.3 3Q end	FY24.3 year-end forecasts
Shareholders' equity ratio	52.5% (49.3%)	54.4% (51.5%)	52.1% (49.2%)
D/E ratio	0.60 (0.71)	0.56 (0.65)	0.56 (0.65)

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

II. YoY Comparison of 3rd Quarter of FY2024.3

1. Net Sales and Profit

billion yen	A. FY24.3 3Q	B. FY23.3 3Q	A-B	(A-B)/B	Remarks
Net sales	1,510.1	1,596.5	-86.3	-5.4%	Decline in LNG selling prices, etc.
Operating profit	140.6	-14.9	+155.6	-	Time-lag effect, etc.
Ordinary profit	174.5	-6.8	+181.3	-	Time-lag effect, etc.
Time-lag effect ¹	36.7	-78.8	+115.5	-	
(Non-consolidated) Gas	22.5	-50.9	+73.4	-	
(Non-consolidated) Electricity	14.1	-27.9	+42.0	-	
Profit attributable to owners of parent	126.4	-1.3	+127.8	-	Time-lag effect, etc.
Earnings per share (EPS) (yen)	304.5	-3.4	+307.9	-	
EBITDA ²	249.6	79.9	+169.7	+212.2%	Time-lag effect, etc.
NOPAT ³	130.6	-0.0	+130.6	-	Time-lag effect, 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 + Interest expenses - Interest income - Income taxes

	A. FY24.3 3Q	B. FY23.3 3Q	A-B	Remarks
Crude oil price (USD/bbl)	86.6	107.9	-21.3	Average of preliminary monthly data up to December 2023
Exchange rate (JPY/USD)	143.3	136.5	+6.8	

2. Asset, Equity, and Debt

billion yen	A. FY24.3 3Q end	B. FY23.3 year end	A-B	Remarks
Total assets	3,088.4	2,819.5	+268.8	
Shareholders' equity	1,591.8	1,391.4	+200.4	
Book value per share (BPS) (yen)	3,864.1	3,347.3	+516.8	
Interest-bearing debts	1,034.8	981.5	+53.2	
Hybrid bonds	175.0	175.0	±0.0	

	A. FY24.3 3Q	B. FY23.3 3Q	A-B	Remarks
ROIC¹	5.3%	-0.0%	+5.3%	Time-lag effect, etc.
ROE	8.5%	-0.1%	+8.6%	Time-lag effect, etc.

¹ ROIC = NOPAT / Invested capital (average of the beginning and the end of each fiscal year)

NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes

Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased Liabilities to us)

	A. FY24.3 3Q end	B. FY23.3 year end	A-B	Remarks
Shareholders' equity ratio	51.5%	49.3%	+2.2%	
After adjustment ²	54.4%	52.5%	+1.9%	
Debt/Equity ratio	0.65	0.71	-0.06	
After adjustment ²	0.56	0.60	-0.04	

² Calculated with 50% of issued hybrid bonds as equity.

3. Investment and Cash Flow

billion yen	A. FY24.3 3Q	B. FY23.3 3Q	A-B	Remarks
Investment for quality improvement	47.5	42.9	+4.6	
Investment for growth	120.2	123.4	-3.2	
Domestic Energy	30.0	41.3	-11.3	
International Energy	57.3	56.3	+0.9	
Life & Business Solutions	32.8	25.7	+7.1	
Capital expenditures	145.1	133.8	+11.2	
Depreciation (including amortization of goodwill)	88.4	86.4	+2.0	

billion yen	A. FY24.3 3Q	B. FY23.3 3Q	A-B	Remarks
Free cash flow ¹	55.8	-290.1	+346.0	

¹ Free cash flow = Cash flows from operating activities - Cash flows from investing activities

4. Customer Accounts and Sales Volume

thousands	A. FY24.3 3Q end	B. FY23.3 3Q end	A-B	(A-B)/B	Remarks
Number of customer accounts	10,269	9,979	+290	+2.9%	
Number of units for gas supply	5,037	4,997	+41	+0.8%	
Number of low-voltage electricity supply	1,811	1,685	+126	+7.5%	

	A. FY24.3 3Q	B. FY23.3 3Q	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m ³) ^{1,2}	4,670	4,931	-261	-5.3%	
Residential	1,044	1,096	-53	-4.8%	
Non-residential	3,626	3,834	-209	-5.4%	
Electricity sales volume (GWh) ²	10,713	11,487	-774	-6.7%	
Residential	4,828	4,579	+249	+5.4%	
Non-residential	5,885	6,909	-1,024	-14.8%	

	A. FY24.3 3Q	B. FY23.3 3Q	A-B	Remarks
Average temperature (°C)	21.0	20.8	+0.2	

1 45MJ/m³

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 3Q	B. FY23.3 3Q	A-B	(A-B)/B	Remarks
Net Sales	1,510.1	1,596.5	-86.3	-5.4%	
Domestic Energy	1,283.0	1,376.0	-93.0	-6.8%	Decline in LNG selling prices, etc.
International Energy	79.7	90.3	-10.6	-11.8%	
Life & Business Solutions	200.4	183.1	+17.2	+9.4%	
Adjustments	-53.0	-53.0	+0	-	
Segment profit¹	161.2	-6.4	+167.6	-	
Domestic Energy	80.0	-81.2	+161.2	-	
Electricity	28.5	-5.3	+33.8	-	Time-lag effect, etc.
International Energy	54.9	54.5	+0.4	+0.9%	
Life & Business Solutions	24.1	20.3	+3.7	+18.3%	Increase in income from real estate business, etc.
Adjustments	2.1	-0.0	+2.2	-	
Profit/loss on time-lag effect²	36.7	-78.8	+115.5	-	
(Non-consolidated) Gas	22.5	-50.9	+73.4	-	
(Non-consolidated) Electricity	14.1	-27.9	+42.0	-	
Profit/loss on market valuation of derivatives³	3.2	4.4	-1.2	-27.4%	

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. FY2024.3 Forecasts against Previous Forecasts

1. Net Sales and Profit

billion yen	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net sales	2,121.0	2,095.0	+26.0	+1.2%	Increase in LNG sales, etc.
Operating profit	139.5	139.5	±0.0	±0%	
Ordinary profit	170.0	159.0	+11.0	+6.9%	Foreign exchange gains, etc.
Time-lag effect ¹	29.0	23.0	+6.0	+26.1%	
(Non-consolidated) Gas	18.0	14.0	+4.0	+28.6%	
(Non-consolidated) Electricity	11.0	9.0	+2.0	+22.2%	
Profit attributable to owners of parent	116.0	116.0	±0.0	±0%	
Earnings per share (EPS) (yen) ²	280.0	279.1	+0.9	+0.3%	Decrease in the number of issued shares due to share buyback
EBITDA³	283.5	281.0	+2.5	+0.9%	
NOPAT⁴	132.7	126.7	+6.0	+4.7%	

1 Included in Domestic Energy.

2 The possible impact of share buyback after January 1, 2024, is not taken into account in the calculation of the payout ratio, earnings per share, and book-value per share in the forecasts for FY24.3.

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

4 NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes

	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
Crude oil price (USD/bbl)	83.6	86.8	-3.2	January 2024 to March 2024 : 75 USD/bbl
Exchange rate (JPY/USD)	143.8	143.0	+0.7	January 2024 to March 2024 : 145 JPY/USD

2. Asset, Equity, and Debt

billion yen	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
Total assets	3,091.8	3,091.8	±0.0	
Shareholders' equity	1,522.1	1,522.1	±0.0	
Book value per share (BPS) (yen)¹	3,694.8	3,661.8	+33.0	Decrease in the number of issued shares due to share buyback
Interest-bearing debts	992.6	992.6	±0.0	

1 The possible impact of share buyback after January 1, 2024, is not taken into account in the calculation of the payout ratio, earnings per share, and book-value per share in the forecasts for FY24.3.

	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
ROIC²	5.5%	5.2%	+0.2%	
ROE	8.0%	8.0%	±0%	

2 ROIC = NOPAT / Invested capital (average of the beginning and the end of each fiscal year)

NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes

Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased Liabilities to us)

	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
Shareholders' equity ratio	49.2%	49.2%	±0%	
After adjustment³	52.1%	52.1%	±0%	
Debt/Equity ratio	0.65	0.65	±0.00	
After adjustment³	0.56	0.56	±0.00	

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

3. Cash Flow and Investment

billion yen	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
Investment for quality improvement	90.0	90.0	±0.0	
Investment for growth	160.0	160.0	±0.0	
Capital expenditures	214.0	214.0	±0.0	
Depreciation	120.0	120.0	±0.0	

billion yen	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
Cash flows from operating activities	290.5	282.0	+8.5	
Cash flows from investing activities ¹	250.0	250.0	±0.0	
Free cash flow ²	40.5	32.0	+8.5	

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 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,300	10,156	+144	+1.4%	

	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m ³) ^{1,2}	6,678	6,778	-100	-1.5%	
Residential	1,693	1,715	-22	-1.3%	
Non-residential	4,985	5,063	-78	-1.5%	
Electricity sales volume (GWh) ²	15,620	15,620	±0	±0%	

	A. FY24.3 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	Remarks
Average temperature (°C)	17.8	17.7	+0.1	

¹ 45MJ/m³

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 Revised Forecasts	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net Sales	2,121.0	2,095.0	+26.0	+1.2%	
Domestic Energy	1,792.5	1,763.5	+29.0	+1.6%	Increase in LNG sales, etc.
International Energy	124.0	127.0	-3.0	-2.4%	Decrease in sales in upstream businesses in the U.S. and Australia, etc.
Life & Business Solutions	277.5	277.5	±0.0	±0%	
Adjustments	-73.0	-73.0	±0.0	-	

Segment profit¹	163.5	161.0	+2.5	+1.6%	
Domestic Energy	65.0	62.5	+2.5	+4.0%	
Electricity	30.0	26.0	+4.0	+15.4%	Decrease in electricity procurement prices, etc.
International Energy	72.0	72.0	±0.0	±0%	
Life & Business Solutions	27.5	27.5	±0.0	±0%	
Adjustments	-1.0	-1.0	±0.0	-	

Profit/loss on time-lag effect²	29.0	23.0	+6.0	+26.1%	
(Non-consolidated) Gas	18.0	14.0	+4.0	+28.6%	
(Non-consolidated) Electricity	11.0	9.0	+2.0	+22.2%	

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 FY2024.3 Forecasts

1. Net Sales and Profit

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Net sales	2,121.0	2,275.1	-154.1	-6.8%	Decline in LNG selling prices, etc.
Operating profit	139.5	60.0	+79.4	+132.5%	Decreased costs for LNG procurement, etc.
Ordinary profit	170.0	75.6	+94.3	+124.7%	Decreased costs for LNG procurement, etc.
Time-lag effect ¹	29.0	-34.7	+63.7	-	
(Non-consolidated) Gas	18.0	-16.4	+34.4	-	
(Non-consolidated) Electricity	11.0	-18.3	+29.3	-	
Profit attributable to owners of parent	116.0	57.1	+58.8	+103.1%	Decreased costs for LNG procurement, etc.
Earnings per share (EPS) (yen) ²	280.0	137.4	+142.6	+103.8%	
EBITDA ³	283.5	192.7	+90.7	+47.1%	Decreased costs for LNG procurement, etc.
NOPAT ⁴	132.7	59.3	+73.4	+123.7%	Decreased costs for LNG procurement, etc.

1 Included in Domestic Energy.

2 The possible impact of share buyback after January 1, 2024, is not taken into account in the calculation of the payout ratio, earnings per share, and book-value per share in the forecasts for FY24.3.

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

4 NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Crude oil price (USD/bbl)	83.6	102.7	-19.1	January 2024 to March 2024 : 75 USD/bbl
Exchange rate (JPY/USD)	143.8	135.5	+8.3	January 2024 to March 2024 : 145 JPY/USD

2. Asset, Equity, and Debt

billion yen	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	Remarks
Total assets	3,091.8	2,819.5	+272.2	
Shareholders' equity	1,522.1	1,391.4	+130.7	
Book value per share (BPS) (yen)¹	3,694.8	3,347.3	+347.5	
Interest-bearing debts	992.6	981.5	+11.0	

¹ The possible impact of share buyback after January 1, 2024, is not taken into account in the calculation of the payout ratio, earnings per share, and book-value per share in the forecasts for FY24.3.

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
ROIC²	5.5%	2.7%	+2.8%	Decreased costs for LNG procurement, etc.
ROE	8.0%	4.3%	+3.7%	Decreased costs for LNG procurement, etc.

² ROIC = NOPAT / Invested capital (average of the beginning and the end of each fiscal year)

NOPAT = Ordinary profit + Interest expenses - Interest income - Income taxes

Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased Liabilities to us)

	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	Remarks
Shareholders' equity ratio	49.2%	49.3%	-0.1%	
After adjustment³	52.1%	52.5%	-0.4%	
Debt/Equity ratio	0.65	0.71	-0.05	
After adjustment³	0.56	0.60	-0.04	

³ Calculated with 50% of issued hybrid bonds as equity.

3. Cash Flow and Investment

billion yen	A. FY24.3 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 (including amortization of goodwill)	120.0	119.8	+0.1	

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Cash flows from operating activities	290.5	33.5	+256.9	Rebound of increase in working capital in FY2023.3, etc.
Cash flows from investing activities ¹	250.0	203.9	+46.0	
Free cash flow ²	40.5	-170.3	+210.8	

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 Forecasts	B. FY23.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,300	10,021	+279	+2.8%	

	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m ³) ^{1,2}	6,678	6,845	-167	-2.4%	
Residential	1,693	1,697	-4	-0.2%	
Non-residential	4,985	5,148	-163	-3.2%	
Electricity sales volume (GWh) ²	15,620	15,883	-263	-1.7%	

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Average temperature (°C)	17.8	17.8	-0.0	

¹ 45MJ/m³

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 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Net Sales	2,121.0	2,275.1	-154.1	-6.8%	
Domestic Energy	1,792.5	1,971.6	-179.1	-9.1%	Decline in LNG selling prices, etc.
International Energy	124.0	123.2	+0.7	+0.6%	
Life & Business Solutions	277.5	258.5	+18.9	+7.3%	
Adjustments	-73.0	-78.4	+5.4	-	

Segment profit¹	163.5	72.9	+90.5	+124.2%	
Domestic Energy	65.0	-27.3	+92.3	-	
Electricity	30.0	11.3	+18.6	+164.0%	Time-lag effect, etc.
International Energy	72.0	69.7	+2.2	+3.3%	
Life & Business Solutions	27.5	29.2	-1.7	-5.9%	Decrease in income in material solution business, etc.
Adjustments	-1.0	1.3	-2.3	-	

Profit/loss on time-lag effect²	29.0	-34.7	+63.7	-	
(Non-consolidated) Gas	18.0	-16.4	+34.4	-	
(Non-consolidated) Electricity	11.0	-18.3	+29.3	-	

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

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 January 2024
 under the following assumptions
 Crude oil price: 75 USD/bbl
 Exchange rate: 145 JPY/USD

Range of fluctuation		Segment	Segment Impact	Net impact on consolidated ordinary profit
Crude oil price	+1USD/bbl	International Energy	No impact	-0.00 billion yen
		Domestic Energy	Negative	
Exchange rate	+1JPY/USD	International Energy	No impact	-1.04 billion yen
		Domestic Energy	Negative	

