



# Financial Report for 1<sup>st</sup> Quarter of FY2023.3 (April 2022– June 2022)

August 1, 2022  
Osaka Gas Co., Ltd.



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

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

### Disclaimer

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

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

### Note regarding gas sales volume

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

### Note regarding consolidated gas sales volume

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

# I. Summary of Business Results for 1<sup>st</sup> Quarter of FY2023.3 and Forecasts for FY2023.3

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



## Summary of Business Results of FY2023.3 1Q Results and FY2023.3 Forecast Revision

- ✓ Net sales for FY2023 1Q increased due to a rise in LNG selling prices and the higher unit selling price of city gas in the Domestic Energy Business, and an increase in sales from the upstream businesses in Australia and the USA in the International Energy Business
- ✓ Ordinary profit for FY2023 1Q declined primarily due to increased costs of LNG procurement\*<sup>1</sup> in the Domestic Energy Business and an increase in time-lag lossess, despite an increase in profit from the International Energy Business and the Life & Business Solutions Business.

1st Quarter of FY2023.3		1Q of FY2023.3	1Q of FY2022.3	Difference
	<b>Net sales</b>	<b>467.1 billion yen</b>	<b>313.5 billion yen</b>	<b>+153.5 billion yen</b>
	<b>Ordinary profit</b>	<b>13.4 billion yen</b>	<b>41.0 billion yen</b>	<b>-27.6 billion yen</b>
	<b>Profit attributable to owners of parent</b>	<b>11.2 billion yen</b>	<b>30.6 billion yen</b>	<b>-19.4 billion yen</b>

- ✓ Net sales for FY2023.3 are expected to increase from the previous forecast (announced in April 2022) as a result of reflecting recent business trends, including changes in assumptions for the second quarter and beyond, in light of current crude oil price and exchange rate.
- ✓ Ordinary profit for FY2023.3 is expected to decrease from the previous forecasts, reflecting recent business performance trends, including increased costs for LNG procurement\*<sup>1</sup> in the Domestic Energy Business.

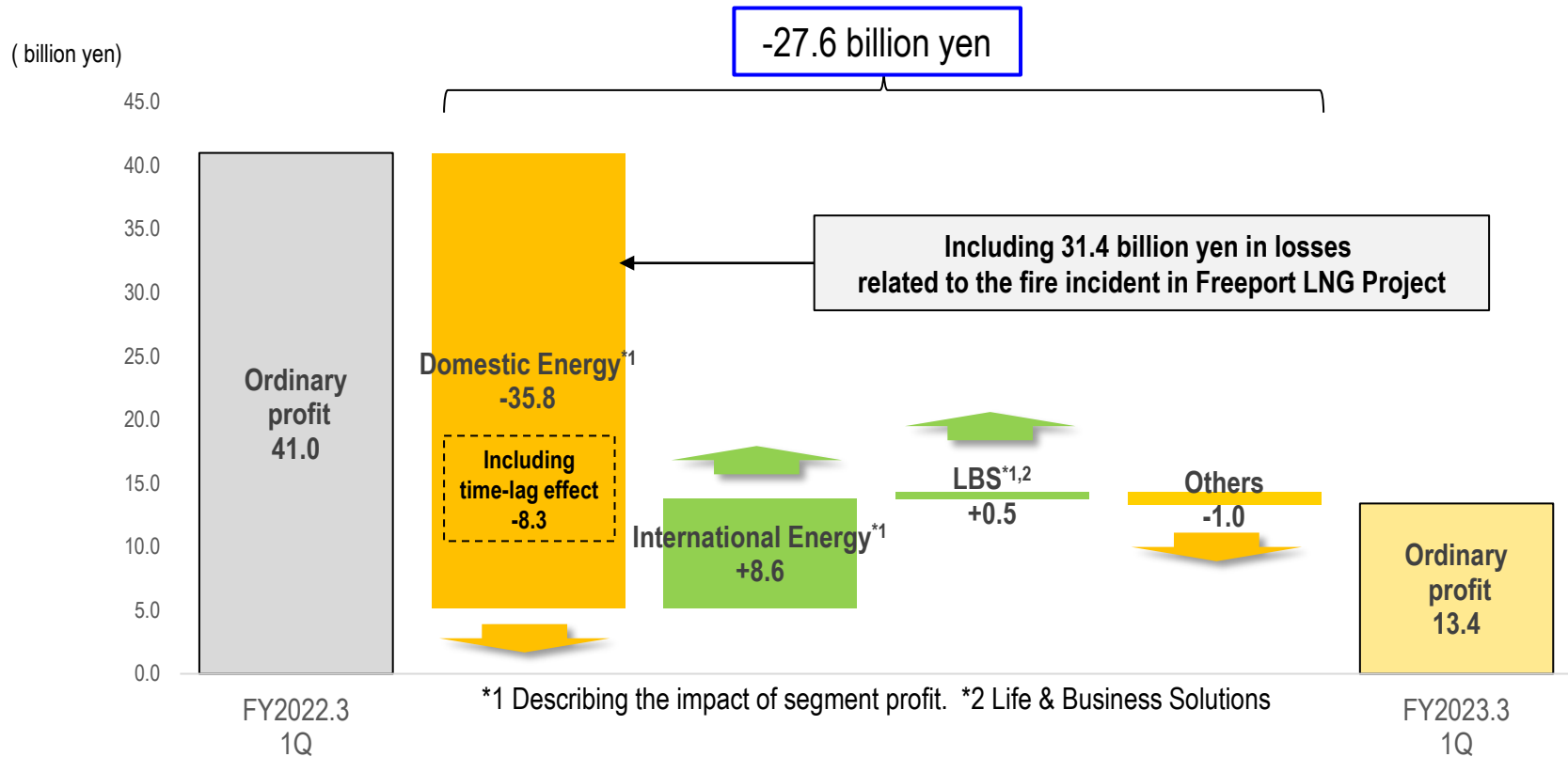
Forecasts of FY2023.3		FY23.3 forecasts	FY23.3 previous forecasts	Difference
	<b>Net sales</b>	<b>2,171.0 billion yen</b>	<b>1,853.0 billion yen</b>	<b>+318.0 billion yen</b>
	<b>Ordinary profit</b>	<b>46.0 billion yen</b>	<b>115.0 billion yen</b>	<b>-69.0 billion yen</b>
	<b>Profit attributable to owners of parent</b>	<b>31.5 billion yen</b>	<b>82.0 billion yen</b>	<b>-50.5 billion yen</b>

\*<sup>1</sup> A fire broke out at the liquefaction plant of the Freeport LNG Project ("Project"), one of the Daigas Group's investments and LNG sources and the Project's operations at the plant have been suspended since. The Daigas Group has been preparing to secure replacement LNG for the volumes the Group originally planned to procure from the Project during the shutdown period and has been arranging modification regarding the contracts related to its LNG procurement from the Project.

# Breakdown of Change in Ordinary Profit

## YoY Comparison of 1Q Results

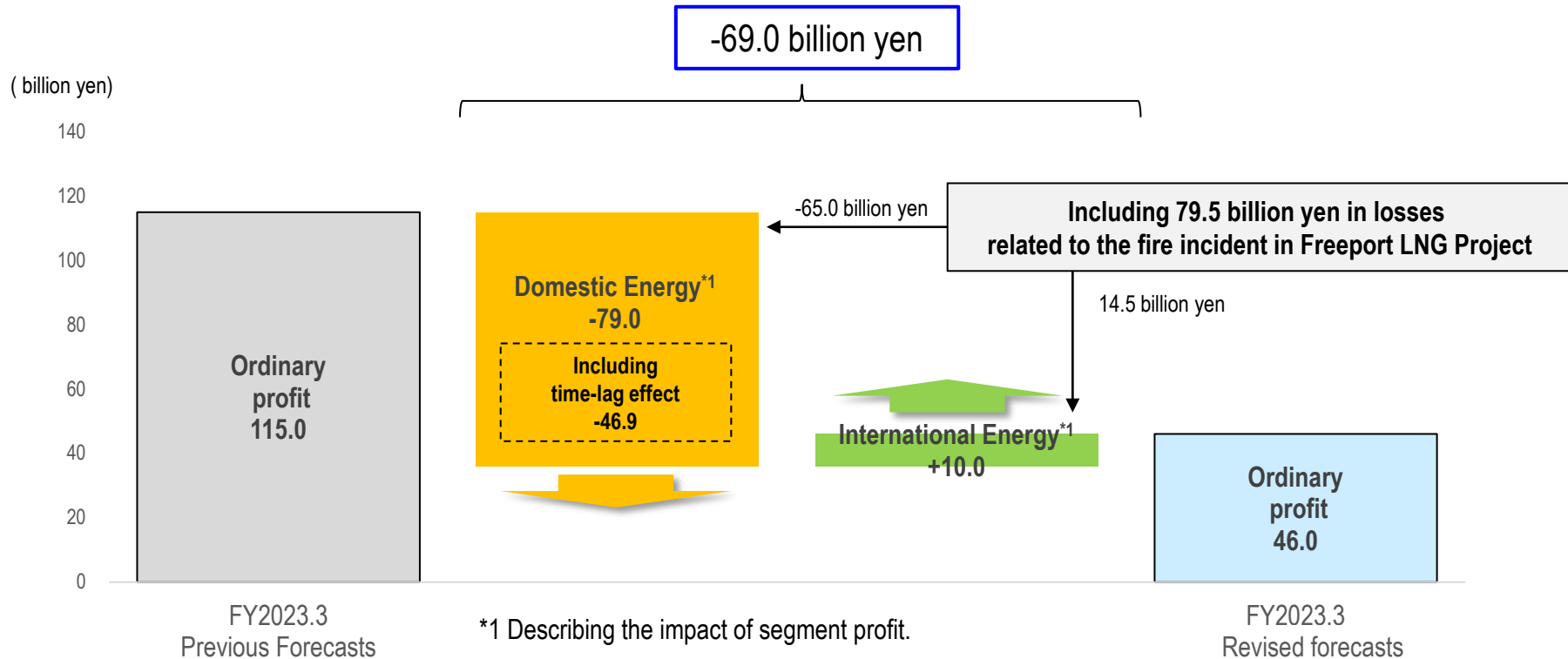
- ✓ Ordinary profit for FY2023.3 1Q was 13.4 billion yen, down 27.6 billion yen from the same period last year, due to the loss of 31.4 billion yen in the Domestic Energy Business, which is related to the fire at Freeport, and an increase in time-lag losses, despite increased profits in the International Energy business and the Life & Business Solutions business



(billion yen)	FY2022.3 1Q	FY2023.3 1Q	Difference
Time-lag effect	-11.0	-19.4	-8.3
Gas	-8.5	-11.9	-3.4
Electricity	-2.5	-7.4	-4.9

# Comparison between Forecasts (Apr. 26, 2022) and Forecasts FY2023.3

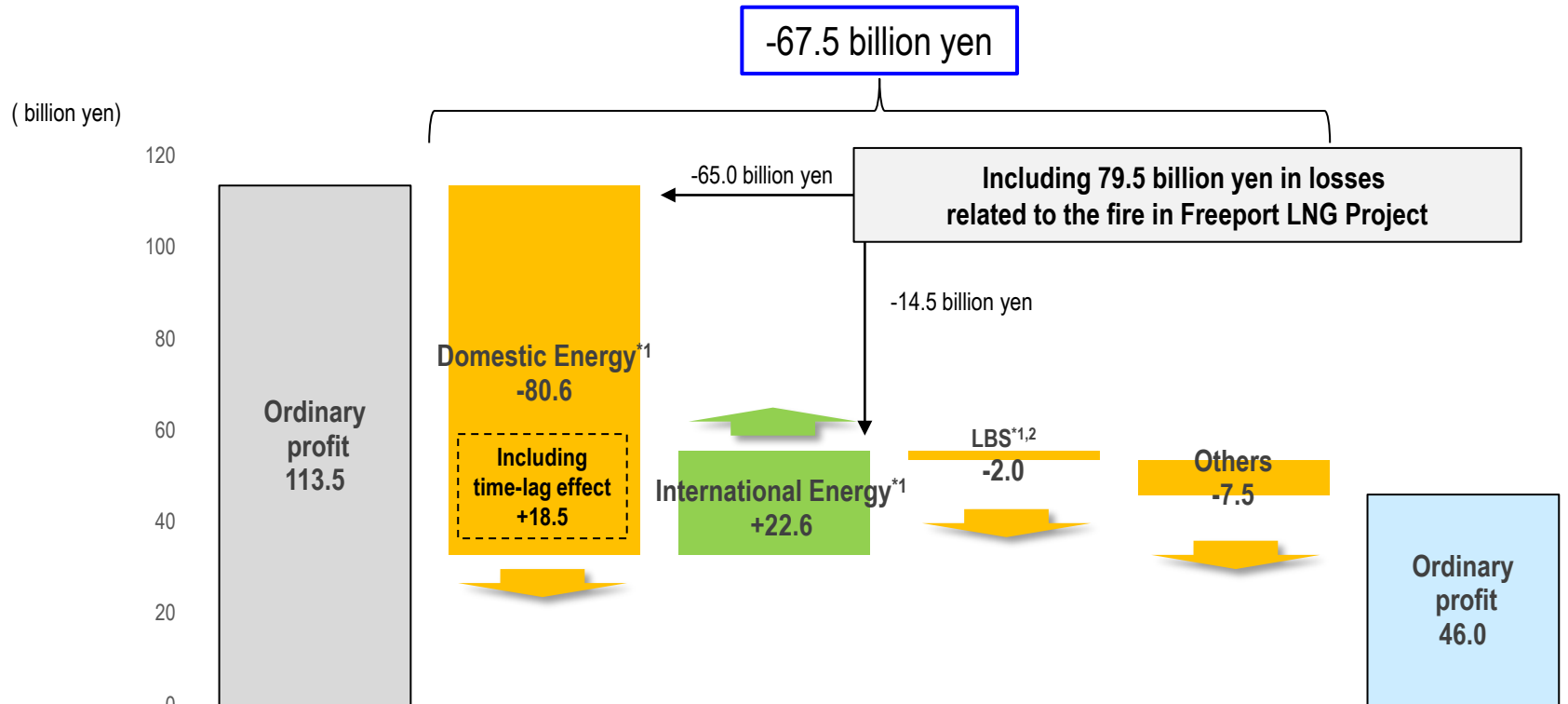
- ✓ Ordinary profit forecasts for the fiscal year ending March 31, 2023, was revised downward to 46.0 billion yen by 69.0 billion yen from the previous forecasts, due to the estimated 79.5 billion yen loss related to the fire at Freeport and the impact of time-lag losses in the Domestic Energy Business reflecting fluctuations in the crude oil price and exchange rate, etc.



(billion yen)	FY2023.3 forecasts		Difference
	Previous	Revised	
Time-lag effect	3.1	-43.8	-46.9
Gas	2.6	-25.8	-28.4
Electricity	0.5	-18.0	-18.5

# Comparison between FY2022.3 Results and FY2023.3 Forecasts

- ✓ Ordinary profit for the fiscal year ending March 31, 2023 is expected to be 46.0 billion yen, down 67.5 billion yen from the previous year, mainly due to the inclusion of 79.5 billion yen in losses related to the fire at Freeport, although International Energy Business is expected to increase due to higher profits from upstream businesses.



FY2022.3

\*1 Describing the impact of segment profit. \*2 Life & Business Solutions

FY2023.3

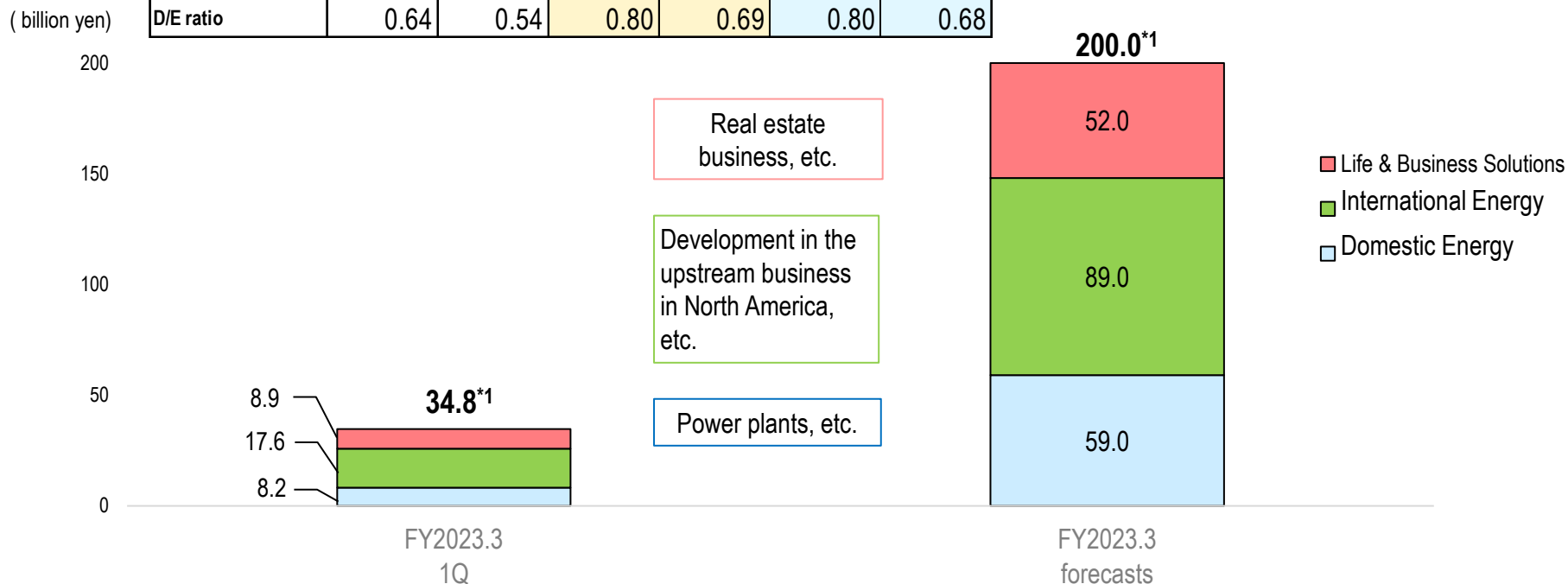
Revised forecasts

(billion yen)	FY2022.3 results	FY2023.3 revised forecasts	Difference
Time-lag effect	-62.3	-43.8	+18.5
Gas	-44.7	-25.8	+18.9
Electricity	-17.5	-18.0	-0.4

# Results and Forecasts for Investment for Growth

- ✓ In 1Q of FY23.3, we invested ¥34.8 billion for business growth in power plants in the Domestic Energy business, upstream business development in North America in the International Energy business, and real estate business in the Life & Business Solutions business, etc.
- ✓ The financial soundness indicators were maintained at the target levels: around 50% in shareholders' equity ratio and around 0.7 in D/E ratio on an equity-adjusted basis for issued hybrid bonds.

	FY22.3 year end		FY23.3 1Q		FY23.3 forecasts	
		After adjustment*2		After adjustment*2		After adjustment*2
Shareholders' equity ratio (%)	49.1%	52.5%	45.2%	48.3%	46.6%	49.7%
D/E ratio	0.64	0.54	0.80	0.69	0.80	0.68



\*1 Amounts of investment include both capital expenditure items and investment-and-loan items, and therefore the amounts of investment are different from actual amounts of capital expenditures.

\*2 Calculated with 50% of issued hybrid bonds as equity. Total ¥175 billion (Dec. 2019 ¥100 billion, Sep. 2020 ¥75 billion).

It does not mean that shareholders will be diluted.



## II . Business Results for 1st Quarter of FY2023.3

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



## 1. Net Sales and Profit

(billion yen)	A. FY23.3 1Q	B. FY22.3 1Q	A-B	(A-B)/B	Remarks
<b>Net sales</b>	467.1	313.5	+153.5	+49.0%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>Operating Profit</b>	7.3	36.7	-29.3	-79.9%	Increased costs for LNG procurement, etc.
<b>Ordinary profit</b>	13.4	41.0	-27.6	-67.3%	Increased costs for LNG procurement, etc.
<b>Time-lag effect *1</b>	-19.4	-11.0	-8.3	-	
<b>Gas</b>	-11.9	-8.5	-3.4	-	
<b>Electricity</b>	-7.4	-2.5	-4.9	-	
<b>Profit attributable to owners of parent</b>	11.2	30.6	-19.4	-63.5%	Increased costs for LNG procurement, etc.
<b>Earnings per share (EPS) (yen)</b>	26.9	73.8	-46.9	-63.5%	
<b>EBITDA*2</b>	40.6	66.2	-25.5	-38.6%	Increased costs for LNG procurement, etc.
<b>NOPAT*3</b>	13.9	33.6	-19.6	-58.5%	

\*1 Included in Domestic Energy.

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

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

	A. FY23.3 1Q	B. FY22.3 1Q	A-B	Remarks
<b>Crude oil price (USD/bbl)</b>	110.8	67.0	+43.9	A: Average of preliminary monthly data up to June 2022
<b>Exchange rate (JPY/USD)</b>	129.7	109.5	+20.2	

## 2. Asset, Equity, and Debt

(billion yen)	A. FY23.3 1Q end	B. FY22.3 year end	A-B	Remarks
Total assets	2,847.1	2,588.0	+259.0	
Shareholders' equity	1,286.9	1,271.6	+15.3	
Book value per share (BPS) (yen)	3,096.4	3,059.4	+37.0	
Interest-bearing debts	1,030.5	815.0	+215.4	Increase due to a new financing, etc.
Hybrid bonds	175.0	175.0	±0	

	A. FY23.3 1Q	B. FY22.3 1Q	A-B	Remarks
ROIC	0.6%	1.8%	-1.1%	Increased costs for LNG procurement, etc.
ROE	0.9%	2.8%	-1.9%	Increased costs for LNG procurement, etc.

	A. FY23.3 1Q end	B. FY22.3 year end	A-B	Remarks
Shareholders' equity ratio	45.2%	49.1%	-3.9%	
After adjustment*1	48.3%	52.5%	-4.2%	
Debt/Equity ratio	0.80	0.64	+0.16	
After adjustment*1	0.69	0.54	+0.15	

\*1 Calculated with 50% of issued hybrid bonds as equity. It does not mean that shareholders will be diluted.

## 3. Investment and Cash Flow

(billion yen)	A. FY23.3 1Q	B. FY22.3 1Q	A-B	Remarks
Investment for quality improvement	11.4	10.8	+0.6	
Investment for growth	34.8	28.8	+6.0	
Domestic Energy	8.2	10.6	-2.3	
International Energy	17.6	8.6	+8.9	
Life & Business Solutions	8.9	9.4	-0.5	
Capital expenditures	36.9	35.2	+1.6	
Depreciation	27.5	25.7	+1.8	
Free cash flow <sup>*1</sup>	-80.6	-35.1	-45.5	

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

## 4. Customer Accounts and Sales Volume

	A. FY23.3 1Q end	B. FY22.3 1Q end	A-B	(A-B)/B	
Number of customer accounts (thousands)	9,899	9,497	+402	+4.2%	

	A. FY23.3 1Q	B. FY22.3 1Q	A-B	(A-B)/B	Remarks
Domestic gas sales volume (million m <sup>3</sup> ) <sup>*1,2</sup>	1,664	1,631	+33	+2.0%	
Residential	390	405	-14	-3.6%	
Non-residential	1,274	1,226	+48	+3.9%	
Electricity sales volume (GWh) <sup>*2</sup>	3,391	3,505	-115	-3.3%	
Residential	1,216	1,140	+76	+6.6%	
Non-residential	2,175	2,365	-191	-8.1%	
Number of units for gas supply <sup>*3</sup>	5,004	5,084	-79	-1.6%	
Number of low-voltage electricity supply	1,649	1,544	+105	+6.8%	

	A. FY23.3 1Q	B. FY22.3 1Q	A-B	Remarks
Average temperature (°C)	20.4	19.8	+0.6	

\*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.

\*3 Domestic consolidated basis

## 5. Segment Sales and Profit

(billion yen)	A. FY23.3 1Q	B. FY22.3 1Q	A-B	(A-B)/B	Remarks
<b>Net Sales</b>	467.1	313.5	+153.5	+49.0%	
<b>Domestic Energy</b>	400.6	255.9	+144.6	+56.5%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>International Energy</b>	27.8	17.6	+10.1	+57.9%	Increase in sales in upstream businesses in Australia and the USA, etc.
<b>Life &amp; Business Solutions</b>	56.0	51.6	+4.4	+8.7%	Increase in the material solutions business, etc.
<b>Adjustments</b>	-17.4	-11.6	-5.7	-	

<b>Segment profit<sup>*1</sup></b>	13.0	40.5	-27.4	-67.7%	
<b>Domestic Energy</b>	-12.4	23.4	-35.8	-	Increased costs for LNG procurement, etc.
<b>Electricity</b>	-1.6	2.8	-4.4	-	
<b>International Energy</b>	21.2	12.5	+8.6	+68.9%	
<b>Life &amp; Business Solutions</b>	5.0	4.4	+0.5	+13.3%	
<b>Adjustments</b>	-0.8	0.0	-0.9	-	

<b>Profit/Loss on time-lag effect<sup>*2</sup></b>	-19.4	-11.0	-8.3	-	
<b>Gas</b>	-11.9	-8.5	-3.4	-	
<b>Electricity</b>	-7.4	-2.5	-4.9	-	
<b>Profit/Loss on market value of derivative<sup>*3</sup></b>	3.0	2.1	+0.9	+43.4%	

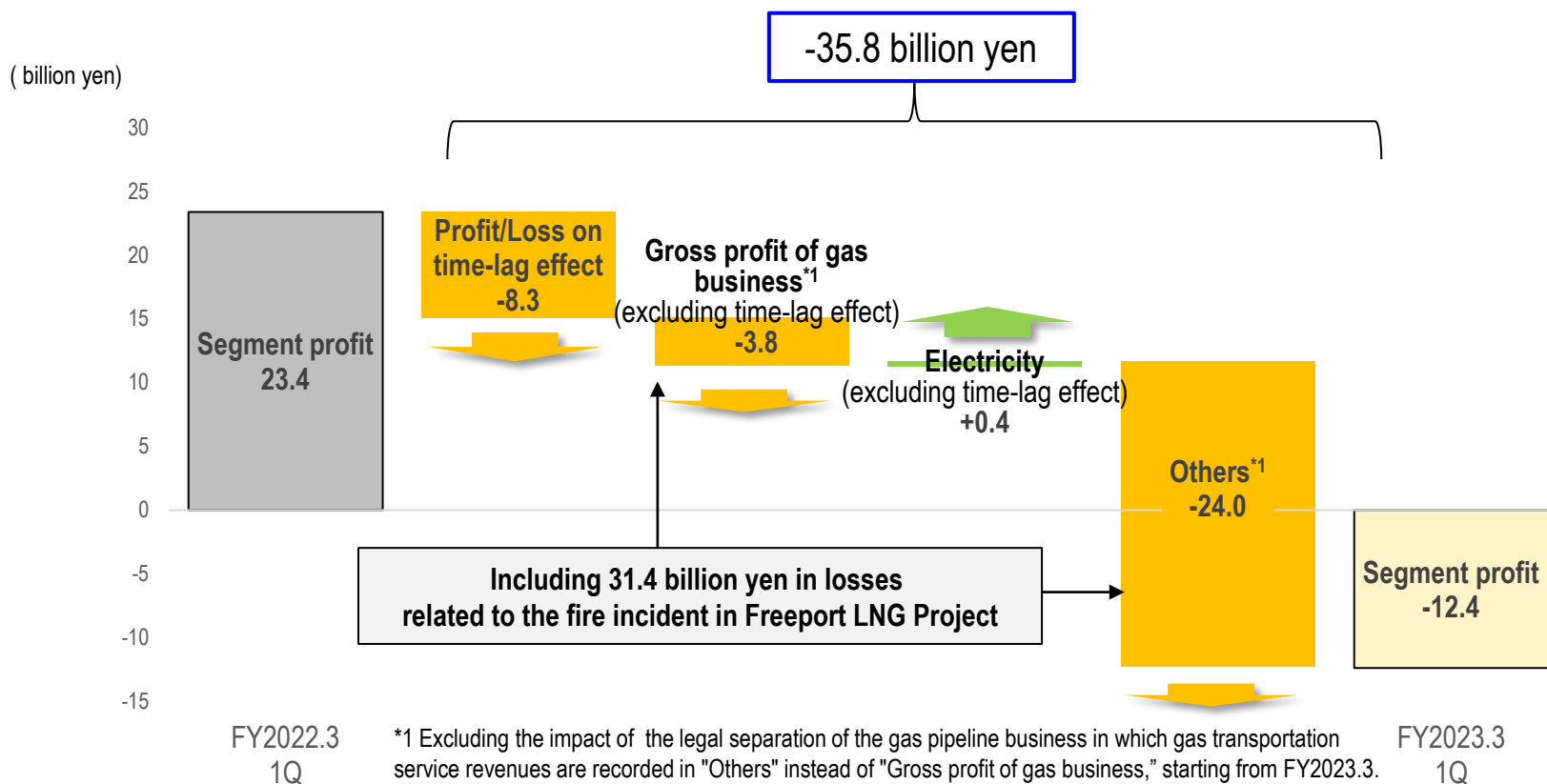
\*1 Segment profit = Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

\*2 Included in the Domestic Energy.

\*3 Included in the International Energy.

## 1. Domestic Energy (Gas and Electricity)

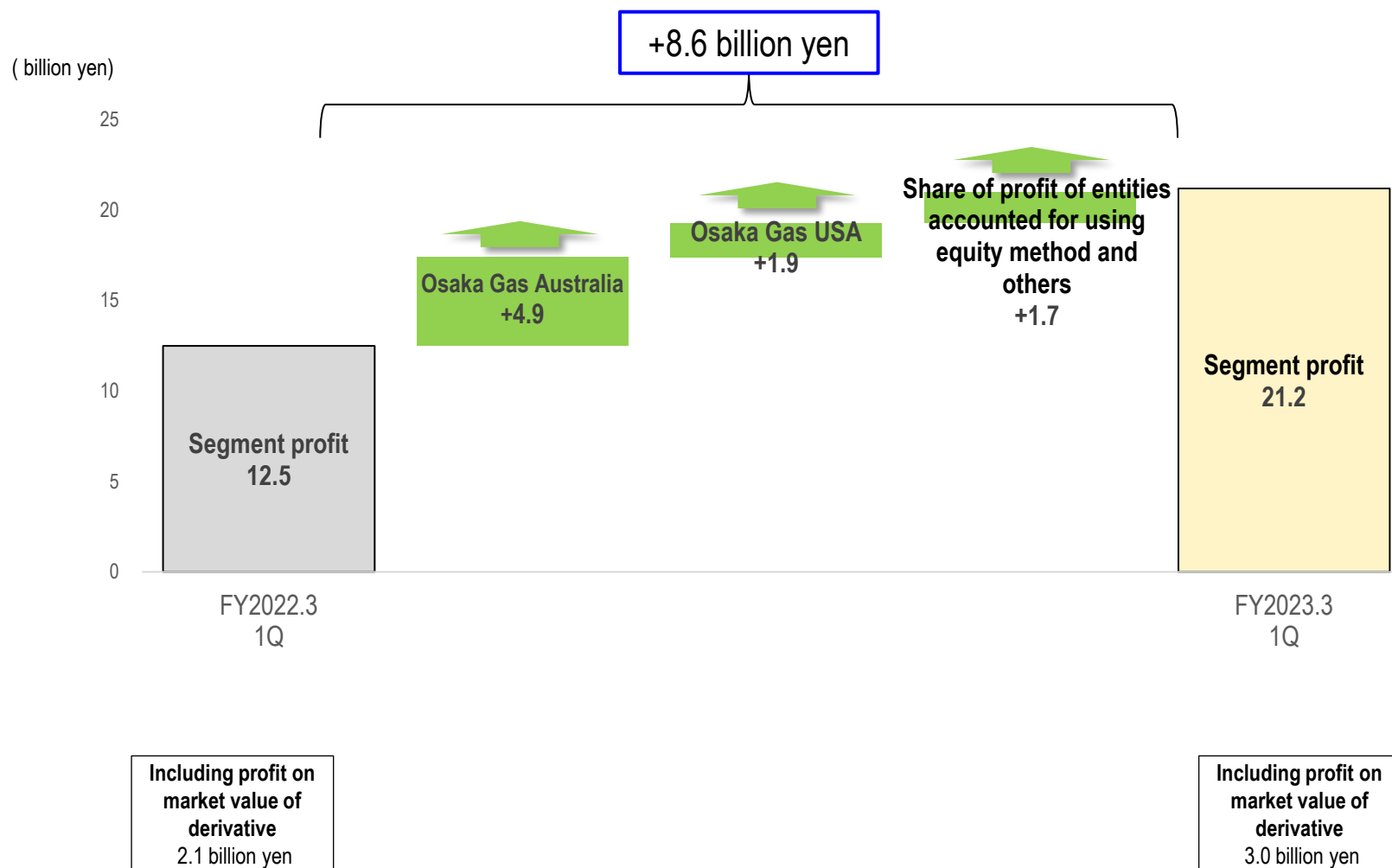
- ✓ Segment profit decreased by 35.8 billion from the same period last year to -12.4 billion yen due to the loss of 31.4 billion yen, which is related to the fire at Freeport, and the time-lag effect.



(billion yen)	FY2022.3 1Q	FY2023.3 1Q	Difference
Time-lag effect	-11.0	-19.4	-8.3
Gas	-8.5	-11.9	-3.4
Electricity	-2.5	-7.4	-4.9

## 2. International Energy

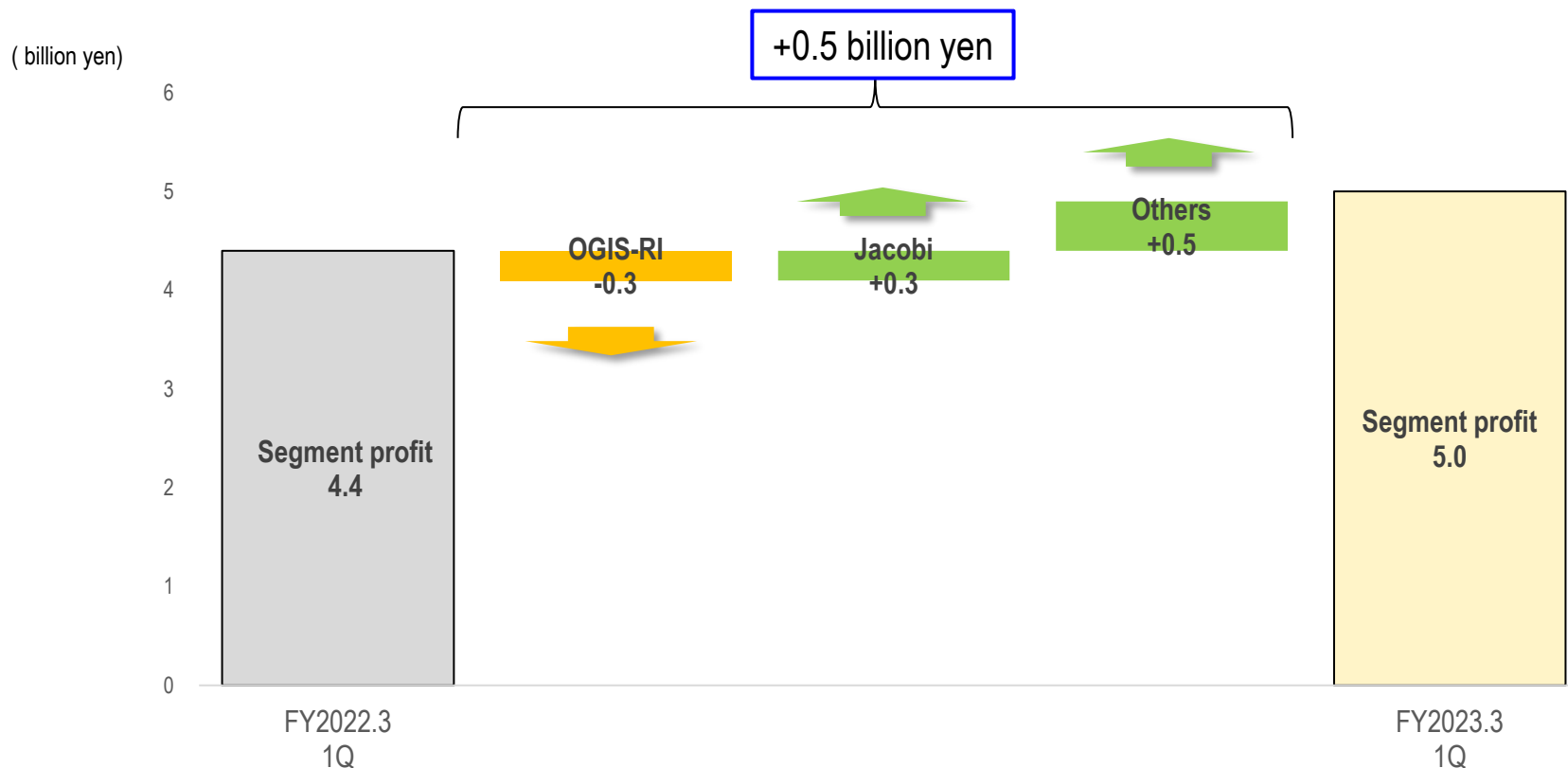
- ✓ Segment profit increased by 8.6 billion yen from the same period last year to 21.2 billion yen, mainly due to increased profits from the Sabine Shale Gas Project and upstream businesses in Australia, which were affected by higher gas and crude oil prices.





## 3. Life & Business Solutions

- ✓ Segment profit increased 0.5 billion yen from the same period last year to 5.0 billion yen due to increased profits in the material solutions business, etc., despite a decrease in the information solutions business in reaction to an increase in development projects for the Group in the previous year.



## III. FY2023.3 Forecasts against Previous Forecasts



# FY2023.3 Forecasts against Previous Forecasts

## 1. Net Sales and Profit

(billion yen)	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	(A-B)/B	Remarks
Net sales	2,171.0	1,853.0	+318.0	+17.2%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
Operating Profit	43.0	106.5	-63.5	-59.6%	Increased costs for LNG procurement, etc.
Ordinary profit	46.0	115.0	-69.0	-60.0%	Increased costs for LNG procurement, etc.
Time-lag effect <sup>*1</sup>	-43.8	3.1	-46.9	-	
Gas	-25.8	2.6	-28.4	-	
Electricity	-18.0	0.5	-18.5	-	
Profit attributable to owners of parent	31.5	82.0	-50.5	-61.6%	Increased costs for LNG procurement, etc.
Earnings per share (EPS) (yen)	75.8	197.2	-121.5	-61.6%	
EBITDA <sup>*2</sup>	161.0	230.0	-69.0	-30.0%	
NOPAT <sup>*3</sup>	42.4	92.8	-50.4	-54.3%	

\*1 Included in Domestic Energy.

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

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

	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
Crude oil price (USD/bbl)	110.2	95.0	+15.2	July 2022 to March 2023 : 110.0 USD/bbl
Exchange rate (JPY/USD)	133.6	115.0	+18.6	July 2022 to March 2023 : 135.0 JPY/USD

## 2. Asset, Equity, and Debt

(billion yen)	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
Total assets	2,775.2	2,615.7	+159.5	
Shareholders' equity	1,293.1	1,238.6	+54.5	
Book value per share (BPS) (yen)	3,110.1	2,979.0	+131.1	
Interest-bearing debts	1,032.3	927.3	+105.0	Increase due to a new financing, etc.

	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
ROIC	1.9%	4.5%	-2.5%	Increased costs for LNG procurement, etc.
ROE	2.5%	6.8%	-4.3%	Increased costs for LNG procurement, etc.

	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
Shareholders' equity ratio	46.6%	47.4%	-0.8%	
After adjustment <sup>*1</sup>	49.7%	50.7%	-0.9%	
Debt/Equity ratio	0.80	0.75	+0.05	
After adjustment <sup>*1</sup>	0.68	0.63	+0.05	

\*1 Calculated with 50% of issued hybrid bonds as equity. It does not mean that shareholders will be diluted.

## 3. Investment and Cash Flow

(billion yen)	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
Investment for quality improvement	74.0	74.0	±0	
Investment for growth	200.0	200.0	±0	
Domestic Energy	59.0	59.0	±0	
International Energy	89.0	89.0	±0	
Life & Business Solutions	52.0	52.0	±0	
Capital expenditures	192.0	192.0	±0	
Depreciation	110.0	110.0	±0	

(billion yen)	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
Cash flows from operating activities	114.7	173.7	-59.0	
Cash flows from investing activities <sup>*1</sup>	274.0	274.0	±0	
Free cash flow <sup>*2</sup>	-159.2	-100.2	-59.0	

\*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. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,202	10,202	±0	±0.0%	
Domestic gas sales volume (million m <sup>3</sup> )* <sup>1,2</sup>	6,834	6,834	±0	±0.0%	
Residential	1,732	1,732	±0	±0.0%	
Non-residential	5,102	5,102	±0	±0.0%	
Electricity sales volume (GWh) * <sup>2</sup>	16,215	18,201	-1,986	-10.9%	Decrease in wholesale sales volume

	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	Remarks
Average temperature (°C)	17.3	17.3	+0.0	

\*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

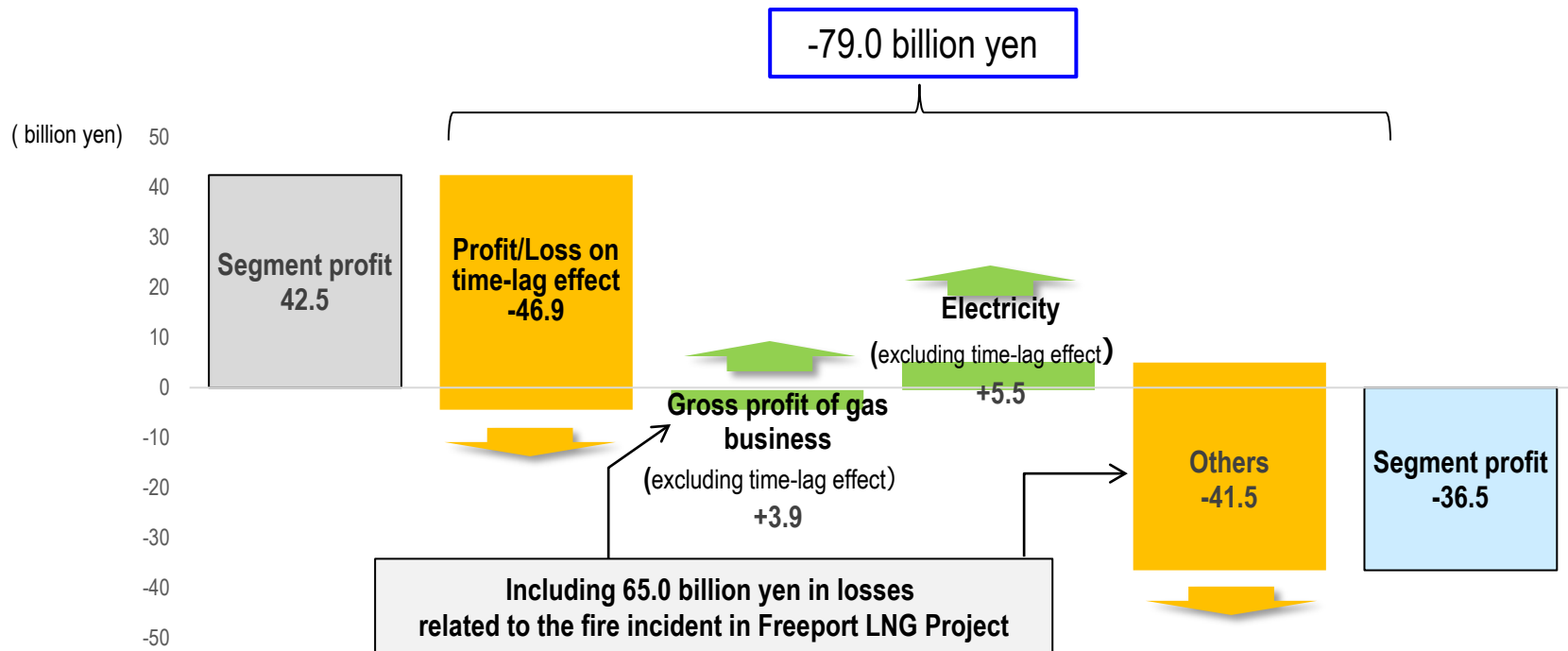
	A. FY23.3 forecasts	B. FY23.3 previous forecasts	A-B	(A-B)/B	Remarks
<b>Net Sales</b>	2,171.0	1,853.0	+318.0	+17.2%	
<b>Domestic Energy</b>	1,882.0	1,580.0	+302.0	+19.1%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>International Energy</b>	114.0	98.0	+16.0	+16.3%	Increase in sales in upstream businesses in Australia and the USA, etc.
<b>Life &amp; Business Solutions</b>	250.0	250.0	+0.0	±0.0%	
<b>Adjustments</b>	-75.0	-75.0	+0.0	-	
<b>Segment profit<sup>*1</sup></b>	51.0	120.0	-69.0	-57.5%	
<b>Domestic Energy</b>	-36.5	42.5	-79.0	-	Increased costs for LNG procurement, etc.
<b>Electricity</b>	4.5	17.5	-13.0	-74.3%	Impact of higher average fuel price, etc.
<b>International Energy</b>	67.0	57.0	+10.0	+17.5%	Increase in profit in upstream businesses in Australia and the USA, etc.
<b>Life &amp; Business Solutions</b>	21.5	21.5	+0.0	±0.0%	
<b>Adjustments</b>	-1.0	-1.0	+0.0	-	
<b>Profit/Loss on time-lag effect<sup>*2</sup></b>	-43.8	3.1	-46.9	-	
<b>Gas</b>	-25.8	2.6	-28.4	-	
<b>Electricity</b>	-18.0	0.5	-18.5	-	

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

\*2 Included in the Domestic Energy.

## 1. Domestic Energy

- Segment profit forecast has been revised downward to -36.5 billion yen by 79.0 billion yen from the previous forecast, due to the estimated loss of 65.0 billion yen related to the fire at Freeport and a decrease in income due to a time-lag effect reflecting fluctuations in the crude oil price and exchange rate, etc.



FY2023.3  
Previous Forecasts

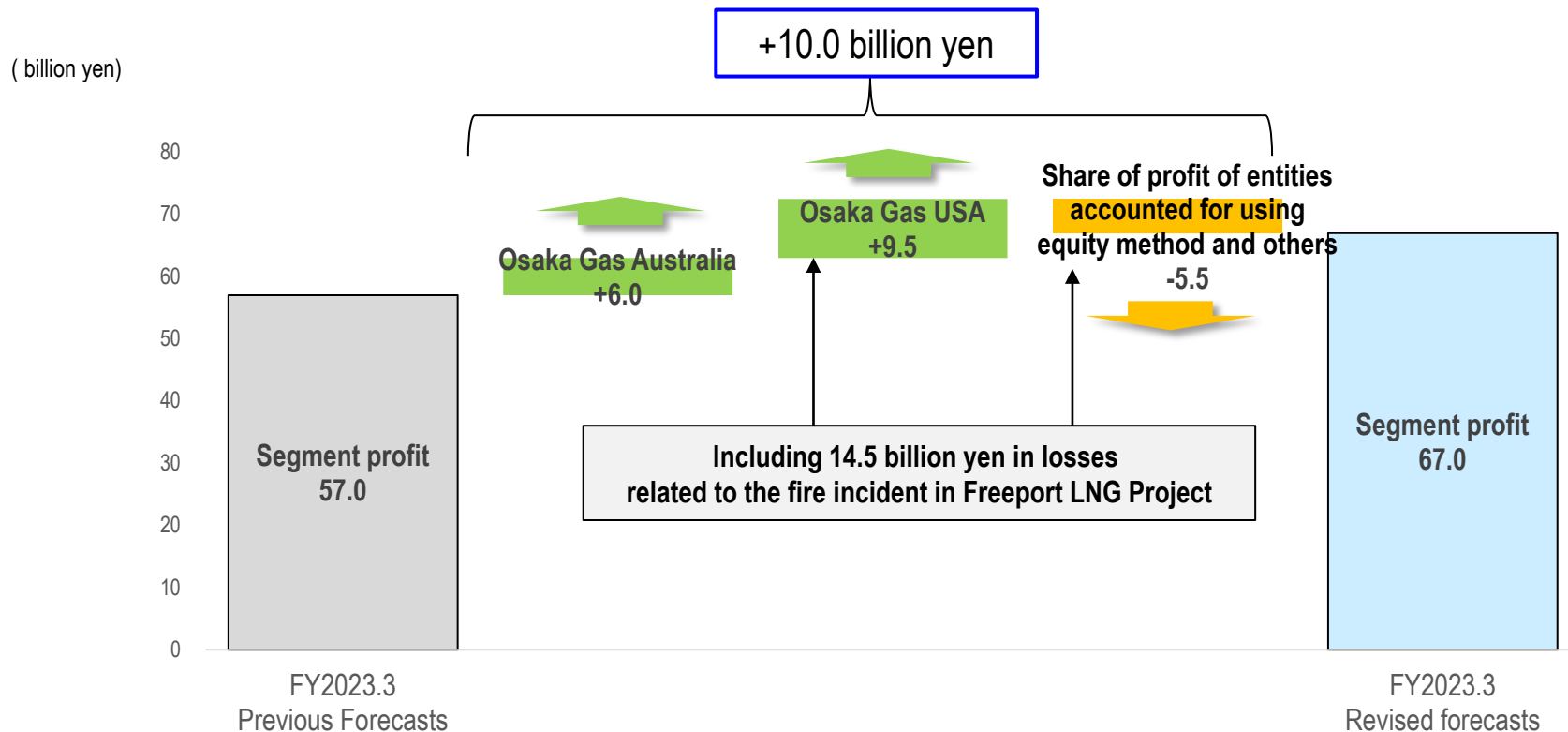
FY2023.3  
Revised forecasts

(billion yen)	FY2023.3 forecasts		Difference
	Previous	Revised	
Time-lag effect	3.1	-43.8	-46.9
Gas	2.6	-25.8	-28.4
Electricity	0.5	-18.0	-18.5



## 2. International Energy

- ✓ Segment profit forecast is 67.0 billion yen, an increase of 10.0 billion yen from the previous forecast, due to the Sabine Shale Gas Project and higher profit from upstream businesses in Australia, which were boosted by higher gas and crude oil prices, despite the inclusion of 14.5 billion yen loss related to the Freeport fire.



## IV. YoY Comparison of FY2023.3 Forecasts

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



## 1. Net Sales and Profit

(billion yen)	A. FY23.3 forecasts	B. FY22.3	A-B	(A-B)/B	Remarks
<b>Net sales</b>	2,171.0	1,591.1	+579.8	+36.4%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>Operating Profit</b>	43.0	99.2	-56.2	-56.7%	Increased costs for LNG procurement, etc.
<b>Ordinary profit</b>	46.0	113.5	-67.5	-59.5%	Increased costs for LNG procurement, etc.
<b>Time-lag effect *1</b>	-43.8	-62.3	+18.5	-	
<b>Gas</b>	-25.8	-44.7	+18.9	-	
<b>Electricity</b>	-18.0	-17.5	-0.4	-	
<b>Profit attributable to owners of parent</b>	31.5	130.4	-98.9	-75.8%	Increased costs for LNG procurement, etc.
<b>Earnings per share (EPS) (yen)</b>	75.8	313.7	-237.9	-75.8%	
<b>EBITDA*2</b>	161.0	220.9	-59.9	-27.1%	Increased costs for LNG procurement, etc.
<b>NOPAT*3</b>	42.4	138.7	-96.3	-69.4%	

\*1 Included in Domestic Energy.

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

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

	A. FY23.3 forecasts	B. FY22.3	A-B	Remarks
<b>Crude oil price (USD/bbl)</b>	110.2	77.2	+33.1	July 2022 to March 2023 : 110.0 USD/bbl
<b>Exchange rate (JPY/USD)</b>	133.6	112.4	+21.3	July 2022 to March 2023 : 135.0 JPY/USD

## 2. Asset, Equity, and Debt

(billion yen)	A. FY23.3 forecasts	B. FY22.3 year end	A-B	Remarks
Total assets	2,775.2	2,588.0	+187.1	
Shareholders' equity	1,293.1	1,271.6	+21.5	
Book value per share (BPS) (yen)	3,110.1	3,059.4	+50.7	
Interest-bearing debts	1,032.3	815.0	+217.2	Increase due to a new financing, etc.

	A. FY23.3 forecasts	B. FY22.3	A-B	Remarks
ROIC	1.9%	7.1%	-5.1%	Increased costs for LNG procurement, etc.
ROE	2.5%	11.0%	-8.6%	Increased costs for LNG procurement, etc.

	A. FY23.3 forecasts	B. FY22.3 year end	A-B	Remarks
Shareholders' equity ratio	46.6%	49.1%	-2.5%	
After adjustment <sup>*1</sup>	49.7%	52.5%	-2.8%	
Debt/Equity ratio	0.80	0.64	+0.16	
After adjustment <sup>*1</sup>	0.68	0.54	+0.15	

\*1 Calculated with 50% of issued hybrid bonds as equity. It does not mean that shareholders will be diluted.

## 3. Cash Flow and Investment

(billion yen)	A. FY23.3 forecasts	B. FY22.3	A-B	Remarks
Investment for quality improvement	74.0	67.9	+6.0	
Investment for growth	200.0	141.3	+58.6	
Domestic Energy	59.0	52.5	+6.4	
International Energy	89.0	44.0	+44.9	
Life & Business Solutions	52.0	44.7	+7.2	
Capital expenditures	192.0	189.3	+2.6	
Depreciation	110.0	108.9	+1.0	

(billion yen)	A. FY23.3 forecasts	B. FY22.3	A-B	Remarks
Cash flows from operating activities	114.7	145.3	-30.5	
Cash flows from investing activities <sup>*1</sup>	274.0	152.1	+121.8	
Free cash flow <sup>*2</sup>	-159.2	-6.8	-152.4	

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

	A. FY23.3 forecasts	B. FY22.3	A-B	Remarks
<b>Average temperature (°C)</b>	17.3	17.2	+0.1	

\*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

	A. FY23.3 forecasts	B. FY22.3	A-B	(A-B)/B	Remarks
<b>Net Sales</b>	2,171.0	1,591.1	+579.8	+36.4%	
<b>Domestic Energy</b>	1,882.0	1,340.7	+541.2	+40.4%	Increase in sales from a rise in LNG selling prices and the higher unit selling price of city gas, etc.
<b>International Energy</b>	114.0	80.7	+33.2	+41.1%	Increase in sales in upstream businesses in Australia and the USA, etc.
<b>Life &amp; Business Solutions</b>	250.0	237.0	+12.9	+5.4%	Increase in the material solutions business, etc.
<b>Adjustments</b>	-75.0	-67.5	-7.4	-	

<b>Segment profit<sup>*1</sup></b>	51.0	112.0	-61.0	-54.5%	
<b>Domestic Energy</b>	-36.5	44.1	-80.6	-	Increased costs for LNG procurement, etc.
<b>Electricity</b>	4.5	14.0	-9.5	-68.0%	Impact of higher average fuel price, etc.
<b>International Energy</b>	67.0	44.3	+22.6	+51.1%	Increase in profit in upstream businesses in Australia and the USA, etc.
<b>Life &amp; Business Solutions</b>	21.5	23.5	-2.0	-8.6%	Decrease in the information solutions business, etc.
<b>Adjustments</b>	-1.0	0.0	-1.0	-	

<b>Profit/Loss on time-lag effect<sup>*2</sup></b>	-43.8	-62.3	+18.5	-	
<b>Gas</b>	-25.8	-44.7	+18.9	-	
<b>Electricity</b>	-18.0	-17.5	-0.4	-	

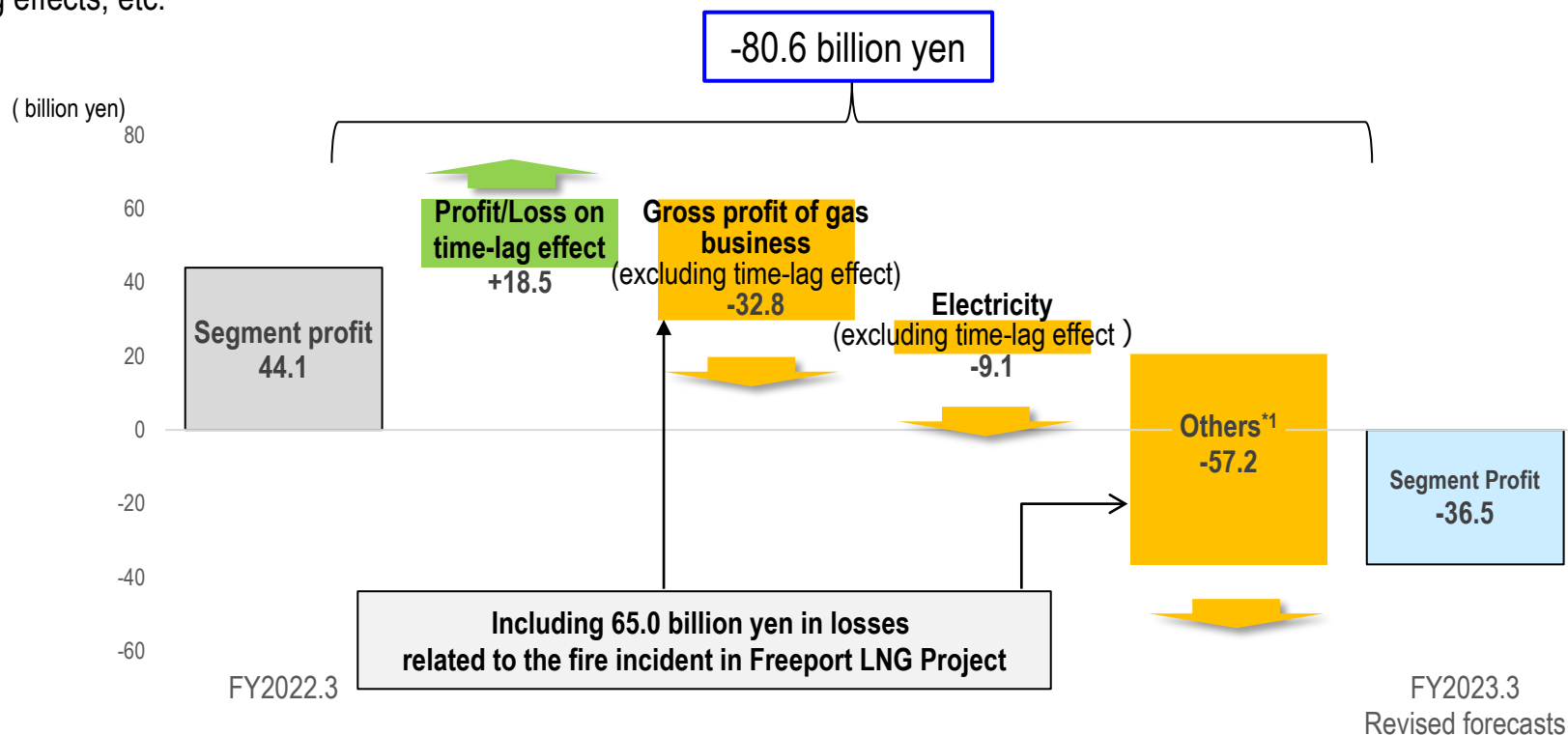
\*1 Segment profit = Operating profit (loss) + Share of profit (loss) of entities accounted for using equity method

\*2 Included in the Domestic Energy.

# Breakdown of Change in Segment Profit (FY2023.3 Forecasts)

## 1. Domestic Energy

- ✓ Segment profit forecast is -36.5 billion yen, a decrease of 80.6 billion yen from the previous year, reflecting the loss of 65.0 billion yen related to the fire at Freeport, fluctuations in crude oil prices and exchange rates, and factoring in the impact of negative time-lag effects, etc.



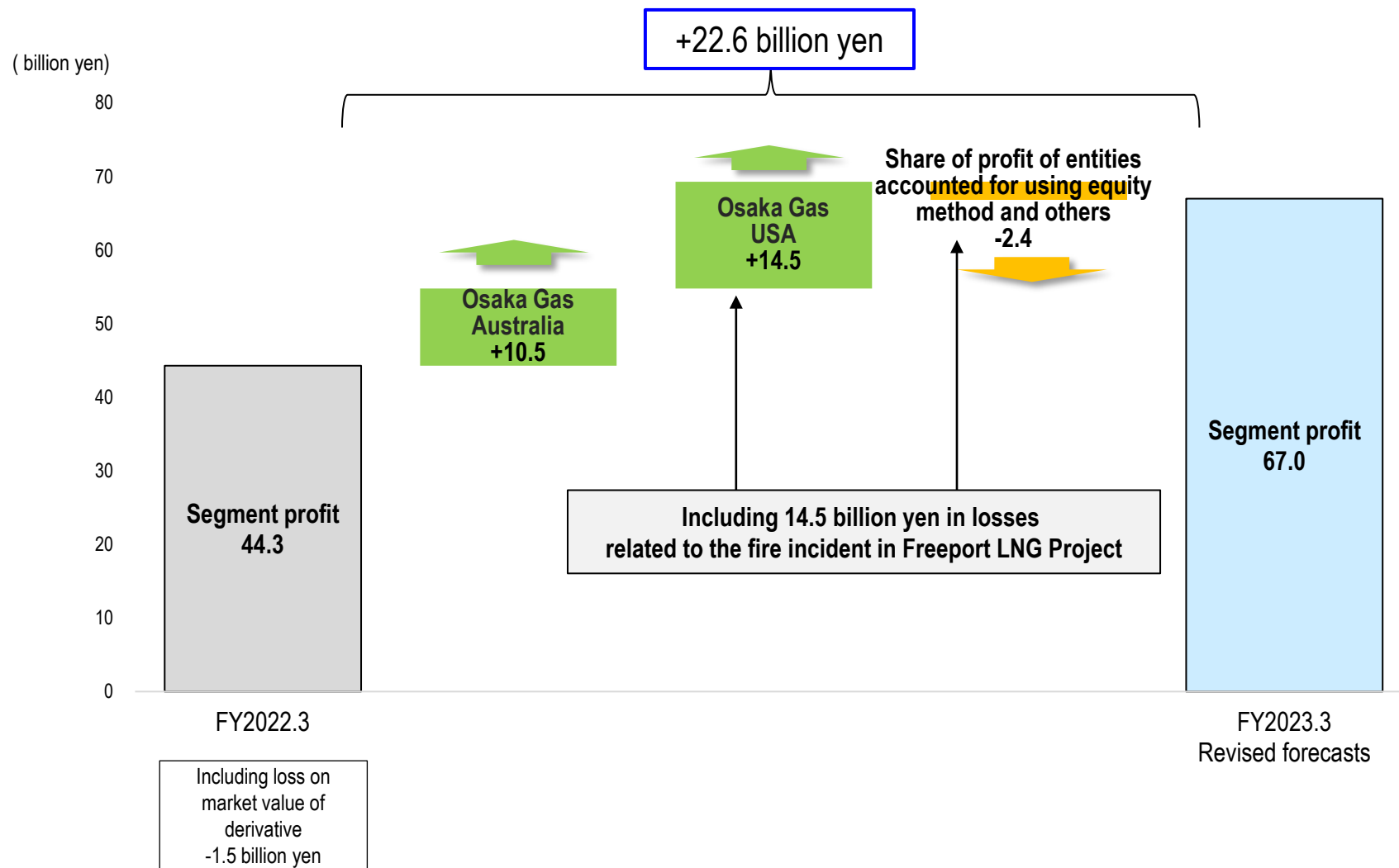
\*1 Excluding the impact of the legal separation of the gas pipeline business in which gas transportation service revenues are recorded in "Others" instead of "Gross profit of gas business," starting from FY2023.3.

(billion yen)	FY2022.3	FY2023.3 revised forecasts	Difference
Time-lag effect	-62.3	-43.8	+18.5
Gas	-44.7	-25.8	+18.9
Electricity	-17.5	-18.0	-0.4



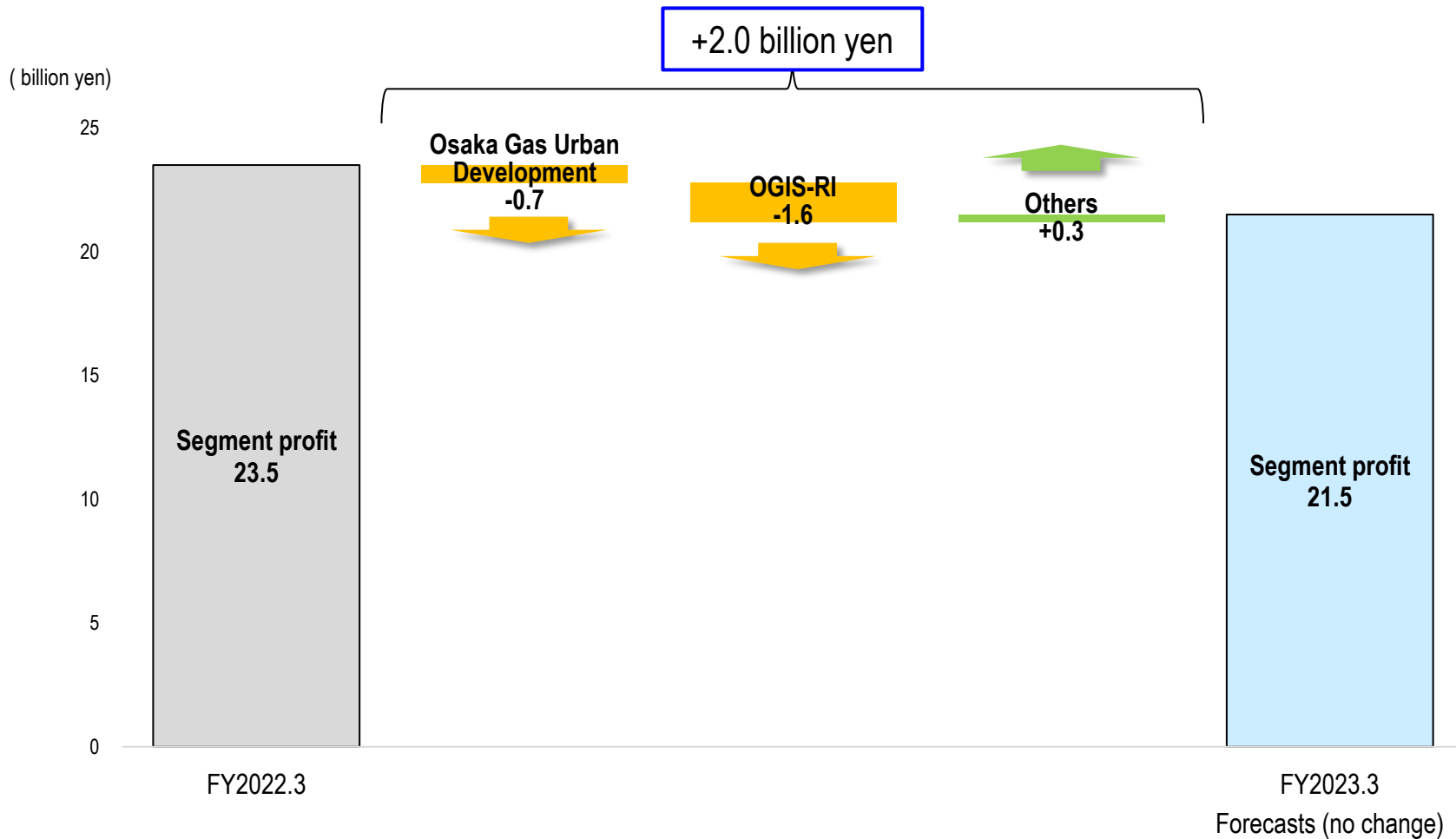
## 2. International Energy

- ✓ Segment profit is expected increase by 22.6 billion yen from the previous year to 67.0 billion yen, as higher gas and crude oil prices exceeded higher income from the Sabine Shale Gas Project and upstream businesses in Australia, despite 14.5 billion yen loss related to the fire at Freeport.



## 3. Life & Business Solutions

- ✓ Segment profit is 21.5 billion yen, a decrease of 2.0 billion yen from the previous year, mainly due to a decrease in profit in the information solutions business in reaction to an increase in development projects for the Group in the previous year.



## Sales Volume & Profit Sensitivity to External Factors for FY2023.3 (from July 2022 to March 2023)

- 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

Range of fluctuation		Segment	Segment Impact	Net impact on consolidated ordinary profit
Crude oil price	+1USD/bbl	International Energy	Positive	-0.86 billion yen In total
		Domestic Energy	Negative	
Exchange rate	+1JPY/USD	International Energy	Positive	-0.54 billion yen In total
		Domestic Energy	Negative	

Note: Additional impact from crude oil price fluctuation for the below price bands

Range of fluctuation		Average fuel price (Upper price band)	Impact on consolidated ordinary profit
Electricity business	+1USD/bbl in crude oil price	higher than 40,700 yen/kl*1	-80 million yen
Gas business		102,540 to 136,080 yen/ton	-80 million yen
		higher than 136,080 yen/ton	-220 million yen

\*1 Average fuel price\* =  $A \times \alpha + B \times \beta + C \times \gamma$  (\*rounded to the nearest 100 yen)  
A: Average crude oil price per kl for each average fuel price calculation period,  
B: Average LNG price per ton for each average fuel price calculation period,  
C: Average coal price per ton for each average fuel price calculation period  
( $\alpha$ : 0.0140,  $\beta$ : 0.3483,  $\gamma$ : 0.7227;  $\alpha$ ,  $\beta$ , and  $\gamma$  are calculated by multiplying the crude oil conversion rate by the heat composition ratio of each fuel type)

\*2 Impact for gas business shows the impact of exceeding the average fuel price (upper band) in October.

# (Reference) Topics in 1<sup>st</sup> quarter of FY2023.3

Apr.	<ul style="list-style-type: none"> <li>■ <u>Daigas Gas and Power Solution was awarded FEED and technical consulting service contract for LNG receiving terminal expansion project in Taiwan</u></li> <li>■ <u>Grand Opening of “Suita SST,” a Multi-Generational, Health-Centered Smart Town that Proposes a Model Society</u></li> <li>■ <u>Osaka Gas to Launch SENBOKU Smart City Consortium Preparatory Committee with Partners and Open Membership – to Further Promote Smart City Initiatives in Senboku New Town Area</u></li> <li>■ <u>Joint venture announced for Desert Bloom (Green) Hydrogen</u></li> <li>■ <u>Notice of recording deferred tax assets and revision of the financial forecasts for FY2022.3</u></li> <li>■ <u>Establishment of a New R&amp;D Base in the Torishima District - Toward the social implementation of carbon-neutral technologies such as SOEC methanation</u></li> <li>■ <u>Osaka Gas’ SOEC Methanation Project Adopted as Green Innovation Fund Project - to Develop World’s Most Efficient Synthetic Methane Production Technology</u></li> <li>■ <u>Osaka Gas Decides to Build a Biomass Power Plant in Gobo City, Wakayama Prefecture</u></li> <li>■ <u>Diagas Energy’s System of D-Solar, Self-Consumption Solar Power Generation Service, Delivered to Panasonic Corporation’s Kusatsu Site</u></li> <li>■ <u>Osaka Gas to Start Joint Study for Biomethane Utilization in Indonesia</u></li> <li>■ <u>Commencement of Consideration: Development of a Complex on the West Side of the Osaka Gas Building and Renovation of the Osaka Gas Building</u></li> <li>■ <u>Capital and Business Alliance between West Holdings and Osaka Gas --Partnership to Boost Their Electricity Business Centered on Solar Power Generation</u></li> <li>■ <u>Goto Floating Wind Farm LLC Consortium Awarded Japan’s First Public Offering Plan Certification for Marine Renewable Energy Power Generation Facility Maintenance Promotion Area Offshore Goto City, Nagasaki Prefecture, Japan - Towards Realization of Floating Offshore Wind Power Generator -</u></li> <li>■ <u>Hydrogen Supply Chain Demonstration Project of Methanation Utilizing Renewable Hydrogen and Food Waste Biogas in Urban Areas</u></li> </ul>
May	<ul style="list-style-type: none"> <li>■ <u>Osaka Gas USA to jointly Develop with Oriden Utility-Scale Solar Projects in the US</u></li> <li>■ <u>Conclusion of an agreement between Osaka Gas and JPN ENERGY Integrated System on joint development and ownership of photovoltaic power plants</u></li> <li>■ <u>Osaka Gas to Collaborate with Partners including Universities in Akita, Japan, in Offshore Wind Power Generation Project - Memorandum of Understanding and Agreement for the Revitalization of the Region</u></li> <li>■ <u>Notice Regarding Issuance of the 44th Unsecured Corporate Bonds (Transition Bonds), the 45th Unsecured Corporate Bonds and the 46th Unsecured Corporate Bonds (Domestic Straight Bonds)</u></li> <li>■ <u>Osaka Gas to Start a Virtual Power Plant Demonstration Project Using Household Use Fuel Cells, ENE-FARM Type S —Joining the Demonstration Project to Establish Next-generation Technologies Using Distributed Energy Resources—</u></li> <li>■ <u>Daigas Energy Launches Dr. Flame, Digital Combustion Control System for Industrial Furnaces</u></li> </ul>
Jun.	<ul style="list-style-type: none"> <li>■ <u>Osaka Gas to Collaborate with Shell in Developing Decarbonization Solutions Including Methanation, Hydrogen and CCUS</u></li> <li>■ <u>Osaka Gas Invests in Brave group, a Company That Conducts Business in the Field of Metaverse —Aiming to Expand Communication and Develop New Businesses—</u></li> <li>■ <u>Acquisition of interest in Australian Integrated Carbon Pty Ltd ~ Contributing to the reduction of CO2 through regeneration project~</u></li> <li>■ <u>Osaka Gas and West Japan Railway Company Collaborate on Weather Forecasting and Data Science A High-Precision Strong Wind Prediction System Was Introduced on the Kosei Line on a Trial Basis</u></li> <li>■ <u>Osaka Gas Australia to Join Study with Partners on Green Energy Hub in Australia to Produce, Supply and Export Green Hydrogen and Synthetic Methane</u></li> <li>■ <u>Announcement Concerning Disposal of Treasury Shares as Restricted Stock Remuneration</u></li> <li>■ <u>Osaka Gas and Japan Benex Sign a Contract for Electricity Purchase from FIP Power Plants—Starting a New Effort to Contribute to Stabilizing the Profit of Renewable Energy Developers under the FIP System—</u></li> </ul>

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

