Financial Report for FY2024.3 (April 2023– March 2024)

May 8, 2024
Osaka Gas Co., Ltd.

Securities code	9532

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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.
The possible impact of share buyback announced on May 8, 2024, is taken into account in the FY25.3 forecasts, except for 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/m^3.
Note regarding consolidated gas sales volume: Nabari Kintetsu Gas and Shingu Gas's fiscal year ends on December 31.

Highlights

1	In FY24.3, the final year of the Medium-Term Management Plan 2023, **ordinary profit increased** from FY23.3. This was primarily attributed to **reduced LNG procurement costs due to the resumption of the Freeport LNG plant's operation**, **increased time-lag profit**, and expanded **profit contributions from the businesses in the International Energy and the Life & Business Solutions segments**. ROIC exceeded the Medium-Term Management Plan 2023 target of around 5%.	• FY24.3 ordinary profit 226.5 billion yen YoY difference +150.9 billion yen Difference from forecast +56.5 billion yen • ROIC 6.1%* * ROIC including time-lag profit: 7.0%
2	**FY25.3 ordinary profit is forecast to decrease** from FY24.3. The main factors include a decrease in the time-lag profit and the **absence of the temporary profit increase** we had in FY24.3, such as the foreign exchange gains on LNG procurement.	• FY25.3 ordinary profit 153.0 billion yen YoY difference -73.5 billion yen
3	We **increased the FY24.3 annual dividend**, exceeding the dividend forecast announced on March 7, as per the Medium-Term Management Plan 2023 shareholder return policy: a dividend payout ratio of 30% or more, excluding short-term profit fluctuation factors. We **plan to increase FY25.3 annual dividend** as per the new shareholder return policy in the Medium-Term Management Plan 2026: DOE of 3%.	• FY24.3 annual dividend 82.5 yen/share* YoY difference +22.5yen/share Difference from forecast +10.0yen/share * It marks a four consecutive year increase from 50.0 yen/share in FY20.3. • FY25.3 annual dividend 95.0 yen/share YoY difference +12.5yen/share
4	We also **plan to repurchase own shares in the first half of FY25.3**. Our aim is to improve capital efficiency by maintaining shareholders' equity at an appropriate level to achieve ROE of 8%, a target set in the Medium-Term Management Plan 2026.	• Maximum acquisition price 20 billion yen • Period from May 9 to September 30

I. Summary of FY2024.3 Results and FY2025.3 Forecasts

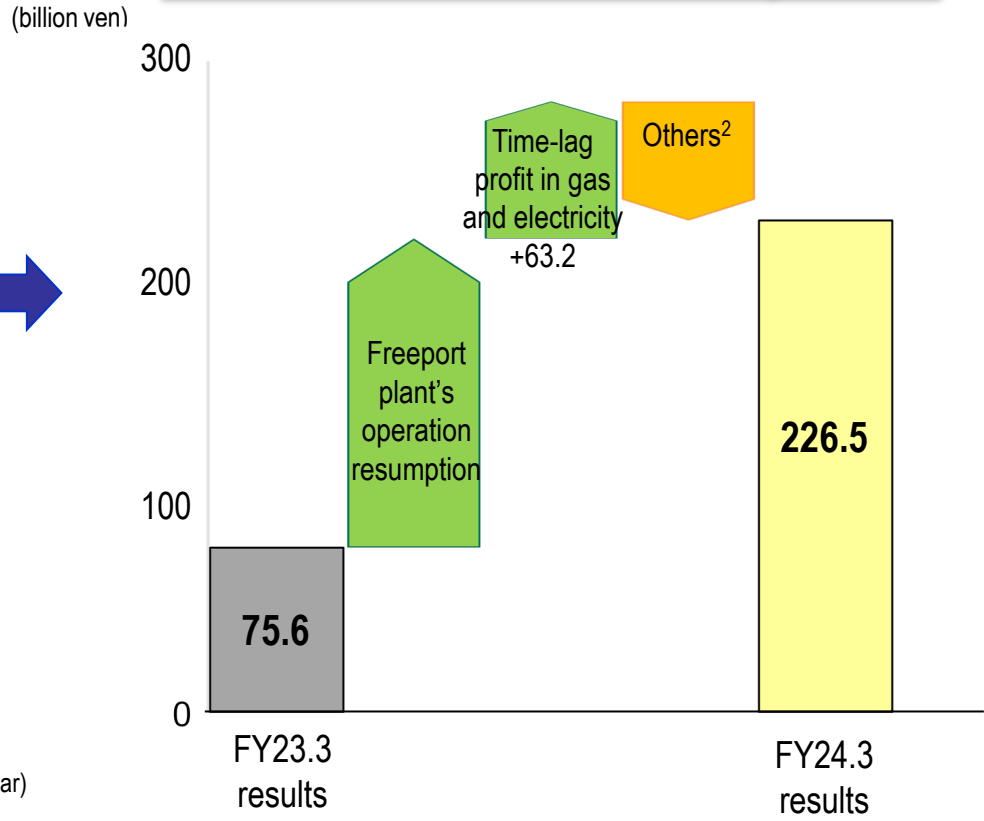
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Summary of FY2024.3 Results vs FY2023.3 Results

- ✓ Net sales decreased year on year mainly due to the lower gas selling prices during the winter peak demand season and the lower LNG selling prices in the Domestic Energy segment.
- ✓ Ordinary profit increased year on year due to the operation resumption of the Freeport plant, increased time-lag profit, and expanded profit contributions from the businesses in the International Energy and the Life & Business Solutions segments.

(billion yen)	FY24.3	FY23.3	YoY Difference
Net sales	**2,083.0**	**2,275.1**	**-192.0**
Ordinary profit	**226.5**	**75.6**	**+150.9**
Profit attributable to owners of the parent	**132.6**	**57.1**	**+75.5**
ROIC[1]	**7.0%**	**2.7%**	**+4.3%**

YoY difference: +150.9 billion yen



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)

2 Mainly, factors related to market conditions, such as the declined competitiveness of our long-term LNG contracts compared to JLC.

YoY Comparison of Results

YoY difference
+150.9 billion yen
75.6→226.5

- Crude oil price (USD/bbl): -16.7 (102.7 →86.0)
- Exchange rate (JPY/USD): +9.1 (135.5→144.6)

1 Year-on-year change in segment profit
2 Including the impact of market valuation of derivatives: -2.5 (4.8→2.3)
3 +131.7 billion yen due to the absence of losses related to Freeport LNG's plant shutdown, as we had in FY23.3

Main factors of increase/decrease

Domestic Energy
+119.5 billion yen[1]
-27.3→92.2

Time-lag profit/loss: +63.2 (-34.7→28.5)
Gas: +31.0 (-16.4→14.6), Electricity:+32.2 (-18.3→13.9)

Gross profit of gas business: +6.2 (246.7→252.9)
+ Freeport plant's operation resumption (LNG for gas retail)[3]
+ Absence of losses due to the average gas cost exceeding the upper limit, as we had in FY23.3
− Declined competitiveness of our long-term LNG contracts compared to JLC

Electricity: -12.1 (29.6→17.5)
− 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: +62.3 (-269.0→-206.6)
+ Freeport plant's operation resumption (LNG for wholesale)[3]
− Profit decrease in LNG sales

International Energy
+9.9 billion yen[1,2]
69.7→79.6

Osaka Gas USA: -2.1 (42.5→40.4)
− Profit decrease in upstream businesses

Osaka Gas Australia: -5.9 (21.8→15.9)
− Profit decrease in upstream businesses

Others: +18.0 (5.2→23.3)
+ Profit increase in electricity businesses in USA
+ Freeport plant's operation resumption (owner side)

Life & Business Solutions
+1.8 billion yen[1]
29.2→31.0

Osaka Gas Urban Development: +1.3 (9.6→11.0)
OGIS-RI: +0.2 (5.7→6.0)

Others +19.5 billion yen
4.0→23.6

Segment adjustments: +0.2 (1.3→1.5)
Non-operating profit/loss: +19.3 (2.7→22.0)

Comparison between Forecasts (January 30, 2024) and Results

Difference from previous forecast
+56.5 billion yen
170.0→226.5

- Crude oil price (USD/bbl): +2.4 (83.6→86.0)
- Exchange rate (JPY/USD): +0.8 (143.8→144.6)

Main factors of increase/decrease

Domestic Energy
+27.2 billion yen[1]
65.0→92.2

Gross profit of gas business (including time-lag profit/loss[3]): **+12.2** (255.3→267.5)
+ Increase in residential gas sale volume

Electricity (including time-lag profit/loss[3]): **+1.4** (30.0→31.4)
+ Decrease in planned fixed costs of power plants

Others: +13.6 (-220.3 →-206.6)
+ Profit decrease in LNG sales
+ Decrease in expenses

International Energy
+7.6 billion yen[1,2]
72.0→79.6

Osaka Gas USA: +0.8 (39.5→40.4)
Osaka Gas Australia: +0.8 (15.0→15.9)
Others: +5.9 (17.4→23.3)
+ Profit increase in electricity businesses in USA

Life & Business Solutions
+3.5 billion yen[1]
27.5→31.0

OGIS-RI: +0.8 (5.1→6.0)
Osaka Gas Urban Development: +0.7 (10.2→11.0)

Others
+18.1 billion yen
5.5→23.6

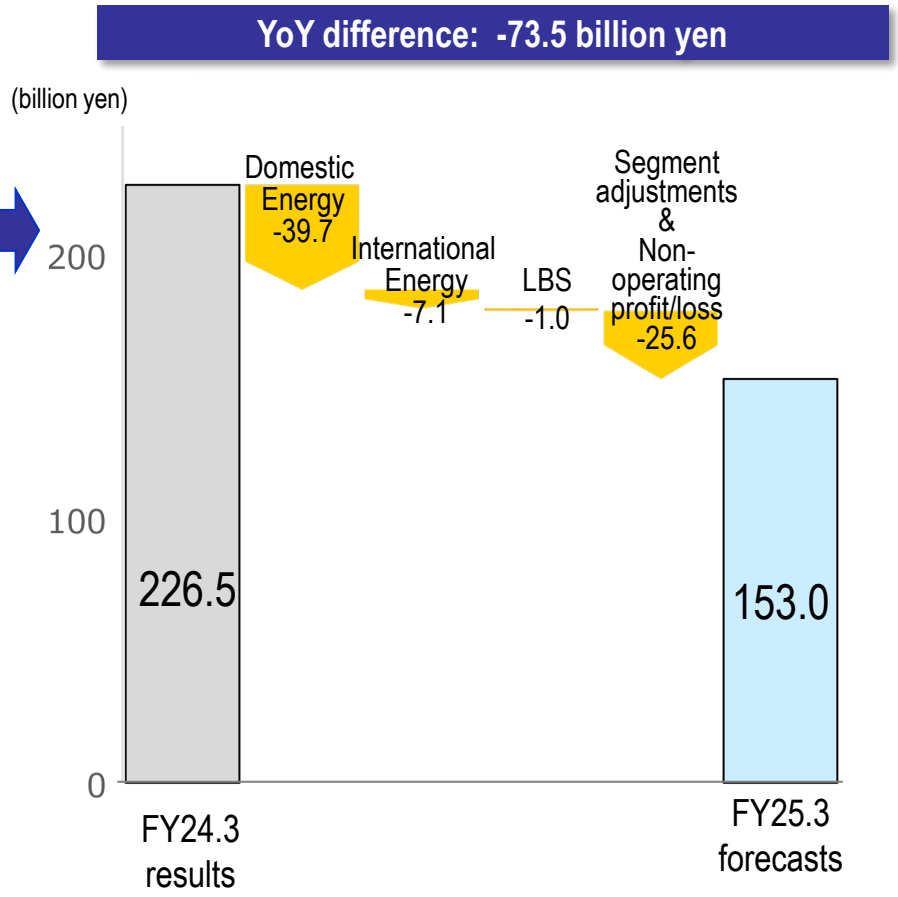
Segment adjustments: +2.5 (-1.0→1.5)
Non-operating profit/loss: +15.5 (6.5→22.0)

1 Difference from the previous forecast for segment profit
2 Including the impact of market valuation of derivatives (2.3 billion yen in FY24.3)
3 Overall loss: -0.4 (29.0→28.5)
Gas: -3.3 (18.0→14.6)
Electricity: +2.9 (11.0→13.9)

Summary of FY2025.3 Forecasts vs FY2024.3 Results

- ✓ Net sales are expected to decrease from FY24.3 mainly due to the lower gas and LNG selling prices in the Domestic Energy segment.
- ✓ Ordinary profit and profit attributable to owners of the parent are expected to decrease from FY24.3, mainly due to a decrease in the time-lag profit and the absence of the temporary profit increase we had in FY24.3, such as the foreign exchange gains on LNG procurement.

(billion yen)	FY25.3 forecasts	FY24.3	YoY Difference
Net sales	**1,986.0**	**2,083.0**	**-97.0**
Ordinary profit	**153.0**	**226.5**	**-73.5**
Profit attributable to owners of the parent	**112.0**	**132.6**	**-20.6**
ROIC[1]	**4.7%**	**7.0%**	**-2.2%**
Shareholders' equity ratio[2]	**54.5%**	**55.9%**	**-1.3%**
D/E ratio[2]	**0.58**	**0.51**	**+0.07**



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)

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

Breakdown of Change in Ordinary Profit

Comparison between FY2024.3 Results and FY2025.3 Forecasts

YoY Difference
-73.5 billion yen
226.5→153.0

- Crude oil price (USD/bbl) -11.0 (86.0→75.0)
- Exchange rate (JPY/USD) +0.4 (144.6→145.0)

1 Year-on-year change in segment profit
2 Including profit on market valuation of derivatives (2.3 billion yen in FY24.3)

Main factors of increase/decrease

Domestic Energy
-39.7 billion yen[1]
92.2→52.5

Time-lag profit/loss: -16.5 (28.5→12.0)
Gas: -3.6 (14.6→11.0) Electricity: -12.9 (13.9→1.0)
Gross profit of gas business: -8.6 (252.9→244.3)
– Declined competitiveness of our long-term LNG contracts compared to JLC
Electricity: +1.4 (17.5→19.0)
+ Decrease in electricity sales volume
– Absence of profits from sales in the reserve market, as we had in FY24.3
Others: -16.1 (-206.6→-222.8)
– Profit decrease in LNG sales
– Profit decrease in subsidiaries

International Energy
-7.1 billion yen[1,2]
79.6→72.5

Osaka Gas USA: -4.2 (40.4→36.2)
– Absence of profit from selling an IPP business, as we had in FY24.3
Osaka Gas Australia: -2.3 (15.9→13.5)
– Profit decrease in upstream businesses
Others : -0.5 (23.3→22.7)

Life & Business Solutions
-1.0 billion yen[1]
31.0→30.0

OGIS-RI: -1.2 (6.0→4.8)

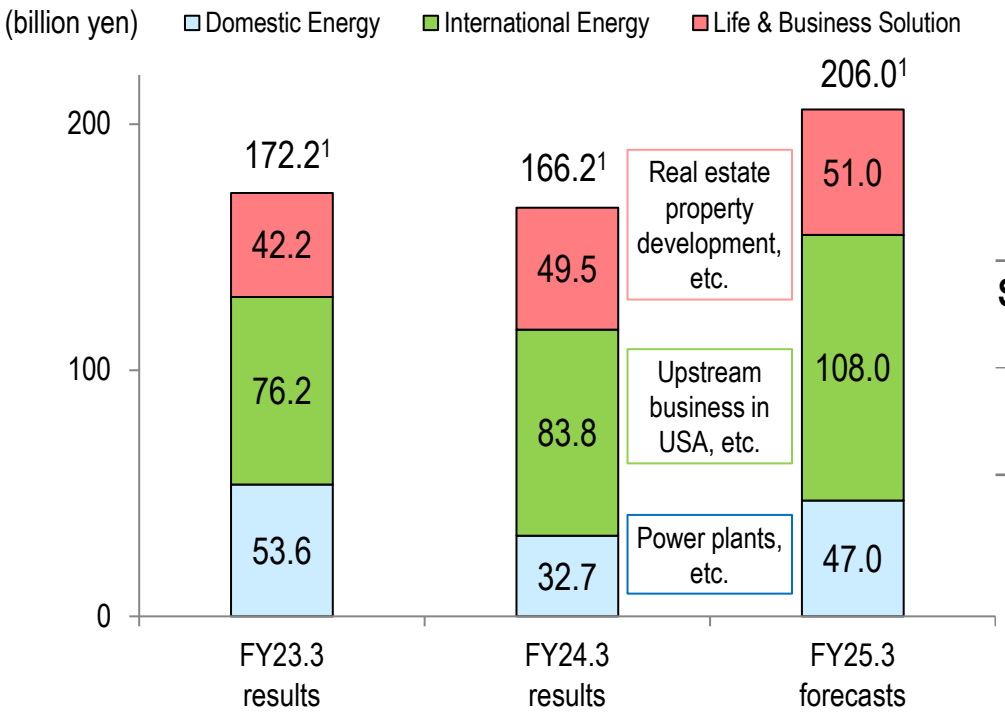
Others
-25.6 billion yen
23.6→-2.0

Segment adjustments: -2.5 (1.5→-1.0)
Non-operating profit/loss: -23.0 (22.0→-1.0)

Results and Forecasts for Investment for Growth

- ✓ In FY24.3, we invested 166.2 billion yen for business growth.
- ✓ FY24.3 financial soundness indicators reached the target levels of around 50% in the shareholders' equity ratio and around 0.7 in the D/E ratio.
  For FY25.3 and beyond, we aim at 45% or more in the shareholders' equity ratio and around 0.8 or less in the D/E ratio, as set in the Medium-Term Management Plan 2026.

Investment for growth



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

Financial soundness indicators

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

	FY23.3 year-end results	FY24.3 year-end results	FY25.3 year-end forecasts
Shareholders' equity ratio	52.5% (49.3%)	55.9% (52.9%)	54.5% (51.8%)
D/E ratio	0.60 (0.71)	0.51 (0.59)	0.58 (0.66)

Review of Medium-Term Management Plan 2023

- ✓ FY24.3 profitability indicators and financial soundness indicators reached the target level set in the Medium-Term Management Plan 2023. This is mainly attributed to the significant profit expansion in the International Energy segment, steady growth in the Domestic Energy and LBS segments, and increased profits due to foreign exchange gains resulting from JPY depreciation.
- ✓ The dividend was raised every year. It increased from 52.5 yen/share in FY21.3 to 82.5 yen/share in FY24.3.

Management Indicators of the Medium-Term Management Plan 2023

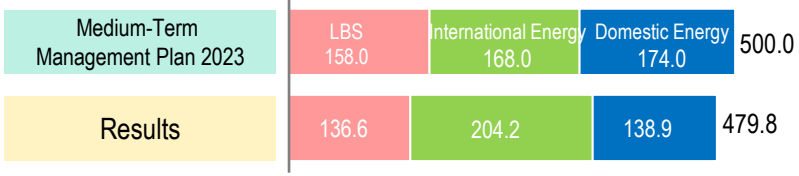
		FY24.3 targets	FY24.3 results	Changes
Profitability indicators	ROIC[1] (Reference: ROE)	approx. 5% (approx. 7.5%)	6.1%[1] (7.6%)	+1.1% (+0.1%)
Shareholder returns	Dividend payout ratio[2]	30% or more	30.4%[2]	+0.4%
Financial soundness Indicators	D/E ratio[3]	approx. 0.7	0.51	-0.19
	Shareholders' equity ratio[3]	approx. 50%	55.9%	+5.9%

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)
Excluding temporary impact on domestic energy business (Time-lag effect of Gas Business and Electricity Business)
(FY24.3 results, including the time-lag profit/loss in the gas and electricity businesses: ROIC 7.0%, ROE8.9%)

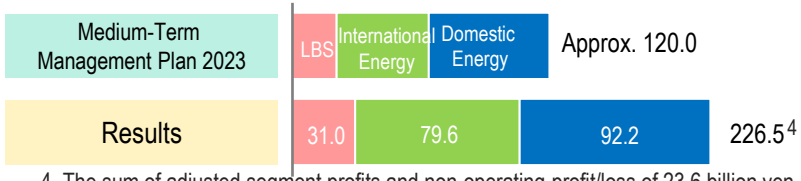
2 Excluding short-term profit fluctuation factors
(FY24.3 results, including the time-lag profit/loss: 25.7%)

3 Calculated with 50% of issued hybrid bonds as equity

Investment for growth (FY22.3-FY24.3 cumulative, billion yen)



Segment profit (FY24.3, billion yen)



4 The sum of adjusted segment profits and non-operating profit/loss of 23.6 billion yen

Ⅱ. FY2024.3 Results

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1. Net Sales and Profit

billion yen	A. FY24.3	B. FY23.3	A-B	(A-B)/B	Remarks
Net sales	2,083.0	2,275.1	-192.0	-8.4%	Decrease in sales from the lower unit selling price of city gas, etc.
Operating profit	172.5	60.0	+112.5	+187.6%	Decreased costs for LNG procurement, etc.
Ordinary profit	226.5	75.6	+150.9	+199.5%	Decreased costs for LNG procurement, etc.
Time-lag effect[1]	28.5	-34.7	+63.2	-	
(Non-consolidated) Gas	14.6	-16.4	+31.0	-	
(Non-consolidated) Electricity	13.9	-18.3	+32.2	-	
Profit attributable to owners of the parent	132.6	57.1	+75.5	+132.3%	Decreased costs for LNG procurement, etc.
Earnings per share (EPS) (yen)	320.6	137.4	+183.2	+133.3%	
EBITDA[2]	328.1	192.7	+135.3	+70.2%	Decreased costs for LNG procurement, etc.
NOPAT[3]	168.8	59.3	+109.5	+184.5%	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 + Interest expenses - Interest income - Income taxes

	A. FY24.3	B. FY23.3	A-B	Remarks
Crude oil price (USD/bbl)	86.0	102.7	-16.7	Average of preliminary monthly data up to March 2024
Exchange rate (JPY/USD)	144.6	135.5	+9.1	

2. Asset, Equity, and Debt

billion yen	A. FY24.3 year end	B. FY23.3 year end	A-B	Remarks
Total assets	2,980.1	2,819.5	+160.5	
Shareholders' equity	1,577.5	1,391.4	+186.0	
Book value per share (BPS) (yen)	3,857.5	3,347.3	+510.2	
Shareholders' equity excluding accumulated other comprehensive income	1,246.3	1,159.2	+87.0	
Interest-bearing debts	938.2	981.5	-43.2	
Hybrid bonds	175.0	175.0	±0.0	

	A. FY24.3	B. FY23.3	A-B	Remarks
ROIC[1]	7.0%	2.7%	+4.3%	Decreased costs for LNG procurement, etc.
ROE	8.9%	4.3%	+4.6%	Decreased costs for LNG procurement, 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)

	A. FY24.3 year end	B. FY23.3 year end	A-B	Remarks
Shareholders' equity ratio	52.9%	49.3%	+3.6%	
After adjustment[2]	55.9%	52.5%	+3.4%	
Debt/Equity ratio	0.59	0.71	-0.11	
After adjustment[2]	0.51	0.60	-0.09	
DOE[3]	2.8%	2.2%	+0.6%	

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

3 DOE = Annual dividends per share (DPS) / Shareholders' equity excluding accumulated other comprehensive income per share (average of the beginning and the end of each fiscal year)

3. Investment and Cash Flow

billion yen	A. FY24.3	B. FY23.3	A-B	Remarks
Investment for quality improvement	73.3	65.0	+8.3	
Investment for growth	166.2	172.2	-6.0	
Domestic Energy	32.7	53.6	-20.9	
International Energy	83.8	76.2	+7.6	
Life & Business Solutions	49.5	42.2	+7.2	
Capital expenditures	198.4	195.3	+3.0	
Depreciation (including amortization of goodwill)	123.5	119.8	+3.7	

billion yen	A. FY24.3	B. FY23.3	A-B	Remarks
Cash flows from operating activities	312.6	33.5	+279.0	Rebound of increase in working capital in FY23.3 and increase in profit attributable to owners of the parent, etc.
Cash flows from investing activities	215.9	203.9	+12.0	
Free cash flow[1]	96.6	-170.3	+267.0	

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

4. Customer Accounts and Sales Volume

thousands	A. FY24.3 year end	B. FY23.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts	10,384	10,021	+363	+3.6%	
Gas[1]	5,332	5,293	+39	+0.7%	
Electricity[2]	2,283	2,055	+228	+11.1%	
Others	2,768	2,673	+95	+3.6%	

1 Total of number of units for gas supply on consolidated basis and supply by equity-method affiliates (excluding supplies by one-touch wholesale customers)

2 Total number of low-voltage electricity supply on consolidated basis and supply by equity-method affiliates, etc.

	A. FY24.3	B. FY23.3	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m^3)[3,4]	6,646	6,845	-199	-2.9%	
Residential	1,721	1,697	+24	+1.4%	
Non-residential	4,925	5,148	-223	-4.3%	
Number of units for gas supply (thousands)	5,048	5,004	+44	+0.9%	
Electricity sales volume (GWh)[4]	15,308	15,883	-576	-3.6%	
Residential	6,858	6,390	+468	+7.3%	
Non-residential	8,450	9,493	-1,043	-11.0%	
Number of low-voltage electricity supply (thousands)	1,835	1,707	+127	+7.5%	

	A. FY24.3	B. FY23.3	A-B	Remarks
Average temperature (℃)	17.9	17.8	+0.0	

3 45MJ/m^3

4 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	B. FY23.3	A-B	(A-B)/B	Remarks
Net Sales	2,083.0	2,275.1	-192.0	-8.4%	
Domestic Energy	1,770.6	1,971.6	-201.0	-10.2%	Decrease in sales from the lower unit selling price of city gas, etc.
International Energy	116.4	123.2	-6.8	-5.6%	
Life & Business Solutions	274.0	258.5	+15.4	+6.0%	
Adjustments	-78.0	-78.4	+0.3	-	
Segment profit[1]	204.5	72.9	+131.6	+180.5%	
Domestic Energy	92.2	-27.3	+119.5	-	Decreased costs for LNG procurement, etc.
Electricity	31.4	11.3	+20.0	+176.6%	Time-lag effect, etc.
International Energy	79.6	69.7	+9.9	+14.2%	
Life & Business Solutions	31.0	29.2	+1.8	+6.2%	Increase in income from real estate business, etc.
Adjustments	1.5	1.3	+0.2	+22.0%	
Profit/loss on time-lag effect[2]	28.5	-34.7	+63.2	-	
(Non-consolidated) Gas	14.6	-16.4	+31.0	-	
(Non-consolidated) Electricity	13.9	-18.3	+32.2	-	
Profit/loss on market valuation of derivatives[3]	2.3	4.8	-2.5	-52.4%	

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 (January 30, 2024) and Results

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Comparison between Forecasts (January 30, 2024) and Results
1. Net Sales and Profit

Previous forecasts were published on January 30, 2024.

billion yen	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net sales	2,083.0	2,121.0	-37.9	-1.8%	
Operating profit	172.5	139.5	+33.0	+23.7%	Increase in gross profit of gas business, etc.
Ordinary profit	226.5	170.0	+56.5	+33.3%	Increase in gross profit of gas business, etc.
Time-lag effect[1]	28.5	29.0	-0.4	-1.6%	
(Non-consolidated) Gas	14.6	18.0	-3.3	-18.9%	
(Non-consolidated) Electricity	13.9	11.0	+2.9	+26.5%	
Profit attributable to owners of the parent	132.6	116.0	+16.6	+14.4%	Increase in gross profit of gas business, etc.
Earnings per share (EPS) (yen)	320.6	280.0	+40.6	+14.5%	
EBITDA[2]	328.1	283.5	+44.6	+15.7%	Increase in gross profit of gas business, etc.
NOPAT[3]	168.8	132.7	+36.1	+27.2%	Increase in gross profit of gas business, 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	B. FY24.3 Previous Forecasts	A-B	Remarks
Crude oil price (USD/bbl)	86.0	83.6	+2.4	Average of preliminary monthly data up to March 2024
Exchange rate (JPY/USD)	144.6	143.8	+0.8	

Comparison between Forecasts (January 30, 2024) and Results
2. Asset, Equity, and Debt

Previous forecasts were published on January 30, 2024.

billion yen	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	Remarks
Total assets	2,980.1	3,091.8	-111.6	
Shareholders' equity	1,577.5	1,522.1	+55.3	
Book value per share (BPS) (yen)	3,857.5	3,694.8	+162.7	
Shareholders' equity excluding accumulated other comprehensive income	1,246.3	-	-	
Interest-bearing debts	938.2	992.6	-54.3	

	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	Remarks
ROIC[1]	7.0%	5.5%	+1.5%	Increase in gross profit of gas business, etc.
ROE	8.9%	8.0%	+1.0%	Increase in gross profit of gas business, 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)

	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	Remarks
Shareholders' equity ratio	52.9%	49.2%	+3.7%	
After adjustment[2]	55.9%	52.1%	+3.8%	
Debt/Equity ratio	0.59	0.65	-0.06	
After adjustment[2]	0.51	0.56	-0.05	
DOE[3]	2.8%	-	-	

2 Calculated with 50% of issued hybrid bonds as equity.
3 DOE = Annual dividends per share (DPS) / Shareholders' equity excluding accumulated other comprehensive income per share (average of the beginning and the end of each fiscal year)

Comparison between Forecasts (January 30, 2024) and Results
3. Investment and Cash Flow

Previous forecasts were published on January 30, 2024.

billion yen	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	Remarks
Investment for quality improvement	73.3	90.0	-16.6	
Investment for growth	166.2	160.0	+6.2	
Domestic Energy	32.7	45.5	-12.7	
International Energy	83.8	74.0	+9.8	
Life & Business Solutions	49.5	40.5	+9.0	
Capital expenditures	198.4	214.0	-15.5	
Depreciation	123.5	120.0	+3.5	

billion yen	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	Remarks
Cash flows from operating activities	312.6	290.5	+22.1	
Cash flows from investing activities[1]	215.9	250.0	-34.0	
Free cash flow[2]	96.6	40.5	+56.1	

1 Forecasts are amount of investment.

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

Comparison between Forecasts (January 30, 2024) and Results
4. Customer Accounts and Sales Volume

Previous forecasts were published on January 30, 2024.

	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,384	10,300	+84	+0.8%	

	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m^3)[1,2]	6,646	6,678	-32	-0.5%	
Residential	1,721	1,693	+28	+1.6%	
Non-residential	4,925	4,985	-59	-1.2%	
Electricity sales volume (GWh)[2]	15,308	15,620	-313	-2.0%	

	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	Remarks
Average temperature (℃)	17.9	17.8	+0.1	

1 45MJ/m^3

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.

Comparison between Forecasts (January 30, 2024) and Results
5. Segment Sales and Profit

Previous forecasts were published on January 30, 2024.

billion yen	A. FY24.3	B. FY24.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net Sales	2,083.0	2,121.0	-37.9	-1.8%	
Domestic Energy	1,770.6	1,792.5	-21.8	-1.2%	
International Energy	116.4	124.0	-7.5	-6.1%	
Life & Business Solutions	274.0	277.5	-3.4	-1.3%	
Adjustments	-78.0	-73.0	-5.0	-	
Segment profit[1]	204.5	163.5	+41.0	+25.1%	
Domestic Energy	92.2	65.0	+27.2	+41.9%	Increase in gross profit of gas business
Electricity	31.4	30.0	+1.4	+4.8%	
International Energy	79.6	72.0	+7.6	+10.6%	
Life & Business Solutions	31.0	27.5	+3.5	+12.9%	Increase in income from information solution business, etc.
Adjustments	1.5	-1.0	+2.5	-	
Profit/loss on time-lag effect[2]	28.5	29.0	-0.4	-1.6%	
(Non-consolidated) Gas	14.6	18.0	-3.3	-18.9%	
(Non-consolidated) Electricity	13.9	11.0	+2.9	+26.5%	

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

2 Included in the Domestic Energy.

Ⅳ. FY2025.3 Forecasts

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FY2025.3 Forecasts

1. Net Sales and Profit

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Net sales	1,986.0	2,083.0	-97.0	-4.7%	Decrease in sales from the lower unit selling price of city gas, etc.
Operating profit	123.5	172.5	-49.0	-28.4%	Time-lag effect, etc.
Ordinary profit	153.0	226.5	-73.5	-32.5%	Time-lag effect, etc.
Time-lag effect[1]	12.0	28.5	-16.5	-57.9%	
(Non-consolidated) Gas	11.0	14.6	-3.6	-24.7%	
(Non-consolidated) Electricity	1.0	13.9	-12.9	-92.8%	
Profit attributable to owners of the parent	112.0	132.6	-20.6	-15.6%	Time-lag effect, etc.
Earnings per share (EPS) (yen)[2]	273.9	320.6	-46.7	-14.6%	
EBITDA[3]	278.0	328.1	-50.1	-15.3%	Time-lag effect, etc.
NOPAT[4]	122.2	168.8	-46.6	-27.6%	Time-lag effect, etc.

1 Included in Domestic Energy.

2 The possible impact of share buyback is not taken into account in regards to “Payout ratio”, “Earnings per share” and “Book-value Per Share” in the forecasts for FY25.3.

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)	75.0	86.0	-11.0	April 2024 to March 2025 : 75 USD/bbl
Exchange rate (JPY/USD)	145.0	144.6	+0.4	April 2024 to March 2025 : 145 JPY/USD

2. Asset, Equity, and Debt

billion yen	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	Remarks
Total assets	3,151.5	2,980.1	+171.3	
Shareholders' equity	1,631.0	1,577.5	+53.4	
Book value per share (BPS) (yen)[1]	3,988.3	3,857.5	+130.8	
Shareholders' equity excluding accumulated other comprehensive income	1,298.5	1,246.3	+52.1	
Interest-bearing debts	1,078.0	938.2	+139.7	

1 The possible impact of share buyback is not taken into account in regards to "Payout ratio", "Earnings per share" and "Book-value Per Share" in the forecasts for FY25.3.

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
ROIC[2]	4.7%	7.0%	-2.2%	Time-lag effect, etc.
ROE	7.0%	8.9%	-2.0%	Time-lag effect, 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)

	A. FY24.3 Forecasts	B. FY23.3 year end	A-B	Remarks
Shareholders' equity ratio	51.8%	52.9%	-1.2%	
After adjustment[3]	54.5%	55.9%	-1.3%	
Debt/Equity ratio	0.66	0.59	+0.07	
After adjustment[3]	0.58	0.51	+0.07	
DOE[4]	3.1%	2.8%	0.2%	

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

4 DOE = Annual dividends per share (DPS) / Shareholders' equity excluding accumulated other comprehensive income per share (average of the beginning and the end of each fiscal year)

3. Cash Flow and Investment

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Investment for quality improvement	94.0	73.3	+20.6	
Investment for growth	206.0	166.2	+39.7	
Domestic Energy	47.0	32.7	+14.2	
International Energy	108.0	83.8	+24.1	
Life & Business Solutions	51.0	49.5	+1.4	
Capital expenditures	248.0	198.4	+49.5	
Depreciation (including amortization of goodwill)	124.0	123.5	+0.4	

billion yen	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Cash flows from operating activities	243.0	312.6	-69.6	
Cash flows from investing activities[1]	300.0	215.9	+84.0	
Free cash flow[2]	-57.0	96.6	-153.6	

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)	10,530	10,384	+146	+1.4%	

	A. FY24.3 Forecasts	B. FY23.3	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m^3)[1,2]	6,659	6,646	+13	+0.2%	
Residential	1,707	1,721	-14	-0.8%	
Non-residential	4,952	4,925	+27	+0.6%	
Electricity sales volume (GWh)[2]	15,964	15,308	+656	+4.3%	

	A. FY24.3 Forecasts	B. FY23.3	A-B	Remarks
Average temperature (℃)	17.4	17.9	-0.5	

1 45MJ/m^3

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	1,986.0	2,083.0	-97.0	-4.7%	
Domestic Energy	1,640.0	1,770.6	-130.6	-7.4%	Decrease in sales from the lower unit selling price of city gas, etc.
International Energy	125.0	116.4	+8.5	+7.3%	Increase in sales from upstream businesses in USA, etc.
Life & Business Solutions	286.0	274.0	+11.9	+4.4%	
Adjustments	-65.0	-78.0	+13.0	-	

Segment profit[1]	154.0	204.5	-50.5	-24.7%	
Domestic Energy	52.5	92.2	-39.7	-43.1%	Time-lag effect, etc.
Electricity	20.0	31.4	-11.4	-36.4%	Time-lag effect, etc.
International Energy	72.5	79.6	-7.1	-9.0%	
Life & Business Solutions	30.0	31.0	-1.0	-3.3%	
Adjustments	-1.0	1.5	-2.5	-	

Profit/loss on time-lag effect[2]	12.0	28.5	-16.5	-57.9%	
(Non-consolidated) Gas	11.0	14.6	-3.6	-24.7%	
(Non-consolidated) Electricity	1.0	13.9	-12.9	-92.8%	

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

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

Range of fluctuation		Segment	Segment Impact	Net impact on consolidated ordinary profit
Crude oil price	+1USD/bbl	International Energy	Positive	-0.65 billion yen
		Domestic Energy	Negative	
Exchange rate	+1JPY/USD	International Energy	Positive	+0.01 billion yen
		Domestic Energy	Negative	



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