Financial Results for the Six Months of FY2025.3

October 31, 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 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 impact of share buyback announced on October 31, 2024, is taken into account in the FY25.3 forecasts, except for DOE, 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. Nabari Kintetsu Gas and Shingu Gas's fiscal year ends on December 31.

I. Summary of FY2025.3 2Q Results and FY2025.3 Revised Forecasts

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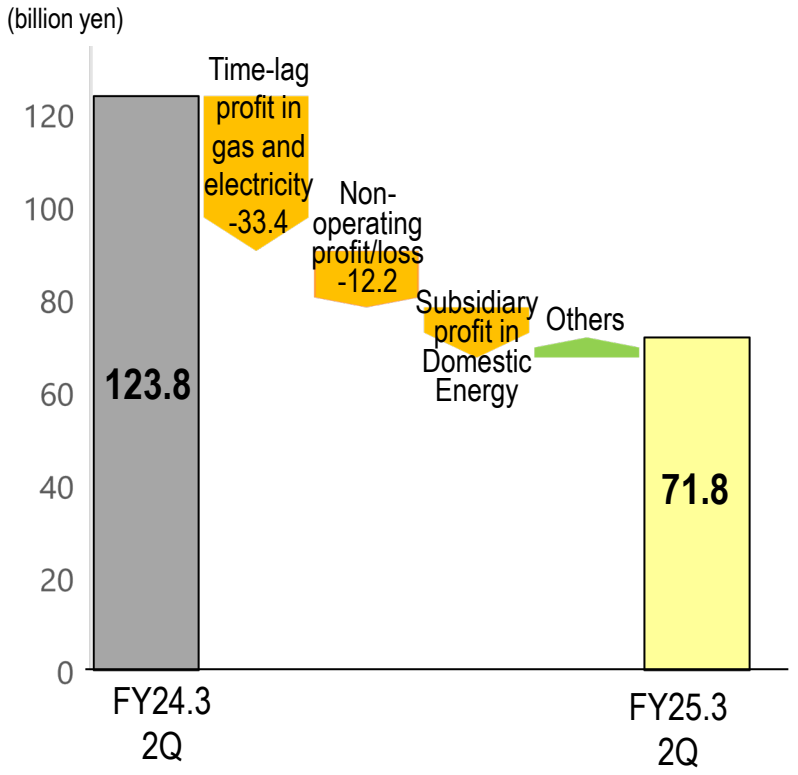
Summary of FY2025.3 2Q Results

- ✓ Net sales decreased year on year mainly due to a decline in LNG sales volume in the Domestic Energy segment.
- ✓ Ordinary profit decreased year on year mainly due to reduced time-lag profit in the Domestic Energy segment.

(billion yen)	FY25.3 2Q	FY24.3 2Q	YoY Difference
Net sales	**950.1**	**995.6**	**-45.5**
Ordinary profit	**71.8**	**123.8**	**-51.9**
Profit attributable to owners of the parent	**50.7**	**89.3**	**-38.5**

YoY difference: -51.9billion yen



Breakdown of Change in Ordinary Profit

Year-on-Year Comparison of 2Q Results

Year-on-Year difference
-51.9 billion yen
123.8→71.8

- Crude oil price +3.2 $/bbl (83.5→86.7)
- Exchange +11.7 yen/$ (141.1→152.8)

Main factors of increase/decrease

Domestic Energy
-46.1 billion yen[1]
57.9→11.7

Time-lag profit/loss: -33.4 (38.1→4.7)
Gas: -19.6(24.3→4.6), Electricity: -13.7 (13.8→0.0)
Gross profit of gas business: -2.0 (101.7→99.7)
– Decrease in gas sales volume
Electricity: +0.0 (13.3→13.3)
+ Profit increase in subsidiaries
– Decrease in selling price due to market conditions, mainly the coal price
Others: -10.7 (-95.3→-106.1)
– Profit decrease in subsidiaries

International Energy
+4.0 billion yen[1,2]
31.4→35.4

Osaka Gas USA: +0.1 (17.4→17.5)
Osaka Gas Australia: +2.3 (5.7→8.1)
+ Profit increase in upstream businesses
Others: +1.5 (8.1→9.7)
+ Profit increase in electricity businesses in USA

Life & Business Solutions
+0.6 billion yen[1]
16.8→17.5

Osaka Gas Urban Development: +0.6 (8.4→9.0)
Osaka Gas Chemicals: +0.4 (0.6→1.0)
OGIS-RI: -0.8 (2.5→1.6)

Others
-10.5 billion yen
17.6→7.1

Segment adjustments: +1.7 (1.4→3.1)
Non-operating profit/loss[3]**: -12.2** (16.2→3.9)

1. Year-on-year change in segment profit
2. Including the impact of market valuation of derivatives: -0.9 (2.0→1.0)
3. Excluding share of profit(loss) of entities accounted for using equity method

Summary of FY2025.3 Revised Forecasts

- ✓ The segment breakdown for ordinary profit has been revised, though there are no changes to net sales, ordinary profit, and profit attributable to owners of parent from the previous forecast (announced on May 8, 2024).
- ✓ In the Domestic Energy segment, an increase in profit is expected due to profit in the reserve market.
  In the International Energy segment, a decrease in profit is expected due to the extended unplanned shutdown period of the Freeport LNG plant.

(billion yen)	FY25.3 Revised Forecasts	FY25.3 Previous Forecasts	Changes
Net sales	**1,986.0**	1,986.0	**±0.0**
Ordinary profit	**153.0**	153.0	**±0.0**
Domestic Energy	**54.5**	52.5	**+2.0**
International Energy	**70.5**	72.5	**-2.0**
Life & Business Solutions	**30.0**	30.0	**±0.0**
Others	**-2.0**	-2.0	**±0.0**
Profit attributable to owners of parent	**112.0**	112.0	**±0.0**

Breakdown of Change in Ordinary Profit

Comparison between Previous Forecasts (May 2024) and Revised Forecasts

Difference from Previous Forecast
±0.0 billion yen
153.0 →153.0

- Crude oil price +5.9 $/bbl (75→80.9)
  Assumption from Oct. 2024: **75.0** $/bbl
- Exchange rate +3.9 yen/$ (145.0→148.9)
  Assumption: from Oct. 2024: **145.0** yen/$

1 Describing the impact of segment profit
2 Including profit on market valuation of derivatives

Main factors of increase/decrease

Domestic Energy
+2.0 billion yen[1]
52.5→54.5

Time-lag: ±0.0(12.0→12.0)
Gross profit of gas business: ±0.0 (244.3→244.3)
Electricity: +5.0(19.0→24.0)
+ Increase in profits from sales in the reserve market
Others: -3.0(-222.8→-225.8)
− Profit decrease in LNG sales

International Energy
-2.0 billion yen[1,2]
72.5→70.5

Osaka Gas USA: -2.0(36.2→34.2)
− Profit decrease in Freeport LNG project
Osaka Gas Australia: ±0.0(13.5→13.5)
Others: ±0.0(22.7→22.7)
− Profit decrease in Freeport LNG project
+ Profit increase in electricity businesses in USA

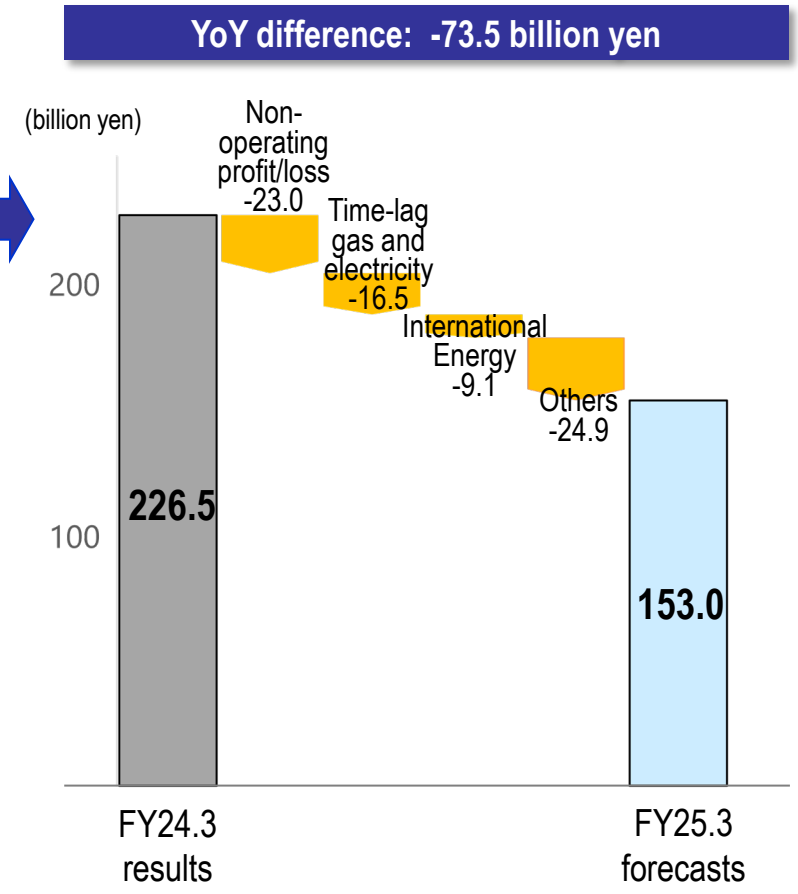
Life & Business Solutions
±0.0 billion yen[1]
30.0 →30.0

Others
±0.0 billion yen
-2.0 →-2.0

Summary of FY2025.3 Forecasts

- ✓ Net sales are expected to decrease from FY2024.3 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 FY2024.3, mainly due to the absence of the temporary profit increase we had in FY2024.3, such as the foreign exchange gains on LNG procurement, and decrease in the time-lag profit.

(billion yen)	FY25.3 forecasts	FY24.3 results	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 parent	**112.0**	**132.6**	**-20.6**
ROIC (%)[1]	**4.7%**	**7.0%**	**-2.2%**
ROE (%)	**7.0%**	**8.9%**	**-1.9%**
Shareholders' equity ratio(%)[2]	**53.9%**	**55.9%**	**-2.0%**
Debt/Equity ratio[2]	**0.59**	**0.51**	**+0.08**
Annual dividends (yen/share)	**95.0**	**82.5**	**+12.5**



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

FY2025.3 forecasts has been revised from the previous forecast (announced on May 8, 2024) with adjustments to the segment breakdown.

Year-on-Year Difference
-73.5 billion yen
226.5→153.0

- Crude oil price -5.1$/bbl (86.0→80.9)
- Exchange rate +4.3 yen/$ (144.6→148.9)

Main factors of increase/decrease

Domestic Energy
-37.7 billion yen[1]
92.2→54.5

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: +6.4 (17.5→24.0)
+ Increase in electricity sales volume and unit price
Others: -19.1 (-206.6→-225.8)
– Profit decrease in LNG sales
– Profit decrease in subsidiaries

International Energy
-9.1 billion yen[1,2]
79.6→70.5

Osaka Gas USA: -6.2 (40.4→34.2)
– Profit decrease in Freeport LNG project
– Absence of profit from selling a gas-fired power plant, which we had in 24.3
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

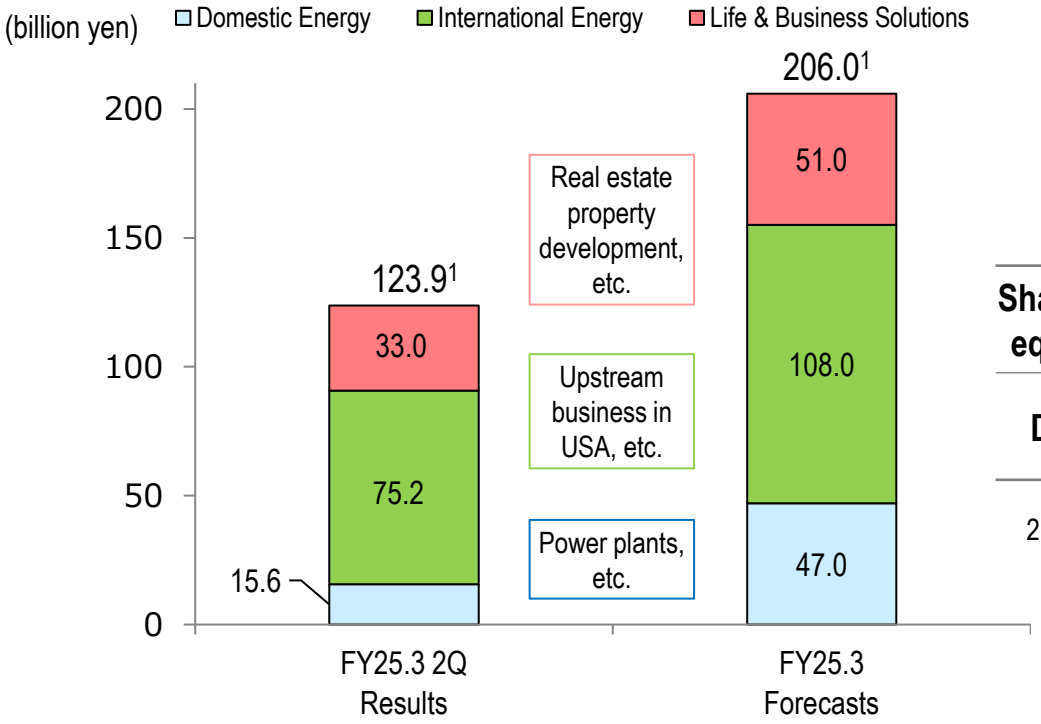
Segment adjustments: -2.5 (1.5→-1.0)
Non-operating profit/loss[3]: -23.0 (22.0→-1.0)

1 Year-on-year change in segment profit
2 Including profit on market valuation of derivatives (2.3 billion yen in FY24.3)
3 Excluding share of profit(loss) of entities accounted for using equity method

Results and Forecasts for Investment for Growth

- ✓ In 2Q of FY25.3, we invested 123.9 billion yen for business growth.
- ✓ The financial soundness indicators met the target levels, a shareholders' equity ratio of 45% or higher and a D/E ratio of 0.8 or lower, 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

	FY24.3 year-end results	FY25.3 2Q end results	FY25.3 year-end forecasts
Shareholders' equity ratio[2]	55.9% (52.9%)	53.8% (51.1%)	53.9% (51.1%)
D/E ratio[2]	0.51 (0.59)	0.59 (0.67)	0.59 (0.68)

2 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.

II. Management conscious of cost of capital and stock price

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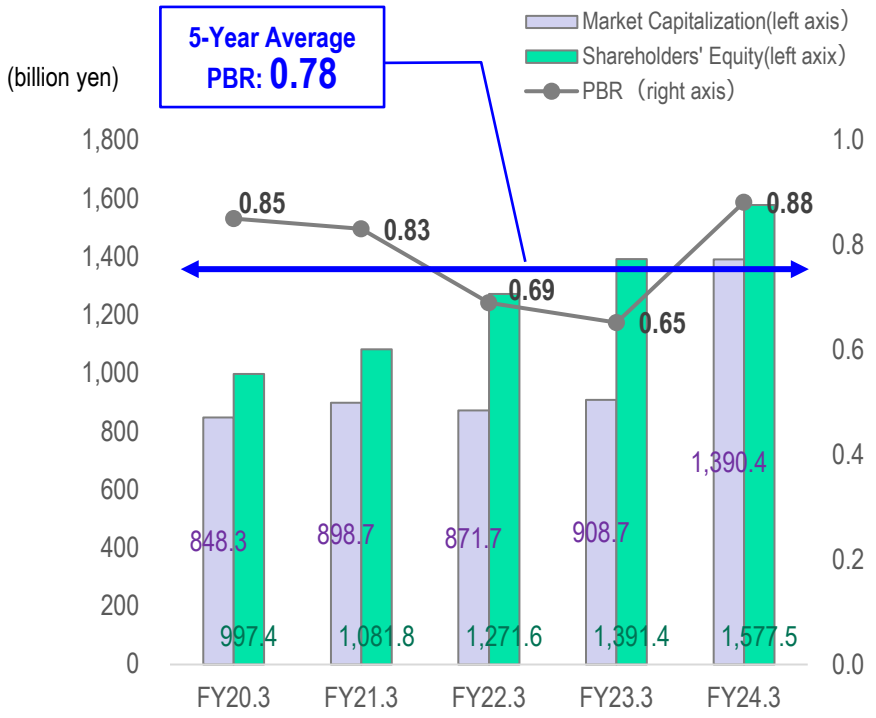
Current status overview

- ✓**Our PBR** has improved since last year; however, **it remains below 1.0x.**
- ✓To achieve sustainable growth in corporate value, we have **intensified our focus on improving ROE this fiscal year**, while also maintaining financial soundness and pursuing ROIC-focused management.
- ✓We aim to **drive business growth** and **control shareholders' equity strategically** to achieve our **ROE target of 8% for FY2027.3**, as outlined in the Medium-Term Management Plan 2026 announced in March this year.

PBR, Market capitalization, Shareholders' equity



ROIC, ROE

	5-Year Average (FY20.3-FY24.3)	FY25.3 Forecast	Target levels set in Medium-Term Management Plan 2026	
			FY27.3	Early 2030s
ROIC	-	4.7%	approx. **5%**	approx. **6%**
ROE	7.2%	7.0%	approx. **8%**	approx. **10%**

Strategies and Initiatives to improve capital efficiency

✓**We have made a decision to execute share buybacks totaling 20 billion yen in the second half of FY2025.3.**[1]

✓We aim to **improve capital efficiency** through **asset-light management** and **shareholders' equity control.**

1 Share buyback period: November 1, 2024 - March 31, 2025

Advancing asset-light management

Identify value-generating assets in our portfolio and maximize their value

Improving ROIC in each business

- Broaden geographical reach and enhance asset efficiency in our energy marketing business
- Maximize our off-take volume of renewable energy in Japan
- Update our US gas-fired power asset portfolio
- Leverage private REITs in our real estate business

Selling investment securities

Evaluate the importance of each stock holding and strategically sell investment securities as needed

Cumulative amount sold during last Medium-Term Management Plan period(FY22.3-FY24.3):
Approximately 16 billion yen[2] (16 issues, non-consolidated for Osaka Gas)

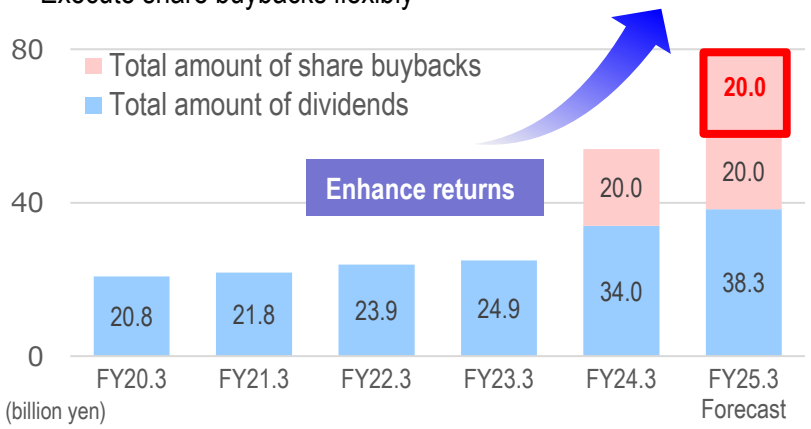
2 Amount included in Proceeds from Sales of Investment Securities in the Consolidated Statements of Cash Flows, excluding by subsidiaries and affiliates' proceeds from sales of investment securities.

Managing shareholders' equity

Increase financial leverage while maintaining financial soundness

Enhancing shareholder returns

・Raise dividends
(Progressive dividend policy based on a dividend-on-equity (DOE) of 3.0%)
・Execute share buybacks flexibly



Raising the effectiveness of the above initiatives

Directors remuneration linked to corporate value enhancement (effective July 2024)

・Include ROE as one of the indicators used to determine performance-linked remuneration
・Increase the ratio of stock-based compensation (10% → 20%)

Focal points for driving sustainable growth

✓ **We strive for sustainable growth** to achieve **an ordinary profit of approximately 200 billion yen in FY2031.3** and **an ROIC of around 6%** and **an ROE of about 10% by the early 2030s**.

Strategic pathway to attaining sustainable growth

	Business \ Year	Middle Term Management Plan FY25.3 - FY27.3	FY28.3 - FY30.3	FY31.3 and beyond
Growth Drivers	Domestic Energy: Fuel conversion to natural gas	Fuel conversion proposals aimed at capitalizing on rising demand during the transition, including those outside the Kansai region		
	Domestic Energy: LNG trading	LNG procurement cost reduction through optimization, expansion of profits from LNG sales		
	Domestic Energy: Electricity	Electricity value chain enhancement and expansion		
		Commencement of operations of the Himeji Natural Gas Power Plant in 2026: Unit 1 in January, Unit 2 in May		
	Int'l Energy: Shale gas	Development of new wells and a gradual increase in production volumes in response to market conditions		
	Int'l Energy: City gas distribution Business in India			Targeting a gas sales volume of 3.7 billion m^3 in FY31.3
	LBS*: Property development	Large-scale projects in partnership with local governments (Sakai City in FY27.3, Kyoto City in FY28.3), logistics real estate business, etc.		
	LBS*: Chemical materials	Business expansion and product diversification based on the projected growth of the fine material and activated carbon markets		
	LBS*: Information Technology	Enhance DX, AI capability, etc. Within the Group and leverage them for outbound sales initiatives		
Next-generation businesses for a Carbon Neutral society	Renewable Energy	Solar: Development of primarily small and medium sized projects in Japan		
		Biomass: Commencement of operations as scheduled (Hyuga and Aichi Tahara in FY25.3, Sodegaura and Gobo in FY26.3)		
				Offshore Wind: Development toward commercialization
				FY31.3 Targets - Renewable energy development contribution: **5 GW** - Percentage of renewables in our power generation portfolio in Japan: Approximately **50%**
	e-methane	Demonstration of methanation(at Nagaoka city Jointly with INPEX and at the Osaka/Kansai EXPO)	Building an e-methane supply chain	1% e-methane in gas grid by FY31.3

Carbon Neutral Investment
FY25.3-FY31.3 cumulative
Approx. **220** billion yen

* Life & Business Solutions

III. FY2025.3 2Q Results

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1. Net Sales and Profit

billion yen	A. FY25.3 2Q	B. FY24.3 2Q	A-B	(A-B)/B	Remarks
Net sales	950.1	995.6	-45.5	-4.6%	Decrease in sales volume of LNG, etc.
Operating profit	54.9	96.7	-41.7	-43.2%	Time-lag effect, etc.
Ordinary profit	71.8	123.8	-51.9	-42.0%	Time-lag effect, etc.
Time-lag effect[1]	4.7	38.1	-33.4	-87.6%	
(Non-consolidated) Gas	4.6	24.3	-19.6	-80.9%	
(Non-consolidated) Electricity	0.0	13.8	-13.7	-99.3%	
Profit attributable to owners of the parent	50.7	89.3	-38.5	-43.1%	Time-lag effect, etc.
Earnings per share (EPS) (yen)	125.0	214.9	-89.9	-41.8%	
EBITDA[2]	130.7	165.7	-35.0	-21.1%	Time-lag effect, etc.
NOPAT[3]	53.0	91.5	-38.5	-42.1%	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. FY25.3 2Q	B. FY24.3 2Q	A-B	Remarks
Crude oil price ($/bbl)	86.7	83.5	+3.2	Average of preliminary monthly data up to September 2024
Exchange rate (yen/$)	152.8	141.1	+11.7	

2. Asset, Equity, and Debt

billion yen	A. FY25.3 2Q end	B. FY24.3 year end	A-B	Remarks
Total assets	3,261.5	2,980.1	+281.3	
Shareholders' equity	1,665.7	1,577.5	+88.2	
Book value per share (BPS) (yen)	4,131.3	3,857.5	+273.8	
Shareholders' equity excluding accumulated other comprehensive income	1,256.9	1,246.3	+10.6	
Interest-bearing debts	1,117.0	938.2	+178.7	
Hybrid bonds	175.0	175.0	±0.0	

	A. FY25.3 2Q	B. FY24.3 2Q	A-B	Remarks
ROIC[1]	2.0%	3.7%	-1.7%	Time-lag effect, etc.
ROE	3.1%	6.1%	-2.9%	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)

	A. FY25.3 2Q end	B. FY24.3 year end	A-B	Remarks
Shareholders' equity ratio	51.1%	52.9%	-1.9%	
After adjustment[2]	53.8%	55.9%	-2.1%	
Debt/Equity ratio	0.67	0.59	+0.08	
After adjustment[2]	0.59	0.51	+0.08	

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

3. Investment and Cash Flow

billion yen	A. FY25.3 2Q	B. FY24.3 2Q	A-B	Remarks
Investment (A+B)	151.4	100.5	+50.8	
Investment for quality improvement (A)	27.4	25.5	+1.9	
Investment for growth (B)	123.9	74.9	+48.9	
Domestic Energy	15.6	15.1	+0.5	
International Energy	75.2	37.0	+38.1	
Life & Business Solutions	33.0	22.7	+10.3	
Capital expenditures[1]	106.2	88.3	+17.9	
Depreciation (including amortization of goodwill)	62.8	58.1	+4.7	

1 Capital expenditures (included in investments) = Investments – Investments for subsidiaries and associates and M&A

billion yen	A. FY25.3 2Q	B. FY24.3 2Q	A-B	Remarks
Cash flows from operating activities	114.1	214.3	-100.1	Rebound of decrease in working capital in FY24.3 and decrease in profit attributable to owners of the parent, etc.
Cash flows from investing activities	173.9	106.8	+67.1	
Free cash flow[2]	-59.8	107.4	-167.3	

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

4. Customer Accounts and Sales Volume

thousands	A. FY25.3 year end	B. FY24.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts	10,467	10,143	+324	+3.2%	
Gas[1]	5,351	5,304	+47	+0.9%	
Electricity[2]	2,316	2,120	+196	+9.3%	
Others	2,800	2,719	+81	+3.0%	

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. FY25.3 2Q	B. FY24.3 2Q	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m^3)[3,4]	2,949	3,041	-92	-3.0%	
Residential	536	583	-47	-8.0%	
Non-residential	2,413	2,459	-46	-1.9%	
Number of units for gas supply (thousands)	5,083	5,020	+63	+1.3%	
Electricity sales volume (GWh)[4]	7,878	7,001	+877	+12.5%	
Residential	3,652	3,291	+361	+11.0%	
Non-residential	4,226	3,710	+516	+13.9%	
Number of low-voltage electricity supply (thousands)	1,853	1,761	+92	+5.2%	

	A. FY25.3 2Q	B. FY24.3 2Q	A-B	Remarks
Average temperature (℃)	25.0	24.4	+0.5	

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. FY25.3 2Q	B. FY24.3 2Q	A-B	(A-B)/B	Remarks
Net Sales	950.1	995.6	-45.5	-4.6%	
Domestic Energy	788.3	846.2	-57.9	-6.8%	Decrease in sales volume of LNG, etc.
International Energy	59.1	49.1	+9.9	+20.3%	
Life & Business Solutions	136.6	133.1	+3.4	+2.6%	
Adjustments	-33.9	-32.8	-1.0	-	
Segment profit[1]	67.8	107.6	-39.7	-36.9%	
Domestic Energy	11.7	57.9	-46.1	-79.7%	Time-lag effect, etc.
Electricity	13.4	27.1	-13.7	-50.5%	Time-lag effect, etc.
International Energy	35.4	31.4	+4.0	+12.8%	Increase in profits from electricity businesses in USA, etc.
Life & Business Solutions	17.5	16.8	+0.6	+4.1%	
Adjustments	3.1	1.4	+1.7	+118.4%	
Profit/loss on time-lag effect[2]	4.7	38.1	-33.4	-87.6%	
(Non-consolidated) Gas	4.6	24.3	-19.6	-80.9%	
(Non-consolidated) Electricity	0.0	13.8	-13.7	-99.3%	
Profit/loss on market valuation of derivatives[3]	1.0	2.0	-0.9	-48.3%	

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.

IV. FY2025.3 Forecasts against Previous Forecasts

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FY2025.3 Forecasts against Previous Forecasts
1. Net Sales and Profit

billion yen	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net sales	1,986.0	1,986.0	±0.0	±0%	
Operating profit	123.5	123.5	±0.0	±0%	
Ordinary profit	153.0	153.0	±0.0	±0%	
Time-lag effect[1]	12.0	12.0	±0.0	±0%	
(Non-consolidated) Gas	11.0	11.0	±0.0	±0%	
(Non-consolidated) Electricity	1.0	1.0	±0.0	±0%	
Profit attributable to owners of the parent	112.0	112.0	±0.0	±0%	
Earnings per share (EPS) (yen)[2]	276.6	273.9	+2.8	+1.0%	Decrease in number of shares due to share buyback in 1H FY25.3.
EBITDA[3]	278.0	278.0	±0.0	±0%	
NOPAT[4]	122.2	122.2	±0.0	±0%	

1 Included in Domestic Energy.

2 The impact of share buyback announced in October is not taken into account in regards to “Earnings 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. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
Crude oil price ($/bbl)	80.9	75.0	+5.9	October 2024 to March 2025 : 75 $/bbl
Exchange rate (yen/$)	148.9	145.0	+3.9	October 2024 to March 2025 : 145 yen/$

FY2025.3 Forecasts against Previous Forecasts
2. Asset, Equity, and Debt

billion yen	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
Total assets	3,151.5	3,151.5	±0.0	
Shareholders' equity	1,611.0	1,631.0	-20.0	Decrease in shareholders' equity due to share buyback in 2H FY25.3.
Book value per share (BPS) (yen)[1]	3,995.4	3,988.3	+7.1	Decrease in number of shares due to share buyback in 1H FY25.3.(Exceeding the impact of decrease in shareholders' equity due to share buyback in 2H FY25.3)
Shareholders' equity excluding accumulated other comprehensive income	1,278.5	1,298.5	-20.0	
Interest-bearing debts	1,098.0	1,078.0	+20.0	

1 The impact of share buyback announced in October is not taken into account in regards to "Book-value Per Share" in the forecasts for FY25.3.

	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
ROIC[2]	4.7%	4.7%	±0.0%	
ROE	7.0%	7.0%	+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)
ROIC forecast by segment: : Domestic Energy 2.9%, International Energy 7.5%, LBS 5.4%

	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
Shareholders' equity ratio	51.1%	51.8%	-0.6%	Decrease in shareholders' equity due to share buyback in 2H FY25.3.
After adjustment[3]	53.9%	54.5%	-0.6%	
Debt/Equity ratio	0.68	0.66	+0.02	
After adjustment[3]	0.59	0.58	+0.02	
DOE[4]	3.1%	3.1%	+0.0%	

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) The impact of share buyback announced in October is not taken into account in regards to "DOE" in the forecasts for FY25.3.

FY2025.3 Forecasts against Previous Forecasts
3. Cash Flow and Investment

billion yen	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
Investment (A+B)	300.0	300.0	±0.0	
Investment for quality improvement (A)	94.0	94.0	±0.0	
Investment for growth (B)	206.0	206.0	±0.0	
Domestic Energy	47.0	47.0	±0.0	
International Energy	108.0	108.0	±0.0	
Life & Business Solutions	51.0	51.0	±0.0	
Capital expenditures[1]	248.0	248.0	±0.0	
Depreciation (including amortization of goodwill)	124.0	124.0	±0.0	

1 Capital expenditures (included in investments) = Investments – Investments for subsidiaries and associates and M&A

billion yen	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
Cash flows from operating activities	243.0	243.0	±0.0	
Cash flows from investing activities[2]	300.0	300.0	±0.0	
Free cash flow[3]	-57.0	-57.0	±0.0	

2 Forecasts are amount of investment.

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

FY2025.3 Forecasts against Previous Forecasts
4. Customer Accounts and Sales Volume

	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,530	10,530	±0	±0%	

	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Consolidated gas sales volume (million m^3)[1,2]	6,659	6,659	±0	±0%	
Residential	1,707	1,707	±0	±0%	
Non-residential	4,952	4,952	±0	±0%	
Electricity sales volume (GWh)[2]	15,964	15,964	±0	±0%	

	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	Remarks
Average temperature (℃)	18.0	17.4	+0.6	

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.

FY2025.3 Forecasts against Previous Forecasts
5. Segment Sales and Profit

billion yen	A. FY25.3 Revised Forecasts	B. FY25.3 Previous Forecasts	A-B	(A-B)/B	Remarks
Net Sales	1,986.0	1,986.0	±0.0	±0%	
Domestic Energy	1,640.0	1,640.0	±0.0	±0%	
International Energy	125.0	125.0	±0.0	±0%	
Life & Business Solutions	286.0	286.0	±0.0	±0%	
Adjustments	-65.0	-65.0	±0.0	-	
Segment profit[1]	154.0	154.0	±0.0	±0%	
Domestic Energy	54.5	52.5	+2.0	+3.8%	Increase in profits from sales in the reserve market
Electricity	25.0	20.0	+5.0	+25.0%	Increase in profits from sales in the reserve market
International Energy	70.5	72.5	-2.0	-2.8%	Decrease in profits from Freeport LNG project
Life & Business Solutions	30.0	30.0	±0.0	±0%	
Adjustments	-1.0	-1.0	±0.0	-	
Profit/loss on time-lag effect[2]	12.0	12.0	±0.0	±0%	
(Non-consolidated) Gas	11.0	11.0	±0.0	±0%	
(Non-consolidated) Electricity	1.0	1.0	±0.0	±0%	

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

2 Included in the Domestic Energy.

V. FY2025.3 Forecasts

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FY2025.3 Forecasts

1. Net Sales and Profit

billion yen	A. FY25.3 Forecasts	B. FY24.3	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]	276.6	320.6	-44.0	-13.7%	
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 impact of share buyback announced in October is not taken into account in regards to “Earnings 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. FY25.3 Forecasts	B. FY24.3	A-B	Remarks
Crude oil price ($/bbl)	80.9	86.0	-5.1	October 2024 to March 2025 : 75 $/bbl
Exchange rate (yen/$)	148.9	144.6	+4.3	October 2024 to March 2025 : 145 yen/$

FY2025.3 Forecasts

2. Asset, Equity, and Debt

billion yen	A. FY25.3 Forecasts	B. FY24.3 year end	A-B	Remarks
Total assets	3,151.5	2,980.1	+171.3	
Shareholders' equity	1,611.0	1,577.5	+33.4	
Book value per share (BPS) (yen)[1]	3,995.4	3,857.5	+137.9	
Shareholders' equity excluding accumulated other comprehensive income	1,278.5	1,246.3	+32.1	
Interest-bearing debts	1,098.0	938.2	+159.7	

1 The impact of share buyback announced in October is not taken into account in regards to "Book-value Per Share" in the forecasts for FY25.3.

	A. FY25.3 Forecasts	B. FY24.3	A-B	Remarks
ROIC[2]	4.7%	7.0%	-2.2%	Time-lag effect, etc.
ROE	7.0%	8.9%	-1.9%	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)
ROIC forecast by segment : Domestic Energy 2.9%, International Energy 7.5%, LBS 5.4%

	A. FY25.3 Forecasts	B. FY24.3 year end	A-B	Remarks
Shareholders' equity ratio	51.1%	52.9%	-1.8%	
After adjustment[3]	53.9%	55.9%	-2.0%	
Debt/Equity ratio	0.68	0.59	+0.09	
After adjustment[3]	0.59	0.51	+0.08	
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) The impact of share buyback announced in October is not taken into account in regards to "DOE" in the forecasts for FY25.3.

3. Cash Flow and Investment

billion yen	A. FY25.3 Forecasts	B. FY24.3	A-B	Remarks
Investment (A+B)	300.0	239.5	+60.4	
Investment for quality improvement (A)	94.0	73.3	+20.6	
Investment for growth (B)	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[1]	248.0	198.4	+49.5	
Depreciation (including amortization of goodwill)	124.0	123.5	+0.4	

1 Capital expenditures (included in investments) = Investments – Investments for subsidiaries and associates and M&A

billion yen	A. FY25.3 Forecasts	B. FY24.3	A-B	Remarks
Cash flows from operating activities	243.0	312.6	-69.6	
Cash flows from investing activities[2]	300.0	215.9	+84.0	
Free cash flow[3]	-57.0	96.6	-153.6	

2 Forecasts are amount of investment.

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

4. Customer Accounts and Sales Volume

	A. FY25.3 Forecasts	B. FY24.3 year end	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	10,530	10,384	+146	+1.4%	

	A. FY25.3 Forecasts	B. FY24.3	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. FY25.3 Forecasts	B. FY24.3	A-B	Remarks
Average temperature (℃)	18.0	17.9	+0.2	

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. FY25.3 Forecasts	B. FY24.3	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%	Impact of weak yen, 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	54.5	92.2	-37.7	-40.9%	Time-lag effect, etc.
Electricity	25.0	31.4	-6.4	-20.5%	Time-lag effect, etc.
International Energy	70.5	79.6	-9.1	-11.5%	
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.

IV. 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

Range of fluctuation (for the rest of the fiscal year)		Segment	Segment Impact	Net impact on consolidated ordinary profit
Crude oil price	+1USD/bbl	International Energy	Positive	-1.0 billion yen
		Domestic Energy	Negative	
Exchange rate	+1JPY/USD	International Energy	Positive	-0.83 billion yen
		Domestic Energy	Negative	

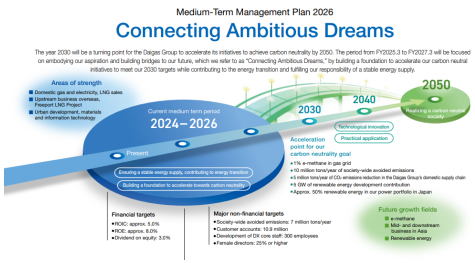
- The table above shows the impact on this fiscal year's (April 2024 to March 2025) ordinary profits in case the indicators fluctuate from October 1, 2024 to March 31, 2025.
- If the exchange rate changes on October 1, the impact of the Domestic Energy becomes greater compared to other periods, due to the time-lag gain or loss that occurs during the period of higher sales volume from autumn to winter.

IR Reference Materials

Material (month of publication)	URL
IR Information Website	**Daigas Group＞IR Information** https://www.daigasgroup.com/en/ir/
■ Integrated Report 2024 (Sept. 2024)	**Daigas Group＞IR Information＞Integrated Report**
■ Fact Book 2024 (Oct. 2024)	**Daigas Group＞IR Information＞Fact Book**
■ Medium-Term Management Plan 2026 (Mar. 2024)	**Daigas Group＞IR Information>Management Vision / Business Plans＞ Medium- and Long-Term Business Plans**
■ Energy Transition 2030 (Mar. 2023)	**Daigas Group＞IR Information>Management Vision / Business Plans＞ Challenges to Carbon Neutrality**

Integrated Report 2024 Introduction

- Risks, strengths and opportunities sorted out to facilitate understanding of value creation strategies
- Focus placed on growth story envisioned in the Medium-Term Management Plan 2026
- Reporting status of efforts for dialogue and reinforcement of business structure aimed at maintaining and increasing trust of stakeholders







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