

Operating Results for the Fiscal Year Ended March 31, 2023 (205th Term)

May 8, 2023
Osaka Gas Co., Ltd.

1. Operating Results (April 1, 2022 – March 31, 2023)

(1) Overview of Operating Results

Consolidated net sales for the fiscal year ended March 31, 2023, increased year-on-year primarily due to the higher unit selling price of city gas under the fuel cost adjustment system and a rise in LNG selling prices in the Domestic Energy Business and an increase in sales from the upstream projects in the USA and Australia in the International Energy Business. Consolidated ordinary profit decreased primarily due to losses associated with the fire at the liquefaction plant of Freeport (*1) in the Domestic Energy Business, despite a decrease in negative impact of the time lag between fluctuations in raw material costs, etc., and their reflection in the unit selling prices (*2) in the Domestic Energy Business and an increase in profit from the International Energy Business and the Life & Business Solutions Business. Profit attributable to owners of parent also decreased.

The number of consolidated subsidiaries is currently 154, with 9 subsidiaries added and 5 removed since the fiscal year ended March 31, 2022. The number of equity method affiliates is currently 32 with 5 added and 3 removed since the fiscal year ended March 31, 2022.

(*1) A fire broke out in June 2022 at the liquefaction plant of the Freeport LNG Project (hereinafter “Project”), one of the Daigas Group’s (hereinafter “Group”) investments and LNG sources, and the Project’s operations at the plant had been suspended since.

In response to the shutdown, we have prepared to secure replacement LNG for the volumes the Group originally planned to procure from the Project during the shutdown period and have arranged modification regarding the contracts related to its LNG procurement from the Project. The Project has restarted operations at the plant in February of this year.

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

[billion yen]

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated	2,275.1 (+43.0%) [1,591.1, +683.9]	60.0 (-39.5%) [99.2, -39.2]	75.6 (-33.4%) [113.5, -37.8]	57.1 (-56.2%) [130.4, -73.3]

The figures in [] brackets in each box represent actual results for and differences from the previous fiscal year.

The percentage figures in () parentheses in each box represent the changes from the previous fiscal year.

(2) Overview by Segment

Segment profit of “Domestic Energy” decreased primarily due to losses associated with the fire at the liquefaction plant of Freeport, despite a decrease in negative impact of a time lag between fluctuations in raw material costs, etc., and their reflection in the unit selling prices. Segment profit of “International Energy” increased primarily due to profit contributions from the upstream projects in the USA and Australia. Segment profit of “Life & Business Solutions” increased primarily due to an increase in profit in the Materials Solutions Business and the Real Estate Business.

[billion yen]

	Net sales	Segment profit (Note)
Domestic Energy	1,971.6 (+47.1%) [1,340.7, +630.9]	-27.3 (–) [44.1, -71.4]
International Energy	123.2 (+52.6%) [80.7, +42.5]	69.7 (+57.3%) [44.3, +25.3]
Life & Business Solutions	258.5 (+9.1%) [237.0, +21.4]	29.2 (+24.3%) [23.5, +5.7]

(Note) Segment profit: Operating profit + Share of profit of entities accounted for using equity method.

The figures in [] brackets in each box represent actual results for and differences from the previous fiscal year.

The percentage figures in () parentheses in each box represent the changes from the previous fiscal year.

(3) Domestic Gas Sales Breakdown

Gas sales [45MJ/m³] decreased year-on-year. Sales volume of residential gas decreased from the level of the previous fiscal year primarily due to high air and water temperatures. Sales volume of non-residential gas decreased from the level of the previous fiscal year primarily due to a decrease in operation of specific customers' facilities.

Consolidated	Number of gas supply (thousands)	5,004 (-0.4%)
	Residential	1,697 (-8.2%)
	Non-residential	5,148 (-1.8%)
	Gas sales volume (million m ³)	6,845 (-3.5%)
Non-consolidated number of gas supply (thousands)		4,893 (-0.4%)

The percentage figures in () parentheses in each box represent the changes from the previous fiscal year.

(4) Domestic Electricity Sales Breakdown

Sales volume of domestic electricity decreased year-on-year due to a decrease in wholesale sales volume, despite an increase in retail sales volume.

Electricity sales volume (million kWh)	15,883 (-5.2%)
Retail	6,390 (+3.3%)
Wholesale, etc.	9,493 (-10.2%)
Number of low-voltage electricity supply (thousands)	1,707 (+5.8%)

The percentage figures in () parentheses in each box represent the changes from the previous fiscal year.

2. Forecast for the Fiscal Year Ending March 31, 2024

There are no changes from the financial results forecasts announced on March 9, 2023.

[billion yen]

	Consolidated
Net sales	2,017.0 (-11.3%)
Operating profit	139.5 (+132.5%)
Ordinary profit	159.0 (+110.2%)
Profit attributable to owners of parent	116.0 (+103.1%)

The percentage figures in () parentheses in each box represent the changes from the fiscal year ended March 31, 2023.

(Reference) Assumptions for the crude oil price and exchange rate (April 1, 2023 - March 31, 2024)

Crude oil price (All Japan CIF price) at 85 USD/bbl

Exchange rate (TTM) at 135 JPY/USD

3. Dividends

[yen]

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
Year ended March 31, 2022	–	27.50	–	30.00	57.50
Year ended March 31, 2023	–	30.00	–	30.00	60.00
Year ending March 31, 2024 (Forecast)	–	32.50	–	32.50	65.00