

Operating Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (206th Term)

July 31, 2023
Osaka Gas Co., Ltd.

1. Operating Results (April 1, 2023 – June 30, 2023)

(1) Overview of Operating Results

Consolidated net sales for the three months ended June 30, 2023 increased year-on-year primarily due to the higher unit selling price of city gas under the fuel cost adjustment system in the Domestic Energy Business. Consolidated ordinary profit increased due to the positive impact of a time lag (*) between fluctuations in raw material costs, etc., and their reflection in the unit selling prices in the Domestic Energy Business, as well as the absence of increased costs for LNG procurement following the suspension of operations at the liquefaction plant of the Freeport LNG Project in the previous fiscal year. Profit attributable to owners of parent increased.

(*) 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 adjustment system and the 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	512.6 (+9.7%) [467.1, +45.4]	73.6 (+900.0%) [7.3, +66.2]	82.6 (+516.3%) [13.4, +69.2]	60.5 (+440.7%) [11.2, +49.3]

The figures in [] brackets in each box represent actual results for and differences from the same period of the previous fiscal year. The percentage figures in () parentheses in each box represent the changes from the same period of the previous fiscal year.

(2) Overview by Segment

Segment profit of “Domestic Energy” increased primarily due to the positive impact of a time lag in the gas business between fluctuations in raw material costs and their reflection in the unit selling prices, as well as the absence of increased costs for LNG procurement following the suspension of operations at the liquefaction plant of the Freeport LNG Project in the previous fiscal year. Segment profit of “International Energy” decreased due to a decline in liquefaction revenue associated with the suspension of the Freeport LNG Project liquefaction plant until February of this year, as well as lower profit contributions mainly from the upstream project in Australia. Segment profit of “Life & Business Solutions” was generally on par with the same period of the previous fiscal year.

[billion yen]

	Net sales	Segment profit (Note)
Domestic Energy	444.6 (+11.0%) [400.6, +44.0]	58.1 (–) [-12.4, +70.5]
International Energy	22.0 (-20.7%) [27.8, -5.7]	13.8 (-34.7%) [21.2, -7.3]
Life & Business Solutions	59.0 (+5.3%) [56.0, +2.9]	4.9 (-2.7%) [5.0, -0.1]

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

(3) Domestic Gas Sales Breakdown

Consolidated domestic gas sales [45MJ/m3] decreased year-on-year. Sales volume of residential gas decreased from the level of the same period of the previous fiscal year primarily due to a rebound after stay-at-home demand in the previous fiscal year owing to the impact of COVID-19. Sales volume of non-residential gas decreased year-on-year primarily due to a decrease in operation of specific customers' facilities.

Consolidated number of gas supply (thousands)	5,024 (+0.4%)
Consolidated gas sales volume (million m3)	1,535 (-7.7%)
Residential	376 (-3.7%)
Non-residential	1,160 (-9.0%)

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

(4) Domestic Electricity Sales Breakdown

Sales volume of domestic electricity decreased from the same period of the previous fiscal year due to a decline in wholesale sales volume.

Number of low-voltage electricity supply (thousands)	1,743 (+5.7%)
Electricity sales volume (million kWh)	2,860 (-15.7%)
Retail	1,272 (+4.6%)
Wholesale, etc.	1,588 (-27.0%)

The percentage figures in () parentheses in each box represent the changes from the same period of 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 May 8, 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