Financial Report for FY2021.3
(April 2020 – March 2021)

Creating Value for a Sustainable Future

April 2021

Osaka Gas Co., Ltd.

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Management information is available on Osaka Gas websites.
Financial reports, annual reports and road show materials can be accessed and downloaded at the following URL. https://www.osakagas.co.jp/en/ir/

Disclaimer
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/m3.

Note regarding consolidated gas sales volume
The fiscal year of Nabari Kintetsu Gas, Toyooka Energy, and Shingu Gas ends on December 31.

Ⅰ. Our initiatives to create value for a sustainable future

Medium-Term Management Plan 2023 - Creating Value for a Sustainable Future

Key Strategy

I. Co-create value for a sustainable future: Pursuing the creation of value for solving social issues alongside stakeholders.

II. Evolve our corporate group: Building a robust business portfolio and strengthening the management foundation to support the enhancement of our business portfolio management.

Key Initiatives



1. Achieving a low carbon/carbon neutral society
2. Establishing lifestyles and businesses adjusted to the new normal
3. Enhancing resilience of customers and society

1. Enhancing Business Portfolio Management
2. Promoting business transformation with digital transformation (DX)
3. Maximizing value for each employee

Key points

Achieving approx. 5**%** In ROIC

Increasing cash flows from operating activities by 50%*

Distributing shareholder returns when we achieve profit growth

*Total amount from FY2022.3-FY2024.3 divided by Total forecasts from 2019.3-2021.3

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Achieving a low-carbon/carbon neutral society – renewables development contribution

✓ Our total renewable development contribution as of March 2021: approx. 1.05 GW (power source development and power procurement including environmental value)

Major projects since FY2021.3

		Power plant, procurement source	Capacity
Development	Biomass	Biomass power plant in Tahara, Aichi, Japan scheduled to start commercial operation	75 MW
		Ichihara Biomass Power Plant started commercial operation	50 MW
		Hyuga biomass power plant scheduled to start commercial operation	50 MW
	Solar	Kuwabarajo mega solar No.4 acquired	12 MW
		Extra high voltage power plant in Isohara, Ibaraki, Japan acquired	35 MW
	Wind	Noheji Mutsuwan wind farm joint investment	40 MW
Procurement		West Holdings Corporation	200 MW

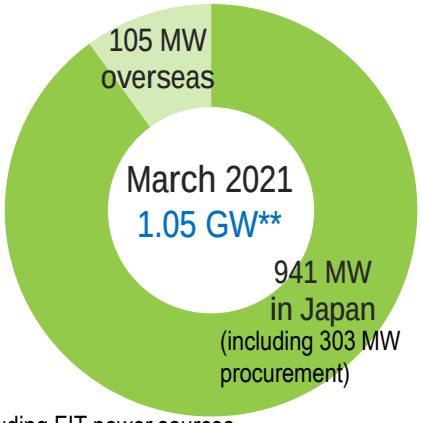


Ichihara Biomass Power Plant



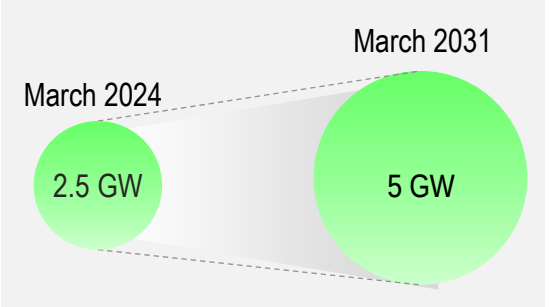
Extra high voltage power plant in Ibaraki

Renewables development contribution*



*including FIT power sources
**including post-FID projects and plants under construction

Medium-term management plan 2023 target



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Achieving a low carbon/carbon neutral society – CO_2 emissions reduction contribution

✓ Contributing to CO_2 emissions reduction through fuel conversion to natural gas and the advanced utilization of natural gas in Japan and overseas.

Medium-term management plan 2023 target

- CO_2 emissions reduction contribution by 2030: 10 million tons/year*

  *equivalent to one third of the CO_2 emissions currently produced in our business and by our customers (33 million tons/year)

Fuel conversion to natural gas

- Fuel conversion at food plants in Vietnam
  - ✓ Converting fuels from coal to natural gas
  - ✓ Contributing to CO_2 emissions reduction in 10 years: approx. 76,000 tons (approx. 7,600 tons/year)



Acecook Vietnam Joint Stock Company's Hung Yen plant



Acecook Vietnam Joint Stock Company's Binh Duong plant

Advanced utilization of natural gas

- Commercial operation of high-efficiency gas turbine power generation at Mitsui Chemicals plant
  - ✓ Contributing to CO_2 emissions reduction: approx. 70,000 tons/year



Mitsui Chemicals' high-efficiency gas turbine power generation system

- On-site utility services business for Spiber Inc. in Thailand



Spiber's structural protein production plant

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Establishing lifestyles and businesses adjusted to the new normal

- ✓ Offering a wider variety of rate plans and services to contribute to solving customer's issues related to decarbonization and COVID-19, etc.
- ✓ Our customer accounts as of March 2021: 9,400 thousand (increased from 300 thousand last year)

Expanding electricity rate plans

D-Green　D-Green Premium　D-Green RE100

: for corporate customers to promote decarbonization

Style Plan E-ZERO

Style Plan E-ZERO B

Style Plan E-ZERO Power Sources

: for customers to use environmentally friendly electricity

Plan for Power Sources: Air

Plan for Power Sources: Air Double

: for business customers to monitor the ventilation status of their restaurants, shops, and offices

Plan for Power Sources: Safety Plus

: for business customers to mitigate the risk of power outage at their restaurants, shops, and offices.

Expanding services

D-Solar

: self-consumption type photovoltaic power generation service with PV panels installed on the customers' rooftops

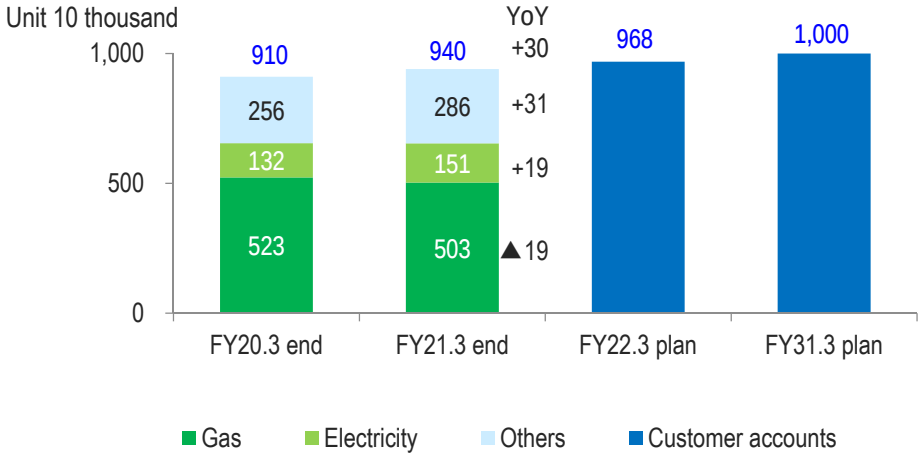
D-Aqua

: one-stop water treatment services

プリゼロ -Prizero-

: a smartphone app for managing school handouts

Customer accounts



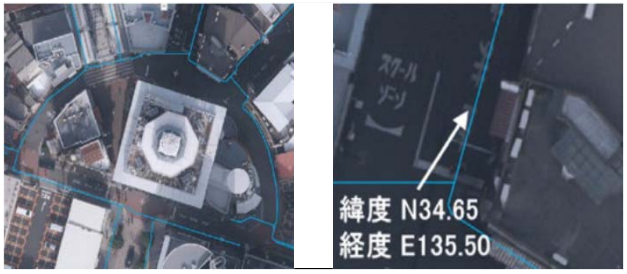
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Enhancing resilience of customers and society

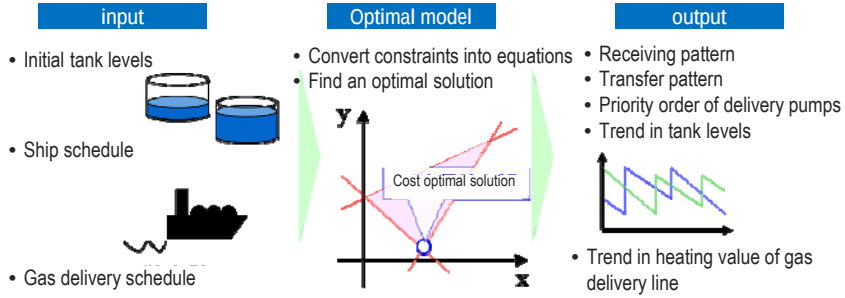
✓ Promoting various projects to enhance the resilience of electricity and gas supply chains

Gas supply chain

- Absolute coordinates in the gas pipeline mapping system
  - ✓ Conversion of maps to absolute coordinates completed in FY2021.3



- Optimization of LNG tank operation plan
  - ✓ Trial operation started in FY2022.3



- Other major projects
  - ✓ Construction of Amagasaki-Kumiyama line (high pressure)
  - ✓ Commercialization of AI radar underground pipe locators
  - ✓ Joint development of a smart meter system

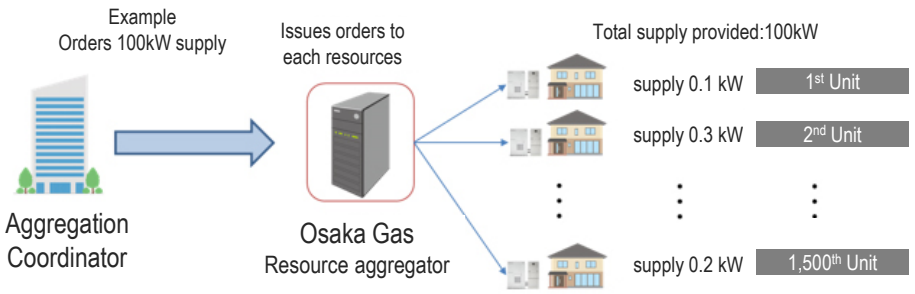
Electricity supply chain

- Fukushima Natural Gas Power Plant (1.18 GW)
  - ✓ Unit 1 in commercial operation since April 2020
  - ✓ Unit 2 in commercial operation since August 2020



Fukushima Natural Gas Power Plant

- VPP verification project featuring ENE-FARM, a residential fuel cell system



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Topics in FY2021.3 -I

Apr.	✓ Ohgishima City Gas Supply, Ltd. Begins Commercial Operation of City Gas Production and Supply Facility ✓ Osaka Gas to Partner with NTT Com to Launch an AI-automated Voice Response Service at Its Contact Center ✓ Osaka Gas Invests in Japan Infra Waymark, Which Offers Infrastructure Inspection Solutions Using Drones ✓ Osaka Gas Invests in HACARUS INC., a Venture Company with Superb AI Technologies Including Image Analysis
May	✓ Osaka Gas Starts Commercial Operation of Unit 1 of Fukushima Natural Gas Power Plant ✓ Osaka Gas Acquires Shares of Global Base ✓ Osaka Gas Begins Collaboration with Sharp in Providing Equipment Utilizing an IoT Platform -Mobile App Provided by Sharp Enables Remote Control of IoT-connected Gas Equipment-
Jun.	✓ Osaka Gas to Start a Verification Project to Establish a Virtual Power Plant (VPP) Using a residential Fuel Cell, ENE-FARM -VPP Verification Project Connecting 1,500 Units- ✓ Osaka Gas Liquid to Invest in Singapore SSB Group's Associate Company to Participate in the Industrial Gas Production and Sales Business in Vietnam
Jul.	✓ Osaka Gas Launches its Third With Plan, "With ABEMA Plan" and Starts Accepting Applications ✓ Improvement of On-site Work Efficiency by Promoting DX Using a Private BWA System -Upgrading Osaka Gas Senboku Plant to a Smart Factory- ✓ Launch of IoT-compatible Alarm Device "Sumapiko" and Cooperation with the Osaka City Government and the Osaka Prefectural Police Regarding Provision of Disaster and Crime Prevention Information ✓ "Heartful Bento Project"-Supporting medical professionals fighting the COVID-19- ✓ Public notification relating to the Environmental Impact Assessment Consideration Statement for [tentative name] Saga Karatsu City Offshore Wind Power Project
Aug.	✓ Osaka Gas Announces its Decision to Issue Publicly Offered Hybrid Corporate Bonds (Publicly Offered Subordinated Corporate Bonds) ✓ Collaboration with Sony Network Communications to enable customers to remotely operate IoT-compatible gas appliances by using Sony's smartphone app for multifunctional light ✓ Announcement of Collaboration to Improve Convenience and Security of Rental Apartments ✓ Osaka Gas Starts Commercial Operation of Unit 2 of Fukushima Natural Gas Power Plant ✓ Osaka Gas to Participate in Natural Gas-fueled Thermal Electric Generation in Illinois, U.S. ✓ Osaka Gas has concluded a Renewable Electricity Procurement Contract with West Holdings
Sep.	✓ Osaka Gas Announces Its Determination of Issuance Conditions for Publicly Offered Hybrid Corporate Bonds (Publicly Offered Subordinated Corporate Bonds) ✓ Implementation of FY2020 Company-wide Comprehensive Disaster Drill ✓ Osaka Gas to Organize a Connecting Gas Exhibition on the Web in Which Customers Can Participate from Home ✓ Osaka Gas Expands the Menu of Sumikata Services, Designed to Solve Housing Problems and Provide Peace of Mind, with the Number of Sumikata Members Exceeding 400,000
Oct.	✓ Osaka Gas Acquires Shares in Palette Cloud Inc. ✓ Direction of Spin-Off of the Gas Pipeline Segment ✓ Osaka Gas Starts to Accept Applications for Miraito Denki, its New Electricity Rate Plan ✓ Five companies agree on joint study of "FOURE concept" with the aim of developing renewable energy and the region together ✓ Announcement of Transfer of Shares of Osaka Gas Niugini Pty Ltd ✓ Osaka Gas Joint investment in offshore wind power generation business

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Topics in FY2021.3 -II

Nov.	✓ Osaka Gas Decides to Build a Biomass Power Plant in Tahara City, Aichi Prefecture ✓ Announcement of Commencement of Commercial Operation of a Liquefied Carbon Dioxide Production Plant in Nagaoka City, Niigata Prefecture
Dec.	✓ Joint development of smart meter system ✓ Osaka Gas Announces Commencement of Commercial Operation of a Biomass Power Plant in Ichihara City, Chiba Prefecture ✓ Invests in D&D Solar GK and Acquires a Solar Power Plant in Izumi City, Kagoshima Prefecture, Through D&D Solar GK
Jan.	✓ Daigas Group Carbon Neutral Vision: Aiming to Become Carbon Neutral by 2050 ✓ Succeeded in trial manufacture of new SOEC that is key to realizing "innovative methanation" contributing to decarbonization of city gas : development of technology that can be used for highly efficient production of hydrogen, liquid fuels, etc. ✓ Start of R & D on chemical looping combustion technology that contributes to decarbonization ✓ Daigas Energy Starts Commercial Operation of Its High-efficiency Gas Turbine Power Generation System at Mitsui Chemicals Osaka Plant ✓ Osaka Gas inked a deal on a long-term Solar PPA with West Holdings ― 200 MW electricity and carbon credit procurement from thousands of small-scale solar facilities to be developed in FY2021 ―
Feb.	✓ Osaka Gas Acquires a Solar Power Plant in Kitaibaraki City, Ibaraki Prefecture, through D&D Solar GK ✓ Members-only Website “My Osaka Gas” To Be Remodeled To Become More Beneficial, More Convenient, and Safer! ✓ Takatsuki Me: LIFE, a Project That Provides New Added Value for Life in Condominiums, to Go into Action ―First in Kansai! All Units Will Be Equipped with KANTA-KUN Gas Clothes Dryer―
Mar.	✓ Osaka Gas to Start Accepting Applications for New Electricity Rate Plans: "Plan for Power Sources: Air," "Plan for Power Sources: Air Double," and "Plan for Power Sources: Safety Plus“ ✓ Notice of Changes in Officers, Personnel Changes and Organizational Changes ✓ Notice Regarding the Establishment of a Split Preparation Company for a Split of the Gas Pipeline Segment ✓ Announcement Concerning Introduction of Restricted Stock Remuneration Plan ✓ Notice of revision of the year-end dividend forecast for FY2021.3 and announcement of the annual dividend forecast for FY2022.3 ✓ Daigas Group Medium-Term Management Plan 2023 Creating Value for a Sustainable Future ✓ Daigas Group Business Plan for FY2022.3 ✓ Fuel Switching Business at Food Plants in Vietnam - Switching from Coal to Natural Gas to Reduce CO2 Emissions by approx.76,300t over 10 Years- ✓ New Partnership in Water Treatment Business -Service Expansion with "D-Aqua" One-stop Services- ✓ Osaka Gas to Launch the Service of Prizero, an App for Managing Handouts as Part of Efforts to Solve Problems at Home, and Announces a Partnership with Toyonaka City Regarding Child Development and Child Care Support ✓ Osaka Gas to Start Accepting Applications for “Carbon Neutral City Gas” to Achieve a Carbon neutral Society ✓ Osaka Gas Expands Its Electricity Rate Plan “Style Plan E-ZERO” to Help Achieve a Decarbonized Society ✓ Osaka Gas to Start Accepting Applications for the “D-Green” Series, Osaka Gas’s New Electricity Rate Plan toward Achieving a Carbon neutral Society
Apr.	✓ Commencement of an On-Site Utility Services Business for Spiber Inc. in Thailand ✓ Osaka Gas USA invests in US start-up Starfire Energy Inc., to develop a “Green Ammonia” synthesis system and technology for cracking ammonia to hydrogen ✓ Decision to Commercialize Biomass Power Plant with the Aim of Harmonizing with Local Communities in Hyuga City, Miyazaki Prefecture

* Press releases were issued in the above indicated months.

Daigas Group
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Ⅱ. Summary of Business Results for FY2021.3 and Forecasts for FY2022.3

Summary of Business Results for FY2021.3

- ✓ Ordinary profit increased by 48.5% (¥41.7 billion) to ¥127.7 billion, due to the increase in the profit contribution from Freeport LNG Project and Sabine Shale Gas Project in the International Energy business and the profit increase in the Domestic Energy / Gas and Electricity business, etc.
- ✓ Ordinary profit excluding time-lag effect increased by 62.8% (¥49.9 billion) to ¥129.4 billion.
- ✓ Profit attributable to owners of parent increased by 93.5% (¥39.0 billion) to ¥80.8 billion.

billion yen	A. FY21.3 results	B. FY20.3 results	A-B	(A-B)/B	Remarks
Ordinary profit	127.7	86.0	+41.7	+48.5%	The increase in the profit contribution from Freeport LNG Project and Sabine Shale Gas Project in the International Energy business and the profit increase in the Domestic Energy / Gas and Electricity business, etc.
Time-lag effect*	-1.6	6.5	-8.1	-	
Ordinary profit excluding time-lag effect	129.4	79.5	+49.9	+62.8%	
Profit attributable to owners of parent	80.8	41.7	+39.0	+93.5%	Impairment loss in FY21.3 ¥19.0 billion Impairment loss in FY20.3 ¥15.5 billion

*Included in non-consolidated gas business.

		A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Crude oil price	USD/bbl	43.4	67.8	-24.4	A:Average of preliminary monthly data up to March
Exchange rate	JPY/USD	106.1	108.7	-2.6	

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Summary of Forecasts for FY2022.3

- ✓ Ordinary profit will decrease by 25.6% (¥32.7 billion) to ¥95.0 billion due to the profit decline in the Domestic Energy business exceeding the profit increase in the International Energy business.
- ✓ Ordinary profit excluding time-lag effect will decrease by 15.1 %(¥19.0 billion) to ¥106.9 billion
- ✓ Profit attributable to owners of parent will decrease by 12.8%(¥10.3 billion) to ¥70.5 billion despite the rebound from the Impairment loss in the International Energy business.

billion yen	A. FY22.3 forecasts	B. FY21.3 results	A-B	(A-B)/B	Remarks
Ordinary profit	95.0	127.7	-32.7	-25.6%	The profit decline in the Domestic Energy business exceeding the profit increase in the International Energy business, etc.
Time-lag effect*	-11.9	-1.6	-13.6	-	
Ordinary profit excluding time-lag effect	106.9	126.0	-19.0	-15.1%	
Profit attributable to owners of parent	70.5	80.8	-10.3	-12.8%	Impairment loss in FY21.3 ¥19.0 billion

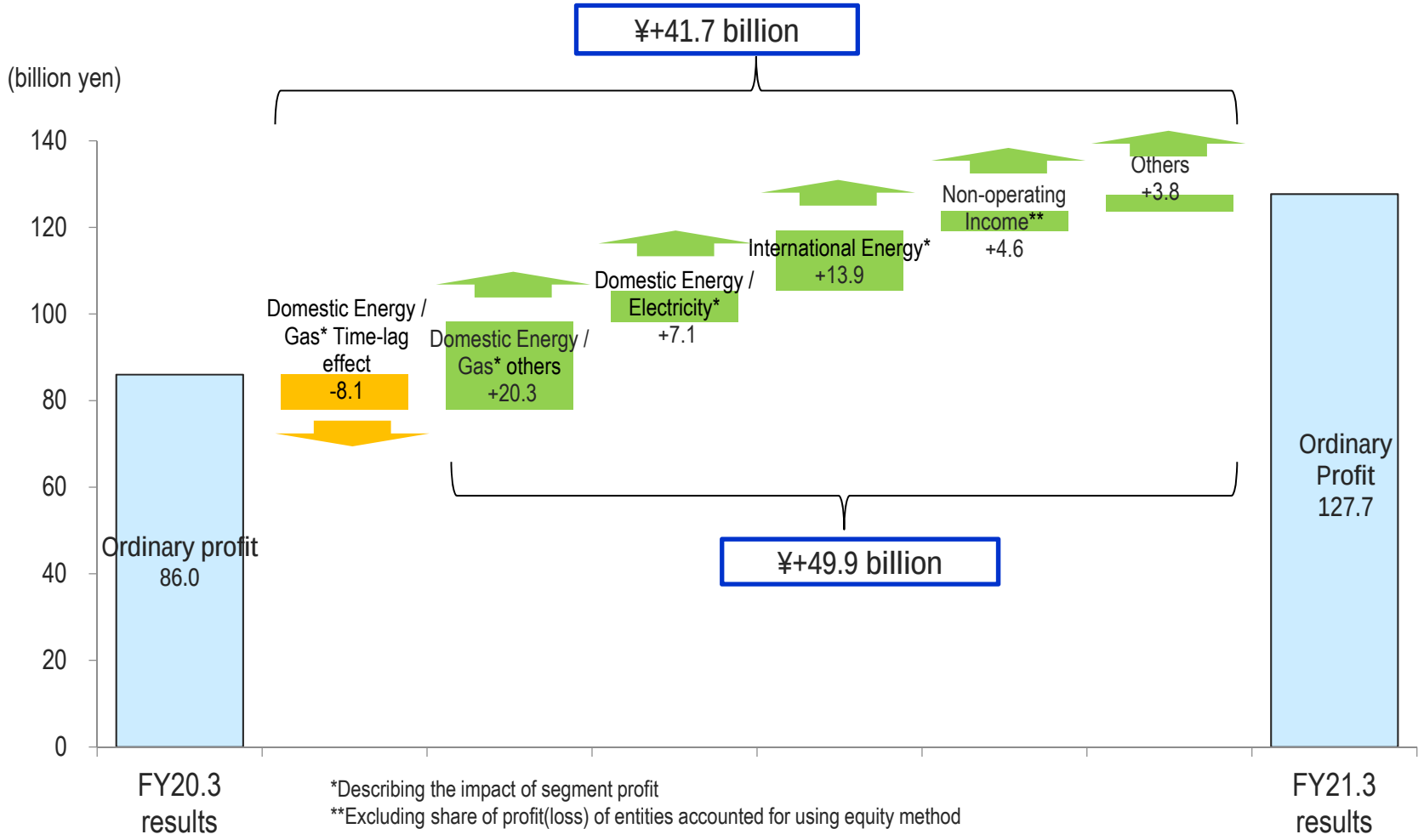
*Included in non-consolidated gas and electricity business.

		A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Crude oil price	USD/bbl	60.0	43.4	+16.7	B: Average of preliminary monthly data up to March
Exchange rate	JPY/USD	105.0	106.1	-1.1	

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YoY Comparison of FY2021.3 (Ordinary profit)

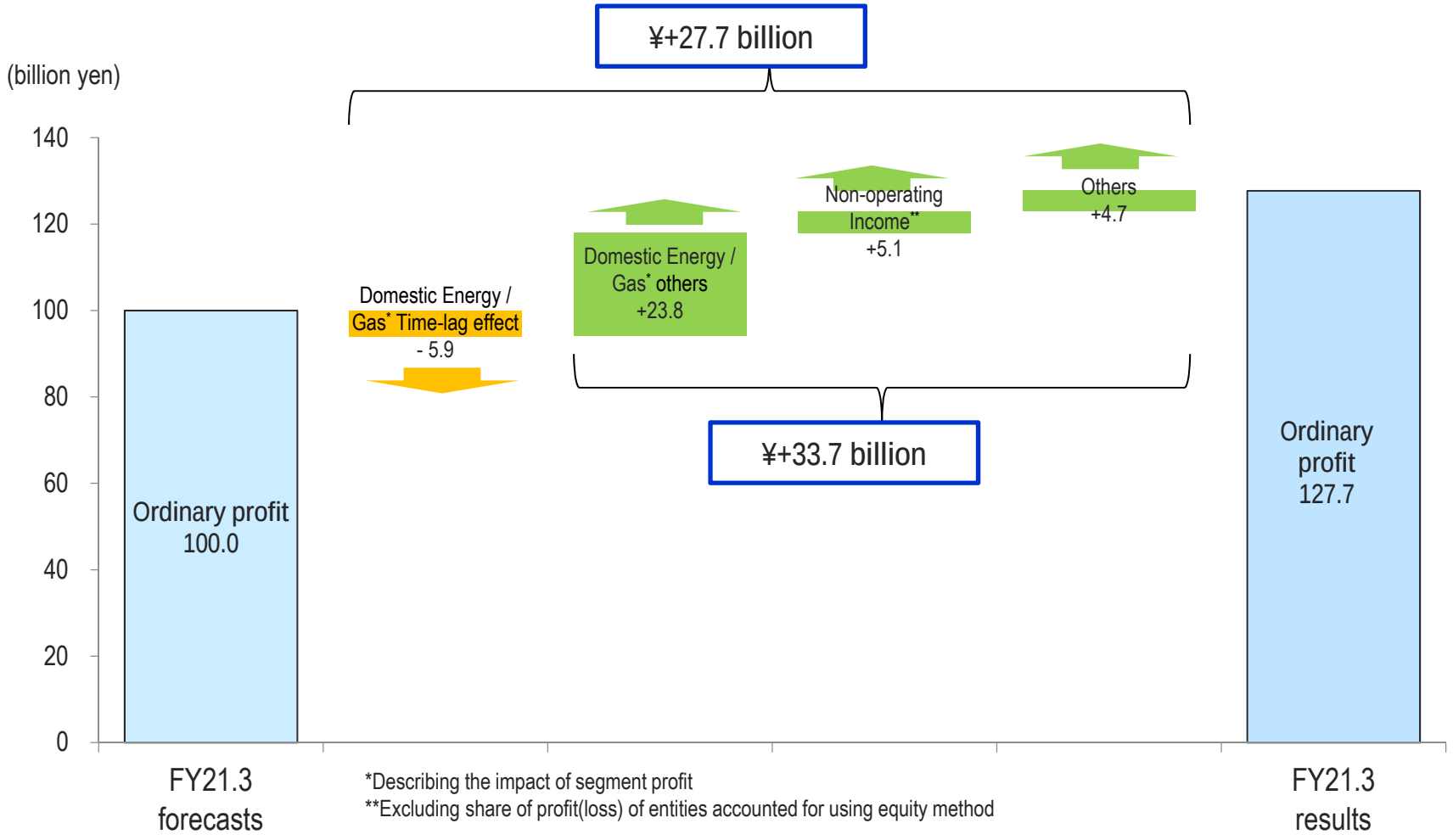
✓ Consolidated ordinary profit increased by ¥41.7 billion to ¥127.7 billion, due to the increase in the profit contribution from Freeport LNG Project and Sabine Shale Gas Project in the International Energy business and the effects of low temperatures in winter in the Domestic Energy / Gas influenced and the profit increase in the Electricity business, etc.



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Comparison of Forecasts for FY2021.3 (Ordinary profit)

✓ Consolidated ordinary profit increased by ¥27.7 billion from the forecast, due to the effects of low temperatures in winter in the Domestic Energy / Gas business, etc.

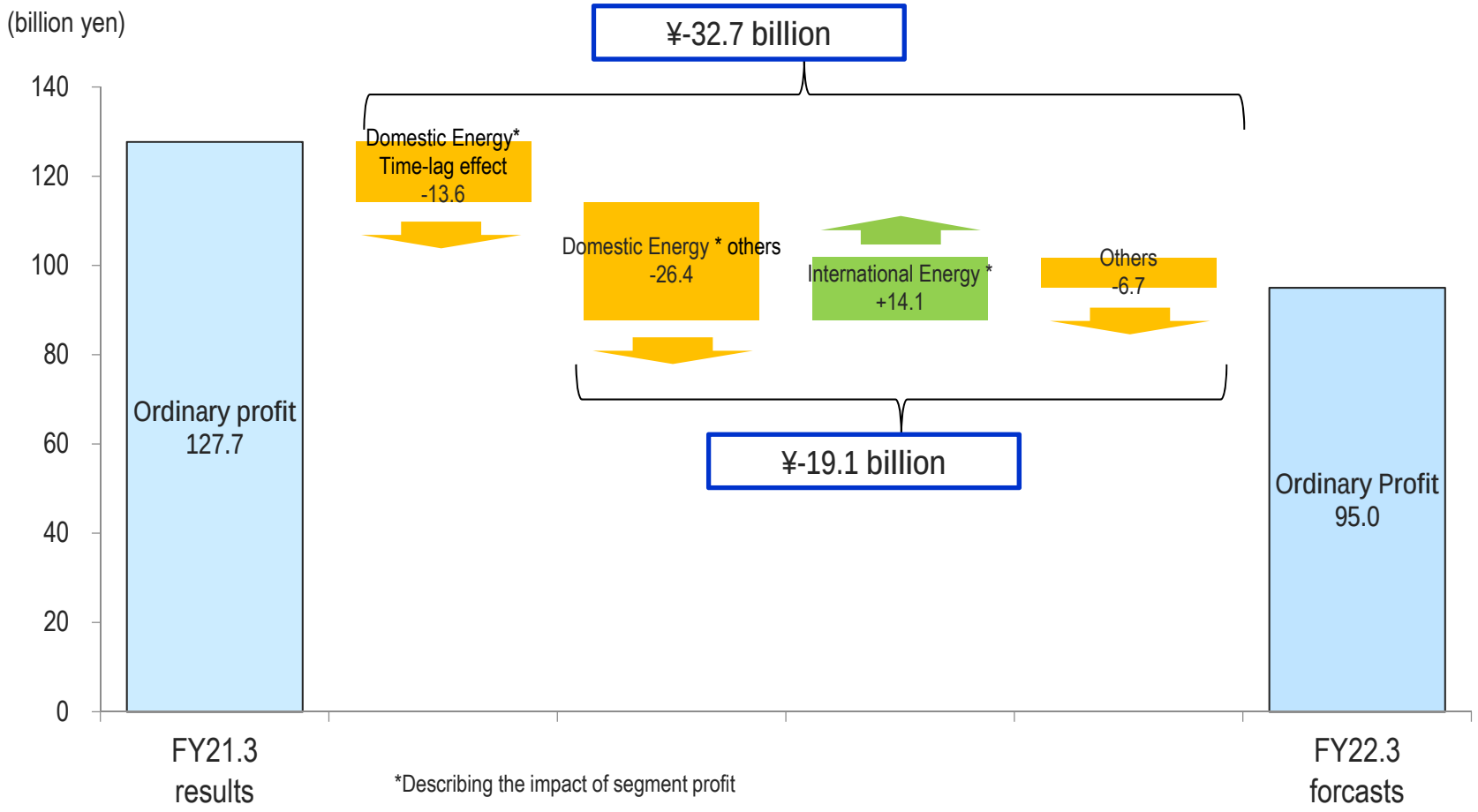


*Describing the impact of segment profit
**Excluding share of profit(loss) of entities accounted for using equity method

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YoY Comparison of FY2022.3 Forecasts (Ordinary profit)

✓ Consolidated ordinary profit expects to decrease by ¥32.7 billion to ¥95.0 billion. The rebound from the effects of low temperatures in winter in the Domestic Energy / Gas business and the loss of time-lag effect exceed the profit increase in the International Energy business, etc.



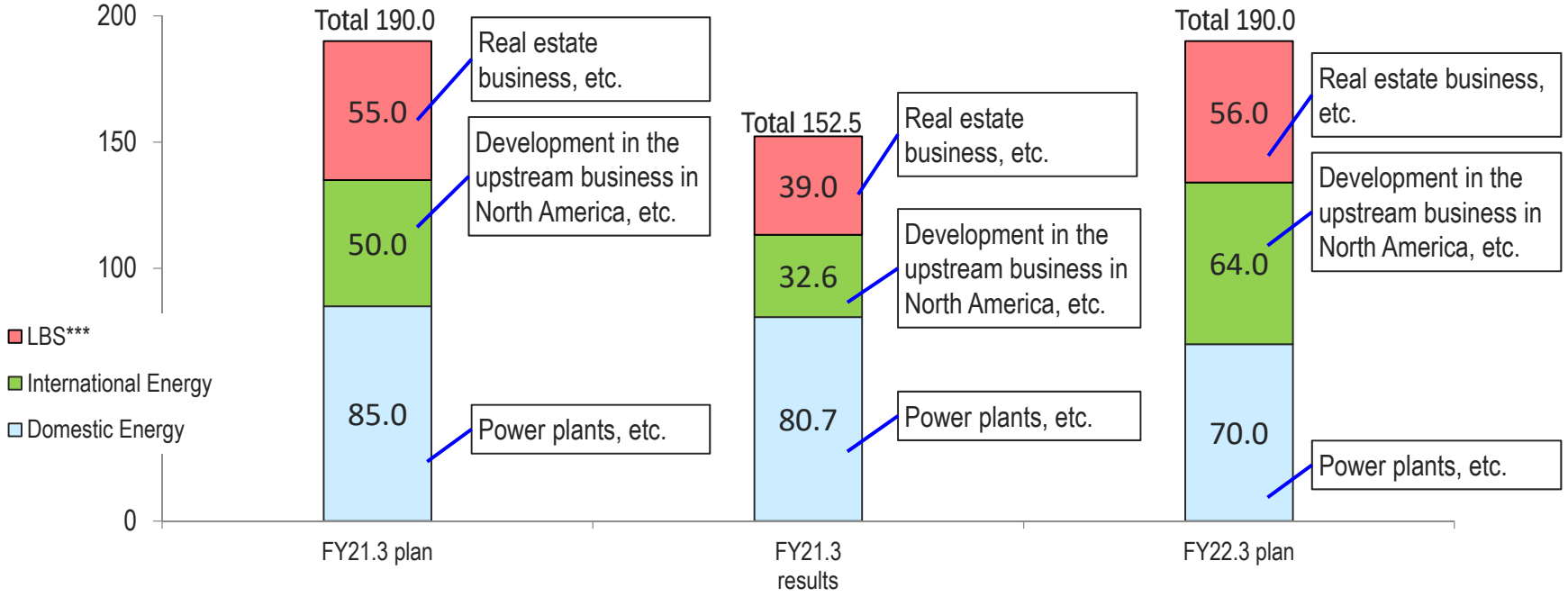
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Investment for Growth

- In FY2021.3, we invested ¥152.5 billion for growth, mainly on the power plants in the Domestic Energy business, the development in the upstream business in North America and the real estate business.
- The financial soundness indicator maintains a Shareholders' equity ratio of around 50% and a D/E ratio of around 0.7 due to issue of hybrid bonds, etc.

	FY20.3 end results		FY21.3 end results		FY22.3 end forecasts	
		After adjustment**		After adjustment**		After adjustment**
Shareholders' equity ratio (%)	46.6	48.9	46.8	50.5	45.7	49.3
D/E ratio	0.76	0.67	0.73	0.60	0.79	0.66

(billion yen)

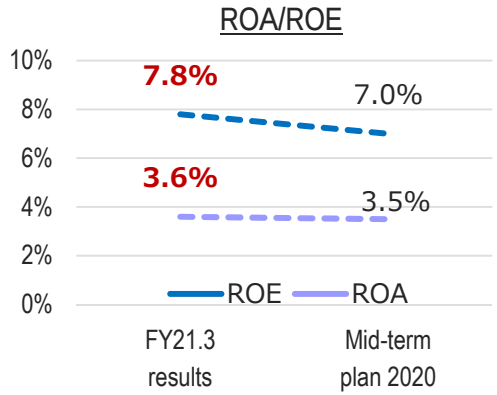


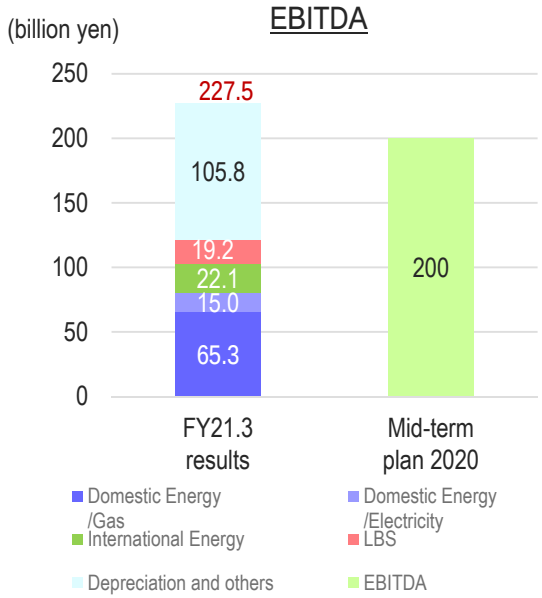
* Amounts of investment include both capital expenditure items and investment-and-loan items, and therefore the amounts of investment are different from actual amounts of capital expenditures.
** Calculated with 50% of issued hybrid bonds as equity. Total ¥175 billion (Dec. 2019 ¥100 billion, Sep. 2020 ¥75 billion).
It does not mean that shareholders will be diluted.
*** LBS：Life & Business Solutions

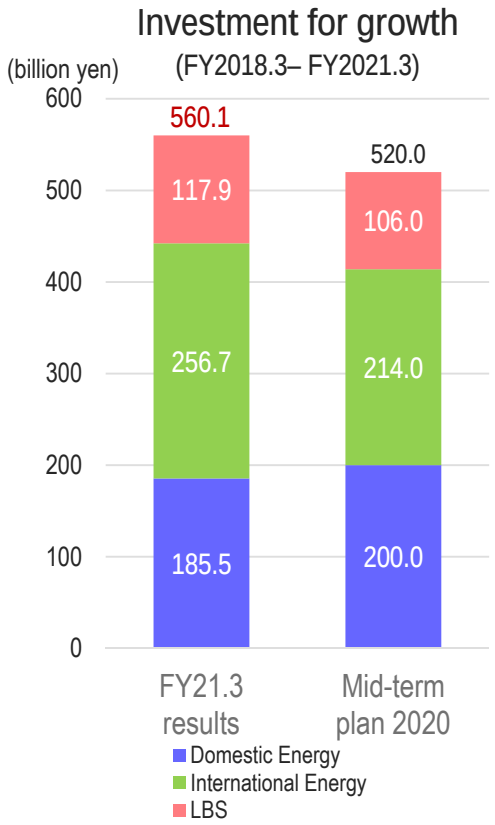
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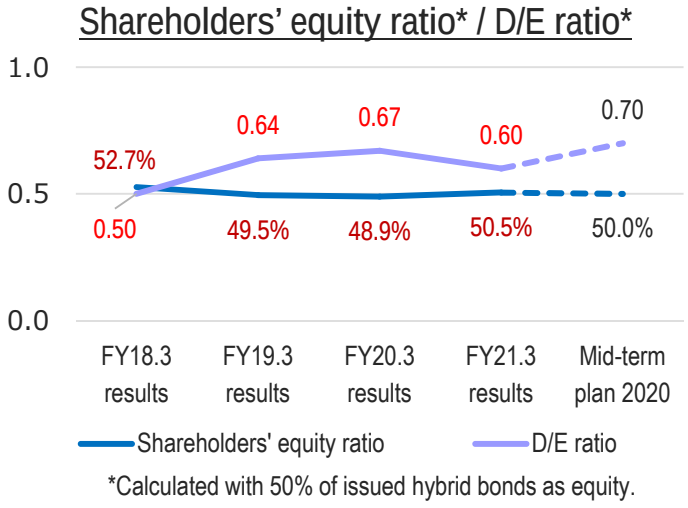
Review of Medium-term Management Plan 2020 (FY2018.3– FY2021.3)

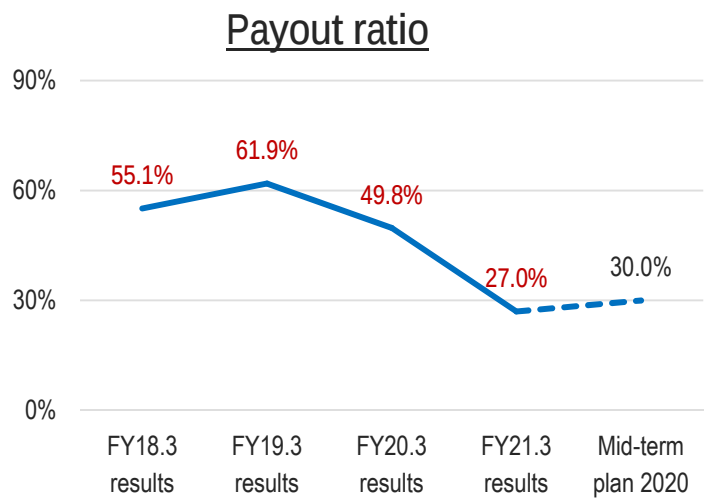
✓ Achieved most of the targets of Medium-Term Management Plan 2020, partly due to temporary profit increase factors.











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Ⅲ. Business Results for FY2021.3

YoY Comparison of FY2021.3 -I

billion yen	A. FY21.3 results	B. FY20.3 results	A-B	(A-B)/B	Remarks
Net sales	1,364.1	1,368.6	-4.5	-0.3%	
Operating Profit	112.4	83.7	+28.6	+34.3%	
Ordinary profit	127.7	86.0	+41.7	+48.5%	Increase in the profit contribution from Freeport LNG Project and Sabine Shale Gas Project in the International Energy business and the profit increase in the Domestic Energy / Gas and Electricity business
Time-lag effect*	-1.6	6.5	-8.1	-	
Ordinary profit excluding time-lag effect	129.4	79.5	+49.9	+62.8%	
Profit attributable to owners of parent	80.8	41.7	+39.0	+93.5%	Impairment loss in FY21.3 ¥19.0 billion Impairment loss in FY20.3 ¥15.5 billion
Earnings per share (EPS) (yen)	194.5	100.5	+94.0	+93.5%	
EBITDA**	227.5	180.9	+46.6	+25.8%	

*Included in non-consolidated gas business
** EBITDA = Operating profit + share of profit (loss) of entities accounted for using equity method + depreciation (including amortization of goodwill)

		A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Crude oil price	USD/bbl	43.4	67.8	-24.4	A: Average of preliminary monthly data up to March
Exchange rate	JPY/USD	106.1	108.7	-2.6	

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YoY Comparison of FY2021.3 -II

billion yen	A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Total assets	2,313.3	2,140.4	+172.8	Progress in the investment for growth, etc.
Shareholders' equity	1,081.8	997.4	+84.3	
Book value per share (BPS)(yen)	2,602.2	2,399.1	+203.1	
Interest-bearing debts	785.3	754.0	+31.3	Bond issue, etc.
Hybrid bonds	175.0	100.0	+75.0	

	A. FY21.3 results	B. FY20.3 results	A-B	Remarks
ROE	7.8%	4.2%	+3.6%	
ROA	3.6%	2.0%	+1.6%	

	A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Shareholders' equity ratio	46.8%	46.6%	+0.2%	
After adjustment*	50.5%	48.9%	+1.6%	
Debt/Equity ratio	0.73	0.76	-0.03	
After adjustment*	0.60	0.67	-0.08	

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

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YoY Comparison of FY2021.3 -III

billion yen	A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Cash flows from operating activities	219.7	182.8	+36.9	
Cash flows from investing activities	-198.3	-232.2	+33.9	
Free cash flow*	21.4	-49.3	+70.8	

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

billion yen	A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Investment for quality improvement	68.8	57.4	+11.3	
Investment for growth	152.5	168.3	-15.8	
Domestic Energy	80.7	40.4	+40.3	Power plants, etc.
International Energy	32.6	95.3	-62.7	Development in the upstream business in North America, etc.
Life & Business Solutions	39.0	32.5	+6.5	Real estate business, etc.
Capital expenditures	189.4	131. 0	+58.4	
Depreciation	101.4	91.9	+9.5	

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YoY Comparison of FY2021.3 -IV

	A. FY21.3 results	B. FY20.3 results	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	9,401	9,102	+299	+3.3%	
(Non-consolidated) Number of units for gas supply	5,031	5,225	-194	-3.7%	
Number of low-voltage electricity supply	1,510	1,322	+188	+14.2%	
Consolidated gas sales volume (million m^3)	7,157	7,362	-206	-2.8%	
(Non-consolidated) gas sales volume	7,121	7,324	-203	-2.8%	
Residential	1,862	1,798	+64	+3.6%	Impact of temperature +122, Number of units for gas supply -53
Monthly gas sales volume per household (m^3/month)	31.6	29.2	+2.4	+8.3%	
Non-Residential	5,259	5,526	-267	-4.8%	Capacity utilization of facilities -243
Electricity Sales Volume (GWh)	16,133	13,189	+2,944	+22.3%	
Retail	5,721	4,617	+1,104	+23.9%	
Wholesale, etc.	10,412	8,572	+1,840	+21.5%	Increase for JEPX(Japan Electric Power Exchange)

	A. FY21.3 results	B. FY20.3 results	A-B	Remarks
Average temperature (℃)	17.6	17.8	-0.2	

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YoY Comparison of FY2021.3 -V

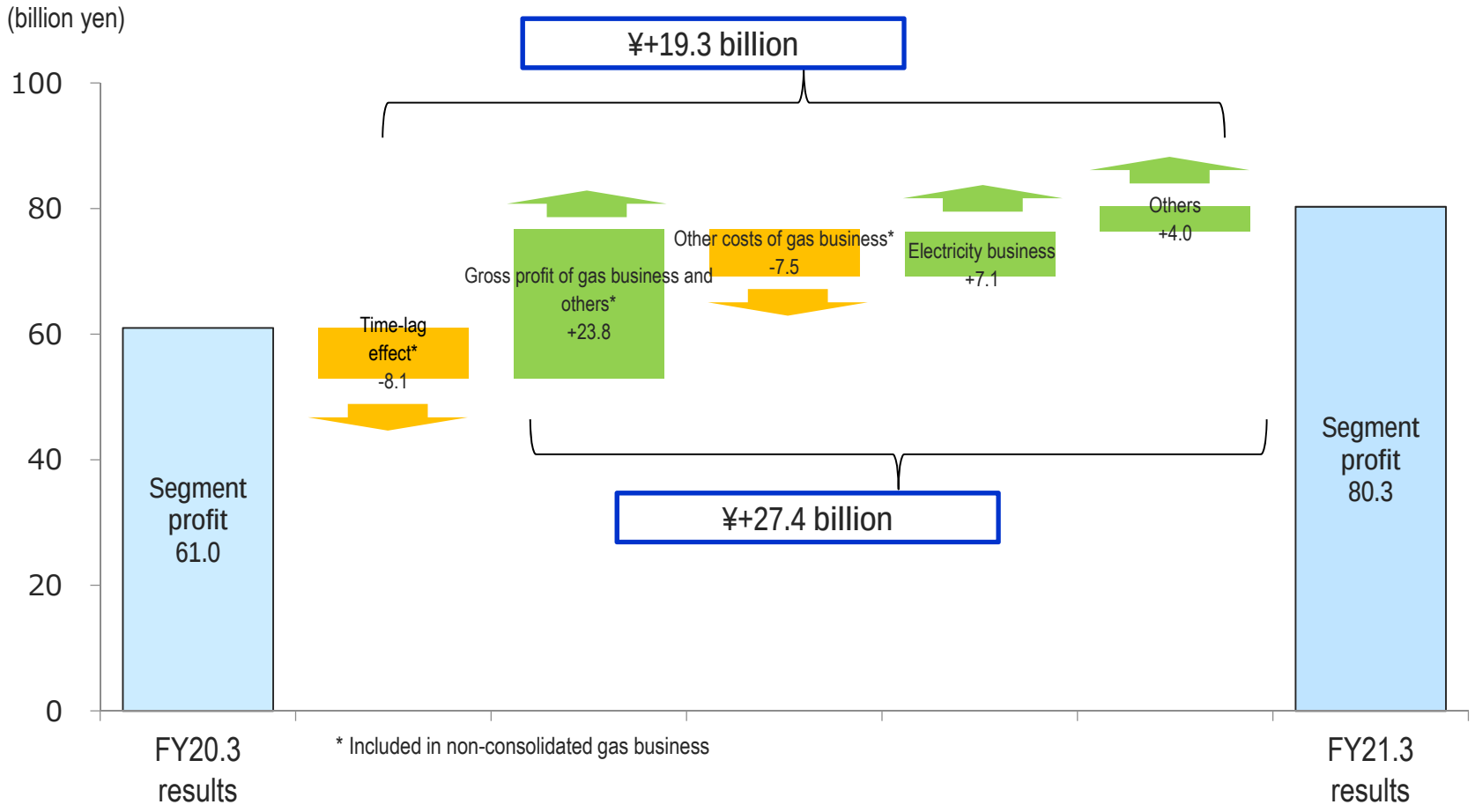
Consolidated (billion yen)	A. FY21.3 results	B. FY20.3 results	A-B	(A-B)/B	Remarks
Net Sales	1,364.1	1,368.6	-4.5	-0.3%	
Domestic Energy / Gas	916.0	976.9	-60.8	-6.2%	Decrease in the gas sales unit price, etc.
Domestic Energy / Electricity	247.2	201.5	+45.7	+22.7%	Increase in the electricity sales volume, etc.
International Energy	69.1	61.2	+7.9	+13.0%	Sales increase of Sabine Shale Gas Project, etc.
Life & Business Solutions	216.5	2,19.4	-2.8	-1.3%	
Adjustments	-85.0	-90.5	+5.4	-	
Segment profit**	126.1	89.0	+37.0	+41.7%	
Domestic Energy / Gas	65.3	53.2	+12.1	+22.8%	Effects of low temperatures in winter, etc.
Domestic Energy / Electricity	15.0	7.8	+7.1	+91.4%	Increase in the electricity sales volume, etc.
International Energy	22.1	8.1	+13.9	+170.9%	Increase in the profit contribution from Freeport LNG Project and Sabine Shale Gas Project, etc.
Life & Business Solutions	19.2	19.6	-0.4	-2.2%	
Adjustments	4.3	0.1	+4.2	-	
Profit (Loss) on time-lag effect ***	-1.6	6.5	-8.1	-	
Profit (Loss) on market value of derivative****	-7.0	-2.5	-4.4	-	

*In April 2020, Gas and Power Co., Ltd. (Domestic Energy / Electricity) was merged into Daigas Gas and Power Solution Co., Ltd.(Domestic Energy / Gas).
Results for FY2020.3 are calculated with consideration of this merger.
**Segment profit = Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method
***Included in Domestic Energy / Gas.
****Included in International Energy.

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Results for Each Segment- Domestic Energy (Gas and Electricity)

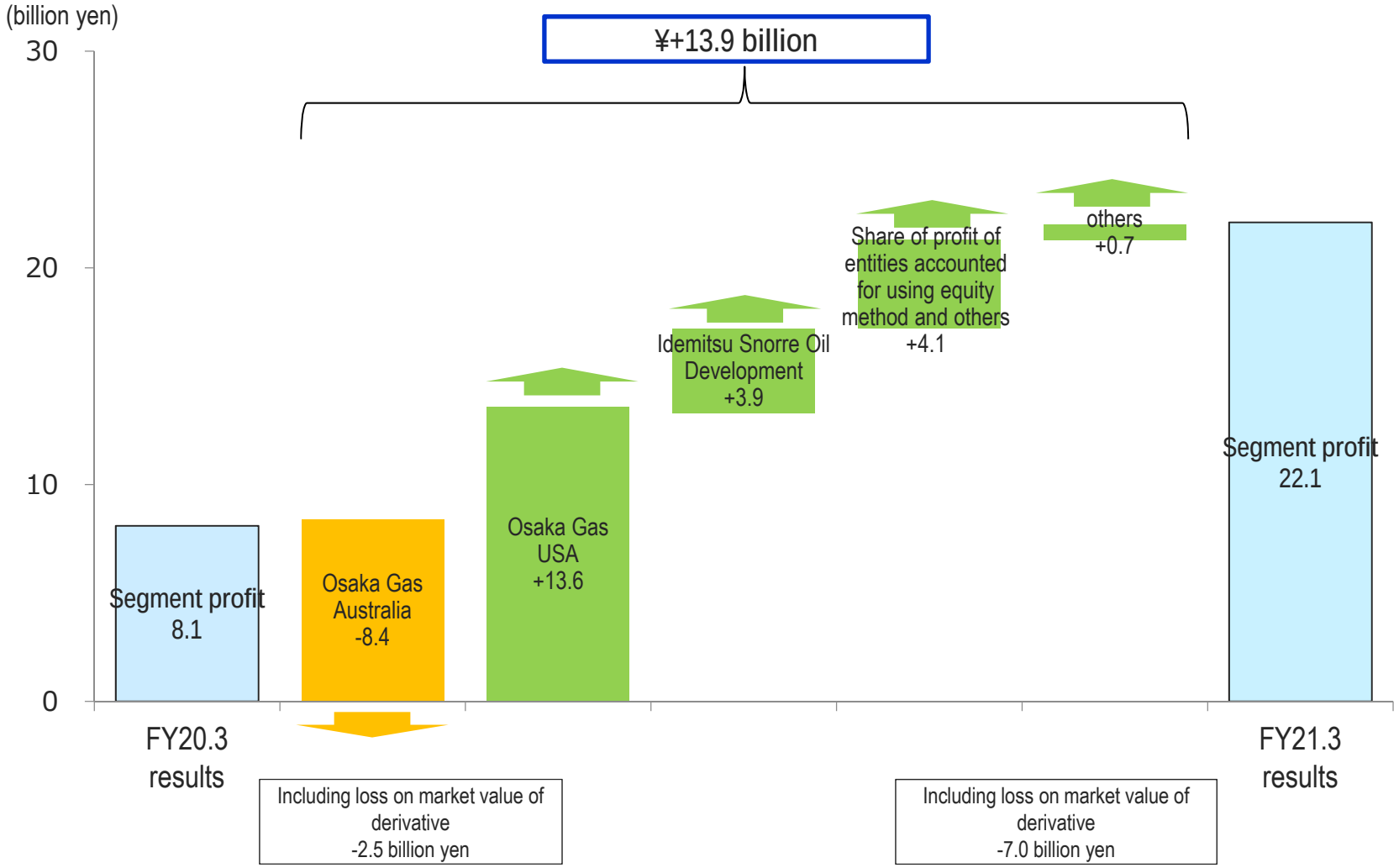
✓ Domestic Energy segment profit increased by ¥19.3 billion to ¥80.3 billion, due to the effects of low temperatures in winter and profit increase in electricity business, etc.



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Results for Each Segment- International Energy

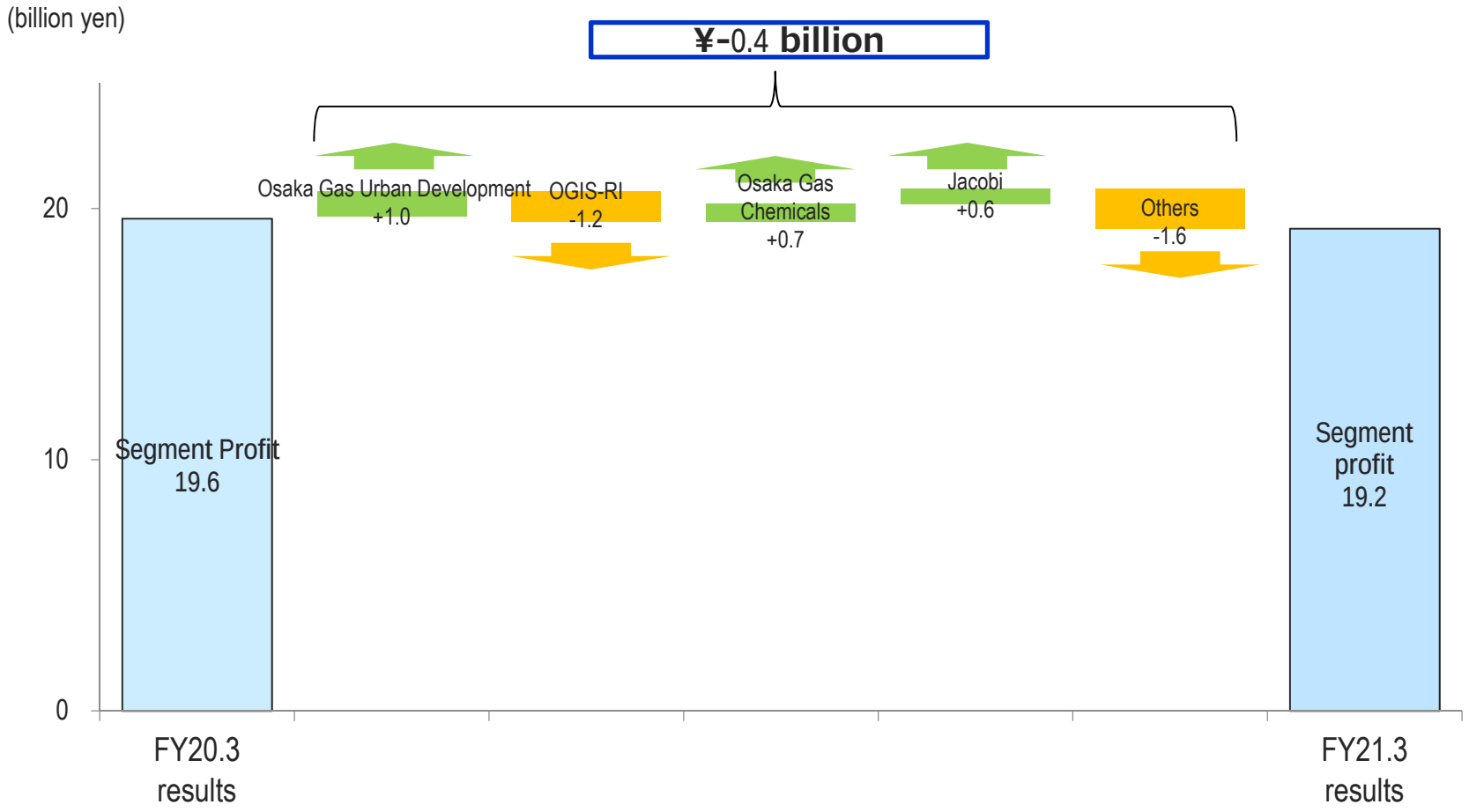
✓ International Energy segment profit increased by ¥13.9 billion to ¥22.1 billion, due to the increase in the profit contribution from Freeport LNG Project and Sabine Shale Gas Project, etc.



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Results for Each Segment- Life & Business Solutions

Life & Business Solutions segment profit maintains **almost the same level as the previous year** with profit increase in the real estate business and materials solutions business and profit decrease in the information solutions business and the fitness business.



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Comparison of Forecasts for FY2021.3 -I

billion yen	A. FY21.3 results	B. FY21.3 forecasts	A-B	(A-B)/B	Remarks
Net sales	1,364.1	1,330.0	+34.1	+2.6%	
Operating Profit	112.4	88.5	+23.9	+27.1%	
Ordinary profit	127.7	100.0	+27.7	+27.8%	Effects of low temperatures in winter in Domestic Energy / Gas business, etc.
Time-lag effect*	-1.6	4.2	-5.9	-	
Ordinary profit excluding time-lag effect	129.4	95.7	+33.7	+35.2%	
Profit attributable to owners of parent	80.8	71.5	+9.3	+13.1%	Impairment loss in FY21.3 ¥19.0 billion
Earnings per share (EPS) (yen)	194.5	172.0	+22.5	+13.1%	
EBITDA**	227.5	200.0	+27.5	+13.8%	

*Included in non-consolidated gas business.
**EBITDA = Operating profit + share of profit (loss) of entities accounted for using equity method + depreciation (including amortization of goodwill)

		A. FY21.3 results	B. FY21.3 forecasts	A-B	Remarks
Crude oil price	USD/bbl	43.4	41.3	+2.1	A: Average of preliminary monthly data up to March
Exchange rate	JPY/USD	106.1	105.8	+0.2	

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Comparison of Forecasts for FY2021.3 -II

Consolidated (billion yen)	A. FY21.3 results	B. FY21.3 forecasts	A-B	(A-B)/B	Remarks
Net Sales	1,364.1	1,330.0	+34.1	+2.6%	
Domestic Energy / Gas	916.0	863.5	+52.5	+6.1%	
Domestic Energy / Electricity	247.2	221.0	+26.2	+11.9%	
International Energy	69.1	79.0	-9.8	-12.4%	
Life & Business Solutions	216.5	217.5	-0.9	-0.4%	
Adjustments	-85.0	-51.0	-34.0	-	

Segment profit*	126.1	103.5	+22.6	+21.8%	
Domestic Energy / Gas	65.3	47.5	+17.8	+37.5%	Effects of low temperatures in winter, etc.
Domestic Energy / Electricity	15.0	15.0	+0.0	+0.2%	
International Energy	22.1	22.0	+0.1	+0.5%	
Life & Business Solutions	19.2	19.0	+0.2	+1.3%	
Adjustments	4.3	-	+4.3	-	

Profit (Loss) on time-lag effect **	-1.6	4.2	-5.9	-	

*Segment profit = Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method
** Included in Domestic Energy / Gas.

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Ⅳ. Forecasts for FY2022.3

YoY Comparison of FY2022.3 Forecasts -I

billion yen	A. FY22.3 forecasts	B. FY21.3 results	A-B	(A-B)/B	Remarks
Net sales	1,405.0	1,364.1	+40.8	+3.0%	Increase in the gas sales unit price, etc.
Operating Profit	80.5	112.4	-31.9	-28.4%	
Ordinary profit	95.0	127. 7	-32.7	-25.6%	The loss of time-lag effect and the rebound from the effects of low temperatures in winter in the Domestic Energy business exceed the profit increase in the International Energy business etc.
Time-lag effect*	-11.9	1.6	-13.6	-	
Ordinary profit excluding time-lag effect	106.9	126.0	-19.0	-15.1%	
Profit attributable to owners of parent	70.5	80.8	-10.3	-12.8%	Impairment loss in FY21.3 ¥19.0 billion
Earnings per share (EPS) (yen)	169.6	194.5	-24.9	-12.8%	
EBITDA**	200.0	227.5	-27.5	-12.1%	
NOPAT***	83.5	111.5	-28.0	-25.1%	

* Included in non-consolidated gas business and electricity business.
** EBITDA = Operating profit + share of profit (loss) of entities accounted for using equity method + depreciation (including amortization of goodwill)
***NOPAT = Ordinary profit + Financial expenses (Interest expenses - Interest income) - Income taxes

Assumptions		A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Crude oil price	USD/bbl	60.0	43.4	+16.7	B: Average of preliminary monthly data up to March
Exchange rate	JPY/USD	105.0	106.1	-1.1	

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YoY Comparison of FY2022.3 Forecasts -II

billion yen	A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Total assets	2,444.4	2,313.3	+131. 0	Progress in the investment for growth, etc.
Shareholders' equity	1,116.6	1,081.8	+34.8	
Book value per share (BPS) (yen)	2,685.7	2,602.2	+83.6	
Interest-bearing debts	882.8	785.3	+97.4	Increase due to a new financing, etc.
Invested capital*	1,987.9	1,856.8	+131.0	

*Invested capital = Shareholders' equity + Balance of interest-bearing debts (excluding risk-free leased Liabilities to us)

	A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
ROIC	4.4%	6.2%	-1.8%	
ROE	6.6%	7.8%	-1.2%	

	A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Shareholders' equity ratio	45.7%	46.8%	-1.1%	
After adjustment*	49.3%	50.5%	-1.3%	
Debt/Equity ratio	0.79	0.73	+0.06	
After adjustment**	0.66	0.60	+0.06	

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

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YoY Comparison of FY2022.3 Forecasts -III

billion yen	A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Cash flows from operating activities	165.1	219.7	-54.6	
Cash flows from investing activities*	-259.0	-198.3	-60.6	
Free cash flow**	-93.8	21.4	-115.2	

*Forecasts are amount of investment.
**Free cash flow = Cash flows from operating activities - Cash flows from investing activities

billion yen		A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Investment for quality improvement		69.0	68.8	+0.1	
Investment for growth		190.0	152.5	+37.4	
	Domestic Energy	70.0	80.7	-10.7	
	International Energy	64.0	32.6	+31.3	
	Life & Business Solutions	56.0	39.0	+16.9	
Capital expenditures		196.0	189. 4	+6.5	
Depreciation		119.5	101. 4	+18.0	

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YoY Comparison of FY2022.3 Forecasts -Ⅳ

	A. FY22.3 forecasts	B. FY21.3 results	A-B	(A-B)/B	Remarks
Number of customer accounts (thousands)	9,680	9,401	+279	+3.0%	
Consolidated gas sales volume (million m^3)	6,987	7,157	-169	-2.4%	
(Non-consolidated) gas sales volume	6,956	7,121	-165	-2.3%	
Residential	1,695	1,862	-167	-9.0%	Rebound from effects of air and water temperature, etc.
Non-Residential	5,261	5,259	+2	+0.0%	
Electricity Sales Volume (GWh)	18,024	16,133	+1,891	+11.7%	

	A. FY22.3 forecasts	B. FY21.3 results	A-B	Remarks
Average temperature (℃)	17.2	17.6	-0.4	

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YoY Comparison of FY2022.3 Forecasts -V

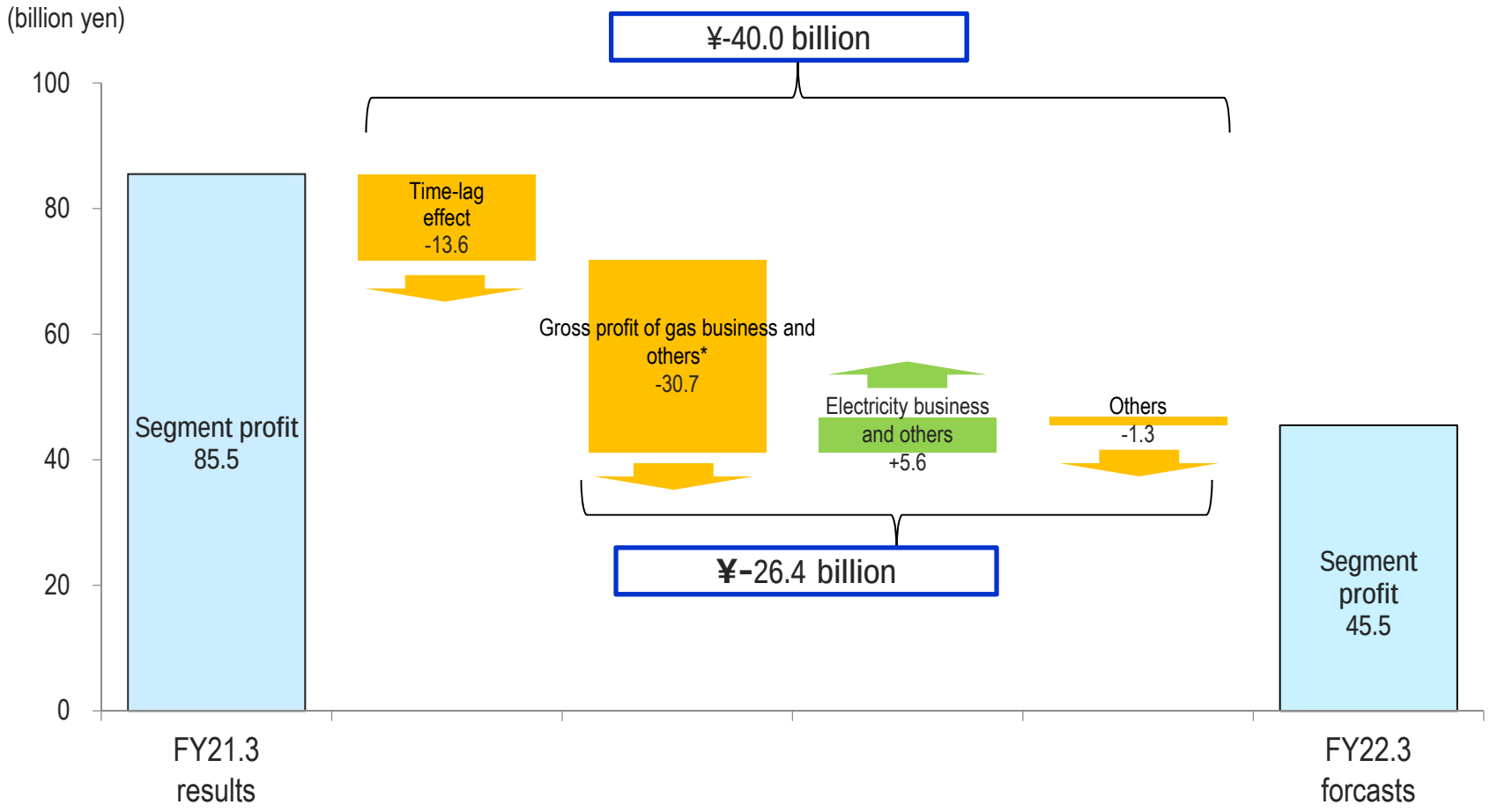
Consolidated (billion yen)	A. FY22.3 forecasts*	B. FY21.3 results*	A-B	(A-B)/B	Remarks
Net Sales	1,405.0	1,364.1	+40.8	+3.0%	
Domestic Energy	1,170.0	1,158.3	+11.6	+1.0%	Increase in the gas sales unit price, etc.
International Energy	60.0	44.2	+15.7	+35.4%	Sales increase in business in North America
Life & Business Solutions	230.0	216.5	+13.4	+6.2%	Sales increase in the material business, etc.
Adjustments	-55.0	-55.1	+0.1	-	
Segment profit**	94.5	126.1	-31.6	-25.1%	
Domestic Energy	45.5	85.5	-40.0	-46.8%	Rebound from effects of low temperature in winter, etc.
Electricity	15.0	14.8	+0.1	+1.1%	
International Energy	31.0	16.8	+14.1	+83.6%	Increase in the profit contribution from Freeport LNG Project, profit increase in the upstream business in Australia due to the crude oil price hike, etc.
Life & Business Solutions	19.0	19.2	-0.2	-1.3%	
Adjustments	-1.0	4.3	-5.3	-	
Profit (Loss) on time-lag effect ***	-11.9	1.6	-13.6	-	
(Non-consolidated) Gas business	-9.8	-1.6	-8.1	-	
Electricity business	-2.1	3.3	-5.5	-	

*From FY22.3, “Domestic Energy / Gas” and ”Domestic Energy / Electricity” are integrated into the “Domestic Energy”. Osaka Gas International Transport Inc. and its subsidiaries are transferred “Domestic Energy” from “International Energy”. Osaka Gas’ operating expenses for International Energy business, which was previously included in “Domestic Energy / Gas” are transferred into “International Energy.” Results For FY2021.3 this page are calculated with consideration of the reclassification.
**Segment profit = Operating profit(loss) + Share of profit(loss) of entities accounted for using equity method
***Included in Domestic Energy.

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Forecasts for Each Segment- Domestic Energy

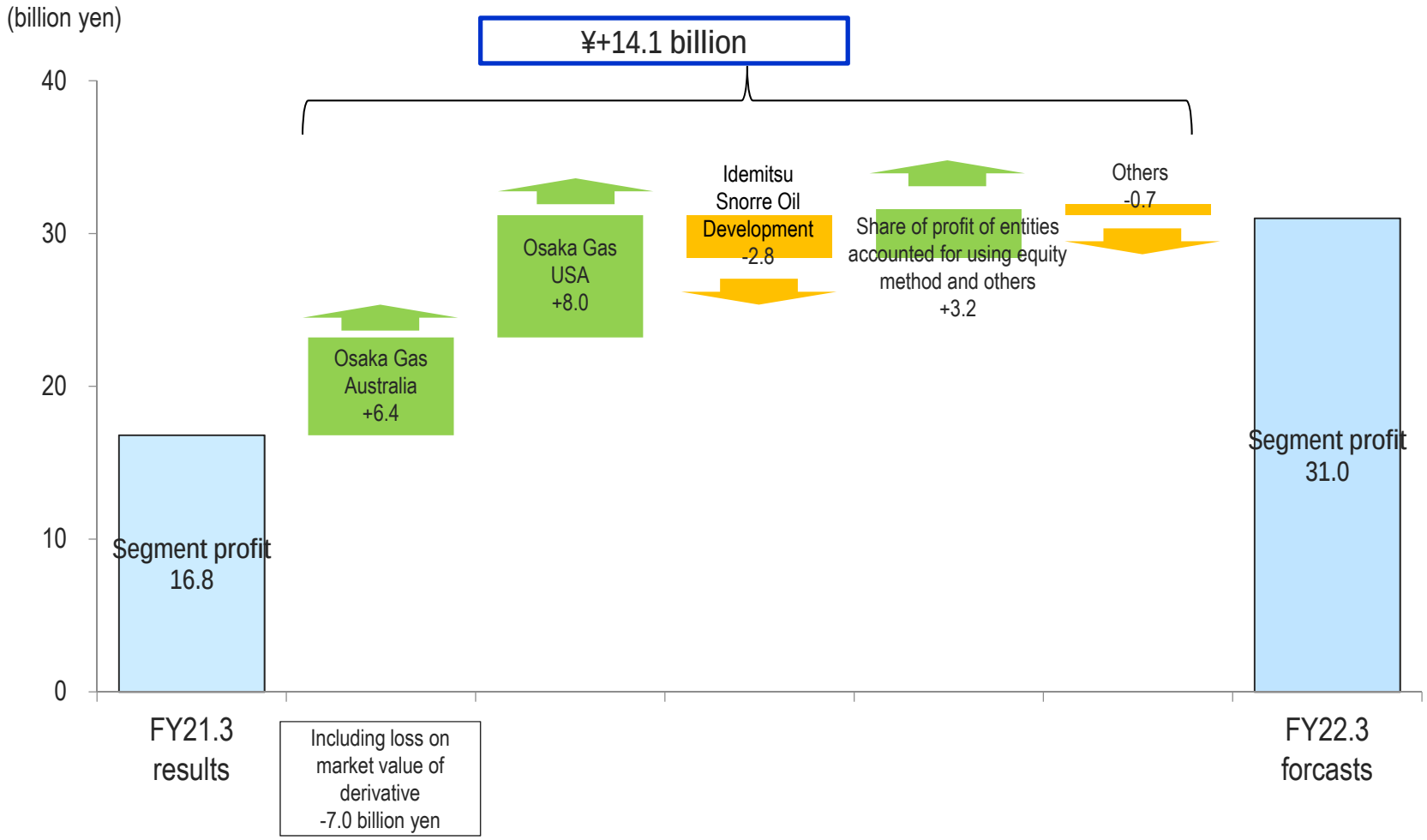
✓ Domestic Energy segment profit will decrease by ¥40.0 billion to ¥45.5 billion. The loss of time-lag effect and the rebound from the effects of low temperature in winter FY21.3 will exceed profit increase in the electricity business due to the sales volume increase.



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Forecasts for Each Segment- International Energy

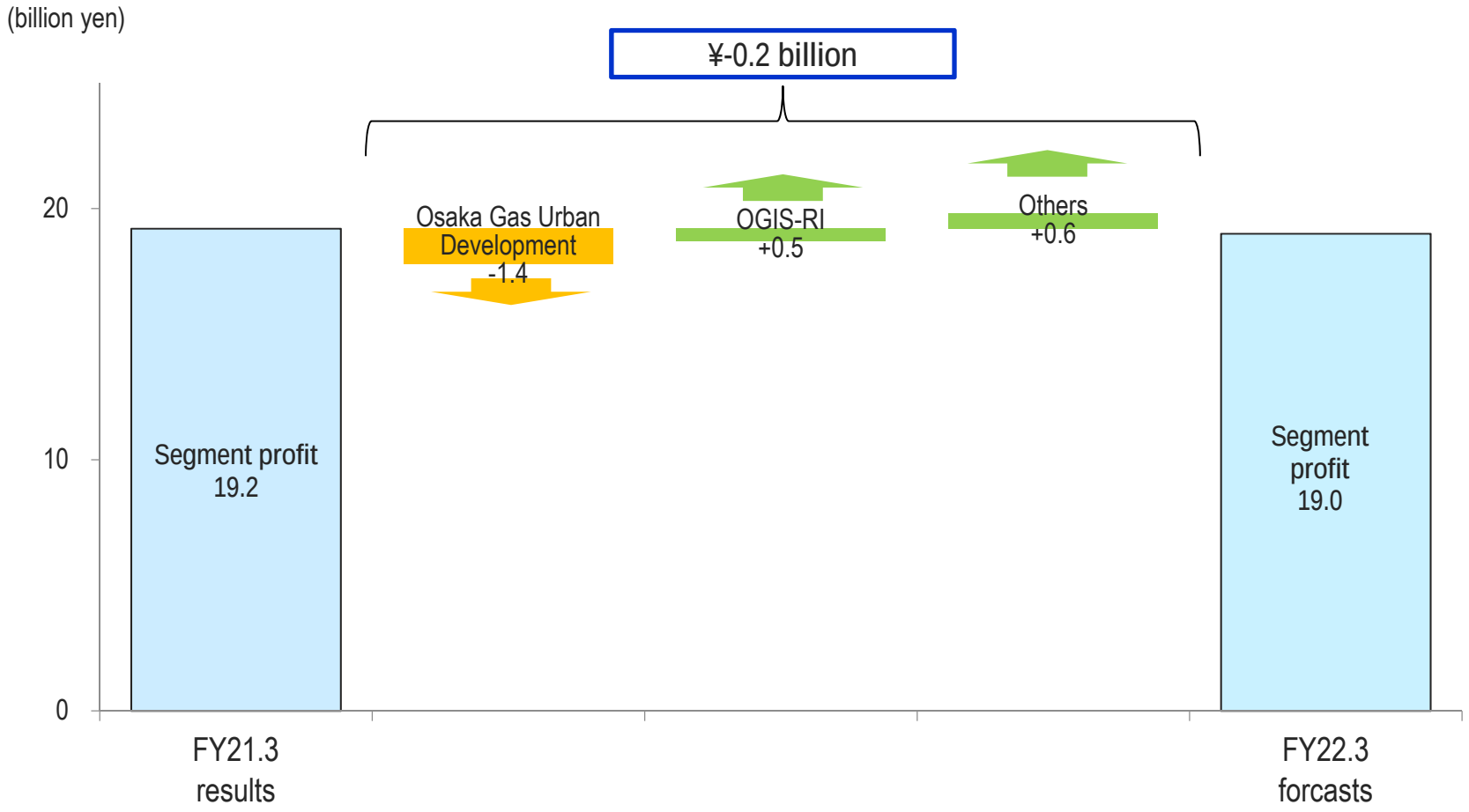
✓ International Energy segment profit will increase by ¥ 14.1 billion to ¥ 31.0 billion due to the profit increase from Freeport LNG Project and the profit increase in the upstream business in Australia due to the crude oil price hike, etc.



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Forecasts for Each Segment- Life & Business Solutions

✓ Life & Business Solutions segment profit will be almost the same level as the previous year.



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Risk Factors for Annual Earnings Results Forecasts

- Atmospheric and water temperatures
  - A +1 degree Celsius change in atmospheric and water temperatures will affect the residential gas sales volume: increase/decrease of approx. -7% in spring and autumn, approx. -8% in summer, and approx. -6% in winter.
- Crude oil prices
  - LNG prices are linked to crude oil prices. A +1USD/bbl. change in crude oil prices will have an effect of approx. -0.7 billion yen on annual ordinary profit.
- Foreign exchange rate
  - LNG prices are affected by fluctuations in the USD/JPY exchange rate. A +1 yen fluctuation in the USD/JPY exchange rate will have an effect of approx. -0.5 billion on annual ordinary profit.
- Materials costs
  - Although the fuel cost adjustment system allows us to reflect changes in fuel costs in gas rates in the medium- and long-term, an increase in fuel costs is likely to affect the business results due to a time lag in reflecting cost fluctuations, and also depends on the composition of fuel suppliers.
- Interest rate
  - A +1% change in the interest rate will have an effect of approx. +1.6 billion yen on annual consolidated non-operating expenses.

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