



Fiscal Year Ended March 31, 2024

Brief Report of Consolidated Financial Statements (Japanese GAAP)

* This document is an English translation of materials originally disclosed in Japanese and is provided for reference purpose only.

May 8, 2024

Name of Listed Company	: Osaka Gas Co., Ltd.	Listed Exchange:	Prime Market of Tokyo
Code No.	: 9532	URL:	https://www.osakagas.co.jp/en/
Representative Officer	: Title: President	Name:	Masataka Fujiwara
Contact	: Title: Manager, Finance Dept.	Name:	Shinji Konno
Scheduled Date of Annual General Meeting of Shareholders	: June 27, 2024		
Scheduled Date of Financial Report Filing with the Financial Services Agency	: June 27, 2024		
Scheduled Date of Dividend Payment	: June 28, 2024		
Preparation of Supplementary Explanation Documents for Operating Results	: Yes		
Holding of an Informational Meeting for Operating Results	: Yes (for institutional investors and analysts)		

(Amounts less than one million yen are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Consolidated Operating Results (% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2024	2,083,050	-8.4	172,553	187.6	226,563	199.5	132,679	132.3
Year ended March 31, 2023	2,275,113	43.0	60,001	-39.5	75,649	-33.4	57,110	-56.2

(Note) Comprehensive income: Year ended March 31, 2024 234,112 million yen (59.9% YoY)
Year ended March 31, 2023 146,373 million yen (-30.6% YoY)

	Earnings per share	Diluted earnings per share	Profit /Shareholders' equity	Ordinary profit /Total assets	Operating profit /Net sales
	yen	yen	%	%	%
Year ended March 31, 2024	320.60	-	8.9	7.8	8.3
Year ended March 31, 2023	137.39	-	4.3	2.8	2.6

<Reference> Share of profit of entities accounted for using equity method: Year ended March 31, 2024 31,982 million yen
Year ended March 31, 2023 12,929 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity /Total assets	Shareholders' equity per share
	million yen	million yen	%	yen
As of March 31, 2024	2,980,127	1,604,992	52.9	3,857.51
As of March 31, 2023	2,819,589	1,417,178	49.3	3,347.34

<Reference> Shareholders' equity: As of March 31, 2024 1,577,512 million yen
As of March 31, 2023 1,391,421 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	million yen	million yen	million yen	million yen
Year ended March 31, 2024	312,609	(215,944)	(110,123)	77,229
Year ended March 31, 2023	33,572	(203,938)	119,617	84,793

2. Dividends

	Dividends per share					Total dividends (full year)	Payout ratio (consolidated)	Dividends /Shareholders' equity (consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2023	-	30.00	-	30.00	60.00	24,940	43.7	1.9
Year ended March 31, 2024	-	32.50	-	50.00	82.50	33,958	25.7	2.3
Year ending March 31, 2025 (Forecast)	-	47.50	-	47.50	95.00		34.7	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% of change from the previous fiscal year.)									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,986,000	-4.7	123,500	-28.4	153,000	-32.5	112,000	-15.6	273.87

(Note) The Company resolved to repurchase its treasury shares at the Board of Directors meeting held on May 8, 2024. However, the impact of repurchase of its treasury shares is not taken into account in regards to “Earnings per share” in the forecasts of consolidated financial results. Please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to the Consolidated Financial Statements (Subsequent Events)” on page 16 of the Attachment to this Brief Report of Consolidated Financial Statements.

* Notes

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

- (i) Changes in accounting policies due to revisions to accounting standards, etc.: None
- (ii) Changes in accounting policies other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatements: None

(3) Issued shares (common shares)

- (i) Number of issued shares at the end of each fiscal year (including treasury shares):

As of March 31, 2024	409,912,100 shares
As of March 31, 2023	416,680,000 shares
- (ii) Number of treasury shares at the end of each fiscal year:

As of March 31, 2024	966,125 shares
As of March 31, 2023	1,000,693 shares
- (iii) Average number of shares during each fiscal year:

Year ended March 31, 2024	413,844,249 shares
Year ended March 31, 2023	415,671,496 shares

(Reference) Summary of non-consolidated financial results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(1) Non-Consolidated Operating Results

(% of change from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended March 31, 2024	1,565,354	-8.8	45,162	—	80,183	—	68,425	—
Year ended March 31, 2023	1,716,757	—	-90,251	—	-77,471	—	-45,244	—

	Earnings per share	Diluted earnings per share
	yen	yen
Year ended March 31, 2024	165.34	-
Year ended March 31, 2023	-108.85	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Net assets/Total assets	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2024	1,933,606	815,346	42.2	1,993.78
As of March 31, 2023	1,913,653	791,073	41.3	1,903.09

<Reference> Net assets As of March 31, 2024 815,346 million yen As of March 31, 2023 791,073 million yen

(*) Reasons for differences in non-consolidated financial results from the previous fiscal year.

On April 1, 2022, the Company's general gas pipeline service business was succeeded by Osaka Gas Network Co., Ltd., by means of an absorption-type split. The percentage change from the Fiscal Year Ended March 31, 2022 to the Fiscal Year Ended March 31, 2023 has been omitted due to the inability to make appropriate comparisons with the Fiscal Year Ended March 31, 2022.

* This Brief Report of Consolidated Financial Statements is outside the scope of audit procedures by a certified public accountant or an audit firm.

* Notes on proper use of forecasts and other matters

1. Forward-looking statements contained in this document, including financial results forecasts, are based on information currently available to Osaka Gas Co., Ltd. ("the Company") and certain assumptions that the Company regards as reasonable. Actual results may differ significantly from these forecasts due to various factors. As for notes regarding assumptions used for and the use of the financial results forecasts, please refer to "1. Overview of Operating Results, (4) Forecasts for the Next Fiscal Year" on Page 5 of the Attachment to this Brief Report of Consolidated Financial Statements.

2. The Company plans to hold a results briefing for institutional investors and analysts on May 9, 2024. Immediately after the meeting, the presentation materials and contents will be made available on the Company's website.

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1. Overview of Operating Results

(1) Overview of Operating Results

(i) Overview of operating results

Consolidated net sales for the fiscal year ended March 31, 2024 decreased by ¥192.0 billion (-8.4%) year-on-year to ¥2,083.0 billion. This was primarily due to the lower unit selling price of city gas under the fuel cost adjustment system during the winter season when gas volume is high and a decrease in LNG prices in the Domestic Energy Business. Consolidated ordinary profit increased by ¥150.9 billion (+199.5%) year-on-year to ¥226.5 billion. This was primarily due to 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 and 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. Profit attributable to owners of parent increased by ¥75.5 billion (+132.3%) year-on-year to ¥132.6 billion.

The number of consolidated subsidiaries is currently 159, with 6 subsidiaries added and 1 removed since the fiscal year ended March 31, 2023. The number of equity method affiliates is currently 42 with 11 added and 1 removed since the fiscal year ended March 31, 2023.

(*) 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)

	Consolidated results	Compared with previous fiscal year	
		increase/decrease	increase/decrease rate (%)
Net sales	2,083.0	-192.0	-8.4
Cost of sales	1,672.6	-320.2	-16.1
Selling, general and administrative expenses	237.8	+15.5	+7.0
Operating profit	172.5	+112.5	+187.6
Ordinary profit	226.5	+150.9	+199.5
Profit attributable to owners of parent	132.6	+75.5	+132.3

(ii) Overview of each Business Segment

a. Domestic Energy

Net sales decreased by ¥201.0 billion (-10.2%) year-on-year to ¥1,770.6 billion. This was primarily due to the lower unit selling price of city gas under the fuel cost adjustment system during the winter season when gas volume is high and a decrease in LNG prices. Segment profit increased by ¥119.5 billion year-on-year to ¥92.2 billion. This was primarily due to 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 and the positive impact of a time lag between fluctuations in raw material costs, etc. and their reflection in the unit selling prices(*).

(*) please refer to “(i) Overview of operating results”

(Domestic Gas Sales Breakdown)

		Fiscal year ended March 31, 2024	YoY Changes rate (%)
Gas sales volume (million m ³)	Residential	1,721	+1.4
	Non-residential, etc.	4,925	-4.3
	Total	6,646	-2.9
Number of gas supply (thousands)		5,048	+0.9

[45MJ/m³]

(Domestic Electricity Sales Breakdown)

		Fiscal year ended March 31, 2024	YoY Changes rate (%)
Electricity sales volume (GWh)	Retail	6,858	+7.3
	Wholesale, etc.	8,450	-11.0
	Total	15,308	-3.6
Number of low-voltage electricity supply (thousands)		1,835	+7.5

b. International Energy

Net sales decreased by ¥6.8 billion (-5.6%) year-on-year to ¥116.4 billion. This was primarily due to a decrease in sales from the upstream project in the USA and Australia. Segment profit increased by ¥9.9 billion (+14.2%) year-on-year to ¥79.6 billion. This was primarily due to 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 and an increase in profit from the energy business in the USA despite a decrease in profit from the upstream project in the USA and Australia.

c. Life & Business Solutions

Net sales increased by ¥15.4 billion (+6.0%) year-on-year to ¥274.0 billion. This was primarily due to an increase in sales in the Real Estate Business and the Information Solutions Business. Segment profit increased by ¥1.8 billion (+6.2%) year-on-year to ¥31.0 billion. This was primarily due to an increase in profit from the Real Estate Business.

(billion yen)

	Domestic Energy	International Energy	Life & Business Solutions	Adjustments	Consolidated
Net sales	-10.2% 1,770.6 [-201.0]	-5.6% 116.4 [-6.8]	+6.0% 274.0 [+15.4]	-78.0	-8.4% 2,083.0 [-192.0]
Segment profit	— 92.2 [+119.5]	+14.2% 79.6 [+9.9]	+6.2% 31.0 [+1.8]	1.5	+180.5% 204.5 [+131.6]

The percentage figures at the upper left corner of each box represent the changes from the fiscal year ended March 31, 2023.
The figures in [] brackets in each box represent the changes from the fiscal year ended March 31, 2023.

(2) Overview of Financial Position

(Assets, Liabilities, and Net Assets)

Total assets increased by ¥160.5 billion year-on-year to ¥2,980.1 billion. This was primarily due to an increase in investment securities and property, plant and equipment, resulting from progress of investment activities. Liabilities decreased by ¥27.2 billion year-on-year to ¥1,375.1 billion, primarily due to a decrease in interest-bearing debts reflecting repayment of long-term borrowings, and net assets increased by ¥187.8 billion year-on-year to ¥1,604.9 billion.

As a result, the ratio of shareholders' equity to total assets increased to 52.9% as of March 31, 2024 compared with 49.3% as of March 31, 2023.

	(billion yen)		
	As of March 31, 2024	As of March 31, 2023	YoY Changes
Total assets	2,980.1	2,819.5	+160.5
Total liabilities	1,375.1	1,402.4	-27.2
Total net assets	1,604.9	1,417.1	+187.8
Total liabilities and net assets	2,980.1	2,819.5	+160.5

(3) Overview of Cash Flows

For the fiscal year ended March 31, 2024, net cash provided by operating activities amounted to ¥312.6 billion, due to the addition of depreciation to profit before income taxes and the addition/subtraction of income taxes paid and other payments. Net cash used in investing activities amounted to ¥215.9 billion, mainly due to the purchase of property, plant and equipment. Net cash used in by financing activities amounted to ¥110.1 billion, mainly due to repayment of long-term borrowings.

Consequently, a net decrease in cash and cash equivalents in the fiscal year ended March 31, 2024 amounted to ¥7.5 billion.

With the addition of the balance of ¥84.7 billion as of the beginning of the fiscal year ended March 31, 2024, the balance of cash and cash equivalents as of the end of the fiscal year ended March 31, 2024 amounted to ¥77.2 billion.

	(billion yen)		
	Fiscal year ended March 31, 2024 (Apr. '23 - Mar. '24)	Fiscal year ended March 31, 2023 (Apr. '22 - Mar. '23)	YoY Changes
Cash flows from operating activities	312.6	33.5	+279.0
Cash flows from investing activities	(215.9)	(203.9)	-12.0
Cash flows from financing activities	(110.1)	119.6	-229.7
Net increase (decrease) in cash and cash equivalents	(7.5)	(45.9)	+38.4
Cash and cash equivalents at end of period	77.2	84.7	-7.5
Balance of interest-bearing debts at end of period	938.2	981.5	-43.2

Free cash flow* : ¥96.6 billion [¥-170.3 billion for the fiscal year ended March 31, 2023]

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

The following table shows results and forecasts for capital expenditures.

(Reference) Capital Expenditures: Results and Forecasts

	(billion yen)		
	Forecast for fiscal year ending March 31, 2025 (Apr. '24 - Mar. '25)	Fiscal year ended March 31, 2024 (Apr. '23 - Mar. '24)	Fiscal year ended March 31, 2023 (Apr. '22 - Mar. '23)
Consolidated	248.0	198.4	195.3

(4) Forecasts for the Next Fiscal Year

Consolidated net sales for the fiscal year ending March 31, 2025 is expected to decrease by ¥97.0 billion (-4.7%) year-on-year to ¥1,986.0 billion. This is mainly due to an assumption of the lower unit selling price of city gas under the fuel cost adjustment system. Consolidated ordinary profit is expected to decrease by ¥73.5 billion (-32.5%) year-on-year to ¥153.0 billion. This is primarily due to the negative 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 and to the absence of an increase in Non-operating income with exchange gain. Profit attributable to owners of parent is expected to decrease by ¥20.6 billion (-15.6%) year-on-year to ¥112.0 billion.

(*) please refer to “(i) Overview of operating results”

(billion yen)

	Forecast for fiscal year ending March 31, 2025 (Apr. '24 - Mar. '25)	Compared with fiscal year ended March 31, 2024	
		YoY Changes	YoY Changes rate (%)
Net sales	1,986.0	-97.0	-4.7
Operating profit	123.5	-49.0	-28.4
Ordinary profit	153.0	-73.5	-32.5
Profit attributable to owners of parent	112.0	-20.6	-15.6

(Reference) Assumptions for the crude oil price and exchange rate (April 1, 2024 - March 31, 2025)

Crude oil price (All Japan CIF price) at 75USD/bbl

Exchange rate (TTM) at 145JPY/USD

In addition, the following Restricted Stock Remuneration is planned in the next fiscal year. Specific details will be announced after approval at the Board of Directors meeting scheduled on June 27, 2024. At present, the class and number of shares to be disposed of is estimated at 80,090 common shares of the Company. The disposal amount is estimated at ¥0.2 billion. This amount is based on the closing price of the Company's common shares as of May 7, 2024. The disposal price per share is the closing price of the Company's common shares on the Tokyo Stock Exchange on the last business day before the date of the resolution of the Board of Directors. If trading is not effected on that date, the disposal price per share is the closing price on the last trading day of the Company's shares preceding that date.

2. Policy for Selecting an Accounting Standard

The Company will adopt Japanese GAAP as its accounting standard for the time being. The adoption of the IFRS will be considered in view of the business environment and the impact of its adoption.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	85,087	77,668
Notes and accounts receivable - trade, and contract assets	279,602	270,527
Lease receivables and investments in leases	58,732	61,502
Inventories	219,380	211,828
Other	139,265	142,101
Allowance for doubtful accounts	(1,132)	(1,148)
Total current assets	780,936	762,479
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	187,685	195,216
Machinery, equipment and vehicles, net	616,247	660,691
Land	231,327	242,068
Construction in progress	182,611	179,896
Other, net	25,917	27,071
Total property, plant and equipment	1,243,788	1,304,945
Intangible assets	105,120	109,243
Investments and other assets		
Investment securities	440,911	538,803
Retirement benefit asset	116,038	126,854
Other	133,492	138,611
Allowance for doubtful accounts	(699)	(811)
Total investments and other assets	689,743	803,458
Total non-current assets	2,038,652	2,217,647
Total assets	2,819,589	2,980,127

(million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	69,142	82,907
Other	390,656	311,029
Total current liabilities	459,798	393,936
Non-current liabilities		
Bonds payable	425,018	459,999
Long-term borrowings	386,516	354,588
Deferred tax liabilities	19,210	54,754
Retirement benefit liability	19,703	19,611
Other	92,162	92,245
Total non-current liabilities	942,611	981,198
Total liabilities	1,402,410	1,375,135
Net assets		
Shareholders' equity		
Share capital	132,166	132,166
Capital surplus	19,096	19,056
Retained earnings	1,010,078	1,097,883
Treasury shares	(2,045)	(2,746)
Total shareholders' equity	1,159,295	1,246,360
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,085	87,899
Deferred gains or losses on hedges	25,268	61,656
Revaluation reserve for land	(1,947)	(2,395)
Foreign currency translation adjustment	97,838	140,583
Remeasurements of defined benefit plans	42,881	43,407
Total accumulated other comprehensive income	232,125	331,152
Non-controlling interests	25,757	27,479
Total net assets	1,417,178	1,604,992
Total liabilities and net assets	2,819,589	2,980,127

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(million yen)	
	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal yearended March 31, 2024 (April 1, 2023 - March 31, 2024)
Net sales	2,275,113	2,083,050
Cost of sales	1,992,892	1,672,681
Gross profit	282,221	410,368
Selling, general and administrative expenses	222,219	237,814
Operating profit	60,001	172,553
Non-operating income		
Interest income	4,308	10,212
Dividend income	3,894	4,086
Share of profit of entities accounted for using equity method	12,929	31,982
Other	17,816	32,024
Total non-operating income	38,950	78,305
Non-operating expenses		
Interest expenses	13,167	14,436
Other	10,134	9,859
Total non-operating expenses	23,302	24,295
Ordinary profit	75,649	226,563
Extraordinary income		
Gain on sale of investment securities	17,418	-
Total extraordinary income	17,418	-
Extraordinary losses		
Impairment losses	4,470	20,194
Loss on disaster	4,887	4,835
Loss on sale of shares of subsidiaries and associates	-	5,515
Total extraordinary losses	9,357	30,546
Profit before income taxes	83,710	196,017
Income taxes - current	28,869	31,499
Income taxes - deferred	(3,717)	30,390
Total income taxes	25,151	61,889
Profit	58,558	134,127
Profit attributable to non-controlling interests	1,448	1,448
Profit attributable to owners of parent	57,110	132,679

Consolidated Statements of Comprehensive Income

(million yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Profit	58,558	134,127
Other comprehensive income		
Valuation difference on available-for-sale securities	142	19,690
Deferred gains or losses on hedges	16,262	33,297
Revaluation reserve for land	(1,209)	-
Foreign currency translation adjustment	58,271	39,855
Remeasurements of defined benefit plans	(10,590)	306
Share of other comprehensive income of entities accounted for using equity method	24,940	6,834
Total other comprehensive income	87,815	99,984
Comprehensive income	146,373	234,112
(Breakdown)		
Comprehensive income attributable to owners of parent	144,648	232,153
Comprehensive income attributable to non-controlling interests	1,725	1,958

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	132,166	19,071	977,907	(2,115)	1,127,030
Changes during period					
Dividends of surplus			(24,939)		(24,939)
Profit attributable to owners of parent			57,110		57,110
Change in scope of equity method					-
Purchase of treasury shares				(38)	(38)
Disposal of treasury shares		25		108	133
Cancellation of treasury shares					-
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	25	32,170	69	32,265
Balance at end of period	132,166	19,096	1,010,078	(2,045)	1,159,295

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	67,905	(15,313)	(737)	39,108	53,624	144,586	24,472	1,296,089
Changes during period								
Dividends of surplus								(24,939)
Profit attributable to owners of parent								57,110
Change in scope of equity method								-
Purchase of treasury shares								(38)
Disposal of treasury shares								133
Cancellation of treasury shares								-
Reversal of revaluation reserve for land								-
Net changes in items other than shareholders' equity	179	40,582	(1,209)	58,729	(10,742)	87,538	1,285	88,824
Total changes during period	179	40,582	(1,209)	58,729	(10,742)	87,538	1,285	121,089
Balance at end of period	68,085	25,268	(1,947)	97,838	42,881	232,125	25,757	1,417,178

For the fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	132,166	19,096	1,010,078	(2,045)	1,159,295
Changes during period					
Dividends of surplus			(25,981)		(25,981)
Profit attributable to owners of parent			132,679		132,679
Change in scope of equity method			(150)		(150)
Purchase of treasury shares				(20,056)	(20,056)
Disposal of treasury shares		11		115	126
Cancellation of treasury shares		(51)	(19,188)	19,240	-
Reversal of revaluation reserve for land			447		447
Net changes in items other than shareholders' equity					
Total changes during period	-	(40)	87,805	(700)	87,064
Balance at end of period	132,166	19,056	1,097,883	(2,746)	1,246,360

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	68,085	25,268	(1,947)	97,838	42,881	232,125	25,757	1,417,178
Changes during period								
Dividends of surplus								(25,981)
Profit attributable to owners of parent								132,679
Change in scope of equity method								(150)
Purchase of treasury shares								(20,056)
Disposal of treasury shares								126
Cancellation of treasury shares								-
Reversal of revaluation reserve for land			(447)			(447)		-
Net changes in items other than shareholders' equity	19,814	36,388	-	42,745	525	99,474	1,721	101,196
Total changes during period	19,814	36,388	(447)	42,745	525	99,027	1,721	187,813
Balance at end of period	87,899	61,656	(2,395)	140,583	43,407	331,152	27,479	1,604,992

(4) Consolidated Statements of Cash Flows

(million yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	83,710	196,017
Depreciation	119,823	123,565
Amortization of long-term prepaid expenses	5,687	6,437
Impairment losses	4,470	20,194
Loss on disaster	-	4,835
Loss (gain) on sale of shares of subsidiaries and associates	-	5,515
Decrease (increase) in retirement benefit asset	(11,608)	(10,890)
Interest and dividend income	(8,203)	(14,298)
Interest expenses	13,167	14,436
Share of loss (profit) of entities accounted for using equity method	(12,929)	(31,982)
Decrease (increase) in trade receivables	(47,671)	13,158
Decrease (increase) in inventories	(65,358)	19,647
Increase (decrease) in trade payables	(40,794)	12,056
Increase (decrease) in accrued expenses	11,936	(6,168)
Increase (decrease) in accrued consumption taxes	(2,858)	(9,895)
Other, net	(678)	10,290
Subtotal	48,692	352,920
Interest and dividends received	14,972	19,659
Interest paid	(12,367)	(14,331)
Income taxes paid	(17,723)	(45,638)
Net cash provided by (used in) operating activities	33,572	312,609
Cash flows from investing activities		
Purchase of property, plant and equipment	(172,079)	(174,646)
Purchase of intangible assets	(22,069)	(12,720)
Purchase of long-term prepaid expenses	(7,141)	(6,326)
Purchase of investment securities	(8,995)	(5,544)
Proceeds from sale of investment securities	21,086	3,292
Purchase of shares of subsidiaries and associates	(27,816)	(33,770)
Proceeds from sale of shares of subsidiaries and associates	4,414	7,843
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(564)	(3,078)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,649	1,890
Proceeds from collection of long-term loans receivable	3,544	3,457
Other, net	2,035	3,658
Net cash provided by (used in) investing activities	(203,938)	(215,944)

(million yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,099)	(3,581)
Net increase (decrease) in commercial papers	68,999	(45,005)
Proceeds from long-term borrowings	80,069	26,876
Repayments of long-term borrowings	(39,566)	(63,933)
Proceeds from issuance of bonds	70,000	35,000
Redemption of bonds	(30,000)	(10,020)
Repayments of finance lease liabilities	(2,729)	(3,394)
Proceeds from share issuance to non-controlling shareholders	340	385
Purchase of treasury shares	(38)	(20,056)
Dividends paid	(24,929)	(25,962)
Dividends paid to non-controlling interests	(778)	(625)
Other, net	349	193
Net cash provided by (used in) financing activities	119,617	(110,123)
Effect of exchange rate change on cash and cash equivalents	4,772	5,893
Net increase (decrease) in cash and cash equivalents	(45,975)	(7,564)
Cash and cash equivalents at beginning of period	130,769	84,793
Cash and cash equivalents at end of period	84,793	77,229

(5) Notes to the Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Segment Information)

a. Summary of reportable segments

The Daigas Group's reportable segments are organizational units for which separate financial information is available, and they are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business results.

The Daigas Group operates its businesses through three reportable segments, the Domestic Energy Business, the International Energy Business and the Life & Business Solutions Business.

The Domestic Energy Business manufactures, supplies, and sells city gas, sells gas appliances, conducts gas pipeline installation, sells and transports LNG, sells LPG and industrial gas, and generates and sells electricity. The International Energy Business conducts development and investment mainly related to natural gas, and supplies energy. The Life & Business Solutions Business conducts development and leasing of real estate, information processing services, and sales of fine materials and carbon material products.

b. The method of measurements of sales, profit (loss), assets, liabilities, and other items by reportable segment

The method of accounting for reportable segments is generally the same as that stated in the basis for preparing consolidated financial statements. Intersegment revenue and transfers are determined according to prevailing market prices.

c. Information of sales, profit, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023) (million yen)

	Reportable Segment			Total	Adjustments	Consolidated
	Domestic Energy	International Energy	Life & Business Solutions			
Net sales						
Sales to external customers	1,966,977	103,737	204,399	2,275,113	-	2,275,113
Transactions with other segments	4,716	19,562	54,144	78,423	(78,423)	-
Total	1,971,694	123,299	258,543	2,353,536	(78,423)	2,275,113
Segment profit (loss)						
Operating profit (loss)	(31,367)	60,831	29,237	58,701	1,300	60,001
Share of profit of entities accounted for using equity method	4,043	8,886	-	12,929	-	12,929
Total	(27,324)	69,718	29,237	71,631	1,300	72,931
Segment assets	1,576,809	829,581	453,058	2,859,449	(39,860)	2,819,589
Other items						
Depreciation	76,283	30,131	14,233	120,648	(3,178)	117,470
Amortization of goodwill	831	-	1,521	2,352	-	2,352
Investment in entities accounted for using equity method	38,754	221,652	-	260,406	-	260,406
Increase in property, plant and equipment and intangible assets	104,119	54,220	39,312	197,652	(2,321)	195,330

Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024) (million yen)

	Reportable Segment			Total	Adjustments	Consolidated
	Domestic Energy	International Energy	Life & Business Solutions			
Net sales						
Sales to external customers	1,766,795	98,621	217,633	2,083,050	-	2,083,050
Transactions with other segments	3,871	17,827	56,393	78,091	(78,091)	-
Total	1,770,666	116,448	274,026	2,161,141	(78,091)	2,083,050
Segment profit						
Operating profit	88,421	51,505	31,039	170,967	1,586	172,553
Share of profit of entities accounted for using equity method	3,845	28,137	-	31,982	-	31,982
Total	92,267	79,643	31,039	202,949	1,586	204,536
Segment assets	1,588,251	941,579	491,252	3,021,083	(40,956)	2,980,127
Other items						
Depreciation	75,674	34,287	14,320	124,282	(3,370)	120,911
Amortization of goodwill	635	-	2,018	2,653	-	2,653
Investment in entities accounted for using equity method	53,340	276,468	-	329,808	-	329,808
Increase in property, plant and equipment and intangible assets	103,659	53,294	45,136	202,089	(3,667)	198,421

(Per Share Information)

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Shareholders' equity per share	3,347.34 yen	3,857.51 yen
Earnings per share	137.39 yen	320.60 yen

(Notes)

1. Data on diluted earnings per share is not presented above, since there were no potential shares with a dilutive effect.
2. The following data was used for calculating earnings per share.

	Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)
Profit attributable to owners of parent (million yen)	57,110	132,679
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent attributable to common share (million yen)	57,110	132,679
Average number of common shares during the fiscal year (thousand shares)	415,671	413,844

(Subsequent Events)

a. Investment made by a consolidated subsidiary

On April 5, 2024, the Company reached an agreement with joint investors to acquire 25% interest of AG&P LNG MARKETING PTE. LTD., a city gas distribution business in India, through its consolidated subsidiary DAIGAS SJ CGD. PTE. LTD. ("DSJ") in which the Company expects to hold 63% interest.

This investment is intended to expand the Daigas Group's business and improve its earning capacity. The total investment amount of DSJ is expected to be US\$369 million, equivalent to approximately ¥53.5 billion.

This investment is carried out in two parts due to necessary permits and approvals and the first investment of US\$299 million was completed in April 2024. The second investment of US\$69 million is scheduled in May 2024 or after.

b. Issuance of Corporate Bonds

The Company has decided on April 26, 2024, to issue corporate bonds of up to ¥60 billion including transition-linked-bonds after May 30, 2024, in accordance with a Board of Directors' resolution made on March 7, 2024.

c. Repurchase of Own Shares

The Board of Directors resolved on May 8, 2024, to repurchase the company's own shares pursuant to Article 156 of the Companies Act, as modified and applied in accordance with Article 165, Paragraph 3 of the Companies Act, as follows.

1. Reasons for the share repurchase

To return profits to shareholders and improve capital efficiency in accordance with Osaka Gas's shareholder return policy.

2. Details of the share repurchase

- | | |
|--|---|
| (1) Class of shares to be repurchase | Common shares |
| (2) Total number of shares to be repurchased | Up to 15 million shares
(3.66% of total number of issued shares) |
| (3) Total amount of repurchase | Up to 20 billion yen |
| (4) Period of repurchase | From May 9, 2024, to September 30, 2024 |