

**Consolidated Financial Results  
Results for the 1st Quarter of FY2019  
(April – June 2019)**



July 30, 2019  
TOHO GAS CO.,LTD.

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Earning forecasts and other forward-looking statements in this document are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual results to differ materially from those projected.

# 1. Results for the 1st Quarter of FY2019

## (1) Summary



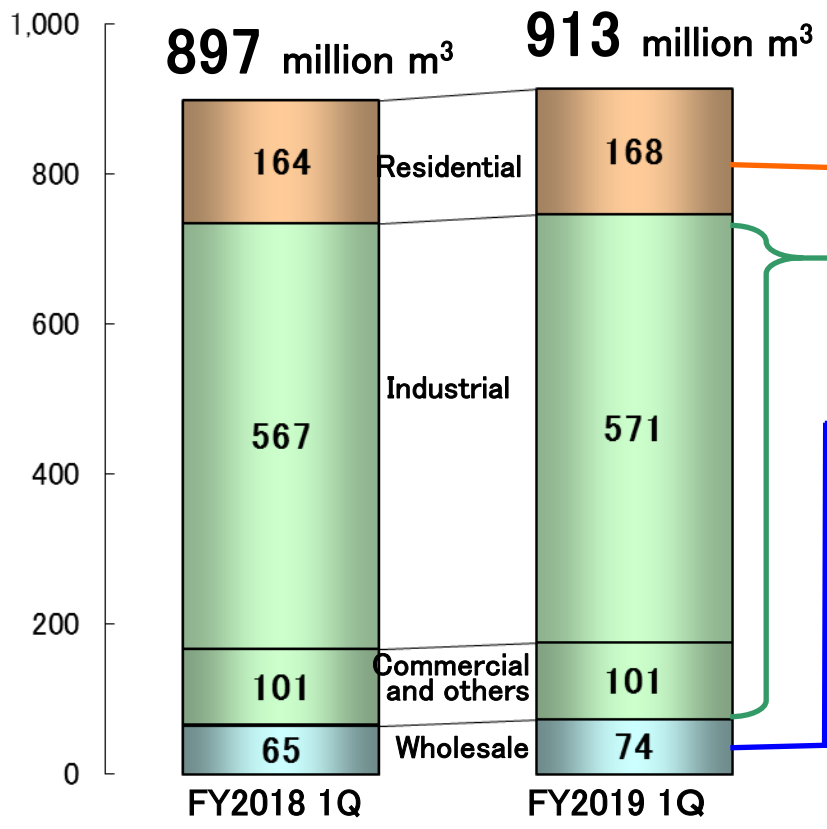
- **Gas sales volume was 913 million m<sup>3</sup>, an increase by 1.8% from the previous year.**  
LPG sales volume was 108 thousand tons, a decrease by 0.8%.  
Electricity sales volume was 157 million kWh, an increase by 106.3%
- **Sales were ¥120.2 billion, an increase by 19.4% from the previous year.**  
Ordinary income was ¥16.0 billion, a increase by 91.0%

# (2) Number of Customers, Gas Sales Volume (1st Quarter)



Number of meters installed (million m<sup>3</sup>)

2,468 thousand → 2,491 thousand (+1.0%)



**City Gas** +16 million m<sup>3</sup> (+1.8%)

**Residential use** + 4 million m<sup>3</sup> (+ 2.2%)  
due to lower temperatures than the previous year, etc.

**Industrial, Commercial and Others use** + 4 million m<sup>3</sup> (+0.6%)

**Wholesale use** + 9 million m<sup>3</sup> (+14.2%)

**L P G**  
Number of customers \* 503 thousand : +11 thousand (+2.3%)  
\* Including the number of customers based on commissioned business for delivery

Sales volume 108 thousand tons : -1 thousand tons (-0.8%)

**Electricity**  
Number of customers 230 thousand : +115 thousand (+100.1%)  
Sales volume 157 million kWh : +81 million kWh (+106.3%)

Average Temperature	19.9°C	19.2°C	-0.7°C
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### (3) Sales, Incomes (1st Quarter)

(Unit: ¥ billion)

	<b>FY2019 (1Q)</b>	<b>FY2018 (1Q)</b>	<b>Change</b>	<b>Rate of change</b>
<b>Gas sales Volume (million m<sup>3</sup>)</b>	<b>913</b>	<b>897</b>	<b>16</b>	<b>1.8%</b>
<b>Sales</b>	<b>120.2</b>	<b>100.7</b>	<b>19.5</b>	<b>19.4%</b>
<b>Cost of sales</b>	<b>74.4</b>	<b>63.7</b>	<b>10.6</b>	<b>16.8%</b>
<b>Selling, general and administrative expenses</b>	<b>30.6</b>	<b>29.9</b>	<b>0.6</b>	<b>2.3%</b>
<b>Ordinary income</b>	<b>16.0</b>	<b>8.4</b>	<b>7.6</b>	<b>91.0%</b>
<b>Net income attributable to owners of the parent</b>	<b>12.5</b>	<b>6.0</b>	<b>6.5</b>	<b>108.5%</b>

(Notes) Crude oil price (CIF national average); FY2019 (Apr.-June) \$71.5/bbl, FY2018 (Apr.-June) \$70.7/bbl (+\$0.8/bbl)  
 Currency exchange rate (TTM) ; FY2019 (Apr.-June) ¥109.9/\$, FY2018 (Apr.-June) ¥109.1/\$ (+¥0.8/\$)

## (4) Factors for Change in Ordinary Income (1st Quarter)



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### ◆ Change from the previous year

Ordinary income (¥8.4 billion⇒¥16.0 billion) + ¥ 7.6 billion

- Effect of gas sales volume + ¥ 1.0 billion
- Impact of time lag in fuel cost adjustment system + ¥ 8.0 billion  
(FY2018(1Q) -¥ 2.5 billion ⇒ FY2019(1Q) +¥ 5.5 billion)
- Difference between purchase price and consumption price of gas resources, etc. - ¥ 1.4 billion

## (5) Balance Sheet (1st Quarter)



(Unit: ¥ billion)

	FY2019 (End of 1Q)	FY2018 (End of 4Q)	Change		FY2018 (1Q)	FY2017 (1Q)	Change
<b>Total assets</b>	<b>552.4</b>	<b>550.5</b>	<b>1.8</b>	<b>CAPEX</b>	<b>7.7</b>	<b>9.0</b>	<b>-1.3</b>
(unrealized gain on investment securities)	(45.3)	(47.7)	(-2.4)	<b>Depreciation</b>	<b>8.9</b>	<b>8.7</b>	<b>0.2</b>
<b>Net assets</b>	<b>334.9</b>	<b>327.3</b>	<b>7.5</b>				
<b>Equity ratio</b>	<b>60.6%</b>	<b>59.5%</b>	<b>1.1 Point</b>				
<b>Interest-bearing debts</b>	<b>125.1</b>	<b>127.2</b>	<b>-2.1</b>				

## 2. Forecasts for FY2019

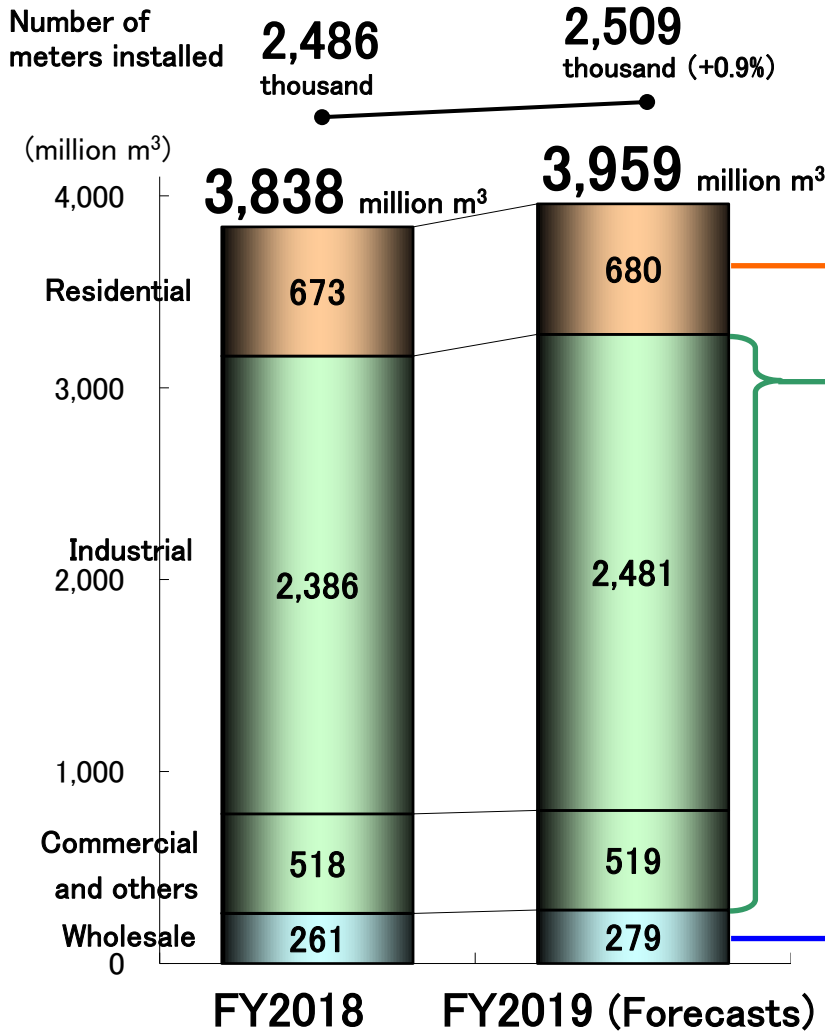
### (1) Summary



- Gas sales volume expected to be 3,959 million m<sup>3</sup>, an increase by 3.1% from the previous year, LPG sales volume to be 507 thousand tons, an increase by 12.4%, electricity sales volume to be 800 million kWh, an increase by 39.1%
  - Based on crude oil price of 70 dollars/barrel and exchange rate of ¥110/dollar, sales projected to be ¥500 billion, an increase by 8.4% from the previous year, ordinary income to be ¥24 billion, an increase by 11.7%
- (We have not changed the previous forecasts of gas sales volume and income)



## (2) Number of Customers, Gas Sales Volume (Forecasts)



### City Gas

+121 million m<sup>3</sup> (+3.1%)

Residential use +6 million m<sup>3</sup> (+0.9%)

Industrial, Commercial and Others use  
+96 million m<sup>3</sup> (+3.3%)

Wholesale use +19 million m<sup>3</sup> (+7.1%)

### LPG

(Including 80 thousand customers and 45 thousand tons sales volume of Yamasa Group)

Number of customers\* 585 thousand : +85 thousand (+17.1%)

\* Including the number of customers based on commissioned business for delivery

Sales volume 507 thousand tons : +56 thousand tons (+12.4%)

### Electricity

Number of customers 240 thousand : +43 thousand (+21.9%)

Sales volume 800 million kWh : +225 million kWh (+39.1%)

Average Temperature	17.1°C	16.5°C	-0.6°C

### (3) Sales, Incomes, etc. (Forecasts)

(Unit: ¥ billion)



	FY2019 forecasts	FY2018	Change	Rate of change
Gas sales volume (million m <sup>3</sup> )	3,959	3,838	121	3.1%
Sales	500.0	461.1	38.8	8.4%
Ordinary income	24.0	21.4	2.5	11.7%
Net income attributable to owners of the parent	17.0	14.8	2.1	14.7%
CAPEX	36.2	34.6	1.5	4.6%
Depreciation	37.0	36.0	0.9	2.6%

#### 【Assumption】

(Unit: \$/bbl, ¥/\$)

	FY2019	FY2018 (Result)	Change
Crude oil price	70.4	72.1	-1.7
Exchange rate	110.0	110.9	-0.9

#### 【Sensitivity (full-year)】

	Gas resource cost	Gross profit
Crude oil price 1\$/bbl	¥0.7 billion	¥0.2 billion
Exchange rate 1yen/\$	¥0.9 billion	¥0.2 billion

## (4) Factors for Change in Ordinary Income (Forecasts)



### ◆ Change from the previous year

Ordinary income (¥21.4 billion⇒¥24.0 billion)    + ¥ 2.5 billion

- Effect of gas sales volume    + ¥ 2.5 billion
- Impact of time lag in fuel cost adjustment system    + ¥13.0 billion  
(FY2018 -¥ 9.0 billion ⇒ FY2019 +¥ 4.0 billion )
- Difference between purchase price and consumption price of gas resources    - ¥ 4.0 billion
- Effect of increase of fixed costs, etc.    - ¥ 9.0 billion

## (5) Return to Shareholders

- Share buy-back: Up to 800 thousand shares or ¥ 3 billion

### [Shareholder Return Policy]

- ✓ Stable dividends
- ✓ Purchase of treasury stock depending on the situation

### <References> Return to shareholders

(Unit: ¥ billion)

FY	2011	2012	2013	2014	2015	2016	2017	2018
Net income attributable to the parent(consolidated)	8.5	8.5	11.2	19.0	43.0	17.7	18.0	14.8
Cash dividend	4.6	4.9	4.9	5.1	5.4	5.3	5.5	5.8
[Dividend per share]	[¥42.5]	[¥45]	[¥45]	[¥47.5]	[¥50]	[¥50]	[¥52.5]	[¥55]
Share buy-back	-	-	-	2.9	4.5	2.9	-	(3.0)※
Total return	4.6	4.9	4.9	8.1	9.9	8.3	5.5	8.8

※ Forecast

# <Reference>

## Progress of the Medium-term Management Plan

		FY2018 (Results)	FY2019 (Plan)	Rate of increase	Medium-term Management Plan FY2021
Natural Gas	Number of Customers*1	2.49 million	2.51 million	+0.9%	2.55 million
	Sales Volume*2	3.92 billion m <sup>3</sup>	4.05 billion m <sup>3</sup>	+3.1%	4.1 billion m <sup>3</sup>
LPG	Number of Customers*3	500 thousand	585 thousand*4	+17.1%	590 thousand*4
	Sales Volume	451 thousand tons	507 thousand tons*4	+12.4%	535 thousand tons*4
Electricity	Number of Customers	190 thousand	240 thousand	+21.9%	300 thousand
	Sales Volume	0.58 billion kWh	0.8 billion kWh	+39.1%	1.0 billion kWh

\*1 Number of meters installed

\*2 Including the sales volume of LNG

\*3 Including the number of customers based on commissioned business for delivery

\*4 Including 80 thousand customers and 45 thousand tons sales volume of Yamasa Group

		FY2018 (Results)	FY2019 (Plan)	Medium-term Management Plan FY2019 – 2021
Operating Cash Flow		32.6 billion yen	54 billion yen	Cumulative total 160 billion yen and over
Investment into the city gas business		29.8 billion yen	28 billion yen	Cumulative total 80 billion yen and over
Investment into growth businesses		12.1 billion yen	24 billion yen	Cumulative total 60 billion yen and over
ROA		2.7%	About 3%	Average 3% and over