

## Consolidated Financial Results for the Six Months Ended September 30, 2019 (2Q FY2019)

**Toho Gas Co., Ltd.**

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Shares listed on:  
 Tokyo Stock Exchange, Nagoya Stock Exchange

Date of filing quarterly financial report: November 13, 2019  
 Commencement of dividend payments: November 29, 2019  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes (for institutional investors)

(Rounded down to the nearest million yen)

### 1. Consolidated Results for the Six Months Ended September 30, 2019

(1) Consolidated business results (Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1 – September 30, 2019	230,116	14.7	18,174	334.0	19,184	212.4	14,786	244.7
April 1 – September 30, 2018	200,616	5.7	4,187	-55.0	6,141	-41.7	4,289	-42.3

Note: Comprehensive income 2nd Quarter ended September 2019: ¥12,333 million (76.2%), 2nd Quarter ended September 2018: ¥6,997 million (-46.6%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – September 30, 2019	139.28	-
April 1 – September 30, 2018	40.34	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
2nd Quarter ended September 2019	539,047	334,100	62.0
FY2018 ended March 2019	550,599	327,339	59.5

Reference: Net assets (excluding minority interests)

2nd Quarter ended September 2019: ¥334,100 million, FY2018 ended March 2019: ¥327,339 million

### 2. Dividends

	Dividend per share				Total
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of 4th Quarter	
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2018 ended March 2019	-	27.50	-	27.50	55.00
FY2019 ending March 2020	-	27.50	-	-	-
FY2019 ending March 2020 (forecasts)	-	-	-	27.50	55.00

Notes: Revision of previously announced dividend forecasts: No

### 3. Consolidated Results Forecasts for the Year Ending March 2020 (April 1, 2019 - March 31, 2020)

(Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	500,000	8.4	22,000	23.4	24,000	11.7	17,000	14.7	160.85

Notes: Revision of previously announced forecasts during this period: No

#### \* Notes

(1) Changes in significant consolidated subsidiaries: No

(2) Application of accounting treatment peculiar to quarterly consolidated financial statement preparation: Yes\*

\* Basis for the calculation of corporation tax: Calculated by multiplying quarterly income before tax, etc., by the estimated effective tax rate at the end of the fiscal year.

(3) Changes in accounting treatment principles, changes in accounting estimates, and retrospective restatements

- Changes accompanied by reform of accounting standards: No
- Other changes: No
- Changes in accounting estimates: No
- Retrospective restatements: No

(4) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	2nd Quarter ended September 2019	106,351,285 shares	FY2018 ended March 2019	106,351,285 shares
Number of treasury stock at the end of the term	2nd Quarter ended September 2019	662,227 shares	FY2018 ended March 2019	16,095 shares
Average number of outstanding shares during the term	2nd Quarter ended September 2019	106,166,574 shares	2nd Quarter ended September 2018	106,338,461 shares

\* This report of consolidated financial results is not subject to audit.

\* Notes on proper use of forecasts and other matters

The forecasts in this document are based on the information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

### Reference: Non- Consolidated Results Forecasts for the Year Ending March 2020 (April 1, 2019 - March 31, 2020)

(Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	385,000	5.5	17,000	47.3	21,000	21.5	15,000	15.8	141.93

Notes: Revision of previously announced forecasts during this period: Yes

## <Consolidated Financial Statements and Main Notes>

### 1. Consolidated balance sheet

(Unit: million yen)

	Previous year (As of Mar. 31, 2019)	2nd Quarter (As of Sept.30, 2019)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	76,111	73,633
Distribution facilities	158,415	154,799
Service and maintenance facilities	27,588	26,760
Other facilities	45,677	44,891
Construction in progress	9,693	9,629
Total property, plant and equipment	317,486	309,714
Intangible assets		
Other	6,616	7,209
Total intangible assets	6,616	7,209
Investments and other assets		
Investment securities	83,492	90,127
Other	25,723	26,702
Allowance for doubtful accounts	-64	-61
Total investments and other assets	109,152	116,768
Total noncurrent assets	433,255	433,692
Current assets		
Cash and deposits	19,338	15,798
Notes and accounts receivable-trade	57,833	48,161
Inventories	24,258	25,998
Other	16,118	15,549
Allowance for doubtful accounts	-204	-153
Total current assets	117,344	105,355
Total assets	550,599	539,047

(Unit: million yen)

	Previous year (As of Mar. 31, 2019)	2nd Quarter (As of Sept.30, 2019)
Liabilities		
Noncurrent liabilities		
Bonds payable	50,000	60,000
Long-term loans payable	43,440	44,520
Provision for gas holder repairs	1,751	1,800
Reserve for safety measures	17,105	16,213
Provision for gas appliance warranties	3,296	2,935
Net defined benefit liability	6,530	5,094
Other	10,151	9,623
Total noncurrent liabilities	132,275	140,187
Current liabilities		
Current portion of noncurrent liabilities	14,799	4,400
Notes and accounts payable-trade	20,009	18,464
Short-term loans payable	17,828	6,210
Income taxes payable	4,970	7,465
Other	33,377	28,220
Total current liabilities	90,984	64,759
Total liabilities	223,260	204,947
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	248,694	260,556
Treasury stock	-63	-2,710
Total shareholders' equity	290,091	299,305
Other comprehensive income		
Valuation difference on available-for-sale securities	35,177	34,402
Deferred gains or losses on hedges	599	-501
Foreign currency translation adjustment	2,186	1,506
Remeasurements of defined benefit plans	-715	-613
Total other comprehensive income	37,248	34,794
Total net assets	327,339	334,100
Total liabilities and net assets	550,599	539,047

## 2. Consolidated statements of income and comprehensive income

### Consolidated statements of income for the Six Months

(Unit: million yen)

	2 <sup>nd</sup> Quarter of FY2018 (Apr. – Sept. 2018)	2 <sup>nd</sup> Quarter of FY2019 (Apr. – Sept. 2019)
Net sales	200,616	230,116
Cost of sales	135,277	150,623
Gross profit	65,339	79,493
Selling, general and administrative expenses	61,151	61,318
Operating income	4,187	18,174
Non-operating income		
Interest income	137	174
Dividend income	1,019	996
Rent income	355	337
Miscellaneous income	948	288
Total non-operating income	2,461	1,796
Non-operating expenses		
Interest expenses	351	401
Miscellaneous expenses	156	385
Total non-operating expenses	507	787
Ordinary income	6,141	19,184
Extraordinary income		
Gain on sales of investment securities	-	1,430
Total extraordinary income	-	1,430
Income before income taxes	6,141	20,614
Income taxes	1,851	5,828
Net income	4,289	14,786
Net income attributable to owners of the parent	4,289	14,786

### Consolidated statements of comprehensive income for the Six Months

(Unit: million yen)

	2 <sup>nd</sup> Quarter of FY2018 (Apr. – Sept. 2018)	2 <sup>nd</sup> Quarter of FY2019 (Apr. – Sept. 2019)
Net income	4,289	14,786
Other comprehensive income		
Valuation difference on available-for-sale securities	2,818	-756
Deferred gains or losses on hedges	311	-1,101
Foreign currency translation adjustment	-905	-382
Remeasurements of defined benefit plans, net of tax	411	100
Share of other comprehensive income of entities accounted for using equity method	71	-313
Total other comprehensive income	2,708	-2,453
Comprehensive income	6,997	12,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,997	12,333
Comprehensive income attributable to non-controlling interests	-	-

### 3. Notes about consolidated statements

#### - Note of going concerns' premise: No

#### - Significant change in shareholders' equity: Yes

##### - Purchase of treasury stock

The Company repurchased its shares as follows, pursuant to Article 156 of the Corporation Code as applied pursuant to Article 165, paragraph 3.

1. Types of shares repurchased	Common stock
2. Number of shares repurchased	644,600 shares
3. Total value of shares repurchased	¥2,641 million
4. Period of repurchase	From August 1, 2019 to September 27, 2019 (Commitment basis)
5. Method of repurchase	Market purchase on Tokyo Stock Exchange

#### - Segment information

The name of a reporting segment previously stated as “LPG and other Energies” has been changed to “LPG, Electricity and other Energies” from the first quarter of the current consolidated period. This change is limited to the name only, hence there is no impact to its segment information. In addition, the description order of the reporting segment has been changed. Consequently, the reporting segment of the first quarter of the previous consolidated period is restated in accordance with these changes.

Six months ended Sept. 30, 2018 (Apr. 1 – Sept. 30, 2018)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	LPG, Electricity and other Energies	Gas appliance sales and related construction	Total				
Net sales								
(1) External customers	135,904	40,159	15,052	191,116	9,500	200,616	-	200,616
(2) Intersegment	51	481	730	1,264	6,972	8,236	-8,236	-
Total	135,955	40,641	15,783	192,380	16,473	208,853	-8,236	200,616
Segment income or loss	2,895	-477	256	2,674	852	3,526	661	4,187

Notes: 1. The “Other” segment incorporates operations not included in business segment reported, including LNG processing under contract, leasing and management of real estate, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, other leasing business, development of and investment in natural gas resources, etc.

2. The “Adjustments” column in “Segment income or loss” (661 million yen) denotes eliminations of intersegment transactions.

3. Segment income or loss in the table above is reconciled to operating income on the quarterly consolidated statements of income.

Six months ended Sept. 30, 2019 (Apr. 1 – Sept. 30, 2019)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	LPG, Electricity and other Energies	Gas appliance sales and related construction	Total				
Net sales								
(1) External customers	146,424	44,439	19,675	210,539	19,577	230,116	-	230,116
(2) Intersegment	55	561	709	1,326	7,067	8,393	-8,393	-
Total	146,479	45,001	20,385	211,866	26,644	238,510	-8,393	230,116
Segment income	14,716	560	871	16,149	1,305	17,455	718	18,174

- Notes: 1. The “Other” segment incorporates operations not included in business segment reported, including LNG processing under contract, leasing and management of real estate, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, other leasing business, development of and investment in natural gas resources, etc.
2. The “Adjustments” column in “Segment income” (718 million yen) denotes eliminations of intersegment transactions.
3. Segment income in the table above is reconciled to operating income on the quarterly consolidated statements of income.