

## Consolidated Financial Results for the Nine Months Ended December 31, 2019 (3Q FY2019)

### Toho Gas Co., Ltd.

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 Date of filing quarterly financial report: February 13, 2020  
 Commencement of dividend payments: -  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings presentation: Yes (for institutional investors)

Shares listed on:  
 Tokyo Stock Exchange, Nagoya Stock Exchange

(Rounded down to the nearest million yen)

### 1. Consolidated Results for the Nine Months Ended December 31, 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 – December 31, 2019	339,936	7.1	19,217	468.9	21,200	241.0	16,215	287.2
April 1 – December 31, 2018	317,390	6.6	3,377	-75.6	6,217	-61.8	4,188	-64.0

Note: Comprehensive income 3rd Quarter ended December 2019: ¥19,509 million (-%), 3rd Quarter ended December 2018: ¥3,286 million (-%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – December 31, 2019	153.01	-
April 1 – December 31, 2018	39.39	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
3rd Quarter ended December 2019	569,831	338,008	59.3
FY2018 ended March 2019	550,599	327,339	59.5

Reference: Net assets (excluding minority interests)

3rd Quarter ended December 2019: ¥338,008 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	160.98

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)	3rd Quarter ended December 2019	105,606,285 shares	FY2018 ended March 2019	106,351,285 shares
Number of treasury stock at the end of the term	3rd Quarter ended December 2019	2,328 shares	FY2018 ended March 2019	16,095 shares
Average number of outstanding shares during the term	3rd Quarter ended December 2019	105,978,474 shares	3rd Quarter ended December 2018	106,338,000 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	142.04

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

## <Consolidated Financial Statements and Main Notes>

### 1. Consolidated balance sheet

(Unit: million yen)

	Previous year (As of Mar. 31, 2019)	3rd Quarter (As of Dec. 31, 2019)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	76,111	73,248
Distribution facilities	158,415	152,926
Service and maintenance facilities	27,588	26,222
Other facilities	45,677	44,291
Construction in progress	9,693	11,386
Total property, plant and equipment	317,486	308,075
Intangible assets		
Other	6,616	7,693
Total intangible assets	6,616	7,693
Investments and other assets		
Investment securities	83,492	97,140
Other	25,723	26,039
Allowance for doubtful accounts	-64	-61
Total investments and other assets	109,152	123,118
Total noncurrent assets	433,255	438,888
Current assets		
Cash and deposits	19,338	18,910
Notes and accounts receivable-trade	57,833	55,493
Securities	-	6,000
Inventories	24,258	33,706
Other	16,118	17,001
Allowance for doubtful accounts	-204	-169
Total current assets	117,344	130,943
Total assets	550,599	569,831

(Unit: million yen)

	Previous year (As of Mar. 31, 2019)	3rd Quarter (As of Dec. 31, 2019)
Liabilities		
Noncurrent liabilities		
Bonds payable	50,000	70,000
Long-term loans payable	43,440	44,108
Provision for gas holder repairs	1,751	1,823
Reserve for safety measures	17,105	15,744
Provision for gas appliance warranties	3,296	2,885
Net defined benefit liability	6,530	4,521
Other	10,151	9,733
Total noncurrent liabilities	132,275	148,816
Current liabilities		
Current portion of noncurrent liabilities	14,799	4,318
Notes and accounts payable-trade	20,009	33,996
Short-term loans payable	17,828	10,649
Income taxes payable	4,970	5,520
Other	33,377	28,522
Total current liabilities	90,984	83,007
Total liabilities	223,260	231,823
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	248,694	256,015
Treasury stock	-63	-9
Total shareholders' equity	290,091	297,466
Other comprehensive income		
Valuation difference on available-for-sale securities	35,177	39,401
Deferred gains or losses on hedges	599	93
Foreign currency translation adjustment	2,186	1,610
Remeasurements of defined benefit plans	-715	-564
Total other comprehensive income	37,248	40,541
Total net assets	327,339	338,008
Total liabilities and net assets	550,599	569,831

## 2. Consolidated statements of income and comprehensive income

### Consolidated statements of income for the Nine Months

(Unit: million yen)

	3 <sup>rd</sup> Quarter of FY2018 (Apr. – Dec. 2018)	3 <sup>rd</sup> Quarter of FY2019 (Apr. – Dec. 2019)
Net sales	317,390	339,936
Cost of sales	220,374	227,442
Gross profit	97,016	112,493
Selling, general and administrative expenses	93,638	93,275
Operating income	3,377	19,217
Non-operating income		
Interest income	227	277
Dividend income	1,755	1,821
Rent income	454	441
Miscellaneous income	1,138	509
Total non-operating income	3,575	3,049
Non-operating expenses		
Interest expenses	528	627
Miscellaneous expenses	207	439
Total non-operating expenses	736	1,066
Ordinary income	6,217	21,200
Extraordinary income		
Gain on sales of investment securities	-	1,433
Total extraordinary income	-	1,433
Income before income taxes	6,217	22,634
Income taxes	2,029	6,418
Net income	4,188	16,215
Net income attributable to owners of the parent	4,188	16,215

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

(Unit: million yen)

	3 <sup>rd</sup> Quarter of FY2018 (Apr. – Dec. 2018)	3 <sup>rd</sup> Quarter of FY2019 (Apr. – Dec. 2019)
Net income	4,188	16,215
Other comprehensive income		
Valuation difference on available-for-sale securities	-7,865	4,241
Deferred gains or losses on hedges	128	-505
Foreign currency translation adjustment	-169	-457
Remeasurements of defined benefit plans, net of tax	617	150
Share of other comprehensive income of entities accounted for using equity method	-187	-135
Total other comprehensive income	-7,474	3,293
Comprehensive income	-3,286	19,509
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-3,286	19,509
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. With this transaction, the Company's share repurchase plan approved at the Board of Directors' meeting held on July 30, 2019 has been terminated.

1. Types of shares repurchased	Common stock
2. Number of shares repurchased	728,900 shares
3. Total value of shares repurchased	¥2,999 million
4. Period of repurchase	From August 1, 2019 to October 8, 2019 (Commitment basis)
5. Method of repurchase	Market purchase on Tokyo Stock Exchange

##### - Retirement of treasury stock

The Company retired treasury stock as follows, based on a resolution of the Board of directors passed on October 29, 2019, pursuant to Article 178 of the Corporation Code:

1. Type of shares retired	Common Stock
2. Number of shares retired	745,000 shares (representing 0.70% of outstanding shares before the retirement)
3. Effective date of retirement	November 29, 2019

#### - 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.

Nine months ended December 31, 2018 (Apr. 1 – Dec. 31, 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	212,390	63,731	24,108	300,231	17,159	317,390	-	317,390
(2) Intersegment	73	739	1,202	2,015	11,311	13,327	-13,327	-
Total	212,463	64,471	25,311	302,246	28,471	330,717	-13,327	317,390
Segment income or loss	1,443	-1,281	463	625	1,734	2,360	1,017	3,377

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" (1,017 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.

Nine months ended December 31, 2019 (Apr. 1 – Dec. 31, 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	216,571	67,800	27,891	312,263	27,673	339,936	-	339,936
(2) Intersegment	76	818	1,049	1,945	11,212	13,157	-13,157	-
Total	216,647	68,619	28,941	314,208	38,885	353,093	-13,157	339,936
Segment income	14,077	880	1,022	15,980	2,160	18,141	1,076	19,217

- 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” (1,076 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.