



Consolidated Financial Results
Results for FY2019
(April 2019 - March 2020)



April 28, 2020
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.

Results for FY2019

(1) Summary



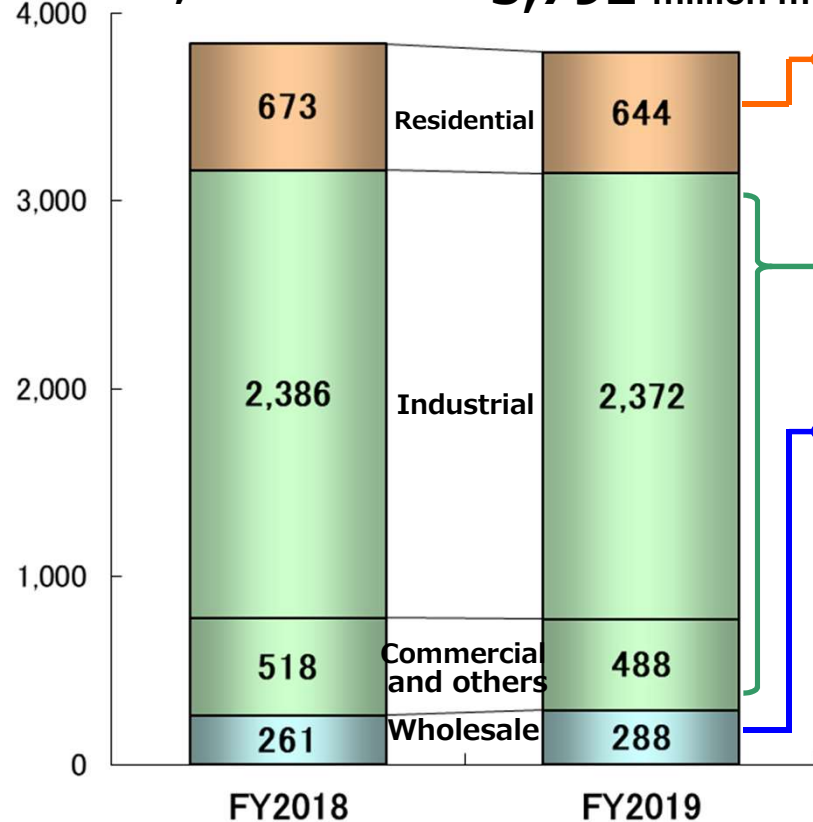
- **Gas sales volume** was 3,792 million m³, a decrease by 1.2% from the previous year
- **LPG sales volume** was 486 thousand tons, an increase by 7.7%
- **Electricity sales volume** was 0.99 billion kWh, an increase by 72.2%
- **Sales** were ¥485.6 billion, an increase by 5.3% from the previous year
- **Ordinary income** was ¥24.7 billion, an increase by 15.3%

(2) Number of Customers, Gas Sales Volume (FY2019)



Number of Gas meters **2,486** thousand → **2,510** thousand (+24thousand)

(million m³) **3,838** million m³ → **3,792** million m³



City Gas

-46 million m³ **-1.2%**

Residential use **-29 million m³** **-4.3%**

Due to higher temperatures than the previous year, etc.

Industrial, Commercial and Others use **-44 million m³** **-1.5%**

Due to a decrease in customer facilities' operation rates, etc.

Wholesale use **+27 million m³** **+10.5%**

Due to increase demand from existing customers

L P G

Number of customers * 589 thousand : +89 thousand (+17.8%)

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

Gas sales volume 486 thousand tons : +35 thousand tons (+7.7%)

Electricity

Number of customers 335 thousand : +139 thousand (+70.4%)

Sales volume 0.99 billion kWh : +0.42 billion kWh(+72.2%)

Average Temperature (year-on-year)	1st half	2nd half
	23.2°C (-0.5°C)	11.3°C (+0.8°C)

Average Temperature FY2019 (YoY) : Dec. +0.7°C, Jan. +2.5°C, Feb. -0.1°C, Mar. +0.6°C

(3) Sales, Incomes (FY2019)



	(¥ billion)			
	FY2019	FY2018	Change	Rate of Change
Gas sales volume (million m ³)	3,792	3,838	-46	-1.2%
Sales	485.6	461.1	24.4	5.3%
Cost of sales	330.0	315.3	14.7	4.7%
Selling, general and administrative expenses	134.1	128.0	6.1	4.8%
Ordinary income	24.7	21.4	3.2	15.3%
Net income attributable to owners of the parent	16.2	14.8	1.4	9.8%

(Notes)

Crude oil price (CIF national average); FY2019 \$67.8/bbl, FY2018 \$72.1/bbl (-\$4.3)
 Currency exchange rate (TTM) ; FY2019 ¥108.7/\$, FY2018 ¥110.9/\$ (-¥2.2)

(4) Factors for Change in Ordinary Income (FY2019)



◆ Change from the previous year

**Ordinary income (¥21.4 billion ⇒ ¥24.7 billion)
+ ¥ 3.2 billion**

- | | |
|--|-----------------|
| ■ Effect of gas sales volume | -¥ 2.0 billion |
| ■ Impact of time lag in fuel cost adjustment system | +¥ 17.0 billion |
| -¥9.0 billion (FY2018) ⇒ +¥8.0 billion (FY2019) | |
| ■ Difference between purchase price and consumption price of gas resources | -¥ 4.5 billion |
| ■ Effect of increase of fixed costs, etc. | -¥ 7.3 billion |

(5) Factors for Change in Ordinary Income (FY2019)



◆ Change from the forecasts (at the release of 3Q financial results)

**Ordinary income (¥24.0 billion ⇒ ¥24.7 billion)
+ ¥ 0.7 billion**

- | | |
|--|----------------|
| ■ Effect of gas sales volume | -¥ 2.5 billion |
| ■ Impact of time lag in fuel cost adjustment system | +¥ 0.5 billion |
| +¥7.5 billion (Forecast) ⇒ +¥8.0 billion (Results) | |
| ■ Difference between purchase price and consumption price of gas resources | ±¥ 0.0 billion |
| ■ Effect of decrease of fixed costs, etc. | +¥ 2.7 billion |

(6) Balance Sheet and Cash Flows (FY2019)



(¥ billion)

	FY2019	FY2018	Change		FY2019	FY2018	Change
Total assets	564.7	550.5	14.1	Cash flows from operating activities	68.3	32.6	35.7
(unrealized gain on investment securities)	(40.9)	(47.7)	(-6.8)	Cash flows from investment activities	-42.9	-40.0	-2.9
Net assets	322.7	327.3	-4.5	(Free cash flows)	(25.4)	(-7.3)	(32.8)
Equity ratio	57.2%	59.5%	-2.3 Point	Cash flows from financing activities	-10.7	8.8	-19.5
Interest-bearing debts	128.4	127.2	1.1	Net (decrease) increase in cash and cash equivalents	14.7	1.3	13.3
ROA	2.9%	2.7%	0.2 Point	Cash and cash equivalents at end of period	33.9	19.2	14.7
ROE	5.0%	4.5%	0.5 Point	CAPEX	33.5	34.6	-1.0
				Depreciation	37.5	36.0	1.4

(7) Return to Shareholders



〔Policy〕

- The basis is a stable dividend
- Implementing share buy back and retirement depending on the situation

➤ ¥55 in annual base in FY2019

<Reference> Return to shareholders

(Unit: ¥ billion)

FY	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net income attributable to the parent(consolidated)	8.5	8.5	11.2	19.0	43.0	17.7	18.0	14.8	16.2
Cash dividend	4.6	4.9	4.9	5.1	5.4	5.3	5.5	5.8	5.8
[Dividend per share]	[¥42.5]	[¥45]	[¥45]	[¥47.5]	[¥50]	[¥50]	[¥52.5]	[¥55]	[¥55]
Share buy-back	-	-	-	2.9	4.5	2.9	-	2.9	-
Total return	4.6	4.9	4.9	8.1	9.9	8.3	5.5	8.8	5.8

* Dividend per share includes the impact of the consolidation of shares conducted in Oct. 2017

(8) Forecast for FY2020



- **With the global spread of new coronavirus infections, demand in this region is expected to have a significant impact. However, it is difficult to estimate reasonable earnings forecasts, therefore we extend to announce it.**
- **We will confirm the impact of the spread of new coronavirus infection on our business, and will announce the forecast when it becomes possible to estimate it.**

<Reference 1> Investment into Growth Business



■ FY2019 (20.7 billion)

1. Acquisition of Yamasa Co., Ltd.
2. Renewable energy
 - Built a power plant in Taketoyo Town, Aichi pre. and the operation started.
 - Invest in funds related to renewable energy.

■ FY2020 (Plan)

<Concept of Investment into Growth Business>

In consideration of changes in the business environment, we will carefully examine the feasibility of each project and make the necessary investments.

<Investment decisions that have already been decided>

1. Expand the introduction of renewable energy
 - Built a solar power plant on the former site of a Toho Gas factory and the operation started.
2. Participation in a gas-fired power project in the United States
 - Participation in a gas-fired power project in Birdsboro in the United States of Pennsylvania.
3. Smart town "Minato AQUUS" phase II development

<Reference 2> Topics



- **Established Okazaki Sakura Electric Power Co., Inc. (March 2020)**
 - **Contributing to regional economic development by promoting local production and local consumption of energy and making active use of the profit generated through business operations.**
- **Certified “White 500”, excellent company of health management (March 2020)**
- **Support for Task Force on Climate-related Financial Disclosures (TCFD) (April 2020)**



<Reference 3> Progress of the Medium-term Management Plan



		FY2019 (Results)	Medium-term Management Plan FY2021
Natural Gas	Number of Customers* ¹	2.51 million	2.55 million
	Sales Volume* ²	3.88 billion m ³	4.1 billion m ³
L P G	Number of Customers* ³	589 thousand	590 thousand
	Sales Volume	486 thousand tons	535 thousand tons
Electricity	Number of Customers	335 thousand	300 thousand
	Sales Volume	0.99 billion kWh	1.0 billion kWh
CO ₂	Reduction	141 thousand tons	600 thousand tons

*1 Number of meters installed *2 Including the sales volume of LNG

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

		FY2019 (Results)	Medium-term Management Plan FY2019 - 2021
Operating Cash Flow		68.3 billion yen	Cumulative total 160 billion yen and over
Investment into the city gas business		27.7 billion yen	Cumulative total 80 billion yen and over
Investment into growth businesses		20.7 billion yen	Cumulative total 60 billion yen and over
R O A		2.9%	Average 3% and over