

**Consolidated Financial Results
Results for the 1st Quarter of FY2020
(April-June 2020)**



July 30, 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.

1. Results for the Q1 of FY2020

(1) Summary



- **Gas sales volume** was 806 million m³, a decrease by 11.7% from the previous year
- **LPG sales volume** was 105 thousand tons, a decrease by 3.3%
- **Electricity sales volume** was 277 million kWh, an increase by 76.2%
- **Sales** were ¥101.6 billion, a decrease by 15.5% from the previous year
- **Ordinary income** was ¥9.7 billion, a decrease by 39.5%

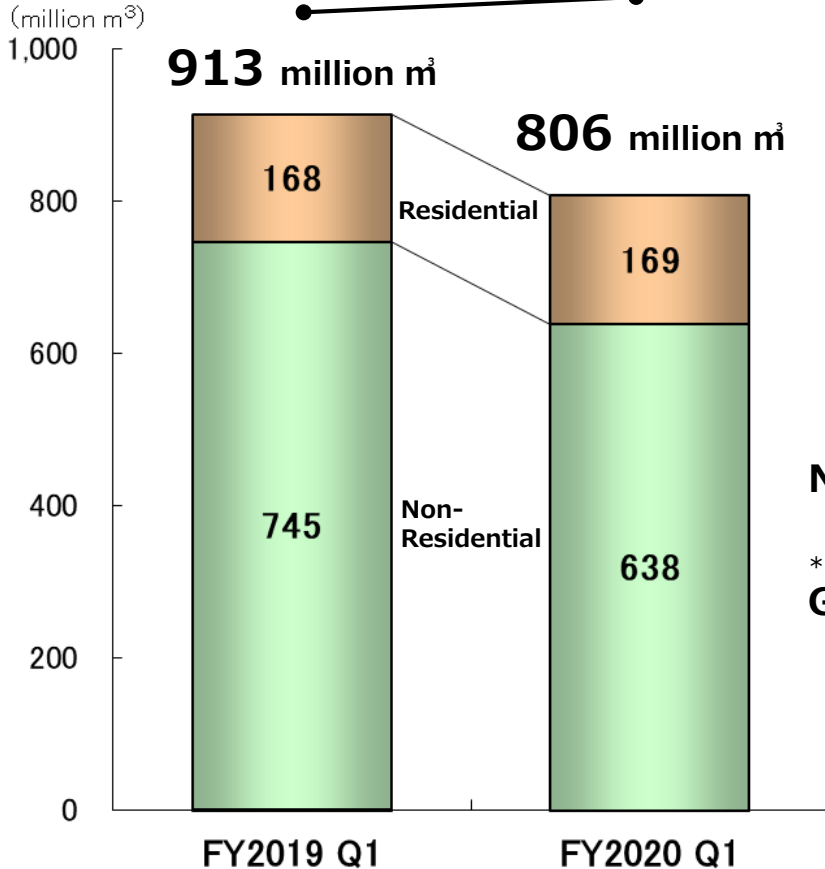
(2) Number of Customers, Gas Sales Volume (Q1)



Number of Gas meters **2,491** thousand
2,515 thousand (+1.0%)

City Gas

-107 million m³ **-11.7%**



Residential use

+1 million m³ **+0.3%**

Non-Residential use

-107 million m³ **-14.4%**

Due to a decrease in customer facilities' operation rates by COVID-19, etc.

L P G

Number of customers * **591** thousand : **+87** thousand
(+17.4%)

* Including the number of customers based on commissioned business for delivery
Gas sales volume 105 thousand tons : **-4** thousand tons
(-3.3%)

Electricity

Number of customers **366** thousand : **+136** thousand
(+59.3%)

Sales volume **277** million kWh : **+120** million kWh
(+76.2%)

Average Temperature	19.2°C	19.5°C	+0.3°C
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(3) Sales, Incomes (Q1)



(¥ billion)				
	FY2020 (Q1)	FY2019 (Q1)	Change	Rate of Change
Sales	101.6	120.2	-18.6	-15.5%
Cost of sales	62.1	74.4	-12.3	-16.6%
Selling, general and administrative expenses	30.7	30.6	0	0.3%
Ordinary income	9.7	16.0	-6.3	-39.5%
Net income attributable to owners of the parent	6.7	12.5	-5.8	-46.4%

(Notes)

	FY2020 (April-June)	FY2019 (April-June)	change
Crude oil price (CIF national average)	\$32.2/bbl	\$71.5/bbl	(-\$39.3/bbl)
Currency exchange rate (TTM)	¥107.6/\$	¥109.9/\$	(-¥2.3/\$)

(4) Factors for Change in Ordinary Income (Q1)



◆ Change from the previous year

Ordinary income (¥16.0 billion ⇒ ¥9.7 billion)

-¥6.3 billion

■ Effect of gas sales volume	-¥1.5 billion
■ Impact of time lag in fuel cost adjustment system	-¥4.0 billion
+¥5.5 billion (FY2019 Q1) ⇒ +¥1.5 billion (FY2020 Q1)	
■ Difference between purchase price and consumption price of gas resources	+¥1.5 billion
■ Effect of profits in consolidated subsidiaries	-¥1.8 billion
■ Effect of fixed costs, etc.	-¥0.5 billion

(5) Balance Sheet (Q1)



(¥ billion)

	FY2020 end of Q1	FY2019 end of FY	Change		FY2020 (Q1)	FY2019 (Q1)	Change
Total assets	555.3	564.7	-9.4	CAPEX	8.8	7.7	1.1
(unrealized gain on investment securities)	(45.3)	(40.9)	(4.4)	Depreciation	9.3	8.9	0.3
Net assets	330.1	322.7	7.3				
Equity ratio	59.4%	57.2%	2.2 point				
Interest-bearing debts	133.7	128.4	5.2				

2. Forecasts for FY2020

(1) Summary



- **Gas sales volume** will be 3,460 million m³, a decrease by 8.8% from the previous year
- **LPG sales volume** will be 443 thousand tons, a decrease by 8.9%
- **Electricity sales volume** will be 1.45 billion kWh, an increase by 46.4%

(Assuming that the economy will recover gradually by the end of the fiscal year)

- **Sales projections** will be ¥430 billion, a decrease by 11.5% from the previous year
- **Ordinary income** will be ¥13 billion, a decrease by 47.5%

(Based on crude oil price of 50 dollars/barrel and exchange rate of ¥110/dollar for FY2020)

- **Dividends** for the year ending March 2021 remain the same as last year (per share : ¥55)

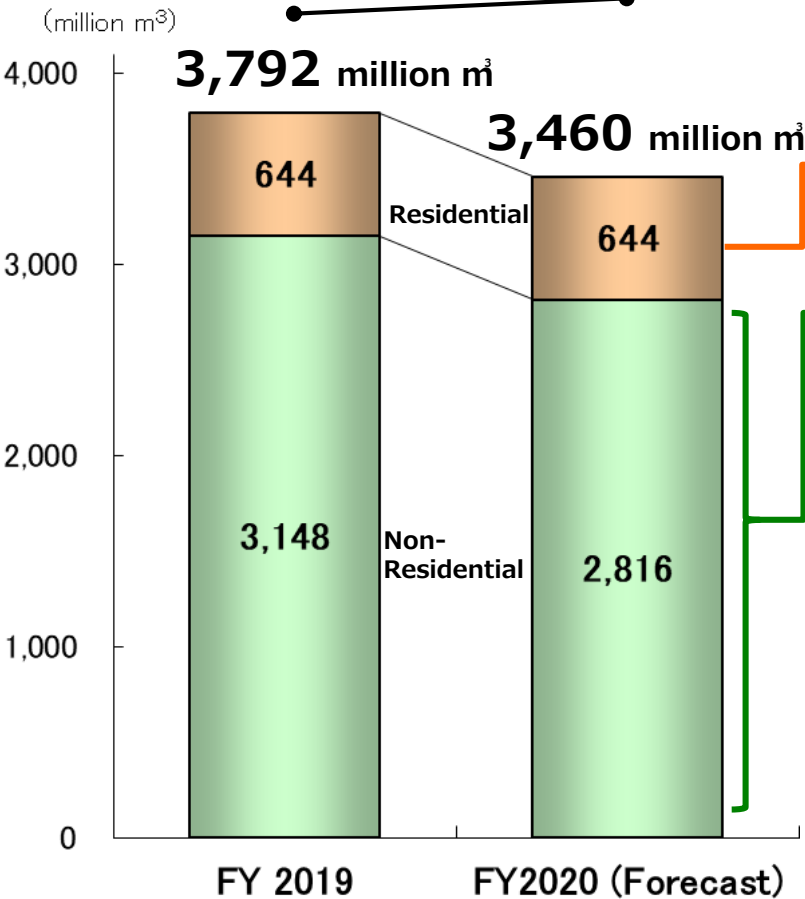
(2) Number of Customers, Gas Sales Volume (Forecasts)



Number of Gas meters **2,510** thousand → **2,530** thousand (+0.8%)

City Gas

-332 million m³ **-8.8%**



Residential use

±0 million m³

±0.0%

Non-Residential use

-332 million m³

-10.5%

L P G

Number of customers * **592 thousand : +4 thousand (+0.6%)**

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

Sales volume **443 thousand tons : -43 thousand tons (-8.9%)**

Electricity

Number of customers **406 thousand : +71 thousand (+21.0%)**

Sales volume **1.45 billion kWh : +0.46 billion kWh (+46.4%)**

Average Temperature	17.3°C	16.8°C	-0.5°C
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(3) Assumption of City Gas Sales Volume



- Due to the impact of COVID-19, we assume that sales volume for Non-Residential use will gradually recover from the bottom in May. However, within the year, it is expected to be lower than the previous year.

[Sales volume transition(Year-on-year)]

	Result	Forecast			FY2020
	2020/Q1	Q2	Q3	Q4	
Residential	+0.3% April +0.4%,May +4.7%,June -6.7%	±0.0%	±0.0%	±0.0%	±0.0%
Non-Residential	-14.4% April -7.2%,May -24.7%,June -11.3%	-11.3%	-9.5%	-7.5%	-10.5%
Total	-11.7% April -5.5%,May -19.2%,June -10.7%	-10.0%	-8.0%	-5.5%	-8.8%

(4) Forecasts for FY2020



(¥ billion)

	FY2020 Forecast	FY2019	Change	Rate of change
Sales	430.0	485.6	-55.6	-11.5%
Ordinary income	13.0	24.7	-11.7	-47.5%
Net income attributable to owners of the parent	9.0	16.2	-7.2	-44.7%
CAPEX	42.6	33.5	9.1	27.2%
Depreciation	37.2	37.5	-0.3	-0.9%

【Assumption】

(\$/bbl, ¥/\$)

	FY2020*	FY2019 (Result)	Change
Crude oil price	45.6	67.8	-22.2
Exchange rate	109.4	108.7	+0.7

【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

* Assumption FY2020: Crude oil price \$50/bbl, Exchange rate ¥110/\$

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



◆ Change from the previous year

**Ordinary income (¥24.7 billion ⇒ ¥13.0 billion)
-¥11.7 billion**

- | | |
|--|---------------|
| ■ Effect of gas sales volume | -¥3.0 billion |
| ■ Impact of time lag in fuel cost adjustment system | -¥2.0 billion |
| +¥8.0 billion(FY2019) ⇒ +¥6.0 billion(FY2020) | |
| ■ Difference between purchase price and consumption price of gas resources | ±¥0.0 billion |
| ■ Effect of profits in consolidated subsidiaries | -¥2.9 billion |
| ■ Effect of fixed costs, etc. | -¥3.8 billion |

<Reference> Progress of the Medium-term Management Plan



		FY2019 (Results)	FY2020 (Plan)	Medium-term Management Plan FY2021
Natural Gas	Number of Customers* ¹	2.51 million	2.53 million	2.55 million
	Sales Volume* ²	3.88 billion m ³	3.55 billion m ³	4.1 billion m ³
L P G	Number of Customers* ³	589 thousand	592 thousand	590 thousand
	Sales Volume	486 thousand tons	443 thousand tons	535 thousand tons
Electricity	Number of Customers	335 thousand	406 thousand	300 thousand
	Sales Volume	0.99 billion kWh	1.45 billion kWh	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

		FY2019 (Results)	FY2020 (Plan)	Medium-term Management Plan FY2019 - 2021
Operating Cash Flow		68.3 billion yen	46.0 billion yen	Cumulative total 160 billion yen and over
Investment into the city gas business		27.7 billion yen	29.2 billion yen	Cumulative total 80 billion yen and over
Investment into growth businesses		20.7 billion yen	27.7 billion yen	Cumulative total 60 billion yen and over
R O A		2.9%	About 1.6%	Average 3% and over