

**Consolidated Financial Results  
Results for the 3rd Quarter of FY2020  
(April-December 2020)**



January 29, 2021  
**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 Q3 of FY2020

## (1) Summary

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- **Gas sales volume** was 2,529 million m<sup>3</sup>, a decrease by 7.3% from the previous year
- **LPG sales volume** was 318 thousand tons, an increase by 0.7%
- **Electricity sales volume** was 1,087 million kWh, an increase by 65.9%
  
- **Sales** were ¥302.5 billion, a decrease by 11.0% from the previous year
- **Ordinary income** was ¥17.6 billion, a decrease by 16.9%

# (2) Number of Customers, Gas Sales Volume (Q3)

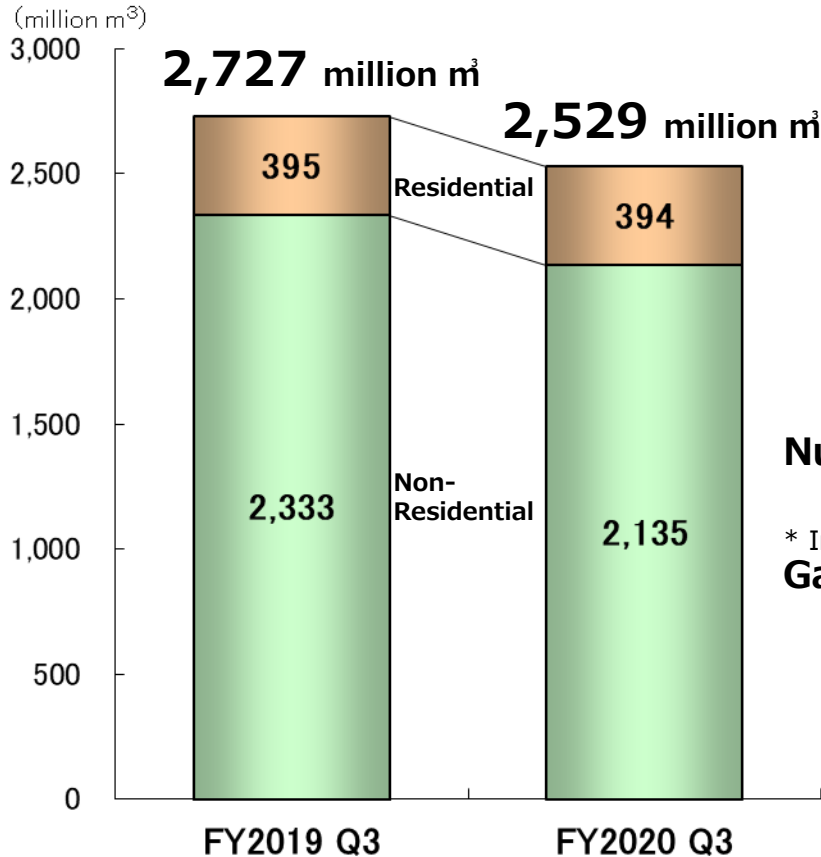


Number of Gas meters **2,501** thousand

**2,525** thousand (+0.9%)

## City Gas

**-198 million m<sup>3</sup>** **-7.3%**



**Residential use**

**-0 million m<sup>3</sup>**

**-0.1%**

**Non-Residential use**

**-198 million m<sup>3</sup>**

**-8.5%**

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

## L P G

Number of customers \* **593** thousand : **+88** thousand

**(+17.5%)**

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

Gas sales volume **318** thousand tons : **+2** thousand tons

**(+0.7%)**

## Electricity

Number of customers **415** thousand : **+120** thousand

**(+40.7%)**

Sales volume **1,087** million kWh : **+432** million kWh

**(+65.9%)**

Average Temperature	<b>20.2°C</b>	<b>19.9°C</b>	<b>-0.3°C</b>
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### (3) Sales, Incomes (Q3)



(¥ billion)				
	FY2020 (Q3)	FY2019 (Q3)	Change	Rate of Change
<b>Sales</b>	<b>302.5</b>	<b>339.9</b>	<b>-37.3</b>	<b>-11.0%</b>
<b>Cost of sales</b>	<b>191.3</b>	<b>227.4</b>	<b>-36.1</b>	<b>-15.9%</b>
<b>Selling, general and administrative expenses</b>	<b>95.9</b>	<b>93.2</b>	<b>2.6</b>	<b>2.8%</b>
<b>Ordinary income</b>	<b>17.6</b>	<b>21.2</b>	<b>-3.5</b>	<b>-16.9%</b>
<b>Net income attributable to owners of the parent</b>	<b>12.9</b>	<b>16.2</b>	<b>-3.2</b>	<b>-20.0%</b>

(Notes)

	FY2020 (April-December)	FY2019 (April-December)	change
Crude oil price (CIF national average)	\$39.0/bbl	\$67.8/bbl	(-\$28.8/bbl)
Currency exchange rate (TTM)	¥106.1/\$	¥108.7/\$	(-¥2.6/\$)

## (4) Factors for Change in Ordinary Income (Q3)



### ◆ Change from the previous year

Ordinary income (¥21.2 billion ⇒ ¥17.6 billion)  
-¥3.5 billion

■ Effect of gas sales volume	-¥2.0 billion
■ Impact of time lag in fuel cost adjustment system	+¥5.0 billion
+¥8.5 billion (FY2019 Q3) ⇒ +¥13.5 billion (FY2020 Q3)	
■ Difference between purchase price and consumption price of gas resources	-¥1.5 billion
■ Others	-¥5.0 billion

# (5) Balance Sheet (Q3)



(¥ billion)

	FY2020 end of Q3	FY2019 end of FY	Change
<b>Total assets</b>	<b>566.9</b>	<b>564.7</b>	<b>2.1</b>
(unrealized gain on investment securities)	(54.8)	(40.9)	(13.8)
<b>Net assets</b>	<b>342.6</b>	<b>322.7</b>	<b>19.8</b>
<b>Equity ratio</b>	<b>60.4%</b>	<b>57.2%</b>	<b>3.2Point</b>
<b>Interest-bearing debts</b>	<b>126.5</b>	<b>128.4</b>	<b>-1.9</b>

	FY2020 (Q3)	FY2019 (Q3)	Change
<b>CAPEX</b>	<b>21.6</b>	<b>21.9</b>	<b>-0.2</b>
<b>Depreciation</b>	<b>28.0</b>	<b>27.5</b>	<b>0.5</b>

## 2. Forecasts for FY2020

### (1) Summary



- **Gas sales volume** will be 3,519 million m<sup>3</sup>, a decrease by 7.2% from the previous year (The forecasts were changed from 3,460 million m<sup>3</sup> to 3,519 million m<sup>3</sup> (+59 million m<sup>3</sup>))
- **LPG sales volume** will be 453 thousand tons, a decrease by 6.8% (The forecasts were changed from 443 thousand tons to 453 thousand tons (+10 thousand tons))
- **Electricity sales volume** will be 1.53 billion kWh, an increase by 54.5% (The forecasts were changed from 1.45 billion kWh to 1.53 billion kWh (+0.08 billion kWh))
- **Sales** 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 55 dollars/barrel and exchange rate of ¥105/dollar for Q4 of FY2020)



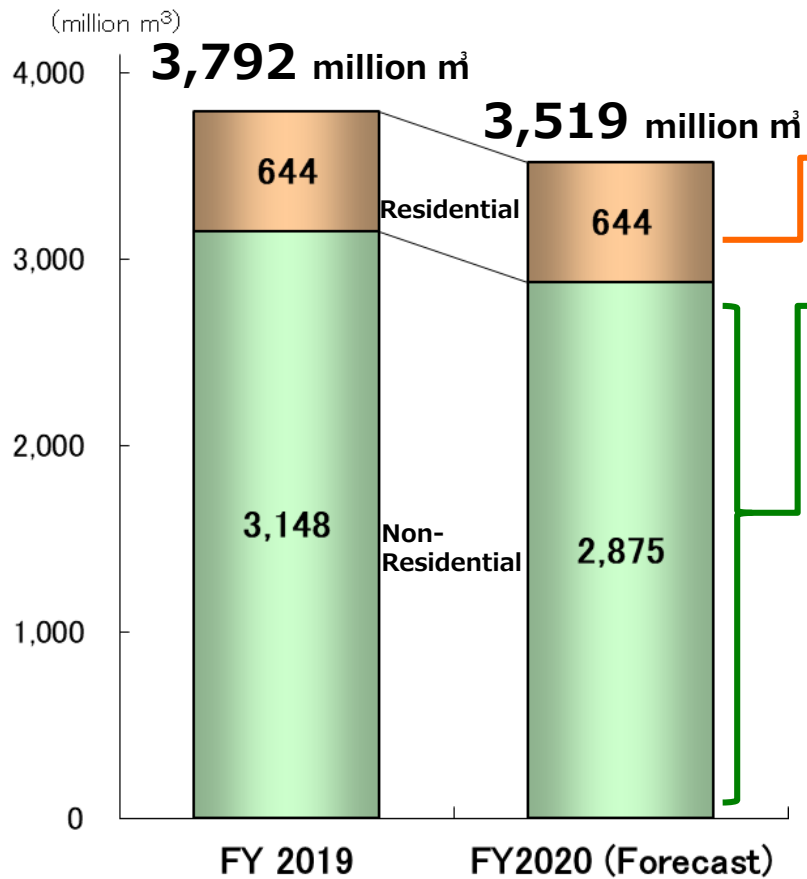
# (2) Number of Customers, Gas Sales Volume (Forecasts)



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

## City Gas

**-274million m<sup>3</sup>** **-7.2%**



Category	Change (million m <sup>3</sup> )	Change (%)
Residential use	±0 million m <sup>3</sup>	±0.0%
Non-Residential use	-274 million m <sup>3</sup>	-8.7%

## L P G

Number of customers \* **593** thousand : **+5** thousand (+0.8%)  
 \* Including the number of customers based on commissioned business for delivery  
 Sales volume **453** thousand tons : **-33** thousand tons (-6.8%)

## Electricity

Number of customers **430** thousand : **+95** thousand (+28.2%)  
 Sales volume **1.53** billion kWh : **+0.54** billion kWh (+54.5%)

Average Temperature	FY 2019	FY2020 (Forecast)	Change
	17.3°C	16.8°C	-0.5°C

### (3) Change from the previous forecasts



- City Gas sales volume was revised upward from 3,460 million m<sup>3</sup> to 3,519 million m<sup>3</sup>, taking into account the increase in gas sales volume through the 3rd Quarter.

(million m<sup>3</sup>)

	Revised forecasts	Previous forecasts	Change
Residential use	644 (±0.0%)	644 (±0.0%)	± 0
Non-Residential use	2,875 (-8.7%)	2,816 (-10.5%)	+59
Total	3,519 (-7.2%)	3,460 (-8.8%)	+59

[Note] ( ) ; Rate of change from previous year

## (4) Transition of City Gas Sales Volume



- Sales volume of Non-Residential use has been a recovery trend, but has remained below the previous year's level as of Q3.

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

	Results									Forecasts	
	Q1			Q2			Q3			Q4	FY2020
	April	May	June	July	August	September	October	November	December		
Residential	<b>+0.3%</b>			<b>+0.9%</b>			<b>-1.2%</b>			<b>+0.2%</b>	<b>±0.0%</b>
	+0.4%	+4.7%	-6.7%	+1.2%	+8.3%	-7.5%	+2.3%	+8.7%	-9.4%		
Non-residential	<b>-14.4%</b>			<b>-7.3%</b>			<b>-4.0%</b>			<b>-9.3%</b>	<b>-8.7%</b>
	-7.2%	-24.7%	-11.3%	-10.2%	-7.2%	-4.2%	-7.4%	-1.3%	-3.2%		
Total	<b>-11.7%</b>			<b>-6.5%</b>			<b>-3.6%</b>			<b>-7.1%</b>	<b>-7.2%</b>
	-5.5%	-19.2%	-10.7%	-9.0%	-5.8%	-4.5%	-6.4%	+0.3%	-4.5%		

## (5) Sales, Incomes (Forecasts)



(¥ billion)

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

### 【Assumption】

(\$/bbl, ¥/\$)

	FY2020*	FY2019 (Result)	Change
<b>Crude oil price</b>	<b>43.0</b>	<b>67.8</b>	<b>-24.8</b>
<b>Exchange rate</b>	<b>105.8</b>	<b>108.7</b>	<b>- 2.9</b>

\* Assumption for Q4 of FY2020: Crude oil price \$55/bbl, Exchange rate ¥105/\$

## (6) Factors for Change in Ordinary Income (Change from the previous forecasts)



**Ordinary income (¥13.0 billion⇒¥13.0 billion)  
±¥0.0 billion**

■ Effect of gas sales volume	+¥1.0 billion
■ Impact of time lag in fuel cost adjustment system	+¥4.0 billion
+¥6.0 billion(Previous) ⇒ +¥10.0 billion(Revised)	
■ Difference between purchase price and consumption price of gas resources	-¥1.0 billion
■ Effect of profits in consolidated subsidiaries	+¥1.5 billion
■ Others	-¥5.5 billion

## (7) Factors for Change in Ordinary Income (Change from the previous year)



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

■ Effect of gas sales volume	-¥2.0 billion
■ Impact of time lag in fuel cost adjustment system	+¥2.0 billion
+¥8.0 billion(FY2019) ⇒ +¥10.0 billion(FY2020)	
■ Difference between purchase price and consumption price of gas resources	-¥1.0 billion
■ Effect of profits in consolidated subsidiaries	±¥0.0 billion
■ Others	-¥10.7 billion

# <Reference>

## Progress of the Medium-term Management Plan



		FY2019 (Results)	FY2020 (Plan)	Medium-term Management Plan FY2021
Natural Gas	Number of Customers* <sup>1</sup>	2.51 million	2.53 million	2.55 million
	Sales Volume* <sup>2</sup>	3.88 billion m <sup>3</sup>	3.61 billion m <sup>3</sup>	4.1 billion m <sup>3</sup>
L P G	Number of Customers* <sup>3</sup>	589 thousand	593 thousand	590 thousand
	Sales Volume	486 thousand tons	453 thousand tons	535 thousand tons
Electricity	Number of Customers	335 thousand	430 thousand	300 thousand
	Sales Volume	0.99 billion kWh	1.53 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