

# Consolidated Financial Results Results for FY2020 (April 2020 - March 2021)



April 28, 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 FY2020

## (1) Summary

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- **City gas sales volume** was 3,610 million m<sup>3</sup>, a decrease by 4.8% from the previous year
- **LPG sales volume** was 462 thousand tons, a decrease by 5.0%
- **Electricity sales volume** was 1,602 million kWh, an increase by 61.8%
- **Sales** were ¥434.7 billion, a decrease by 10.5% from the previous year
- **Ordinary income** was ¥16.6 billion, a decrease by 32.9%

# 1. Results for FY2020

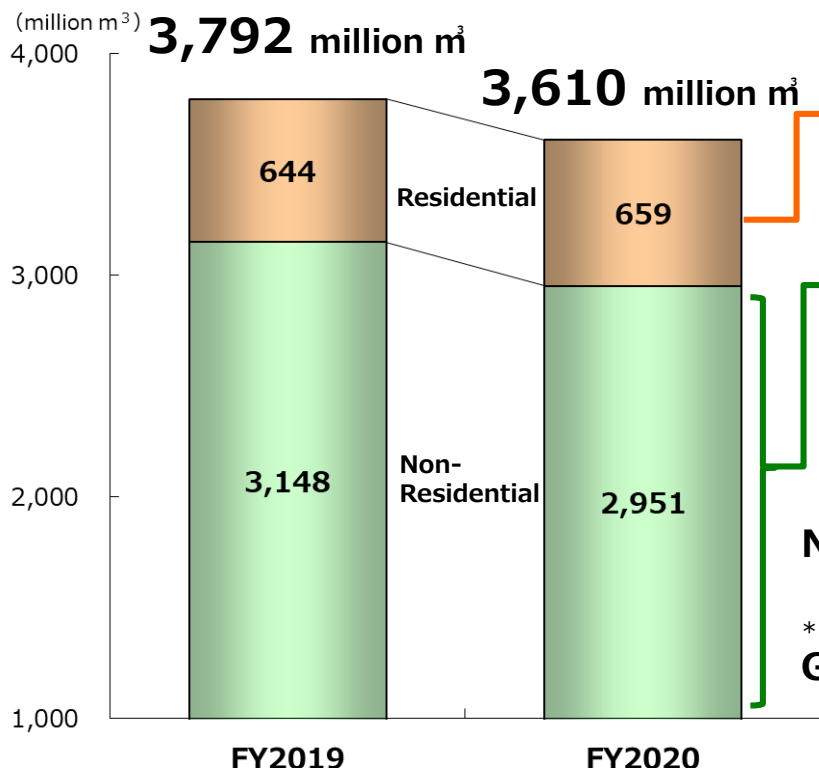
## (2) Number of Customers, Sales Volume



Number of Gas meters **2,510** thousand  
**2,533** thousand (+0.9%)

### City Gas

**-182 million m<sup>3</sup>** **-4.8%**



### Residential use

**+15 million m<sup>3</sup>** **+2.3%**

Due to a hard winter, and an increase in staying at home, etc.

### Non-Residential use

**-197 million m<sup>3</sup>** **-6.3%**

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

### L P G

Number of customers \* **594 thousand** : **+5 thousand**  
**(+0.8%)**

\* Including the number of customers based on commissioned business for delivery  
**Gas sales volume 462 thousand tons** : **-24 thousand tons**  
**(-5.0%)**

### Electricity

Number of customers **438 thousand** : **+102 thousand**  
**(+30.5%)**  
**Sales volume 1,602 million kWh** : **+612 million kWh**  
**(+61.8%)**

Average Temperature	FY2019	FY2020	Change
	17.3°C	17.0°C	-0.3°C

# 1. Results for FY2020

## <Reference> Transition of City Gas Sales Volume



### Sales volume transition(Year-on-year)

	Results												FY2020
	Q1			Q2			Q3			Q4			
	April	May	June	July	August	September	October	November	December	January	February	March	
Residential	<b>+0.3%</b>			<b>+0.9%</b>			<b>-1.2%</b>			<b>+6.0%</b>			<b>+2.3%</b>
	+0.4%	+4.7%	-6.7%	+1.2%	+8.3%	-7.5%	+2.3%	+8.7%	-9.4%	+15.1%	+4.6%	-2.3%	
Non-residential	<b>-14.4%</b>			<b>-7.3%</b>			<b>-4.0%</b>			<b>+0.1%</b>			<b>-6.3%</b>
	-7.2%	-24.7%	-11.3%	-10.2%	-7.2%	-4.2%	-7.4%	-1.3%	-3.2%	+1.9%	-2.4%	+0.9%	
Total	<b>-11.7%</b>			<b>-6.5%</b>			<b>-3.6%</b>			<b>+1.5%</b>			<b>-4.8%</b>
	-5.5%	-19.2%	-10.7%	-9.0%	-5.8%	-4.5%	-6.4%	+0.3%	-4.5%	+5.1%	-0.8%	+0.2%	

# 1. Results for FY2020

## (3) Sales, Incomes



(¥ billion)

	FY2020	FY2019	Change	Rate of Change
<b>Sales</b>	<b>434.7</b>	<b>485.6</b>	<b>-50.8</b>	<b>-10.5%</b>
<b>Cost of sales</b>	<b>285.5</b>	<b>330.0</b>	<b>-44.5</b>	<b>-13.5%</b>
<b>Selling, general and administrative expenses</b>	<b>135.7</b>	<b>134.1</b>	<b>1.5</b>	<b>1.2%</b>
<b>Ordinary income</b>	<b>16.6</b>	<b>24.7</b>	<b>-8.1</b>	<b>-32.9%</b>
<b>Extraordinary income or loss</b>	<b>-3.2<sup>*</sup></b>	<b>-1.3</b>	<b>-1.9</b>	<b>-</b>
<b>Net income attributable to owners of the parent</b>	<b>8.5</b>	<b>16.2</b>	<b>-7.6</b>	<b>-47.2%</b>

\* Extraordinary income : Gain on sales of investment securities  
 Extraordinary loss : Impairment loss

(Notes)	FY2020	FY2019	change
Crude oil price (CIF national average)	\$43.4/bbl	\$67.8/bbl	-\$24.4/bbl
Currency exchange rate (TTM)	¥106.1/\$	¥108.7/\$	-¥2.6/\$

# 1. Results for FY2020

## (4) Factors for change in Ordinary Income



### ◆ Change from the previous year

**Ordinary income (¥24.7 billion ⇒ ¥16.6 billion)**  
**-¥8.1 billion**

■ Effect of gas sales volume	-¥0.5 billion
■ Impact of time lag in fuel cost adjustment system	-¥5.0 billion
+¥8.0 billion (FY2019) ⇒ +¥3.0 billion (FY2020)	
■ Difference between purchase price and consumption price of gas resources	+¥1.5 billion
■ Effect of electricity business	-¥2.5 billion
■ Others	-¥1.6 billion

# 1. Results for FY2020

## (5) Factors for change in Ordinary Income



### ◆ Change from the Forecasts (at the release of Q3 financial results)

**Ordinary income (¥13.0 billion ⇒ ¥16.6 billion)  
+¥3.6 billion**

■ Effect of gas sales volume	+¥1.5 billion
■ Impact of time lag in fuel cost adjustment system	-¥7.0 billion
+¥10.0 billion (Forecasts) ⇒ +¥3.0 billion (Results)	
■ Difference between purchase price and consumption price of gas resources	+¥2.5 billion
■ Effect of electricity business	+¥1.5 billion
■ Others	+¥5.1 billion



# 1. Results for FY2020

## (6) Balance Sheet and Cash Flows



(¥ billion)

	FY2020	FY2019	Change		FY2020	FY2019	Change
<b>Total assets</b>	<b>601.8</b>	<b>564.7</b>	<b>37.0</b>	<b>Cash flows from operating activities</b>	<b>64.3</b>	<b>68.3</b>	<b>-3.9</b>
(unrealized gain on investment securities)	(62.1)	(40.9)	(21.2)	<b>Cash flows from investment activities</b>	<b>-40.9</b>	<b>-42.9</b>	<b>1.9</b>
<b>Net assets</b>	<b>359.4</b>	<b>322.7</b>	<b>36.7</b>	<b>(Free cash flows)</b>	<b>(23.4)</b>	<b>(25.4)</b>	<b>(-2.0)</b>
<b>Equity ratio</b>	<b>59.7%</b>	<b>57.2%</b>	<b>2.5 Point</b>	<b>Cash flows from financing activities</b>	<b>-6.7</b>	<b>-10.7</b>	<b>3.9</b>
<b>Interest-bearing debts</b>	<b>129.9</b>	<b>128.4</b>	<b>1.4</b>	<b>Net (decrease) increase in cash and cash equivalents</b>	<b>16.5</b>	<b>14.7</b>	<b>1.8</b>
				<b>Cash and cash equivalents at end of period</b>	<b>50.5</b>	<b>33.9</b>	<b>16.5</b>
<b>ROA</b>	<b>1.5%</b>	<b>2.9%</b>	<b>-1.4 Point</b>	<b>CAPEX</b>	<b>34.3</b>	<b>33.5</b>	<b>0.7</b>
<b>ROE</b>	<b>2.5%</b>	<b>5.0%</b>	<b>-2.5 Point</b>	<b>Depreciation</b>	<b>37.4</b>	<b>37.5</b>	<b>-0.0</b>

# 1. Results for FY2020

## (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 FY2020

### <Reference> Return to shareholders

(Unit: ¥ billion)

FY	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net income attributable to the parent(consolidated)	8.5	11.2	19.0	43.0	17.7	18.0	14.8	16.2	8.5
Cash dividend	4.9	4.9	5.1	5.4	5.3	5.5	5.8	5.8	5.8
[Dividend per share]	[¥45]	[¥45]	[¥47.5]	[¥50]	[¥50]	[¥52.5]	[¥55]	[¥55]	[¥55]
Share buy-back	-	-	2.9	4.5	2.9	-	2.9	-	-
Total return	4.9	4.9	8.1	9.9	8.3	5.5	8.8	5.8	5.8

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

## 2. Forecasts for FY2021

### (1) Summary

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- **City gas sales volume** will be 3,648 million m<sup>3</sup>, an increase by 1.0% from the previous year
- **LPG sales volume** will be 492 thousand tons, an increase by 6.5%
- **Electricity sales volume** will be 1.99 billion kWh, an increase by 24.0%
- **Sales** will be ¥460 billion, an increase by 5.8% from the previous year
- **Ordinary income** will be ¥13.5 billion, a decrease by 18.8%

(Based on crude oil price of 65 dollars/barrel and exchange rate of ¥110/dollar for FY2021)

# 2. Forecasts for FY2021

## (2) Number of Customers, Sales Volume

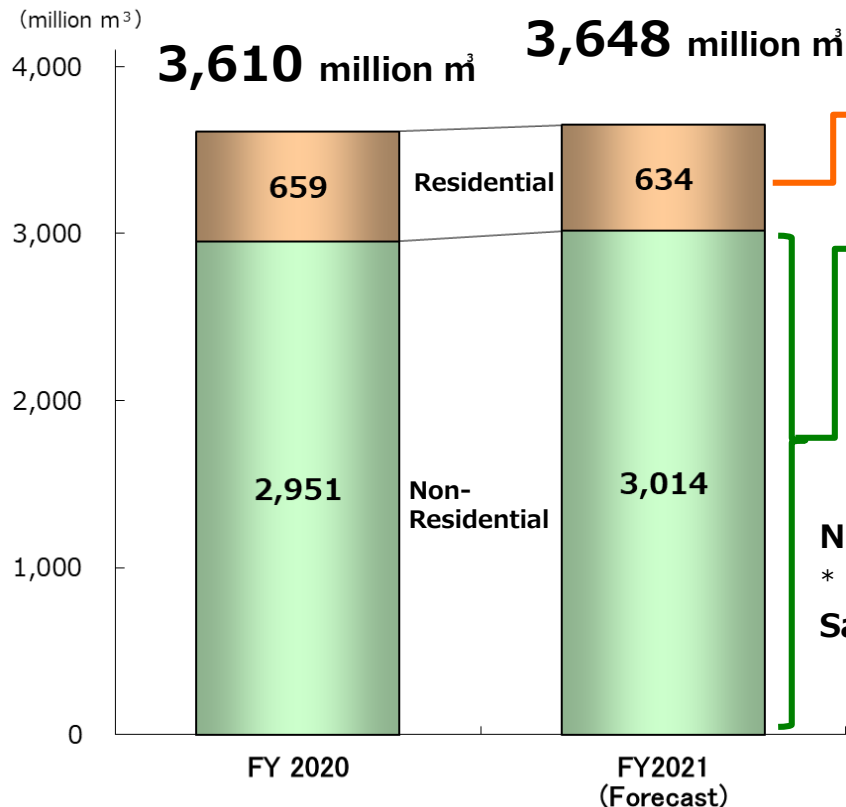


Number of Gas meters **2,533** thousand

**2,551** thousand (+0.7%)

**City Gas**

**+37 million m<sup>3</sup> +1.0%**



**Residential use**

**-25 million m<sup>3</sup>**

**-3.8%**

**Non-Residential use**

**+62 million m<sup>3</sup>**

**+2.1%**

**L P G**

**Number of customers \* 604 thousand : +10 thousand (+1.7%)**

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

**Sales volume 492 thousand tons : +30 thousand tons (+6.5%)**

**Electricity**

**Number of customers 514 thousand : +76 thousand (+17.4%)**

**Sales volume 1.99 billion kWh : +0.38 billion kWh (+24.0%)**

Average Temperature	17.0°C	16.5°C	-0.5°C
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## 2. Forecasts for FY2021

### (3) Sales, Incomes



(¥ billion)

	FY2021 Forecast	FY2020	Change	Rate of change
<b>Sales</b>	<b>460.0</b>	<b>434.7</b>	<b>25.2</b>	<b>5.8%</b>
<b>Ordinary income</b>	<b>13.5</b>	<b>16.6</b>	<b>-3.1</b>	<b>-18.8%</b>
<b>Net income attributable to owners of the parent</b>	<b>9.0</b>	<b>8.5</b>	<b>0.4</b>	<b>4.7%</b>
<b>CAPEX</b>	<b>48.5</b>	<b>34.3</b>	<b>14.2</b>	<b>41.4%</b>
<b>Depreciation</b>	<b>37.4</b>	<b>37.4</b>	<b>-0.0</b>	<b>-0.0%</b>

【Assumption】

(\$/bbl, ¥/\$) 【Sensitivity (full-year)】

	FY2021	FY2020 (Result)	Change		Gas resource cost	Gross profit of Gas business
<b>Crude oil price</b>	<b>65.0</b>	<b>43.4</b>	<b>-21.6</b>	<b>Crude oil price +1\$/bbl</b>	<b>+¥ 0.9 billion</b>	<b>-¥ 0.15 billion</b>
<b>Exchange rate</b>	<b>110.0</b>	<b>106.1</b>	<b>- 3.9</b>	<b>Exchange rate +1¥/\$</b>	<b>+¥ 1.1 billion</b>	<b>-¥ 0.2 billion</b>

## 2. Forecasts for FY2021

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



#### ◆ Change from the previous year

**Ordinary income (¥16.6 billion⇒¥13.5 billion)  
-¥3.1 billion**

■ Effect of gas sales volume	±¥0.0 billion
■ Impact of time lag in fuel cost adjustment system	-¥9.5 billion
	+¥3.0 billion (FY2020)⇒ -¥6.5 billion (FY2021)
■ Difference between purchase price and consumption price of gas resources	+¥2.5 billion
■ Others	+¥3.9 billion

## 〈Reference 1〉

# Initiatives related to carbon neutrality

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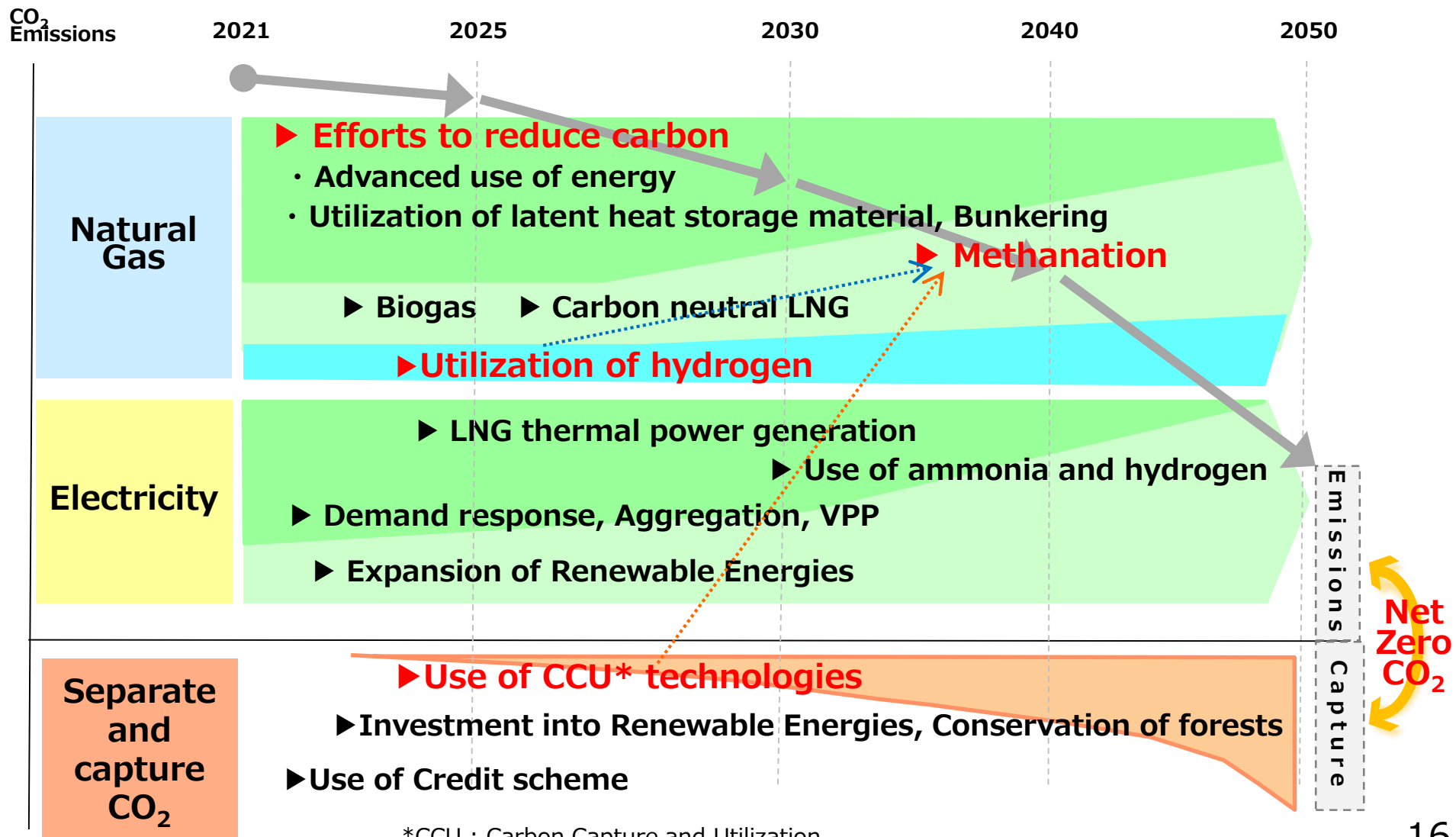
## ■ Orientation of our efforts

- **We strive to get compatibility between carbon neutrality and various issues such as "regional development", "strengthening resilience", and "controlling social burden".**
- **We aim to achieve "2050 net-zero CO<sub>2</sub>" through exhaustive low carbonization for the time being, and innovation for the future.**
- **We plan to reorganize our efforts regarding carbon neutrality, and announce them by the end of the first half of FY2021.**

# 〈Reference 1〉 Initiatives related to carbon neutrality



## Image for realization of carbon neutrality





## <Reference 2>

# Progress of the Medium-term Management Plan



		FY2019 (Results)	FY2020 (Results)	FY2021 (Forecasts)	Medium-term Management Plan FY2021
Natural Gas	Number of Customers* <sup>1</sup>	2.51 million	2.53 million	2.55 million	2.55 million
	Sales Volume* <sup>2</sup>	3.88 billion m <sup>3</sup>	3.70 billion m <sup>3</sup>	3.74 billion m <sup>3</sup>	4.1 billion m <sup>3</sup>
L P G	Number of Customers* <sup>3</sup>	589 thousand	594 Thousand	604 thousand	590 thousand
	Sales Volume	486 thousand tons	462 thousand tons	492 thousand tons	535 thousand tons
Electricity	Number of Customers	335 thousand	438 thousand	514 thousand	300 thousand
	Sales Volume	0.99 billion kWh	1.60 billion kWh	1.99 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 (Results)	FY2021 (Forecasts)	Medium-term Management Plan FY2019 - 2021
Operating Cash Flow		68.3 billion yen	64.3 billion yen	28.0 billion yen	Cumulative total 160 billion yen and over
Investment into the city gas business		27.7 billion yen	27.7 billion yen	35.0 billion yen	Cumulative total 80 billion yen and over
Investment into growth businesses		20.7 billion yen	16.7 billion yen	34.0 billion yen	Cumulative total 60 billion yen and over
R O A		2.9%	1.5%	About 1.5%	Average 3% and over