

**Consolidated Financial Results  
Results for the 2nd Quarter FY2021  
(April - September 2021)**



October 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 2nd Quarter of FY2021

## (1) Summary

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- **City gas sales volume** was 1,688 million m<sup>3</sup>, an increase by 1.9% from the previous year
- **LPG sales volume** was 214 thousand tons, an increase by 8.0%
- **Electricity sales volume** was 945 million kWh, an increase by 36.2%
- **Sales** were ¥207.8 billion, an increase by 2.6% from the previous year
- **Ordinary income** was ¥4.1 billion, a decrease by 74.0%

# 1. Results for the 2nd Quarter of FY2021

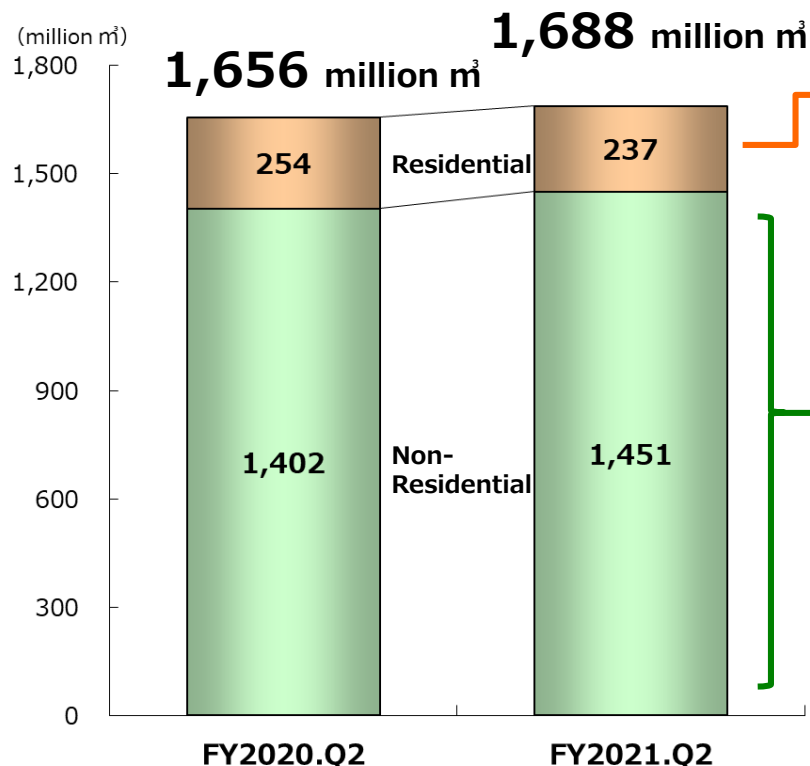
## (2) Number of Customers, Sales Volume



Number of Gas meters **2,521** Thousand  
**2,543** Thousand (+0.9%)

### City Gas

+32 million m<sup>3</sup> +1.9%



### Residential use

-17 million m<sup>3</sup> -6.5%

Due to a decrease in demand for hot water supply, by high spring temperatures, etc.

### Non-Residential use

+48 million m<sup>3</sup> +3.4%

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

### L P G

Number of customers \* **602** thousand : **+10** thousand  
 (+1.7%)

\* Including the number of customers based on commissioned business for delivery  
**Gas sales volume** **214** thousand tons : **+16** thousand tons  
 (+8.0%)

### Electricity

Number of customers **474** thousand : **+83** thousand  
 (+21.2%)

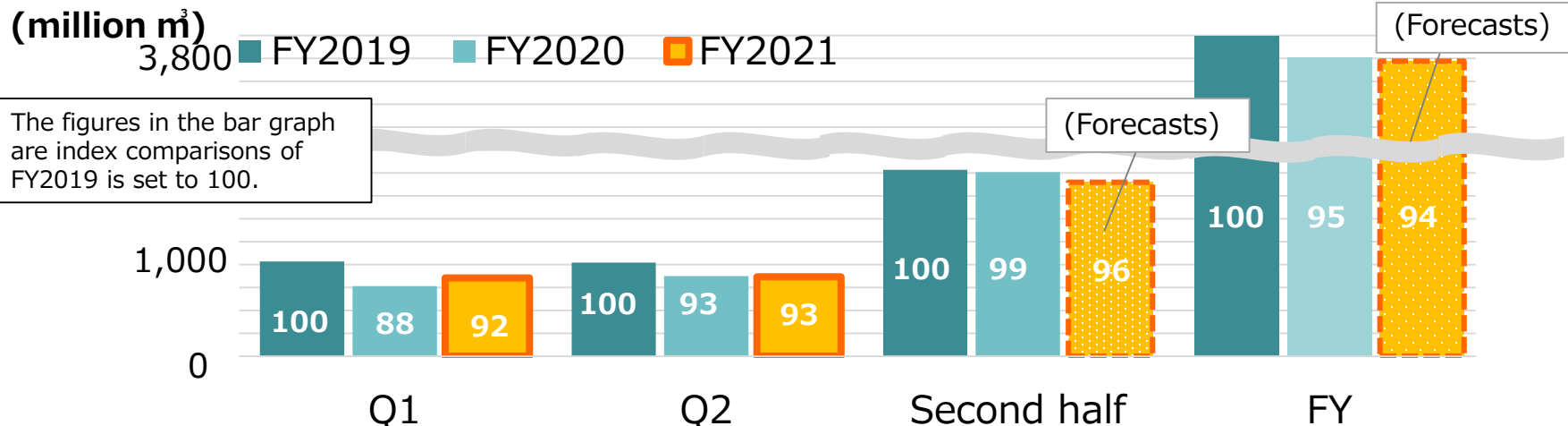
**Sales volume** **945** million kWh : **+251** million kWh  
 (+36.2%)

Average Temperature	23.3°C	22.9°C	-0.4°C

↳ Monthly average temperature of FY2021 (YoY)

April +1.8°C, May -1.1°C, June -1.2°C, July +2.0°C, August -2.5°C, September -1.3°C

# <Reference> Changes in City Gas Sales volume over the last three years



## Year-on-Year rate of change in FY2020

	Q1	Q2	Q3	Q4	FY2020
Residential	+0.3%	+0.9%	-1.2%	+6.0%	+2.3%
Non-Residential	-14.4%	-7.3%	-4.0%	+0.1%	-6.3%
Total	-11.7%	-6.5%	-3.6%	+1.5%	-4.8%

The first half of FY2020  
-9.1%

The second half of FY 2020  
-0.8%

## Year-on-Year rate of change in FY2021

	Q1	Q2	Q3	Q4	FY2021 (Forecasts)
Residential	-8.4%	-2.8%			-3.2%
Non-Residential	+7.8%	-0.2%			-0.5%
Total	+4.4%	-0.4%			-0.9%

The first half of FY2021  
+1.9%

# 1. Results for the 2nd Quarter of FY2021

## (3) Sales, Incomes



(¥ billion)

	FY2021 Q2	FY2020 Q2	Change	Rate of Change
Sales	207.8	202.6	5.1	2.6%
Cost of sales	143.5	124.5	18.9	15.2%
Selling, general and administrative expenses	61.5	63.2	-1.7	-2.7%
Ordinary income	4.1	16.1	-11.9	-74.0%
Net income attributable to owners of the parent	2.9	11.7	-8.8	-75.1%

(Notes)

	FY2021.Q2	FY2020.Q2	Change
Crude oil price (CIF national average)	\$70.3/bbl	\$36.5/bbl	+33.8\$/bbl
Currency exchange rate (TTM)	¥109.8/\$	¥106.9/\$	+¥2.9/\$

# 1. Results for the 2nd Quarter of FY2021

## (4) Factors for change in Ordinary Income



### ◆ Change from the previous year

**Ordinary income (¥16.1 billion ⇒ ¥4.1 billion)**  
**-¥11.9 billion**

- |  |                 |
|--|-----------------|
| ■ Effect of gas sales volume   | - ¥0.5 billion  |
| ■ Impact of time lag in fuel cost adjustment system                        | - ¥22.5 billion |
| +¥13.0 billion (FY2020.Q2) ⇒ - ¥9.5 billion (FY2021.Q2)                    |                 |
| ■ Difference between purchase price and consumption price of gas resources | + ¥7.5 billion  |
| -¥ 5.0 billion (FY2020.Q2) ⇒ + ¥2.5 billion (FY2021.Q2)                    |                 |
| ■ Effort of decrease of fixed costs, etc.                                  | + ¥3.6 billion  |

# 1. Results for the 2nd Quarter of FY2021

## (5) Balance Sheet

(¥ billion) 

	FY2021 Q2	FY2020	Change		FY2021 Q2	FY2020 Q2	Change
<b>Total assets</b>	<b>593.9</b>	<b>601.8</b>	<b>-7.9</b>	<b>Cash flows from operating activities</b>	<b>5.3</b>	<b>36.4</b>	<b>-31.1</b>
<b>Net assets</b>	<b>368.1</b>	<b>359.4</b>	<b>8.6</b>	<b>Cash flows from investment activities</b>	<b>-25.6</b>	<b>-19.3</b>	<b>-6.3</b>
<b>Equity ratio</b>	<b>62.0%</b>	<b>59.7%</b>	<b>2.3 Point</b>	<b>(Free cash flows)</b>	<b>(-20.3)</b>	<b>(17.1)</b>	<b>(-37.5)</b>
<b>Interest-bearing debts</b>	<b>129.7</b>	<b>129.9</b>	<b>-0.1</b>	<b>Cash flows from financing activities</b>	<b>-5.1</b>	<b>-5.1</b>	<b>0</b>
				<b>Net (decrease) increase in cash and cash equivalents</b>	<b>-25.4</b>	<b>11.9</b>	<b>-37.4</b>
				<b>Cash and cash equivalents at end of period</b>	<b>25.1</b>	<b>45.9</b>	<b>-20.8</b>
				<b>CAPEX</b>	<b>16.7</b>	<b>15.3</b>	<b>1.4</b>
				<b>Depreciation</b>	<b>17.7</b>	<b>18.2</b>	<b>-0.5</b>



## 2. Forecasts for FY2021

### (1) Summary

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- **City gas sales volume** will be 3,576 million m<sup>3</sup>, a decrease by 0.9% from the previous year  
[The forecasts were changed from 3,648 million m<sup>3</sup> to 3,576 million m<sup>3</sup>]
- **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 ¥480 billion, an increase by 10.4% from the previous year  
[The forecasts were changed from ¥460 billion to ¥480 billion]
- **Ordinary income** will be ¥13.5 billion, a decrease by 18.8%  
[Based on crude oil price of 75 dollars/barrel and exchange rate of ¥110/dollar for the 2nd half of FY2021]

# 2. Forecasts for FY2021

## (2) Number of Customers, Sales Volume



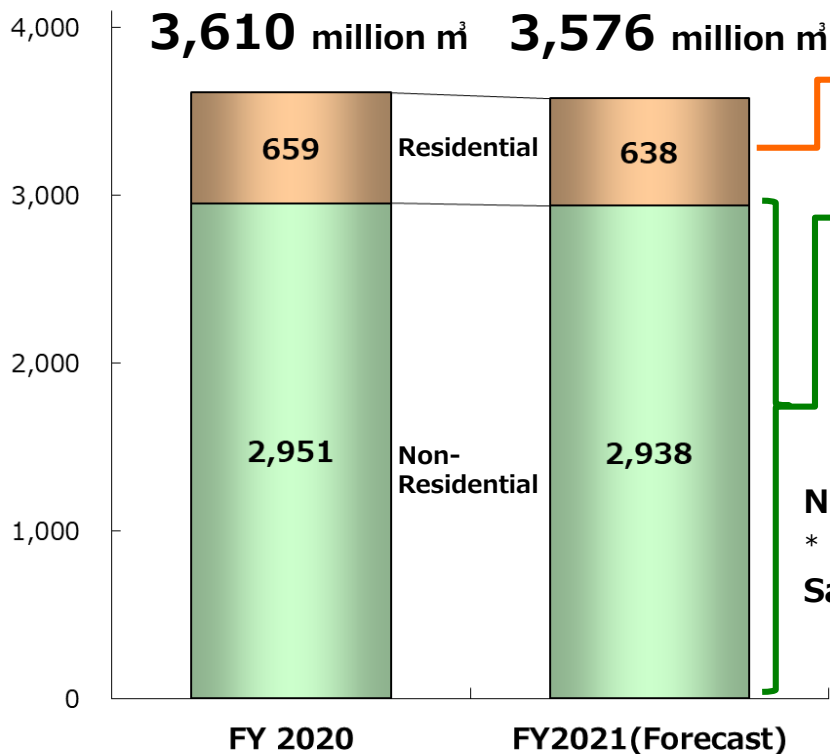
Number of Gas meters **2,533** thousand

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

**City Gas**

**-34 million m<sup>3</sup>** **-0.9%**

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



**Residential use**

**-21 million m<sup>3</sup>**

**-3.2%**

**Non-Residential use**

**-13 million m<sup>3</sup>**

**-0.5%**

**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	<b>17.0°C</b>	<b>16.5°C</b>	<b>-0.5°C</b>
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## 2. Forecasts for FY2021

### (3) Change from the previous forecasts



- City gas sales volume was revised downward from 3,648 million m<sup>3</sup> by 72 million m<sup>3</sup> due to the reduction of production capacity of customers in Non-Residential use.

	Revised forecasts	Previous Forecasts	Change
Residential	638 (-3.2%)	634 (-3.8%)	+4
Non-Residential	2,938 (-0.5%)	3,014 (+2.1%)	-76
Total	3,576 (-0.9%)	3,648 (+1.0%)	-72

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

## 2. Forecasts for FY2021

### (4) Sales, Incomes



(¥ billion)

	FY2021 Forecasts	FY2020	Change	Rate of change
<b>Sales</b>	<b>480.0</b>	<b>434.7</b>	<b>45.2</b>	<b>10.4%</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 (Results)	Change		Gas resource cost	Gross profit of Gas business
<b>Crude oil price</b>	<b>72.6</b>	<b>43.4</b>	<b>29.2</b>	<b>Crude oil price +1\$/bbl</b>	<b>+¥ 0.9 billion</b>	<b>-¥ 0.15 billion</b>
<b>Exchange rate</b>	<b>109.9</b>	<b>106.1</b>	<b>3.8</b>	<b>Exchange rate +1¥/\$</b>	<b>+¥ 1.1 billion</b>	<b>-¥ 0.2 billion</b>

\*assumption of the second half FY2021: Crude \$75/bbl, Exchange rate ¥ 110/\$

## 2. Forecasts for FY2021

### (5) 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   | - ¥1.0 billion                                   |
| ■ Impact of time lag in fuel cost adjustment system                        | - ¥17.5 billion                                  |
|  | +¥3.0 billion (FY2020)⇒ - ¥14.5 billion (FY2021) |
| ■ Difference between purchase price and consumption price of gas resources | +¥4.5 billion                                    |
|  | - ¥1.5 billion (FY2020)⇒ +¥3.0 billion (FY2021)  |
| ■ Effect of electricity business   | +¥5.5 billion                                    |
| ■ Effect of decrease of fixed costs, etc.                                  | +¥5.4 billion                                    |

## 2. Forecasts for FY2021

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



#### ◆ Change from the previous forecast

**Ordinary income (¥13.5 billion ⇒ ¥13.5 billion)  
±¥0.0 billion**

- |  |   |
|--|---|
| ■ Effect of gas sales volume   | - ¥1.0 billion  |
| ■ Impact of time lag in fuel cost adjustment system                        | - ¥8.0 billion  |
|  | - ¥6.5 billion ( previous ) ⇒ - ¥14.5 billion ( revised ) |
| ■ Difference between purchase price and consumption price of gas resources | +¥2.0 billion   |
|  | + ¥1.0 billion ( previous ) ⇒ + ¥3.0 billion ( revised )  |
| ■ Effect of decrease of fixed costs, etc.                                  | +¥7.0 billion   |

# 〈Reference1〉

## Examples of recent efforts toward carbon neutrality



- In July 2021, the Toho Gas Group announced "Challenge to Carbon Neutral in 2050" and is steadily proceeding with efforts to achieve it.

### Case

## 1 Carbon neutral energy supply

- Started supply of carbon-neutral city gas to DENSO Corporation, AISIN Corporation, etc
- Started supply of carbon-neutral energy to Aichi Bank
- Supplying CO<sub>2</sub>-free hydrogen to fuel cell trucks of FamilyMart Co.,Ltd.



### Case

## 2 Expansion of renewable energy power sources

- Developing woody biomass power plants
- Concluded a collaboration on biomass power generation business with CHUBU-NIPPON BROADCASTING CO., LTD.

### Case

## 3 Collaboration with other companies to realize carbon neutrality

- Started the joint experiment of hydrogen combustion technology with AISIN Corporation
- Collaboration with TOYOTA TSUSHO CORPORATION to expand the use of biogas, etc.

## 〈Reference2〉 Return to Shareholders



- **Share buy-back :**  
**Resolved up to 500 thousand share or ¥2 billion (10/29)**

### 〔Shareholders Return Policy〕

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

### 〈Reference〉 Return to shareholders

(Unit: ¥ billion)

FY	2014	2015	2016	2017	2018	2019	2020	2021 (Forecast)
Net income attributable to the parent(consolidated)	19.0	43.0	17.7	18.0	14.8	16.2	8.5	9.0
Cash dividend [Dividend per share]	5.1 [¥47.5]	5.4 [¥50]	5.3 [¥50]	5.5 [¥52.5]	5.8 [¥55]	5.8 [¥55]	5.8 [¥55]	5.8 [¥55]
Share buy-back	2.9	4.5	2.9	-	2.9	-	-	*(2.0)
Total return	8.0	9.9	8.2	5.5	8.7	5.8	5.8	7.8

\*Forecast



# <Reference3>

## 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>	3.67 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 160.6 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 90.4 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 71.4 billion yen	Cumulative total 60 billion yen and over
R O A		2.9%	1.5%	About 1.5%	Average 3% and over