

**Consolidated Financial Results
Results for the 3rd Quarter of FY2021
(April - December 2021)**



January 28, 2022
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 3rd Quarter of FY2021

(1) Summary



- **City gas sales volume** was 2,564 million m³, an increase by 1.4% from the previous year
- **LPG sales volume** was 335 thousand tons, an increase by 5.3%
- **Electricity sales volume** was 1,451 million kWh, an increase by 33.4%
- **Sales** were ¥336.1 billion, an increase by 11.1% from the previous year
- **Ordinary income** was ¥5.5 billion, a decrease by 68.6%

1. Results for the 3rd Quarter of FY2021

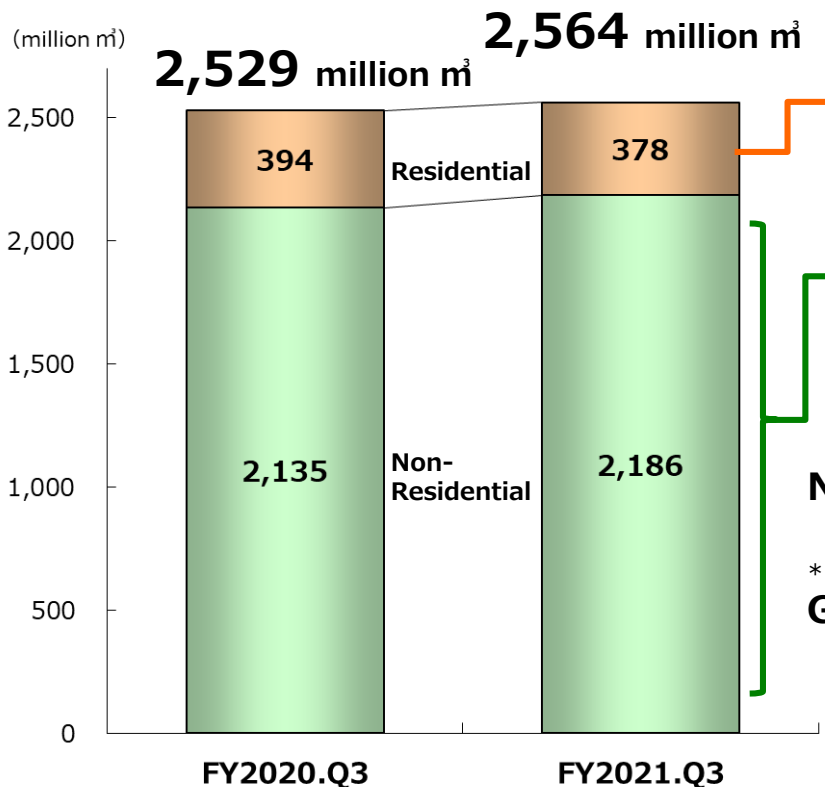
(2) Number of Customers, Sales Volume



Number of Gas meters **2,525** Thousand
2,548 Thousand (+0.9%)

City Gas

+34 million m³ **+1.4%**



Residential use

-17 million m³ **-4.2%**

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

Non-Residential use

+51 million m³ **+2.4%**

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

L P G

Number of customers * **602** thousand : **+9** thousand
(+1.5%)

* Including the number of customers based on commissioned business for delivery
Gas sales volume 335 thousand tons : **+17** thousand tons
(+5.3%)

Electricity

Number of customers **494** thousand : **+79** thousand
(+19.1%)

Sales volume 1,451 million kWh : **+363** million kWh
(+33.4%)

Average Temperature	19.9°C	19.7°C	-0.2°C

↳ Monthly average temperature of FY2021 (YoY)
 (March+1.3°C), April +1.8°C, May -1.1°C, June -1.2°C, July +2.0°C, August -2.5°C, September -1.3°C, October+1.9°C, November-1.0°C, December-0.1°C

1. Results for the 3rd Quarter of FY2021

(3) Sales, Incomes



	(¥ billion)			
	FY2021 Q3	FY2020 Q3	Change	Rate of Change
Sales	336.1	302.5	33.5	11.1%
Cost of sales	239.3	191.3	47.9	25.1%
Selling, general and administrative expenses	93.9	95.9	- 1.9	- 2.1%
Ordinary income	5.5	17.6	-12.0	-68.6%
Net income attributable to owners of the parent	3.9	12.9	- 9.0	-69.9%

(Notes)

	FY2021.Q3	FY2020.Q3	Change
Crude oil price (CIF national average)	\$74.0/bbl	\$39.0/bbl	+\$35.0/bbl
Currency exchange rate (TTM)	¥111.1/\$	¥106.1/\$	+¥5.0/\$

1. Results for the 3rd Quarter of FY2021

(4) Factors for change in Ordinary Income



◆ Change from the previous year

Ordinary income (¥17.6 billion ⇒ ¥5.5 billion)
- ¥12.0 billion

- | | |
|--|-----------------|
| ■ Effect of gas sales volume | - ¥0.5 billion |
| ■ Impact of time lag in fuel cost adjustment system | - ¥38.5 billion |
| + ¥13.5 billion (FY2020.Q3) ⇒ - ¥25.0 billion (FY2021.Q3) | |
| ■ Difference between purchase price and consumption price of gas resources | + ¥8.0 billion |
| - ¥ 3.5 billion (FY2020.Q3) ⇒ + ¥4.5 billion (FY2021.Q3) | |
| ■ Effort of decrease of fixed costs, etc. | + ¥19.0 billion |

1. Results for the 3rd Quarter of FY2021

(5) Balance Sheet

(¥ billion)



TOHO GAS

	FY2021 Q3	FY2020	Change		FY2021 Q3	FY2020 Q3	Change
Total assets	622.8	601.8	21.0	CAPEX	23.7	21.6	2.1
Net assets	363.4	359.4	4.0	Depreciation	27.3	28.0	-0.7
Equity ratio	58.4%	59.7%	-1.3 Point				
Interest-bearing debts	149.3	129.9	19.4				

2. Forecasts for FY2021

(1) Summary



- **City gas sales volume** will be 3,576 million m³, a decrease by 0.9% 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 ¥495 billion, an increase by 13.9% from the previous year
[The forecasts were changed from ¥480 billion to ¥495 billion]
 - **Ordinary income** will be ¥18.0 billion, an increase by 8.3%
[The forecasts were changed from ¥13.5 billion to ¥18.0 billion]
- *Based on crude oil price of 80 dollars/barrel and exchange rate of ¥115/dollar for Q4 of FY2021]

2. Forecasts for FY2021

(2) Number of Customers, Sales Volume



*No change from the previous forecasts

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

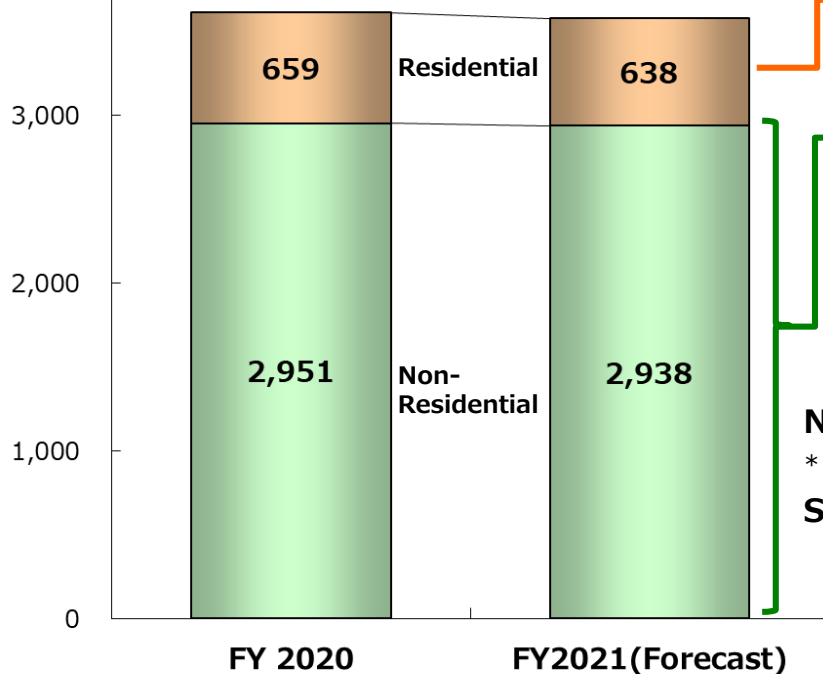
2,551 thousand (+0.7%)

City Gas

-34 million m³ **-0.9%**

(million m³)

3,610 million m³ **3,576 million m³**



Residential use

-21 million m³

-3.2%

Non-Residential use

-13 million m³

-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

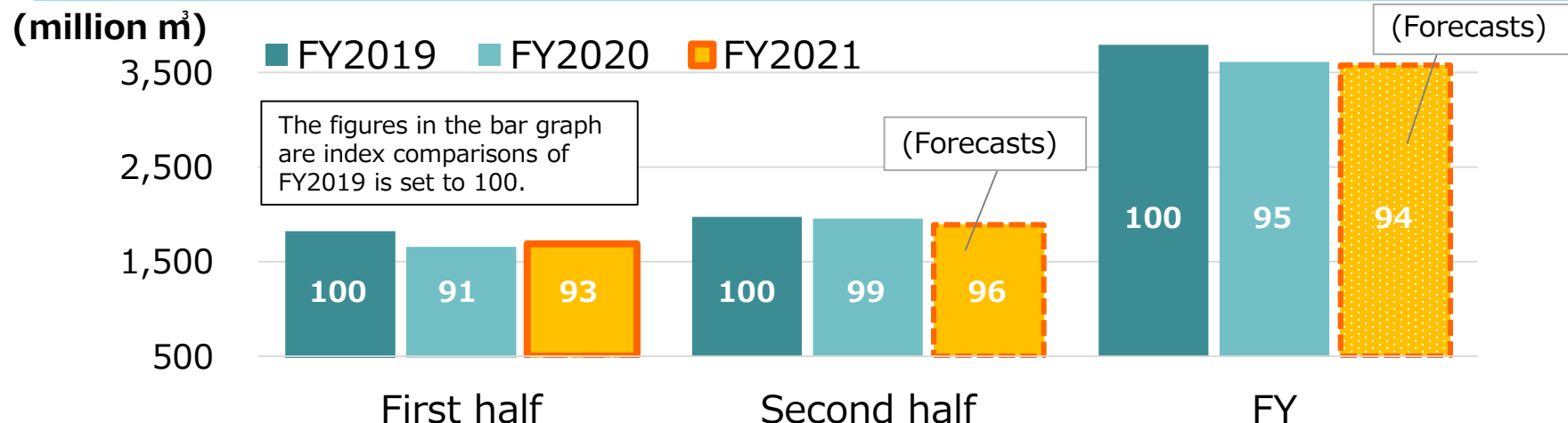
Number of customers 514 thousand : +76 thousand (+17.4%)

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

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

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



Year-on-Year rate of change in FY2020

	First half	Second half	FY2020
Residential	+0.5%	+3.4%	+2.3%
Non-Residential	-10.7%	-1.9%	-6.3%
Total	-9.1%	-0.8%	-4.8%

Year-on-Year rate of change in FY2021

	First half	Second half (Forecasts)	FY2021 (Forecasts)
Residential	-6.5%	-1.1%	-3.2%
Non-Residential	+3.4%	-4.0%	-0.5%
Total	+1.9%	-3.4%	-0.9%

2. Forecasts for FY2021

(3) Sales, Incomes



	(¥ billion)			
	FY2021 Forecasts	FY2020	Change	Rate of change
Sales	495.0	434.7	60.2	13.9%
Ordinary income	18.0	16.6	1.3	8.3%
Net income attributable to owners of the parent	13.0	8.5	4.4	51.3%
CAPEX	48.5	34.3	14.2	41.4%
Depreciation	37.4	37.4	-0.0	-0.0%

【Assumption】

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

	FY2021	FY2020 (Results)	Change		Gas resource cost	Gross profit of Gas business
Crude oil price	75.5	43.4	32.1	Crude oil price +1\$/bbl	+¥ 0.9 billion	-¥ 0.15 billion
Exchange rate	112.1	106.1	6.0	Exchange rate +1¥/\$	+¥ 1.1 billion	-¥ 0.2 billion

*assumption for Q4 of FY2021: Crude \$80/bbl, Exchange rate ¥ 115/\$

2. Forecasts for FY2021

(4) Factors for Change in Ordinary Income



◆ Change from the previous year

**Ordinary income (¥16.6 billion⇒¥18.0 billion)
+ ¥1.3 billion**

- | | |
|--|--|
| ■ Effect of gas sales volume | - ¥1.0 billion |
| ■ Impact of time lag in fuel cost adjustment system | - ¥26.0 billion |
| | +¥3.0 billion (FY2020)⇒ - ¥23.0 billion (FY2021) |
| ■ Difference between purchase price and consumption price of gas resources | + ¥6.5 billion |
| | - ¥1.5 billion (FY2020)⇒ + ¥5.0 billion (FY2021) |
| ■ Effect of electricity business | + ¥5.5 billion |
| ■ Effect of decrease of fixed costs, etc. | + ¥16.3 billion |

2. Forecasts for FY2021

(5) Factors for Change in Ordinary Income



◆ Change from the previous forecast

**Ordinary income (¥13.5 billion⇒¥18.0 billion)
+ ¥4.5 billion**

- | | |
|--|---|
| ■ Effect of gas sales volume | ± ¥0.0 billion |
| ■ Impact of time lag in fuel cost adjustment system | - ¥8.5 billion |
| | - ¥14.5 billion (previous)⇒ - ¥23.0 billion (revised) |
| ■ Difference between purchase price and consumption price of gas resources | + ¥2.0 billion |
| | + ¥3.0 billion (previous)⇒ + ¥5.0 billion (revised) |
| ■ Effect of electricity business | ± ¥0.0 billion |
| ■ Effect of decrease of fixed costs, etc. | + ¥11.0 billion |

<Reference1> Efforts to Expand the Customer Bases

■ Expanding Customer Bases

- ✓ Number of City Gas meters +23 thousand, LPG Customers +9 thousand, Electricity Customers +79 thousand (From FY2020.Q3 to FY2021.Q3)

■ Expansion of Business Area to Surrounding Areas

- ✓ Entry into the privatization of Kanazawa's urban gas and power generation business (Business started in FY2022)

■ Strengthening Connections with Customers

- ✓ Expansion of "ASMITAS" services *"ASMITAS" is a single top life service platform providing a variety of services.
- ✓ Product development utilizing crowdfunding

Outline of efforts

Surrounding Area

Aichi, Gifu, Mie prefectures

City Gas Service Area (Toho Gas Group)

Solving Social Issues
Strengthening Connections with Customers

Customers
(Residential)

Customers
(Non-Residential)

Customers
(Government)

LPG
602 thousand

City Gas
2,548 thousand

Electricity
494 thousand

ESG Management

〈Reference2〉

Examples of Recent Efforts Toward Carbon Neutrality



■ Carbon Neutral Energy Supply

- ✓ Started supply of carbon-neutral city gas to Aeon MALL Co.,Ltd. and Kioxia Corporation, etc.

■ Expansion of Renewable Energy Power Sources

- ✓ Developing woody biomass power plants

■ Collaboration with other companies to realize carbon neutrality

- ✓ Started a survey for hydrogen utilization in the area around Nagoya Port in collaboration with Toyota Tsusho Corporation and others

〈Reference3〉 Return to Shareholders



■ Results of share buy-back (Notice on December 10, 2021)

- **Number of shares repurchased** : 500,000 shares
(Up to : 500 thousand shares)
 - **Total value of shares repurchased** : ¥1,596,932,000
(Up to ¥2 billion)
 - **Period of repurchase** : From November, to December, 2021
- ※We will retire Treasury stocks (350,000 shares) in January.

<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	13.0
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	-	-	*(1.5)
Total return	8.0	9.9	8.2	5.5	8.7	5.8	5.8	7.3

*Acquisition results

<Reference4>

Progress of the Medium-term Management Plan



		FY2019 (Results)	FY2020 (Results)	FY2021 (Forecasts)	Medium-term Management Plan FY2021
Natural Gas	Number of Customers* ¹	2.51 million	2.53 million	2.55 million	2.55 million
	Sales Volume* ²	3.88 billion m ³	3.70 billion m ³	3.67 billion m ³	4.1 billion m ³
L P G	Number of Customers* ³	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 2.0%	Average 3% and over