



—TOHO GAS CO.,LTD.—
**Consolidated
Financial Results**

Results for
the 1st Quarter of FY2022
(April - June 2022)

July 28, 2022

Contents



1.	Results for the 1st Quarter of FY2022	...	3
2.	Forecasts for FY2022	...	8
<Reference>	Initiatives for carbon neutrality	...	13

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 1st Quarter of FY2022

(1) Summary



TOHO GAS

- **Number of customer accounts*** were 2,887 thousands, an increase by 1.7%
- **City gas sales volume** was 824 million m³, a decrease by 2.1%
- **LPG sales volume** was 114 thousand tons, a decrease by 2.0%
- **Electricity sales volume** was 449 million kWh, an increase by 14.2%
- **Sales** were ¥144.5 billion, an increase by 40.6%
- **Ordinary income** was ¥14.2 billion, an increase by 91.2%

*Total number of customer accounts of City gas, LPG, and Electricity.

1. Results for the 1st Quarter of FY2022

(2) Number of customers, Sales Volume



Number of customer accounts		FY2022 Q1	FY2021 Q1	Change	Rate of Change	Notes
	Number of customer accounts (thousand)	2,887	2,838	+49	+ 1.7%	
	City Gas*1	1,750	1,780	△31	△ 1.7%	Competitive effect
	LPG*2	603	599	+ 4	+ 0.6%	New development
	Electricity	535	459	+76	+16.6%	New development
*1 Number of retail contracts *2 Including the number of customers based on commissioned business for delivery						
	Number of Gas meters (thousand)	2,560	2,539	+21	+ 0.8%	
Energy Sales Volume		FY2022 Q1	FY2021 Q1	Change	Rate of Change	Notes
	City Gas (million m³)	824	842	△17	△ 2.1%	
	Residential	145	154	△10	△ 6.2%	Due to a decrease in demand for hot water supply, by high temperatures, etc.
	Non-Residential	680	687	△ 8	△ 1.1%	Due to a decrease in customer facilities' operation rates, etc.
	LPG (thousand tons)	114	117	△ 2	△ 2.0%	
	Electricity (million kWh)	449	393	+56	+14.2%	
	Average Temperature (°C)	20.2	19.4	+0.8	—	Monthly average temperature of FY2021 (YoY) : April +1.6°C, May ±0.0°C, June +0.9°C

1. Results for the 1st Quarter of FY2022

(3) Sales, Incomes



(¥ billion)

	FY2022 Q1	FY2021 Q1	Change	Rate of Change
Sales	144.5	102.7	41.7	40.6%
Cost of sales	100.7	65.8	34.9	53.0%
Selling, general and administrative expenses	30.7	30.5	0.1	0.7%
Operating income	13.0	6.4	6.6	103.0%
Ordinary Income	14.2	7.4	6.8	91.2%
Net income attributable to owners of the parent	10.3	5.3	4.9	93.9%

(Notes)

	FY2022 Q1	FY2021 Q1	Change
Crude oil price (CIF national average)	\$110.8/bbl	\$66.9/bbl	+\$43.9/bbl
Currency exchange rate (TTM)	¥129.7 / \$	¥109.5 / \$	+¥20.2 / \$

1. Results for the 1st Quarter of FY2022

(4) Factors for change in Ordinary Income

◆ Change from the previous year

**Ordinary Income (¥7.4 billion ⇒ 14.2 billion)
+ ¥6.8 billion**

■ Effect of gas sales volume	-¥0.5 billion
■ Impact of time lag in fuel cost adjustment system	-¥6.5 billion
(FY2021 Q1 : -¥1.5 billion ⇒ FY2022 Q1 : -¥8.0 billion)	
■ Difference between purchase price and consumption price of gas resources	+ ¥2.5 billion
■ Change in fixed costs, etc.	+ ¥11.3 billion

1. Results for the 1st Quarter of FY2022

(5) Balance Sheet



(¥ billion)

	FY2022 Q1	FY2021	Change
Total assets	673.0	655.5	17.4
(unrealized gain on investment securities)	(55.6)	(60.2)	(-4.6)
Net assets	391.1	382.7	8.4
Interest- bearing debts	162.2	140.8	21.3
Equity ratio	58.1%	58.4%	-0.3 Point
D/E ratio (times)	0.41	0.37	0.04

	FY2022 Q1	FY2020 Q1	Change
CAPEX (Including investment)	18.3	15.5	2.8
Depreciation	8.8	8.9	-0.0

2. Forecasts for FY2022

(1) Summary

- **Number of customer accounts*** will be 2,937 thousand, an increase by 2.2% from previous year.
- **City gas sales volume** will be 3,626 million m³, an increase by 0.4% from previous year.
- **LPG sales volume** will be 481 thousand tons, a decrease by 0.9% from previous year.
- **Electricity sales volume** will be 2,358 million kWh, an increase by 10.9% from previous year.
- **Sales** will be ¥680.0 billion, an increase by 32.0% from previous year.
- **Ordinary Income** will be ¥23.0 billion, an increase by 5.0% from previous year.

*Based on crude oil price of 110 dollars/barrel and exchange rate of ¥135/dollar for Q2/Q3/Q4 FY2022.

[The forecasts of Sales : changed from ¥580.0 billion to ¥680.0 billion. The forecasts of Ordinary Income : not changed.]

2. Forecasts for FY2022

(2) Number of Customers, Sales Volume

*The forecasts have not changed from April 27, 2022.



Number of customer accounts		FY2022 Forecasts	FY2021	Change	Rate of Change
	Number of customer accounts (thousand)	2,937	2,873	+ 63	+ 2.2%
	City Gas* ¹	1,757	1,756	+ 1	+ 0.1%
	LPG* ²	606	603	+ 2	+ 0.4%
	Electricity	574	514	+ 60	+11.6%

*1 Number of retail contracts

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

<Reference>

	FY2022 Forecasts	FY2021	Change	Rate of Change
Number of Gas meters (thousand)	2,577	2,555	+ 22	+ 0.9%

Energy Sales Volume		FY2022 Forecasts	FY2021	Change	Rate of Change
	City Gas (million m ³)	3,626	3,613	+ 14	+ 0.4%
	Residential	627	640	△ 13	△ 2.0%
	Non-Residential	2,999	2,973	+ 27	+ 0.9%
	LPG (thousand tons)	481	486	△ 5	△ 0.9%
	Electricity (million kWh)	2,358	2,126	+232	+10.9%

Average temperature : FY2022 16.5°C (FY2021 16.4°C)

2. Forecasts for FY2022

(3) Sales, Incomes

*The forecast of Sales has been changed by revision of crude oil and exchange rate assumption, April 27, 2022.

(¥ billion)

	FY2022 Forecasts	FY2021	Change	Rate of Change	Notes
Sales	680.0	515.3	164.6	32.0%	Previous forecasts : ¥580.0 billion
Operating income	19.0	17.8	1.1	6.4%	The forecasts have not changed
Ordinary Income	23.0	21.9	1.0	5.0%	"
Net income attributable to owners of the parent	16.0	15.4	0.5	3.5%	"
CAPEX (Including investment)	71.4	60.3	11.0	18.3%	"
Depreciation	36.8	36.5	0.3	1.0%	"

【Assumption】

(\$/bbl, ¥/\$)

	FY2022	FY2021 (Results)	Change
Crude oil price	110.2	77.2	+33.0
Exchange rate	133.7	112.4	+21.3

【Sensitivity (full-year)】

	Gross profit of Gas business
Crude oil price +1\$/bbl	-¥ 0.2 billion
Exchange rate +1¥/\$	-¥ 0.4 billion

2. Forecasts for FY2022

(4) Factors for change in Ordinary Income



◆ Change from the previous year

**Ordinary Income (¥21.9 billion ⇒ 23.0 billion)
+ ¥1.0 billion**

■ Effect of gas sales volume	+ ¥0.5 billion
■ Impact of time lag in fuel cost adjustment system	+ ¥15.5 billion
(FY2021 : -¥35.0 billion ⇒ FY2022 : -¥19.5 billion)	
■ Difference between purchase price and consumption price of gas resources	- ¥5.0 billion
■ Change in fixed costs, etc.	- ¥10.0 billion

2. Forecasts for FY2022

(5) Factors for change in Ordinary Income



◆ Change from the previous Forecasts

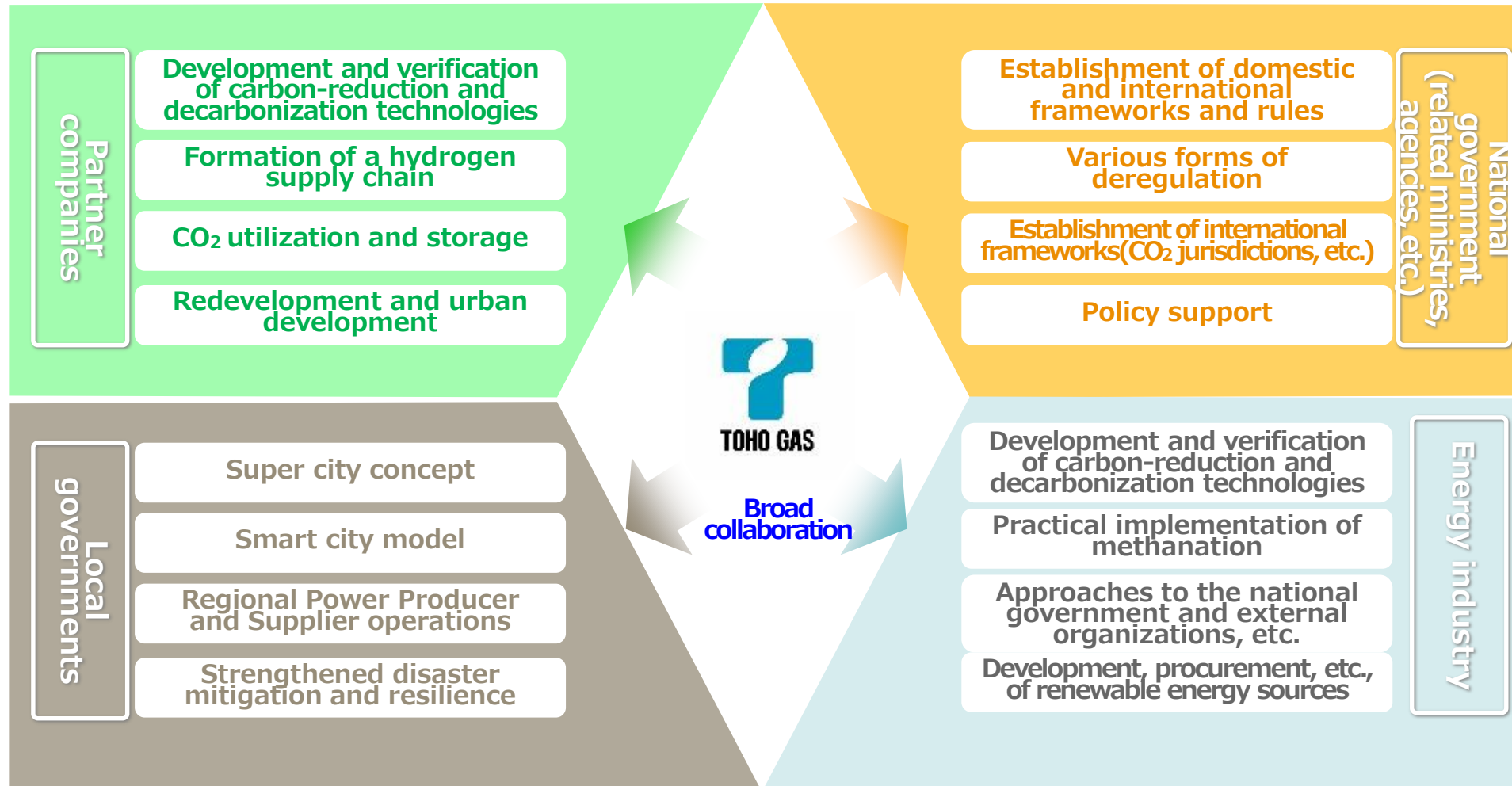
**Ordinary Income (¥23.0 billion ⇒ 23.0 billion)
±¥0.0 billion**

■ Effect of gas sales volume	±¥0.0 billion
■ Impact of time lag in fuel cost adjustment system	△¥19.0 billion
(Previous : -¥0.5 billion ⇒ Revised : -¥19.5 billion)	
■ Difference between purchase price and consumption price of gas resources	+¥6.0 billion
■ Change in fixed costs, etc.	+¥13.0 billion

<Reference> Initiatives for carbon neutrality

Toho Gas Group 2050 Carbon Neutrality Initiative (July 2021)

Broad External Cooperation and In-house Systems



《Glossary》Super city concept :

An initiative aiming at social implementation geared toward antecedent achievement of a desired future to be brought about by around 2030 through the national government, local regions, and private operators working in concert

<Reference> Initiatives for carbon neutrality from April to July 2022



Partner companies	Developed district heating and cooling to reduce CO2 and costs by AI Started demonstration experiment in Nagoya city (Aichi Prefecture)
	Collaboration for the realization of carbon neutrality with Toyota Tsusyo Corporation and TotalEnergies (Building a value chain for hydrogen and synthetic methane)
National government (related ministries, agencies, etc.)	A Smart Town "minato AQUUS" Certificated as "Carbon Neutral Leading Area" by Ministry of the Environment
	Development and demonstration of CO2 separation and recovery technology utilizing LNG unused cold heat adopted by NEDO "Green Innovation Fund Project"
	Large-scale gas cogeneration hydrogen retrofit model dissemination issue survey adopted by NEDO "Hydrogen society construction technology development project / regional hydrogen utilization technology development"
Energy industry	Achieved cumulative sales of 30,000 household fuel cells "ENE-FARM"
	Construction of biomass power plant in Yatsushiro City, Kumamoto Prefecture
	Established a consortium for offshore wind power generation business development in the Sea of Japan off the coast of Aomori Prefecture (VENA ENERGY, Shikoku Electric Power CO.,Inc., Toho Gas)
	Started demonstration experiment to establish CO ₂ separation and capture technology for factory exhaust gas, etc.
	Construction of Hydrogen Generating Plant at Chita-Midorihama factory (Building hydrogen supply chain for contributions to Carbon Neutrality)
	Construction of the Biomass Power Plant in Tahara City (Aichi Prefecture), one of the largest 112,000KW woody biomass power plants in Japan, has started.
Local governments	Conclusion of an agreement with Chita City, Aichi Prefecture on a methanation demonstration experiment using CO ₂ derived from biogas
	Notice of the supply of carbon-neutral city gas to Kuwana City (Mie Prefecture) public facilities