

## Consolidated Financial Results for FY2022 Ended March 31, 2023

### Toho Gas Co., Ltd.

Code No.: 9533 (URL <https://www.tohogas.co.jp/>)

Shares listed on:

Representative: Nobuyuki Masuda, Representative Director, President

Tokyo Stock Exchange, Nagoya Stock Exchange

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Commencement of dividends payments: June 29, 2023

Date of regular general meeting of stockholders: June 28, 2023

Date of submission of financial report: June 29, 2023

Earnings supplementary explanatory documents: Yes

Earnings presentation: Yes (for institutional investors)

(Rounded down to the nearest million yen)

### 1. Consolidated Results for FY2022 (April 1, 2022 - March 31, 2023)

(1) Consolidated business results (Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2022 ended March 2023	706,073	37.0	43,743	144.9	48,171	119.8	33,721	118.1
FY2021 ended March 2022	515,313	18.5	17,858	32.1	21,912	31.8	15,459	79.9

Note: Comprehensive income FY2022 ended March 2023: ¥26,354 million (-11.1%) FY2021 ended March 2022: ¥29,653 million (-30.3%)

	Net income per share	Diluted income per share	Return on equity (Net income)	Return on assets (Ordinary income)	Operating income ratio
	(Unit: yen)	(Unit: yen)	(%)	(%)	(%)
FY2022 ended March 2023	320.80	-	8.6	7.1	6.2
FY2021 ended March 2022	146.66	-	4.2	3.5	3.5

Reference: Share of profit or loss of entities accounted for using equity method FY2022 ended March 2023: ¥818 million  
FY2021 ended March 2022: ¥247 million

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2022 ended March 2023	693,519	402,502	58.0	3,828.97
FY2021 ended March 2022	655,593	382,751	58.4	3,641.75

Reference: Net assets (excluding minority interests) FY2022 ended March 2023: ¥402,502 million FY2021 ended March 2022: ¥382,751 million

### (3) Consolidated cash flow

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Balance of cash and cash equivalents as of end of term
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2022 ended March 2023	56,414	-52,435	-2,939	33,825
FY2021 ended March 2022	35,436	-54,876	635	32,110

## 2. Dividend

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend rate for net assets (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of 4th quarter	Annual			
FY2021 ended March 2022	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: million yen)	(%)	(%)
	-	27.50	-	30.00	57.50	6,057	39.2	1.6
FY2022 ended March 2023	-	30.00	-	30.00	60.00	6,307	18.7	1.6
FY2023 ending March 2024 (forecast)	-	30.00	-	30.00	60.00		35.0	

### 3. Consolidated Results Forecasts for FY2023 (April 1, 2023 - March 31, 2024)

(Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	670,000	-5.1	22,000	-49.7	26,000	-46.0	18,000	-46.6	171.23

#### ※Notes

(1) Changes in significant consolidated subsidiaries: *No*

(2) Changes in accounting treatment principles, changes in accounting estimates, and retrospective restatements

- Changes accompanied by reform of accounting standards: *Yes*
- Other changes: *No*
- Changes in accounting estimates: *No*
- Retrospective restatements: *No*

(3) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	FY2022 ended March 2023	105,256,285 shares	FY2021 ended March 2022	105,256,285 shares
Number of treasury stock at the end of the term	FY2022 ended March 2023	135,913 shares	FY2021 ended March 2022	155,339 shares
Average number of outstanding shares during the term	FY2022 ended March 2023	105,114,370 shares	FY2021 ended March 2022	105,409,061 shares

#### Reference: Non-consolidated Results

##### 1. Results for FY2022 (April 1, 2022 - March 31, 2023)

(1) Business results (Percentage figures indicate the percentage change on the results for the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
FY2022 ended March 2023	563,120	40.7	33,988	209.6	40,779	123.4	28,821	110.2
FY2021 ended March 2022	400,181	17.8	10,977	70.6	18,257	43.5	13,708	30.4

	Net income per share	Diluted income per share
	(Unit: yen)	(Unit: yen)
FY2022 ended March 2023	274.19	-
FY2021 ended March 2022	130.05	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2022 ended March 2023	554,123	327,157	59.0	3,112.22
FY2021 ended March 2022	555,815	316,729	57.0	3,013.57

Reference: Net assets FY2022 ended March 2023: ¥327,157 million FY2021 ended March 2022: ¥316,729 million

(1) This report of consolidated financial results is not subject to audit.

(2) Notes on proper use of forecasts and other matters

The forecasts in this document are based on the information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecast data.

<Consolidated Financial Statements and Main Notes>

1. Consolidated balance sheet

(Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	64,266	59,734
Distribution facilities	145,329	135,897
Service and maintenance facilities	26,879	31,106
Other facilities	48,155	47,797
Construction in progress	20,989	29,864
Total property, plant and equipment	305,619	304,400
Intangible assets		
Other	10,894	12,937
Total intangible assets	10,894	12,937
Investments and other assets		
Investment securities	112,444	129,425
Long-term loans receivable	14,042	12,350
Net defined benefit asset	23,206	26,346
Deferred tax assets	4,015	2,567
Other	14,899	16,488
Allowance for doubtful accounts	-84	-75
Total investments and other assets	168,524	187,101
Total non-current assets	485,038	504,439
Current assets		
Cash and deposits	32,298	34,013
Notes and accounts receivable-trade	73,093	87,750
Lease receivables and investment assets	13,675	15,092
Inventories	21,942	37,549
Other	29,965	15,530
Allowance for doubtful accounts	-420	-857
Total current assets	170,555	189,079
Total assets	655,593	693,519

(Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Non-current liabilities		
Bonds payable	50,000	67,500
Long-term loans payable	48,716	47,962
Deferred tax liabilities	9,750	2,305
Provision for gas holder repairs	1,291	1,000
Provision for safety measures	19,045	21,628
Provision for gas appliance warranties	620	1,964
Net defined benefit liability	5,919	5,942
Other	10,579	10,563
Total non-current liabilities	145,922	158,867
Current liabilities		
Current portion of non-current liabilities	35,664	24,306
Notes and accounts payable-trade	36,822	40,400
Short-term loans payable	2,935	2,680
Income taxes payable	5,949	15,016
Other	45,549	49,745
Total current liabilities	126,919	132,148
Total liabilities	272,842	291,016
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	268,374	295,428
Treasury stock	-499	-435
Total shareholders' equity	309,335	336,453
Other comprehensive income		
Valuation difference on available-for-sale securities	43,731	44,071
Deferred gains or losses on hedges	15,511	3,184
Foreign currency translation adjustment	3,252	7,582
Remeasurements of defined benefit plans	10,920	11,210
Total other comprehensive income	73,416	66,049
Total net assets	382,751	402,502
Total liabilities and net assets	655,593	693,519

## 2. Consolidated statements of income and comprehensive income

### Consolidated statements of income

(Unit: million yen)

	FY2021 (April 2021 -March 2022)	FY2022 (April 2022 -March 2023)
Net sales	515,313	706,073
Cost of sales	361,612	525,882
Gross profit	153,701	180,191
Selling, general and administrative expenses	135,843	136,447
Operating income	17,858	43,743
Non-operating income		
Interest income	210	499
Dividends income	2,228	2,331
Rent income	693	683
Share of profit of investments accounted for using equity method	247	818
Miscellaneous income	1,872	2,350
Total non-operating income	5,252	6,683
Non-operating expenses		
Interest expenses	726	955
Loan modification loss	-	641
Miscellaneous expenses	471	658
Total non-operating expenses	1,198	2,255
Ordinary income	21,912	48,171
Extraordinary loss		
Impairment loss	583	767
Total extraordinary loss	583	767
Income before income taxes	21,329	47,403
Income taxes-current	4,895	14,864
Income taxes-deferred	975	-1,182
Total income taxes	5,870	13,682
Net income	15,459	33,721
Net income attributable to owners of the parent	15,459	33,721

### Consolidated statements of comprehensive income

(Unit: million yen)

	FY2021 (April 2021 -March 2022)	FY2022 (April 2022 -March 2023)
Net income	15,459	33,721
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,448	340
Deferred gains or losses on hedges	9,275	-12,458
Foreign currency translation adjustment	1,680	3,810
Remeasurements of defined benefit plans, net of tax	4,090	301
Share of other comprehensive income of entities accounted for using equity method	595	640
Total other comprehensive income	14,193	-7,366
Comprehensive income	29,653	26,354
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	29,653	26,354
Comprehensive income attributable to non-controlling interests	-	-

### 3. Consolidated statements of changes in net assets

FY2021 (April 2021-March 2022)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	33,072	8,387	258,850	-40	300,270
Cumulative effects of changes in accounting policies			996		996
Restated balance	33,072	8,387	259,846	-40	301,266
Changes of items during the period					
Dividends from surplus			-5,808		-5,808
Net income attributable to owners of the parent			15,459		15,459
Purchase of treasury stock				-1,608	-1,608
Disposal of treasury stock		0		25	25
Retirement of treasury stock		-0	-1,123	1,124	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-0	8,527	-458	8,069
Balance at the end of current period	33,072	8,387	268,374	-499	309,335

	Other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income	
Balance at the beginning of current period	45,179	6,198	1,005	6,838	59,222	359,492
Cumulative effects of changes in accounting policies						996
Restated balance	45,179	6,198	1,005	6,838	59,222	360,488
Changes of items during the period						
Dividends from surplus						-5,808
Net income attributable to owners of the parent						15,459
Purchase of treasury stock						-1,608
Disposal of treasury stock						25
Retirement of treasury stock						-
Net changes of items other than shareholders' equity	-1,448	9,313	2,246	4,082	14,193	14,193
Total changes of items during the period	-1,448	9,313	2,246	4,082	14,193	22,262
Balance at the end of current period	43,731	15,511	3,252	10,920	73,416	382,751

FY2022 (April 2022-March 2023)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	33,072	8,387	268,374	-499	309,335
Changes of items during the period					
Dividends from surplus			-6,306		-6,306
Net income attributable to owners of the parent			33,721		33,721
Purchase of treasury stock				-8	-8
Disposal of treasury stock			-5	71	65
Change in scope of equity method			-354		-354
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	27,054	63	27,117
Balance at the end of current period	33,072	8,387	295,428	-435	336,453

	Other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Other comprehensive income	
Balance at the beginning of current period	43,731	15,511	3,252	10,920	73,416	382,751
Changes of items during the period						
Dividends from surplus						-6,306
Net income attributable to owners of the parent						33,721
Purchase of treasury stock						-8
Disposal of treasury stock						65
Change in scope of equity method						-354
Net changes of items other than shareholders' equity	340	-12,326	4,329	290	-7,366	-7,366
Total changes of items during the period	340	-12,326	4,329	290	-7,366	19,751
Balance at the end of current period	44,071	3,184	7,582	11,210	66,049	402,502

#### 4. Consolidated statements of cash flows

(Unit: million yen)

	FY2021 (April 2021-March 2022)	FY2022 (April 2022-March 2023)
Net cash provided by (used in) operating activities		
Income before income taxes	21,329	47,403
Depreciation and amortization	36,510	36,268
Impairment loss	583	767
Increase (decrease) in provision	500	4,063
Interest and dividend income	-2,438	-2,831
Interest expenses	726	955
Decrease (increase) in notes and accounts receivable-trade	-21,709	-14,637
Decrease (increase) in inventories	-3,583	-15,584
Increase (decrease) in notes and accounts payable-trade	6,696	3,542
Other	-1,740	1,002
Subtotal	36,874	60,951
Interest and dividend income received	2,438	2,829
Interest expenses paid	-720	-894
Income taxes paid	-3,156	-6,471
Net cash provided by (used in) operating activities	35,436	56,414
Net cash provided by (used in) investment activities		
Purchases of non-current assets	-39,032	-39,729
Proceeds from sales of non-current assets	25	228
Purchase of investment securities	-4,486	-13,717
Proceeds from sales of investment securities	320	42
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-5,920	-655
Payment of loans receivable	-5,715	-
Other	-68	1,396
Net cash provided by (used in) investment activities	-54,876	-52,435
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-1,774	-435
Proceeds from long-term loans payable	2,781	12,511
Repayment of long-term loans payable	-2,889	-5,605
Proceeds from issuance of bonds	9,947	27,378
Redemption of bonds	-	-30,000
Purchase of treasury stock	-1,608	-8
Cash dividends paid	-5,809	-6,305
Other	-12	-476
Net cash provided by (used in) financing activities	635	-2,939
Effect of exchange rate change on cash and cash equivalents	370	674
Net increase (decrease) in cash and cash equivalents	-18,432	1,714
Cash and cash equivalents at beginning of term	50,543	32,110
Cash and cash equivalents at end of term	32,110	33,825



## 5. Notes about consolidated statements

(1) Note of going concerns' premise: Not applicable

(2) Change in accounting policy

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021), etc. have been applied from the beginning of the first quarter consolidated accounting period of the current fiscal year, and the new accounting policy prescribed by the Guidance will be applied prospectively in accordance with the transitional treatment prescribed in Section 27-2 of the Guidance on Accounting Standard for Fair Value Measurement. There will be no impact on the consolidated financial statements for the current fiscal year.

(3) Additional information

- Application of the Group Tax Sharing System

The Company and its domestic subsidiaries applied for approval of the group tax sharing system during the current fiscal year, and the group tax sharing system will be applied from the next fiscal year. Therefore, the Company and its domestic subsidiaries have adopted the accounting treatment based on the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Accounting Standards Board of Japan, PITF No. 42, August 12, 2021) from this fiscal year.

(4) Segment information

- General information about reportable segments

The TOHO GAS Group defines a reportable segment as constituent business units of the TOHO GAS Group for which discrete financial information is available and which are reviewed regularly by the Board of Directors to determine the best allocation of managerial resources and to evaluate business performance.

The reportable segments of the TOHO GAS Group are composed of three segments: "Gas", "LPG and other Energies", and "Electricity".

The main products and services of each reporting segment are as follows:

Gas: Products, supplies and sales of the gas, Gas appliance sales and related construction, Gas appliance sales and related construction

LPG and other Energies: LPG sales, LPG appliance sales, LNG sales, District heating and cooling, and sales of coke and petroleum products.

Electricity: Sales of electricity.

- Basis of measurement for reported segment income and loss, segment assets and other material items

The accounting methods for the reporting segments are mostly consistent with "Summary of significant accounting policies" in financial report.

- Information about reported segment income or loss, segment assets and other material items

FY2021 (April 2021- March 2022)

(Unit: million yen)

	Reported segments				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated (Note.3)
	Gas	LPG and other Energies	Electricity	Total				
Net sales								
External customers	322,327	93,894	71,203	487,424	27,889	515,313	-	515,313
Intersegment	2,136	1,665	275	4,076	19,752	23,828	-23,828	-
Total	324,463	95,559	71,478	491,501	47,641	539,142	-23,828	515,313
Segment Income	9,007	2,023	2,403	13,433	3,107	16,541	1,317	17,858
Segment assets	414,132	59,214	23,874	497,222	92,831	590,054	65,539	655,593
Other items								
Depreciation expenses	32,013	2,083	679	34,776	1,772	36,549	-38	36,510
Investment in entities accounted for using equity method	-	-	-	-	-	-	8,362	8,362
Capital expenditures	33,274	2,140	1,747	37,161	3,318	40,480	-105	40,375

Notes: 1. The “Other” segment incorporates operations not included in reported segment, including LNG processing under contract, leasing of buildings, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, other leasing business, development of and investment in natural gas resources, etc.

2. The “Adjustments” column in “Segment income” denotes eliminations of intersegment transactions (¥1,317million).

The “Adjustments” column in “Segment assets” includes ¥94,148 million of companywide assets, which mainly includes long-term investments in securities, etc.

3. Segment income in the table above is reconciled to operating income on the accompanying consolidated statements of income.

FY2022 (April 2022- March 2023)

(Unit: million yen)

	Reported segments				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated (Note.3)
	Gas	LPG and other Energies	Electricity	Total				
Net sales								
External customers	455,695	108,853	107,890	672,440	33,633	706,073	-	706,073
Intersegment	4,684	1,656	394	6,735	20,966	27,701	-27,701	-
Total	460,380	110,510	108,284	679,175	54,599	733,774	-27,701	706,073
Segment income or loss	46,123	2,379	-10,583	37,919	4,255	42,174	1,568	43,743
Segment assets	429,969	67,188	28,116	525,274	96,101	621,376	72,142	693,519
Other items								
Depreciation expenses	31,709	2,078	780	34,568	1,752	36,321	-53	36,268
Investment in entities accounted for using equity method	-	-	-	-	-	-	17,794	17,794
Capital expenditures	31,059	3,229	2,482	36,771	1,043	37,814	-	37,814

- Notes: 1. The "Other" segment incorporates operations not included in reported segment, including LNG processing under contract, leasing of buildings, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, other leasing business, development of and investment in natural gas resources, etc.
2. The "Adjustments" column in "Segment income or loss" denotes eliminations of intersegment transactions (¥1,568 million).  
The "Adjustments" column in "Segment assets" includes ¥107,809 million of companywide assets, which mainly includes long-term investments in securities, etc.
3. Segment income or loss in the table above is reconciled to operating income on the accompanying consolidated statements of income.