

Consolidated Financial Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2024 (Six Months Ended September 30, 2023)

Toho Gas Co., Ltd.

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

Shares listed on:

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Date of filing quarterly financial report: November 13, 2023

Commencement of dividend payments: November 30, 2023

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (for institutional investors)

(Rounded down to the nearest million yen)

1. Consolidated Results for the 2nd Quarter Ended September 30, 2023 (April 1 – September 30, 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)	(%)
April 1 – September 30, 2023	300,906	-0.6	28,819	242.3	31,909	225.5	24,597	257.0
April 1 – September 30, 2022	302,843	45.7	8,420	200.1	9,803	133.7	6,891	135.8

Note: Comprehensive income 2nd Quarter ended September 2023: ¥42,708 million (866.9%), 2nd Quarter ended September 2022: ¥4,417 million (-58.0%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – September 30, 2023	233.98	-
April 1 – September 30, 2022	65.56	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
2nd Quarter ended September 2023	711,083	442,113	62.2
FY2022 ended March 2023	693,519	402,502	58.0

Reference: Net assets (excluding minority interests)

2nd Quarter ended September 2023: ¥442,113 million, FY2022 ended March 2023: ¥402,502 million

2. Dividends

	Dividend per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of 4th Quarter	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2022 ended March 2023	-	30.00	-	30.00	60.00
FY2023 ending March 2024	-	30.00	-	-	-
FY2023 ending March 2024 (forecasts)	-	-	-	30.00	60.00

Notes: Revision of previously announced dividend forecasts: No

3. Consolidated Results Forecast for the Year Ending March 2024 (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	660,000	-6.5	25,000	-42.8	29,000	-39.8	22,000	-34.8	209.24

Notes: Revision of previously announced forecasts during this period: Yes

* Notes

(1) Changes in significant consolidated subsidiaries: No

(2) Application of accounting treatment peculiar to quarterly consolidated financial statement preparation: Yes*

* For details, please refer to “3. Notes about Consolidated Statements (Application of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 6.

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

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

(4) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	2nd Quarter ended September 2023	105,256,285 shares	FY2022 ended March 2023	105,256,285 shares
Number of treasury stock at the end of the term	2nd Quarter ended September 2023	113,580 shares	FY2022 ended March 2023	135,913 shares
Average number of outstanding shares during the term	2nd Quarter ended September 2023	105,127,487 shares	2nd Quarter ended September 2022	105,107,714 shares

* This report of consolidated financial results is not subject to audit.

* 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, 2023	As of September 30, 2023
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	59,734	57,822
Distribution facilities	135,897	143,165
Service and maintenance facilities	31,106	29,889
Other facilities	47,797	47,699
Construction in progress	29,864	18,394
Total property, plant and equipment	304,400	296,971
Intangible assets		
Other	12,937	14,395
Total intangible assets	12,937	14,395
Investments and other assets		
Investment securities	129,425	150,805
Net defined benefit asset	26,346	26,955
Other	31,406	32,589
Allowance for doubtful accounts	-75	-86
Total investments and other assets	187,101	210,263
Total noncurrent assets	504,439	521,629
Current assets		
Cash and deposits	34,013	28,849
Trade notes and accounts receivable and contract assets	87,750	68,180
Securities	-	17,000
Inventories	37,549	38,542
Other	30,623	37,631
Allowance for doubtful accounts	-857	-749
Total current assets	189,079	189,454
Total assets	693,519	711,083

(Unit: million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Noncurrent liabilities		
Bonds payable	67,500	67,500
Long-term loans payable	47,962	49,691
Provision for gas holder repairs	1,000	1,027
Reserve for safety measures	21,628	20,165
Provision for gas appliance warranties	1,964	1,750
Net defined benefit liability	5,942	5,950
Other	12,868	17,095
Total noncurrent liabilities	158,867	163,181
Current liabilities		
Current portion of noncurrent liabilities	24,306	13,303
Notes and accounts payable-trade	40,400	42,015
Short-term loans payable	2,680	2,480
Income taxes payable	15,016	10,408
Other	49,745	37,581
Total current liabilities	132,148	105,788
Total liabilities	291,016	268,970
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	295,428	316,855
Treasury stock	-435	-362
Total shareholders' equity	336,453	357,952
Other comprehensive income		
Valuation difference on available-for-sale securities	44,071	56,144
Deferred gains or losses on hedges	3,184	5,691
Foreign currency translation adjustment	7,582	11,749
Remeasurements of defined benefit plans	11,210	10,574
Total other comprehensive income	66,049	84,160
Total net assets	402,502	442,113
Total liabilities and net assets	693,519	711,083

**2. Consolidated statements of income and comprehensive income,
Consolidated statements of income for the Six Months**

(Unit: million yen)

	2nd Quarter of FY2022 (April – September 2022)	2nd Quarter of FY2023 (April – September 2023)
Net sales	302,843	300,906
Cost of sales	232,864	210,924
Gross profit	69,979	89,981
Selling, general and administrative expenses	61,558	61,162
Operating income	8,420	28,819
Non-operating income		
Interest income	160	463
Dividend income	1,255	1,288
Rent income	348	327
Miscellaneous income	1,423	1,795
Total non-operating income	3,187	3,873
Non-operating expenses		
Interest expenses	468	416
Loan modification loss	691	-
Share of profit of investments accounted for using equity method	-	183
Miscellaneous expenses	645	183
Total non-operating expenses	1,804	783
Ordinary income	9,803	31,909
Extraordinary income		
Gain on sale of fixed assets	-	2,318
Total extraordinary income	-	2,318
Income before income taxes	9,803	34,228
Income taxes	2,912	9,630
Net income	6,891	24,597
Net income attributable to owners of the parent	6,891	24,597

Consolidated statements of comprehensive income for the Six Months

(Unit: million yen)

	2nd Quarter of FY2022 (April – September 2022)	2nd Quarter of FY2023 (April – September 2023)
Net income	6,891	24,597
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,607	12,073
Deferred gains or losses on hedges	-1,691	2,476
Foreign currency translation adjustment	4,436	2,893
Remeasurements of defined benefit plans, net of tax	-413	-794
Share of other comprehensive income of entities accounted for using equity method	801	1,462
Total other comprehensive income	-2,473	18,111
Comprehensive income	4,417	42,708
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,417	42,708
Comprehensive income attributable to non-controlling interests	-	-

3. Notes about consolidated statements

- Note of going concerns' premise: No

- Significant change in shareholders' equity: No

- Application of accounting treatment specific to the preparation of quarterly consolidated financial statements

Calculation of tax costs

Tax expenses are calculated by multiplying the quarterly net income before tax adjustment by the estimated effective tax rate for the current consolidated fiscal year.

The amount of corporate tax adjustment is included in Income taxes.

- Segment information

Segment information by category of business

Six months ended September 30, 2022 (April 1 – September 30, 2022)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	LPG and other Energies	Electricity	Total				
Net sales								
(1) External customers	187,911	49,705	50,770	288,388	14,455	302,843	-	302,843
(2) Intersegment	2,282	1,049	189	3,520	8,381	11,901	-11,901	-
Total	190,194	50,754	50,960	291,909	22,836	314,745	-11,901	302,843
Segment income or loss	13,279	-1,153	-6,400	5,725	1,976	7,701	718	8,420

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" (718 million yen) denotes eliminations of intersegment transactions.

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

Six months ended September 30, 2023 (April 1 – September 30, 2023)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	LPG and other Energies	Electricity	Total				
Net sales								
(1) External customers	197,745	43,755	43,387	284,888	16,017	300,906	-	300,906
(2) Intersegment	2,202	738	170	3,111	9,517	12,628	-12,628	-
Total	199,947	44,494	43,558	287,999	25,534	313,534	-12,628	300,906
Segment income or loss	26,107	529	-1,230	25,406	2,579	27,985	833	28,819

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" (833 million yen) denotes eliminations of intersegment transactions.

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