

Consolidated Financial Results

for the 3rd Quarter of the Fiscal Year Ending March 31, 2024

(Nine Months Ended December 31, 2023)

Toho Gas Co., Ltd.

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

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Date of filing quarterly financial report: February 13, 2024

Commencement of dividend payments: -

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (for institutional investors)

Shares listed on:

Tokyo Stock Exchange, Nagoya Stock Exchange

(Rounded down to the nearest million yen)

1. Consolidated Results for the 3rd Quarter Ended December 31, 2023 (April 1 – December 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)	(%)
April 1 – December 31, 2023	449,584	-7.5	28,424	34.0	33,202	38.3	25,474	47.8
April 1 – December 31, 2022	486,016	44.6	21,207	645.3	24,012	333.7	17,240	341.6

Note: Comprehensive income 3rd Quarter ended December 2023: ¥41,181 million (189.4%), 3rd Quarter ended December 2022: ¥14,232 million (36.9%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – December 31, 2023	242.31	-
April 1 – December 31, 2022	164.02	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
3rd Quarter ended December 2023	699,524	437,429	62.5
FY2022 ended March 2023	693,519	402,502	58.0

Reference: Net assets (excluding minority interests)

3rd Quarter ended December 2023: ¥437,429 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 Forecasts for the Year Ending March 2023 (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	28,000	-36.0	32,000	-33.6	24,000	-28.8
								228.26

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)	3rd Quarter ended December 2023	105,256,285 shares	FY2022 ended March 2023	105,256,285 shares
Number of treasury stock at the end of the term	3rd Quarter ended December 2023	114,595 shares	FY2022 ended March 2023	135,913 shares
Average number of outstanding shares during the term	3rd Quarter ended December 2023	105,132,367 shares	3rd Quarter ended December 2022	105,112,292 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 December 31, 2023
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	59,734	57,182
Distribution facilities	135,897	141,029
Service and maintenance facilities	31,106	29,627
Other facilities	47,797	47,499
Construction in progress	29,864	18,518
Total property, plant and equipment	304,400	293,856
Intangible assets		
Other	12,937	15,074
Total intangible assets	12,937	15,074
Investments and other assets		
Investment securities	129,425	153,238
Net defined benefit asset	26,346	27,149
Other	31,406	33,419
Allowance for doubtful accounts	-75	-86
Total investments and other assets	187,101	213,720
Total noncurrent assets	504,439	522,652
Current assets		
Cash and deposits	34,013	22,235
Trade notes and accounts receivable and contract assets	87,750	74,893
Inventories	37,549	40,814
Other	30,623	39,675
Allowance for doubtful accounts	-857	-747
Total current assets	189,079	176,871
Total assets	693,519	699,524

(Unit: million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Noncurrent liabilities		
Bonds payable	67,500	67,500
Long-term loans payable	47,962	50,008
Provision for gas holder repairs	1,000	996
Reserve for safety measures	21,628	22,378
Provision for gas appliance warranties	1,964	1,675
Net defined benefit liability	5,942	6,069
Other	12,868	16,895
Total noncurrent liabilities	158,867	165,523
Current liabilities		
Current portion of noncurrent liabilities	24,306	13,279
Notes and accounts payable-trade	40,400	39,836
Short-term loans payable	2,680	2,430
Income taxes payable	15,016	4,570
Other	49,745	36,454
Total current liabilities	132,148	96,571
Total liabilities	291,016	262,094
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	295,428	314,577
Treasury stock	-435	-365
Total shareholders' equity	336,453	355,672
Other comprehensive income		
Valuation difference on available-for-sale securities	44,071	55,497
Deferred gains or losses on hedges	3,184	2,937
Foreign currency translation adjustment	7,582	13,144
Remeasurements of defined benefit plans	11,210	10,177
Total other comprehensive income	66,049	81,756
Total net assets	402,502	437,429
Total liabilities and net assets	693,519	699,524

2. Consolidated statements of income and comprehensive income

Consolidated statements of income for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2022 (April – December 2022)	3 rd Quarter of FY2023 (April – December 2023)
Net sales	486,016	449,584
Cost of sales	371,424	324,305
Gross profit	114,591	125,278
Selling, general and administrative expenses	93,384	96,854
Operating income	21,207	28,424
Non-operating income		
Interest income	288	722
Dividend income	2,236	2,545
Rent income	454	450
Miscellaneous income	1,685	2,080
Total non-operating income	4,665	5,798
Non-operating expenses		
Interest expenses	706	621
Loan modification loss	720	-
Share of profit of investments accounted for using equity method	-	204
Miscellaneous expenses	433	194
Total non-operating expenses	1,860	1,020
Ordinary income	24,012	33,202
Extraordinary income		
Gain on sale of fixed assets	-	2,318
Gain on sales of investment securities	-	1,265
Total extraordinary income	-	3,584
Income before income taxes	24,012	36,786
Income taxes	6,771	11,312
Net income	17,240	25,474
Net income attributable to owners of the parent	17,240	25,474

Consolidated statements of comprehensive income for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2022 (April – December 2022)	3 rd Quarter of FY2023 (April – December 2023)
Net income	17,240	25,474
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,702	11,425
Deferred gains or losses on hedges	-7,492	-313
Foreign currency translation adjustment	6,828	4,238
Remeasurements of defined benefit plans, net of tax	-620	-1,192
Share of other comprehensive income of entities accounted for using equity method	978	1,548
Total other comprehensive income	-3,008	15,706
Comprehensive income	14,232	41,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	14,232	41,181
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 the Income tax.

- Segment information

Segment information by category of business

Nine months ended December 31, 2022 (April 1 – December 31, 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	307,289	77,287	78,223	462,799	23,216	486,016	-	486,016
(2) Intersegment	3,528	1,321	289	5,139	13,160	18,299	-18,299	-
Total	310,817	78,609	78,512	467,939	36,376	504,315	-18,299	486,016
Segment income or loss	25,464	-302	-8,385	16,776	3,294	20,070	1,136	21,207

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" (1,136 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.

Nine months ended December 31, 2023 (April 1 – December 31, 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	294,729	70,213	62,929	427,872	21,711	449,584	-	449,584
(2) Intersegment	4,074	1,146	244	5,464	14,776	20,241	-20,241	-
Total	298,803	71,359	63,173	433,336	36,488	469,825	-20,241	449,584
Segment income or loss	24,966	1,616	-3,329	23,253	3,942	27,196	1,227	28,424

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" (1,227 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.