

# Consolidated Financial Results for FY2023 Ended March 31, 2024

## 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 26, 2024

Date of regular general meeting of stockholders: June 25, 2024

Date of submission of financial report: June 26, 2024

Earnings supplementary explanatory documents: Yes

Earnings presentation: Yes (for institutional investors)

(Rounded down to the nearest million yen)

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

(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)	(%)
FY2023 ended March 2024	632,985	-10.4	33,597	-23.2	40,797	-15.3	27,304	-19.0
FY2022 ended March 2023	706,073	37.0	43,743	144.9	48,171	119.8	33,721	118.1

Note: Comprehensive income FY2023 ended March 2024: ¥60,606 million (130.0%) FY2022 ended March 2023: ¥26,354 million (-11.1%)

	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)	(%)	(%)	(%)
FY2023 ended March 2024	259.71	-	6.4	5.7	5.3
FY2022 ended March 2023	320.80	-	8.6	7.1	6.2

Reference: Share of profit or loss of entities accounted for using equity method FY2023 ended March 2024: ¥95 million  
FY2022 ended March 2023: ¥818 million

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2023 ended March 2024	734,524	456,852	62.2	4,345.14
FY2022 ended March 2023	693,519	402,502	58.0	3,828.97

Reference: Net assets (excluding minority interests) FY2023 ended March 2024: ¥456,852 million FY2022 ended March 2023: ¥402,502 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)
FY2023 ended March 2024	47,376	-42,078	-14,243	25,431
FY2022 ended March 2023	56,414	-52,435	-2,939	33,825

## 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			
FY2022 ended March 2023	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: million yen)	(%)	(%)
FY2022 ended March 2023	-	30.00	-	30.00	60.00	6,307	18.7	1.6
FY2023 ended March 2024	-	30.00	-	40.00	70.00	7,359	27.0	1.7
FY2024 ending March 2025 (forecast)	-	40.00	-	40.00	80.00		40.1	

### 3. Consolidated Results Forecasts for FY2024 (April 1, 2024 - March 31, 2025)

(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	640,000	1.1	21,000	-37.5	27,000	-33.8	21,000	-23.1	199.73

#### ※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: *No*

- 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)

Number of treasury stock at the end of the term

Average number of outstanding shares during the term

FY2023 ended March 2024	105,256,285 shares	FY2022 ended March 2023	105,256,285 shares
FY2023 ended March 2024	115,320 shares	FY2022 ended March 2023	135,913 shares
FY2023 ended March 2024	105,134,573 shares	FY2022 ended March 2023	105,114,370 shares

#### Reference: Non-consolidated Results

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

(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)	(%)
FY2023 ended March 2024	497,289	-11.7	22,828	-32.8	33,327	-18.3	23,771	-17.5
FY2022 ended March 2023	563,120	40.7	33,988	209.6	40,779	123.4	28,821	110.2

	Net income per share	Diluted income per share
	(Unit: yen)	(Unit: yen)
FY2023 ended March 2024	226.11	-
FY2022 ended March 2023	274.19	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
FY2023 ended March 2024	574,962	365,497	63.6	3,476.26
FY2022 ended March 2023	554,123	327,157	59.0	3,112.22

Reference: Net assets FY2023 ended March 2024: ¥365,497 million FY2022 ended March 2023: ¥327,157 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, 2023	As of March 31, 2024
Assets		
Non-current assets		
Property, plant and equipment		
Production facilities	59,734	57,215
Distribution facilities	135,897	146,890
Service and maintenance facilities	31,106	30,653
Other facilities	47,797	43,507
Construction in progress	29,864	19,517
Total property, plant and equipment	304,400	297,784
Intangible assets		
Other	12,937	14,681
Total intangible assets	12,937	14,681
Investments and other assets		
Investment securities	129,425	166,985
Long-term loans receivable	12,350	12,821
Net defined benefit asset	26,346	41,263
Deferred tax assets	2,567	2,431
Other	16,488	18,066
Allowance for doubtful accounts	-75	-77
Total investments and other assets	187,101	241,491
Total non-current assets	504,439	553,957
Current assets		
Cash and deposits	34,013	29,774
Notes and accounts receivable - trade, and contract assets	87,750	84,409
Lease receivables and investment assets	15,092	16,688
Inventories	37,549	30,609
Other	15,530	19,868
Allowance for doubtful accounts	-857	-783
Total current assets	189,079	180,567
Total assets	693,519	734,524

(Unit: million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Non-current liabilities		
Bonds payable	67,500	67,500
Long-term loans payable	47,962	60,283
Deferred tax liabilities	2,305	13,660
Provision for gas holder repairs	1,000	898
Provision for safety measures	21,628	21,665
Provision for gas appliance warranties	1,964	1,789
Net defined benefit liability	5,942	6,183
Other	10,563	12,644
Total non-current liabilities	158,867	184,626
Current liabilities		
Current portion of non-current liabilities	24,306	5,499
Notes and accounts payable-trade	40,400	35,588
Short-term loans payable	2,680	2,088
Income taxes payable	15,016	4,064
Other	49,745	45,805
Total current liabilities	132,148	93,045
Total liabilities	291,016	277,671
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	295,428	316,407
Treasury stock	-435	-367
Total shareholders' equity	336,453	357,499
Other comprehensive income		
Valuation difference on available-for-sale securities	44,071	65,966
Deferred gains or losses on hedges	3,184	2,889
Foreign currency translation adjustment	7,582	10,960
Remeasurements of defined benefit plans	11,210	19,535
Total other comprehensive income	66,049	99,352
Total net assets	402,502	456,852
Total liabilities and net assets	693,519	734,524

## 2. Consolidated statements of income and comprehensive income

### Consolidated statements of income

(Unit: million yen)

	FY2022 (April 2022 -March 2023)	FY2023 (April 2023 -March 2024)
Net sales	706,073	632,985
Cost of sales	525,882	461,449
Gross profit	180,191	171,535
Selling, general and administrative expenses	136,447	137,938
Operating income	43,743	33,597
Non-operating income		
Interest income	499	971
Dividends income	2,331	2,640
Rent income	683	699
Gain on valuation of loans	-	904
Share of profit of investments accounted for using equity method	818	-
Miscellaneous income	2,350	3,419
Total non-operating income	6,683	8,636
Non-operating expenses		
Interest expenses	955	842
Loan modification loss	641	-
Miscellaneous expenses	658	592
Total non-operating expenses	2,255	1,435
Ordinary income	48,171	40,797
Extraordinary income		
Gain on sales of noncurrent assets	-	2,328
Gain on sales of investment securities	-	1,598
Total extraordinary income	-	3,927
Extraordinary loss		
Impairment loss	767	4,573
Total extraordinary loss	767	4,573
Income before income taxes	47,403	40,151
Income taxes-current	14,864	9,898
Income taxes for prior periods	-	2,018
Income taxes-deferred	-1,182	930
Total income taxes	13,682	12,847
Net income	33,721	27,304
Net income attributable to owners of the parent	33,721	27,304

## Consolidated statements of comprehensive income

(Unit: million yen)

	FY2022 (April 2022 -March 2023)	FY2023 (April 2023 -March 2024)
Net income	33,721	27,304
Other comprehensive income		
Valuation difference on available-for-sale securities	340	21,895
Deferred gains or losses on hedges	-12,458	-285
Foreign currency translation adjustment	3,810	2,004
Remeasurements of defined benefit plans, net of tax	301	8,145
Share of other comprehensive income of entities accounted for using equity method	640	1,543
Total other comprehensive income	-7,366	33,302
Comprehensive income	26,354	60,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	26,354	60,606
Comprehensive income attributable to non-controlling interests	-	-

## 3. Consolidated statements of changes in net assets

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

FY2023 (April 2023-March 2024)

(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	295,428	-435	336,453
Changes of items during the period					
Dividends from surplus			-6,307		-6,307
Net income attributable to owners of the parent			27,304		27,304
Purchase of treasury stock				-9	-9
Disposal of treasury stock			-17	77	60
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	20,978	67	21,046
Balance at the end of current period	33,072	8,387	316,407	-367	357,499

	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	44,071	3,184	7,582	11,210	66,049	402,502
Changes of items during the period						
Dividends from surplus						-6,307
Net income attributable to owners of the parent						27,304
Purchase of treasury stock						-9
Disposal of treasury stock						60
Net changes of items other than shareholders' equity	21,894	-295	3,378	8,324	33,302	33,302
Total changes of items during the period	21,894	-295	3,378	8,324	33,302	54,349
Balance at the end of current period	65,966	2,889	10,960	19,535	99,352	456,852

#### 4. Consolidated statements of cash flows

(Unit: million yen)

	FY2022 (April 2022-March 2023)	FY2023 (April 2023-March 2024)
Net cash provided by (used in) operating activities		
Income before income taxes	47,403	40,151
Depreciation and amortization	36,268	38,467
Impairment loss	767	4,573
Gain on sales of noncurrent assets	-	-2,328
Gain on sales of investment securities	-	-1,598
Increase (decrease) in provision	4,063	-310
Interest and dividend income	-2,831	-3,612
Interest expenses	955	842
Decrease (increase) in notes and accounts receivable-trade	-14,637	3,340
Decrease (increase) in inventories	-15,584	6,939
Increase (decrease) in notes and accounts payable-trade	3,542	-4,827
Other	1,002	-10,625
Subtotal	60,951	71,012
Interest and dividend income received	2,829	4,032
Interest expenses paid	-894	-858
Income taxes paid	-6,471	-26,809
Net cash provided by (used in) operating activities	56,414	47,376
Net cash provided by (used in) investment activities		
Decrease (increase) in time deposits	-0	-4,154
Purchases of non-current assets	-39,729	-37,535
Proceeds from sales of non-current assets	228	3,186
Purchase of investment securities	-13,717	-5,677
Proceeds from sales of investment securities	42	2,034
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-655	-
Collection of loans receivable	-	1,393
Other	1,396	-1,325
Net cash provided by (used in) investment activities	-52,435	-42,078
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-435	-592
Proceeds from long-term loans payable	12,511	4,284
Repayment of long-term loans payable	-5,605	-1,614
Proceeds from issuance of bonds	27,378	-
Redemption of bonds	-30,000	-10,000
Purchase of treasury stock	-8	-9
Cash dividends paid	-6,305	-6,305
Other	-476	-5
Net cash provided by (used in) financing activities	-2,939	-14,243
Effect of exchange rate change on cash and cash equivalents	674	552
Net increase (decrease) in cash and cash equivalents	1,714	-8,393
Cash and cash equivalents at beginning of term	32,110	33,825
Cash and cash equivalents at end of term	33,825	25,431

## 5. Notes about consolidated statements

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

### (2) 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

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	429,089	59,936	28,116	517,142	104,233	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 (¥1,568million).

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.

FY2023 (April 2023- March 2024)

(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	413,674	100,123	88,279	602,077	30,908	632,985	-	632,985
Intersegment	5,359	1,426	318	7,104	23,456	30,560	-30,560	-
Total	419,034	101,550	88,597	609,181	54,364	663,546	-30,560	632,985
Segment income or loss	29,832	3,076	-5,974	26,933	5,044	31,978	1,619	33,597
Segment assets	437,680	59,665	21,059	518,405	114,917	633,322	101,201	734,524
Other items								
Depreciation expenses	32,666	2,489	1,524	36,679	1,845	38,525	-58	38,467
Investment in entities accounted for using equity method	-	-	-	-	-	-	18,677	18,677
Capital expenditures	35,294	2,226	2,331	39,852	1,100	40,953	-82	40,871

- 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 (¥1,619 million). The "Adjustments" column in "Segment assets" includes ¥140,091 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.