

Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 31, 2021 (Nine Months Ended December 31, 2020)

Toho Gas Co., Ltd.

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

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Date of filing quarterly financial report: February 10, 2021

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, 2020 (April 1 – December 31, 2020)

(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, 2020	302,569	-11.0	15,308	-20.3	17,617	-16.9	12,964	-20.0
April 1 – December 31, 2019	339,936	7.1	19,217	468.9	21,200	241.0	16,215	287.2

Note: Comprehensive income 3rd Quarter ended December 2020: ¥25,662 million (31.5%), 3rd Quarter ended December 2019: 19,509 million (-%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – December 31, 2020	122.77	-
April 1 – December 31, 2019	153.01	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
3rd Quarter ended December 2020	566,913	342,604	60.4
FY2019 ended March 2020	564,756	322,768	57.2

Reference: Net assets (excluding minority interests)

3rd Quarter ended December 2020: ¥342,604 million, FY2019 ended March 2020: ¥322,768 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)
FY2019 ended March 2020	-	27.50	-	27.50	55.00
FY2020 ending March 2021	-	27.50	-		
FY2020 ending March 2021 (forecasts)				27.50	55.00

Notes: Revision of previously announced dividend forecasts: No

3. Consolidated Results Forecasts for the Year Ending March 2021 (April 1, 2020 - March 31, 2021)

(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	430,000	-11.5	10,500	-50.8	13,000	-47.5	9,000	-44.7	85.23

Notes: Revision of previously announced forecasts during this period: No

※Notes

(1) Changes in significant consolidated subsidiaries: No

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

* Basis for the calculation of corporation tax: Calculated by multiplying quarterly income before tax, etc., by the estimated effective tax rate at the end of the fiscal year.

(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 2020	105,606,285 shares	FY2019 ended March 2020	105,606,285 shares
Number of treasury stock at the end of the term	3rd Quarter ended December 2020	6,141 shares	FY2019 ended March 2020	2,773 shares
Average number of outstanding shares during the term	3rd Quarter ended December 2020	105,601,648 shares	3rd Quarter ended December 2019	105,978,474 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.

Reference: Non- Consolidated Results Forecasts for the Year Ending March 2021 (April 1, 2020 - March 31, 2021)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	330,000	-11.5	4,500	-71.5	10,500	-49.6	8,000	-42.0	75.76

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

<Consolidated Financial Statements and Main Notes>

1. Consolidated balance sheet

(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	72,421	68,927
Distribution facilities	154,175	149,035
Service and maintenance facilities	26,476	25,757
Other facilities	47,372	46,662
Construction in progress	10,622	11,792
Total property, plant and equipment	311,068	302,175
Intangible assets		
Other	10,829	10,655
Total intangible assets	10,829	10,655
Investments and other assets		
Investment securities	76,879	94,410
Net defined benefit asset	323	352
Other	33,269	30,212
Allowance for doubtful accounts	-96	-97
Total investments and other assets	110,376	124,878
Total noncurrent assets	432,275	437,709
Current assets		
Cash and deposits	34,702	32,247
Notes and accounts receivable-trade	58,111	49,175
Securities	-	7,000
Inventories	23,912	22,806
Other	15,927	18,148
Allowance for doubtful accounts	-171	-173
Total current assets	132,481	129,204
Total assets	564,756	566,913

(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Noncurrent liabilities		
Bonds payable	70,000	70,000
Long-term loans payable	36,541	34,511
Provision for gas holder repairs	1,690	1,726
Reserve for safety measures	15,173	13,562
Provision for gas appliance warranties	2,808	2,390
Net defined benefit liability	7,959	6,182
Other	10,092	10,262
Total noncurrent liabilities	144,265	138,636
Current liabilities		
Current portion of noncurrent liabilities	13,833	13,627
Notes and accounts payable-trade	23,432	24,895
Short-term loans payable	6,862	5,994
Income taxes payable	6,480	3,358
Other	47,113	37,797
Total current liabilities	97,721	85,673
Total liabilities	241,987	224,309
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	256,066	263,222
Treasury stock	-11	-30
Total shareholders' equity	297,514	304,652
Other comprehensive income		
Valuation difference on available-for-sale securities	29,790	39,799
Deferred gains or losses on hedges	-3,422	-1,207
Foreign currency translation adjustment	1,852	1,802
Remeasurements of defined benefit plans	-2,967	-2,443
Total other comprehensive income	25,253	37,951
Total net assets	322,768	342,604
Total liabilities and net assets	564,756	566,913

2. Consolidated statements of income and comprehensive income

Consolidated statements of income for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2019 (April – December 2019)	3 rd Quarter of FY2020 (April – December 2020)
Net sales	339,936	302,569
Cost of sales	227,442	191,335
Gross profit	112,493	111,234
Selling, general and administrative expenses	93,275	95,926
Operating income	19,217	15,308
Non-operating income		
Interest income	277	246
Dividend income	1,821	1,988
Rent income	441	455
Miscellaneous income	509	542
Total non-operating income	3,049	3,232
Non-operating expenses		
Interest expenses	627	572
Miscellaneous expenses	439	349
Total non-operating expenses	1,066	922
Ordinary income	21,200	17,617
Extraordinary income		
Gain on sales of investment securities	1,433	671
Total extraordinary income	1,433	671
Income before income taxes	22,634	18,289
Income taxes	6,418	5,324
Net income	16,215	12,964
Net income attributable to owners of the parent	16,215	12,964

Consolidated statements of comprehensive income for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2019 (April – December 2019)	3 rd Quarter of FY2020 (April – December 2020)
Net income	16,215	12,964
Other comprehensive income		
Valuation difference on available-for-sale securities	4,241	10,009
Deferred gains or losses on hedges	-505	2,215
Foreign currency translation adjustment	-457	-377
Remeasurements of defined benefit plans, net of tax	150	528
Share of other comprehensive income of entities accounted for using equity method	-135	322
Total other comprehensive income	3,293	12,697
Comprehensive income	19,509	25,662
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	19,509	25,662
Comprehensive income attributable to non-controlling interests	-	-

3. Notes about consolidated statements

- Note of going concerns' premise: No

- Significant change in shareholders' equity: No

- Segment information

Segment information by category of business

Nine months ended December 31, 2019 (April 1 – December 31, 2019)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	LPG, Electricity and other Energies	Gas appliance sales and related construction	Total				
Net sales								
(1) External customers	216,571	67,800	27,891	312,263	27,673	339,936	-	339,936
(2) Intersegment	76	818	1,049	1,945	11,212	13,157	-13,157	-
Total	216,647	68,619	28,941	314,208	38,885	353,093	-13,157	339,936
Segment income	14,077	880	1,022	15,980	2,160	18,141	1,076	19,217

Notes: 1. The "Other" segment incorporates operations not included in business segment reported, including LNG processing under contract, leasing and management of real estate, 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" (1,076 million yen) denotes eliminations of intersegment transactions.

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

Nine months ended December 31, 2020 (April 1 – December 31, 2020)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	LPG, Electricity and other Energies	Gas appliance sales and related construction	Total				
Net sales								
(1) External customers	182,886	78,885	22,433	284,205	18,364	302,569	-	302,569
(2) Intersegment	63	892	1,551	2,508	12,469	14,978	-14,978	-
Total	182,950	79,778	23,984	286,713	30,834	317,547	-14,978	302,569
Segment income	10,256	916	453	11,626	2,651	14,278	1,029	15,308

Notes: 1. The "Other" segment incorporates operations not included in business segment reported, including LNG processing under contract, leasing and management of real estate, 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" (1,029 million yen) denotes eliminations of intersegment transactions.

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