

**Consolidated Financial Results**  
**Results for the 3rd Quarter of FY2012**  
**(Cumulative, April–December 2012)**

January 29, 2013



**TOHO GAS CO.,LTD.**

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Earning forecasts and other forward-looking statements in this document are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual results to differ materially from those projected.

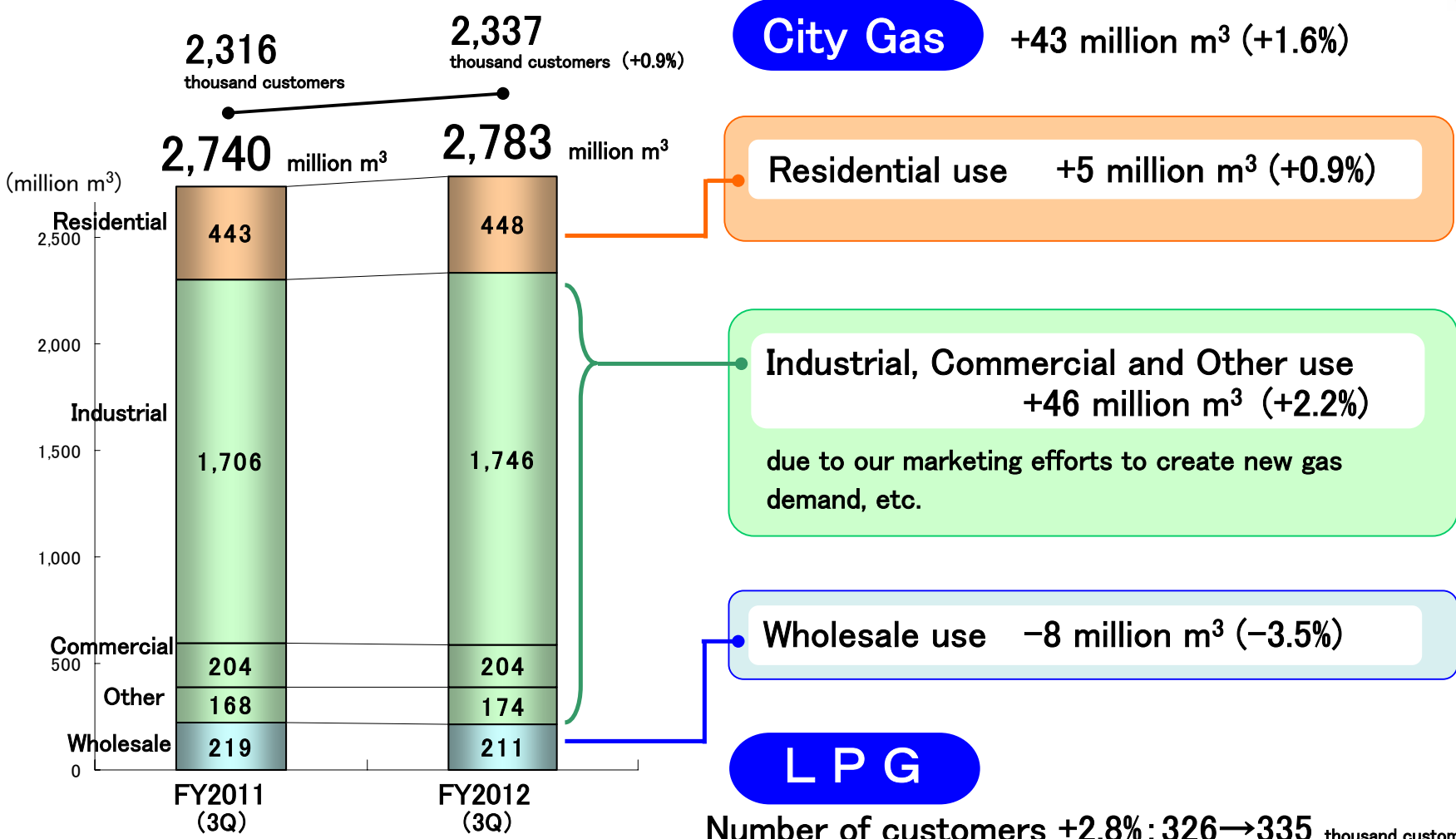
# 1. Results for the 3rd Quarter of FY2012

## (1) Summary



- Gas sales volume was 2,783 million m<sup>3</sup>, an increase by 1.6% from the previous year.  
LPG sales volume was 296 thousand tons, an increase by 2.3%
- Sales were ¥362.9 billion, an increase by 11.3% from the previous year due to increase of gas sales volume and the impact of fuel cost adjustment system
- Ordinary income was ¥11.8 billion, an increase of ¥8.2 billion from the previous year, due to reduced negative impact of time lag in fuel cost adjustment system

## (2) Number of customers, Gas sales volume



Average Temperature	19.6°C	19.2°C	-0.4°C
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### (3) Sales, Incomes

(¥ billions)

	<b>Fy 2012 (3Q)</b>	<b>Fy 2011 (3Q)</b>	<b>Change From Previous year</b>	<b>Rate of change</b>
<b>Gas sales Volume (million m<sup>3</sup>)</b>	<b>2,783</b>	<b>2,740</b>	<b>43</b>	<b>1.6%</b>
<b>Sales</b>	<b>362.9</b>	<b>326.0</b>	<b>36.8</b>	<b>11.3%</b>
<b>Cost of sales</b>	<b>250.2</b>	<b>219.6</b>	<b>30.5</b>	<b>13.9%</b>
<b>Selling, general and administrative expenses</b>	<b>100.4</b>	<b>103.4</b>	<b>-3.0</b>	<b>-2.9%</b>
<b>Ordinary income</b>	<b>11.8</b>	<b>3.5</b>	<b>8.2</b>	<b>231.1%</b>
<b>Net income</b>	<b>7.6</b>	<b>-0.5</b>	<b>8.2</b>	<b>—</b>

(Notes 1) Crude oil price (CIF national average); FY2012(Apr.-Dec.) 114.0 \$/bbl, FY2011(Apr.-Dec.) 113.1 \$/bbl (+0.9 \$/bbl)  
 Currency exchange rate (TTM) ; FY2012(Apr.-Dec.) 80.0 yen/\$, FY2011(Apr.-Dec.) 79.0 yen/\$ (+1.0 yen/\$)

(Notes 2) Net income in FY2011 includes the impact of a partial write-off of deferred tax assets based upon the enactment of laws concerning a reduction in the corporate income tax rate.

## (4) Factors for Changes in Ordinary Income (Change from the previous year)



Ordinary income (¥3.5 billion⇒¥11.8 billion)      + ¥ 8.2 billion

- Effect of gas sales volume      + ¥ 1.0 billion
- Impact of time lag in fuel cost adjustment system      + ¥ 13.5 billion  
(FY2011 (3Q) - ¥ 15.0 billion ⇒ FY2012 (3Q) - ¥ 1.5 billion )
- Impact of Gas rate revision      - ¥ 1.5 billion
- Others      - ¥ 4.8 billion

## (5) Balance Sheet

(¥ billions)

	Fy 2012 (end of 3Q)	Fy 2011 (end of Fy)	Change
<b>Total assets</b>	<b>488.3</b>	<b>492.8</b>	<b>-4.5</b>
(unrealized gain on securities)	(25.5)	(24.1)	(1.4)
<b>Total net assets</b>	<b>228.3</b>	<b>224.3</b>	<b>4.0</b>
<b>Equity ratio</b>	<b>46.8%</b>	<b>45.5%</b>	<b>1.3 Point</b>
<b>Interest-bearing debts</b>	<b>164.2</b>	<b>164.3</b>	<b>-0.0</b>
	Fy 2012 (3Q)	Fy 2011 (3Q)	Change
<b>CAPEX</b>	<b>26.6</b>	<b>23.3</b>	<b>3.2</b>
<b>Depreciation</b>	<b>27.6</b>	<b>30.2</b>	<b>-2.5</b>

## 2. Forecasts for FY2012

### (1) Summary

- Gas sales volume expected to be 3,943 million m<sup>3</sup>, the same level as the previous year  
(Previous forecasts: 4,001 million m<sup>3</sup>, an increase by 1.5% from the previous year)  
LPG sales volume to be 422 thousand tons, an increase by 0.6%
- Based on crude oil price of 115 dollars/barrel and exchange rate of ¥90/dollar for the 4th quarter of FY2012, sales projected to be ¥510 billion, an increase by 5.7% from the previous year, ordinary income to be ¥13 billion, a decrease by 28.4%
- Ordinary income was revised down by ¥6 billion from the previous forecast due to the revised assumption of currency exchange rate toward yen depreciation.

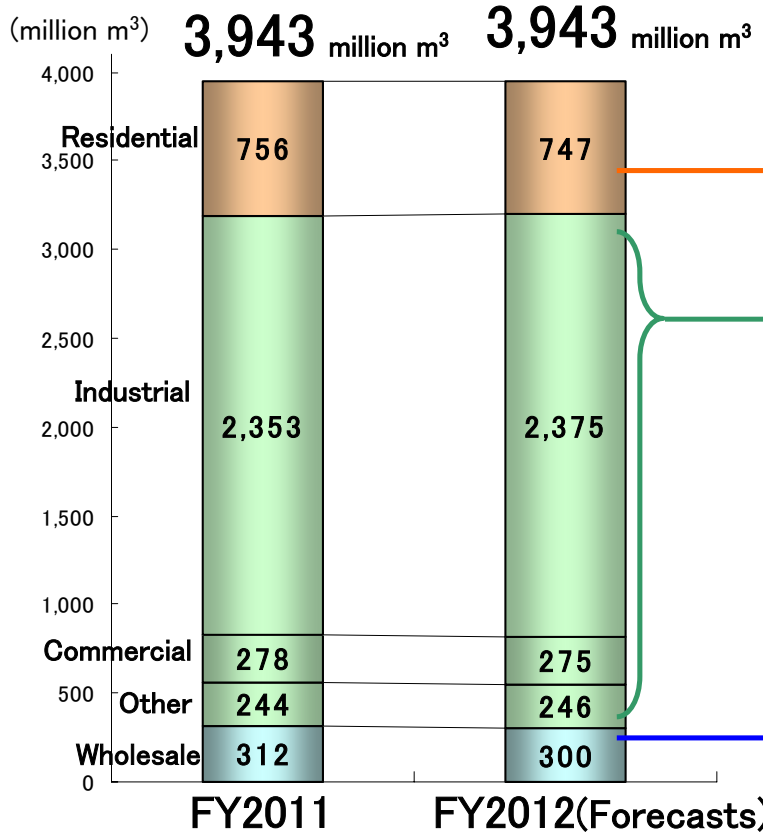


## (2) Number of customers, Gas sales volume (Forecasts)



2,322 thousand customers → 2,339 thousand customers (+0.7%)

**City Gas** +0 million m<sup>3</sup> (+0.0%)



**Residential use** -9 million m<sup>3</sup> (-1.0%)  
due to temperature influence

**Industrial, Commercial and Other use** +21 million m<sup>3</sup> (+0.7%)  
due to our efforts to create new demands mainly for combustion use

**Wholesale use** -12 million m<sup>3</sup> (-4.0%)

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Number of customers +2.7%: 327 → 336 thousand customers

Gas sales volume +0.6%: 420 → 422 thousand tons

Average Temperature (4Q)	16.1°C (5.5 °C)	16.1°C (6.8 °C)	± 0.0°C (+1.3 °C)
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### (3) Gas sales volume (Change from the previous forecasts)

(million m<sup>3</sup>)

	Revised forecasts	Previous forecasts	Change
Residential use	747 <-1.0%>	731 <-3.2%>	+16
Industrial, Commercial and Other use	2,896 <+0.7%>	2,967 <+3.2%>	-71
Wholesale Use	300 <-4.0%>	303 <-2.8%>	- 3
Total	3,943 <+0.0%>	4,001 <+1.5%>	-58

(Notes) < > ; Rate of change from the previous year

※ Previous forecasts were announced on October 30, 2012

# (4) Forecasts for FY2012/Sales, Incomes

(¥ billions)

	Fy 2012 forecasts	Fy 2011	Change From Previous year	Rate of change	Previous forecasts (at the 2Q)	Change From Previous forecasts
Gas sales Volume (million m <sup>3</sup> )	3,943	3,943	0	0.0%	4,001	-58
Sales	510.0	482.3	27.6	5.7%	515.0	-5.0
Ordinary income	13.0	18.1	-5.1	-28.4%	19.0	-6.0
Net income	7.5	8.5	-1.0	-12.5%	12.0	-4.5
CAPEX	39.0	32.5	6.4	19.8%	39.0	—
Depreciation	37.0	40.2	-3.2	-8.1%	37.0	—

## 【Assumption】

(\$/bbl, yen/\$)

	FY2012 ※	FY2011 (Result)	Change
Crude oil price	114.2	114.2	+0.0
Exchange rate	82.5	79.1	+3.4

※ Assumption for the 4th quarter of FY2012:

Crude oil price 115\$/bbl, Exchange rate 90yen/\$

## 【Sensitivity (full-year)】

	Gas resource cost	Gross profit
Crude oil price 1\$/bbl	¥ 1.8 billion	¥ 0.6 billion※
Exchange rate 1yen/\$	¥ 2.1 billion	¥ 0.7 billion

※ It takes several months for LNG price to be linked to the crude oil prices.

For this reason, change in crude oil prices is expected to have only a minimal effect on the gross income for FY2012.

## (5) Factors for Changes in Ordinary Income (Change from the previous year)

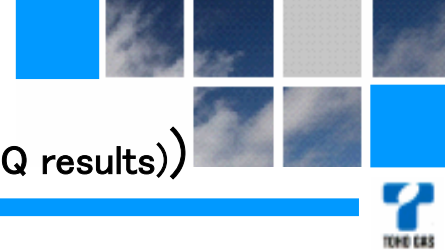


Ordinary income (¥18.1 billion⇒¥13.0 billion) — ¥ 5.1 billion

- Effect of gas sales volume — ¥ 1.0 billion
- Impact of time lag in fuel cost adjustment system + ¥ 3.0 billion  
( FY2011 —¥ 17.0 billion ⇒ FY2012 — ¥ 14.0 billion )
- Impact of Gas rate revision — ¥ 2.0 billion
- Others — ¥ 5.1 billion

## (6) Factors for Changes in Ordinary Income

(Change from the previous forecast (at the release of 2Q results))



Ordinary income (¥19.0 billion  $\Rightarrow$  ¥13.0 billion) — ¥ 6.0 billion

### ■ Impact of time lag in fuel cost

adjustment system — ¥6.0 billion

( Previous forecast —¥ 8.0 billion  $\Rightarrow$  Revised forecast —¥ 14.0 billion )

# 〈Reference〉 Progress of Medium-term management plan

	FY2009	FY2010	FY2011	FY2012 (forecast)	FY2008 to 2012 Average growth rate	FY2013 target < Average growth rate >
<b>【 Number of customers 】</b>						
City gas (thousand)	2,295	2,307	2,322	2,339	0.6%	2,405 <1.1%>
LPG (thousand)	317	320	327	336	2.3%	359 <3.2%>
<b>【 Gas sales volume 】</b>						
City gas (million m <sup>3</sup> )	3,627	3,910	3,943	3,943	1.8%	4,039 <1.9%>
LPG (thousand tons)	397	416	420	422	0.9%	440 <1.5%>
CAPEX (¥ billion)	43.6	33.2	32.5	39.0	<sup>4years average</sup> 37.1	A total of FY2009 to 2013 177 (Average of 35.4 per year)
<b>【 Financial targets 】</b>						
ROA	2.1%	2.9%	1.7%	About 1.5%		About 3% (FY2013)
Return to Shareholders <small>Upper: Dividend Lower: Share buy-back</small>	¥8 per share ¥3.0 billion	¥8 per share ¥2.7 billion	¥8.5 per share	¥9 per share		The basis is stable dividends. Implementing share buy back depending on the situation.
Interest-bearing debts (¥ billion)	171.0	161.4	164.3	About 160		About 180 (at the end of FY2013)
Equity ratio	43.6%	44.7%	45.5%	About 45%		Over 40% (at the end of FY2013)