

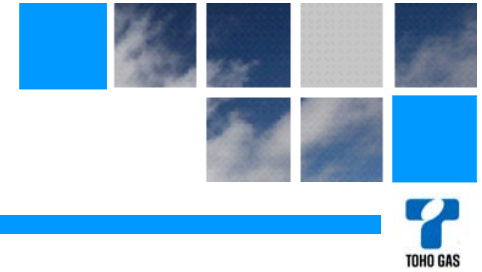
Consolidated Financial Results
Results for the 3rd Quarter of FY2015
(April–December 2015)

January 28, 2016



TOHO GAS CO.,LTD.





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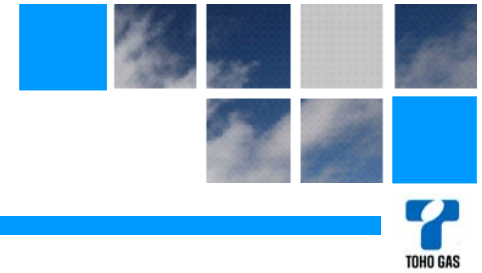
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* Gas Sales Volume is shown by 45MJ/m³ in this presentation since we decreased the standard calorific value of the gas we supply to customers from 46.04655MJ/m³ to 45MJ/m³ on Sep. 1, 2015.

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.

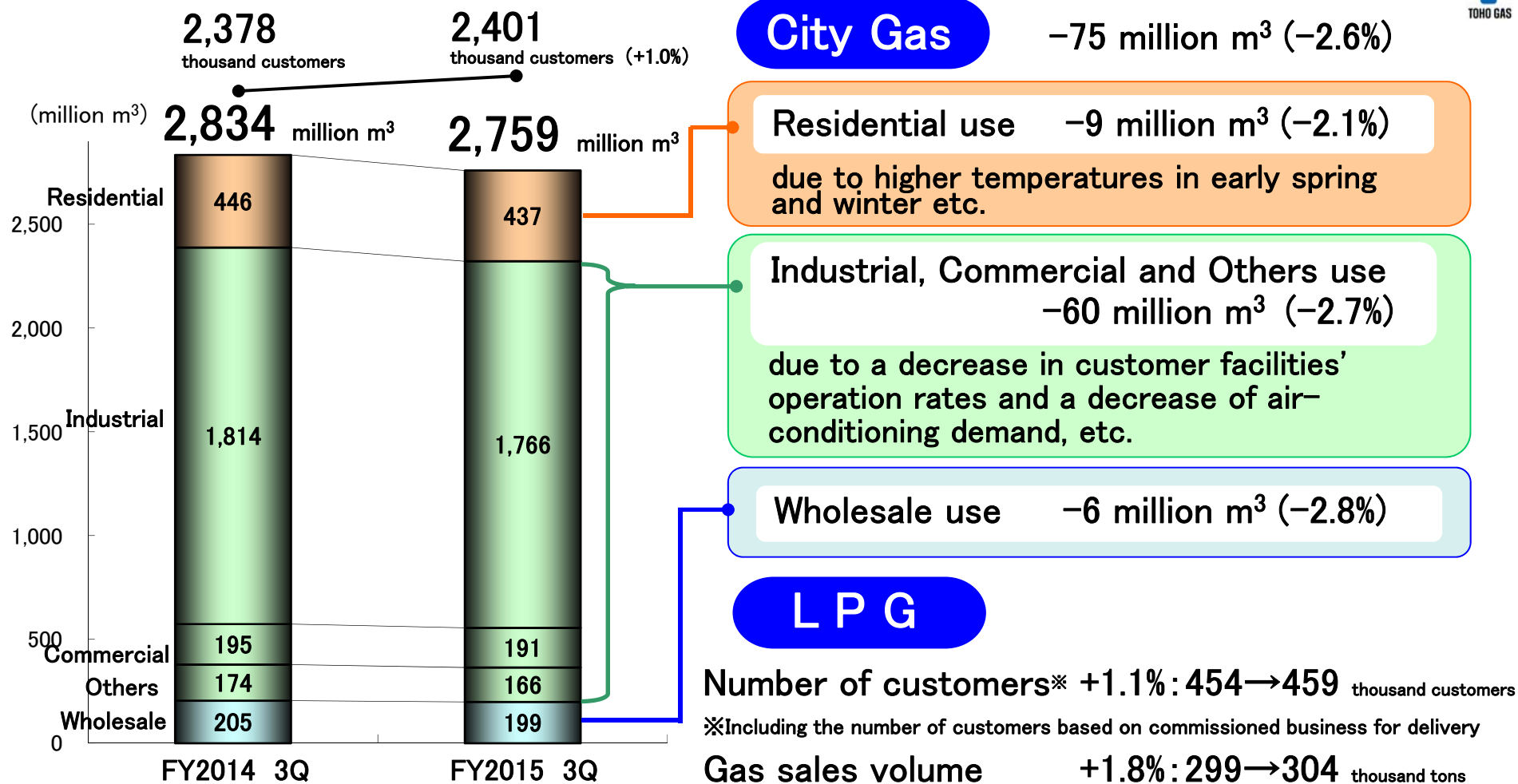
1. Results for the 3rd Quarter of FY2015

(1) Summary



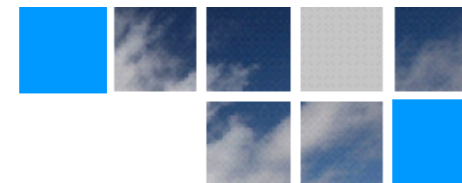
- Gas sales volume was 2,759 million m³, a decrease by 2.6% from the previous year.
LPG sales volume was 304 thousand tons, an increase by 1.8%
- Sales were ¥343.3 billion, a decrease by 15.0% from the previous year.
Ordinary income was ¥45.2 billion, an increase of ¥30.2 billion

(2) Number of customers, Gas sales volume (3rd Quarter)



	Apr.-June	July-Sept.	Oct.-Dec.
Average Temperature (Change from the previous year)	+0.2°C	-0.1°C	+1.5°C

(3) Sales, Incomes (3rd Quarter)



(¥ billion)

	FY 2015 (Apr.-Dec.)	FY 2014 (Apr.-Dec.)	Change from the previous year	Rate of Change
Gas sales Volume (million m ³)	2,759	2,834	-75	-2.6%
Sales	343.3	404.1	-60.8	-15.0%
Cost of sales	200.9	294.8	-93.8	-31.8%
Selling, general and administrative expenses	98.2	94.8	3.3	3.5%
Ordinary income	45.2	15.0	30.2	201.8%
Net income attributable to the parent company*	32.3	10.4	21.8	208.9%

* 'Net income attributable to the parent company' has been used instead of 'Net income' since FY2015.

(Notes) Crude oil price (CIF national average); FY2015 (Apr.-Dec.) \$ 54.7/bbl, FY2014 (Apr.-Dec.) \$102.5/bbl (-\$47.8/bbl)
 Currency exchange rate (TTM) ; FY2015 (Apr.-Dec.) ¥121.7/\$, FY2014 (Apr.-Dec.) ¥106.7/\$ (+¥15.0/\$)

(4) Factors for Changes in Ordinary Income (3rd Quarter)

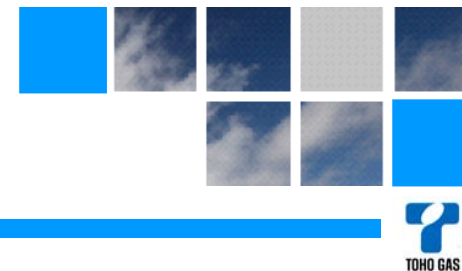


◆ Change from the previous year

Ordinary income (¥15.0 billion⇒¥45.2 billion) + ¥ 30.2 billion

- Effect of gas sales volume — ¥ 2.0 billion
- Impact of time lag in fuel cost adjustment system + ¥29.0 billion
(FY2014 (Apr.-Dec.) ±¥ 0.0 billion ⇒ FY2015 (Apr.-Dec.) +¥ 29.0 billion)
- Others + ¥ 3.2 billion

(5) Balance Sheet (3rd Quarter)

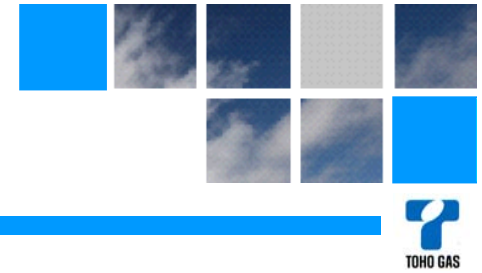


(¥ billion)

	FY 2015 (End of 3Q)	FY 2014 (End of FY)	Change		FY 2015 (Apr.-Dec.)	FY 2014 (Apr.-Dec.)	Change
Total assets (unrealized gain on securities)	554.3 (54.9)	543.2 (54.1)	11.0 (0.7)	CAPEX	24.6	24.0	0.5
Total net assets	296.6	282.8	13.8	Depreciation	24.7	25.4	-0.6
Equity ratio	53.5%	52.1%	1.4 Point				
Interest-bearing debts	136.6	149.7	-13.0				

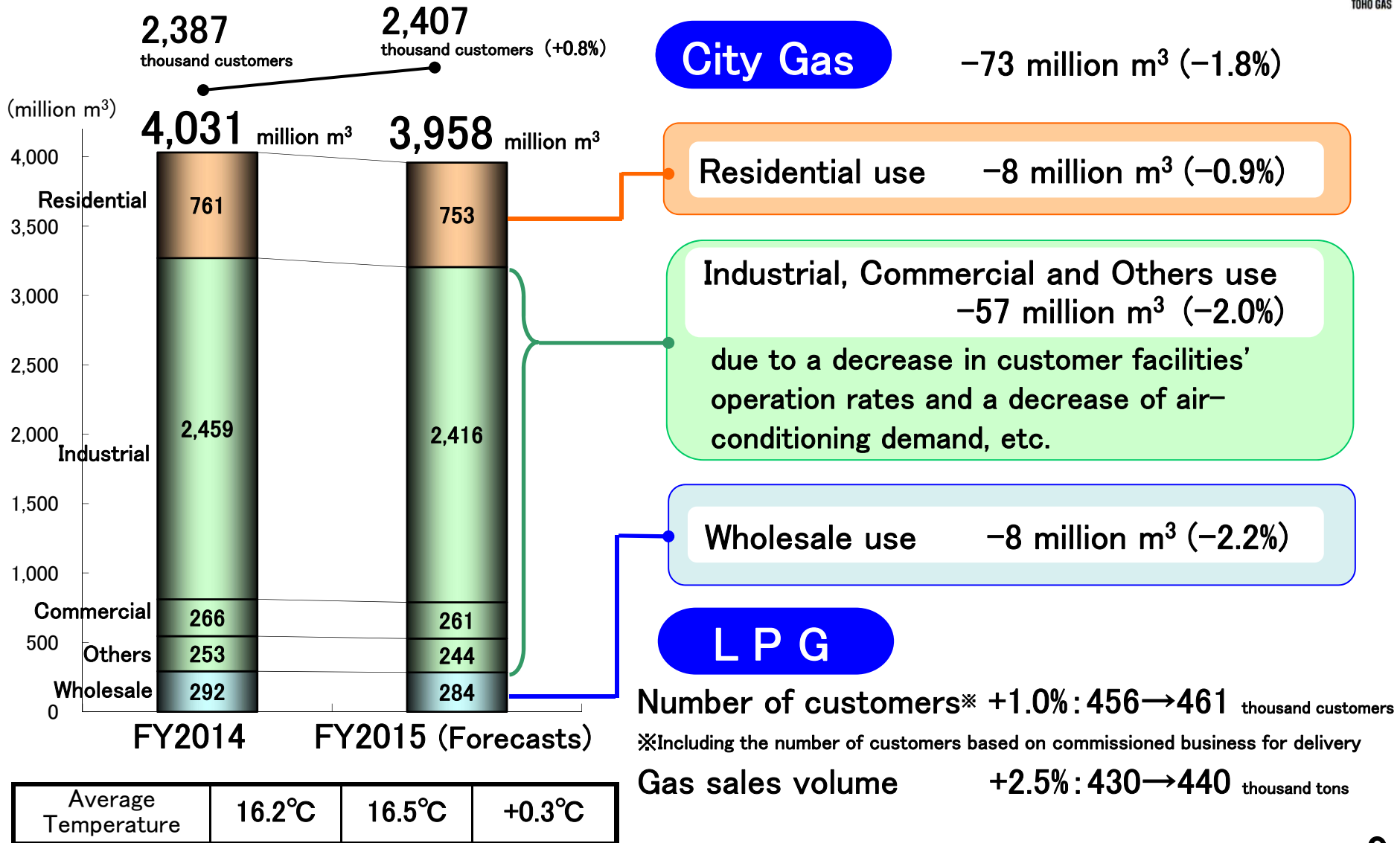
2. Forecasts for FY2015

(1) Summary

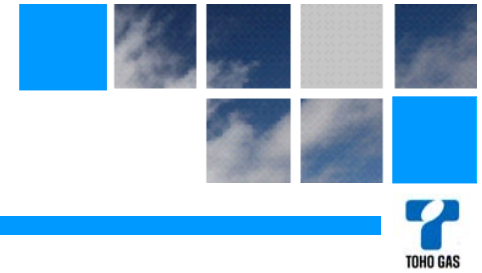


- Gas sales volume expected to be 3,958 million m³, a decrease by 1.8% from the previous year.
LPG sales volume to be 440 thousand tons, an increase by 2.5%
- Based on crude oil price of 40 dollars/barrel and exchange rate of ¥125/dollar for the 4th quarter of FY2015, sales projected to be ¥489 billion, a decrease by 15.8% from the previous year, ordinary income to be ¥54 billion, an increase by 82.9%
- We have changed the previous forecasts as below:
 - Gas sales volume was revised downward from 4,063 million m³ by 105 million m³
 - Sales were revised downward from ¥505 billion by ¥16 billion
 - Ordinary income was revised upward from ¥47 billion by ¥7 billion(Assumption of crude oil price for the 4th quarter of FY2015 was changed from 60 dollars/barrel to 40 dollars/barrel)

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



(3) Gas sales volume (Change from the previous forecasts)



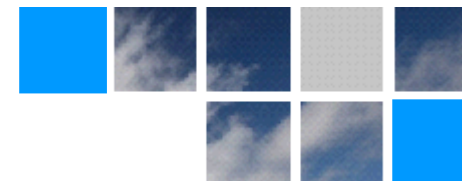
- Gas sales volume was revised downward from 4,063 million m³ by 105 million m³

(million m³)

	Revised forecasts	Previous forecasts (as of 10/30)	Change
Residential use	753 <-0.9%>	765 <+0.6%>	-12
Industrial, Commercial and Others use	2,921 <-2.0%>	3,006 <+0.9%>	-85
Wholesale use	284 <-2.2%>	292 <+0.2%>	-8
Total	3,958 <-1.8%>	4,063 <+0.8%>	-105

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

(4) Forecasts for FY2015



	(¥ billion)			
	FY 2015 forecasts	FY 2014	Change from the previous year	Rate of change
Gas sales Volume (million m ³)	3,958	4,031	-73	-1.8%
Sales	489.0	580.9	-91.9	-15.8%
Ordinary income	54.0	29.5	24.4	82.9%
Net income attributable to the parent company*	38.0	19.0	18.9	99.4%
CAPEX	47.0	36.5	10.4	28.5%
Depreciation	34.0	33.9	0.0	0.1%

* 'Net income attributable to the parent company' has been used instead of 'Net income' since FY2015.

【Assumptions】 (\$/bbl, ¥/\$)

	FY2015 *	FY2014 (Results)	Change
Crude oil price	51.0	90.4	-39.4
Exchange rate	122.6	109.8	+12.8

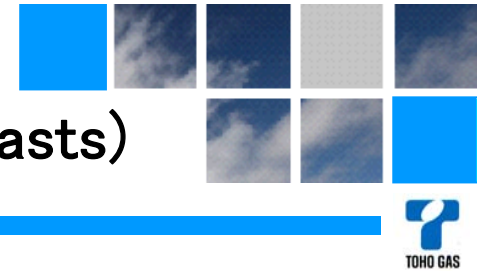
* Assumptions for the 4th quarter of FY2015:
Crude oil price \$40/bbl, Exchange rate ¥125/\$

【Sensitivity (full-year) *】

	Gas resource cost	Gross profit
Crude oil price 1\$/bbl	¥ 2.4 billion	¥ 0.8 billion
Exchange rate 1yen/\$	¥ 1.0 billion	¥ 0.3 billion

* Based on crude oil price of \$40/bbl and exchange rate of ¥125/\$ throughout the year

(5) Factors for Changes in Ordinary Income (Forecasts)

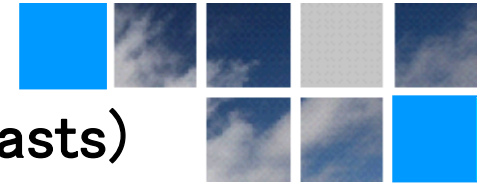


◆ Change from the previous year

Ordinary income (¥29.5 billion ⇒ ¥54.0 billion) + ¥ 24.4 billion

- Effect of gas sales volume — ¥ 2.0 billion
- Impact of time lag in fuel cost adjustment system + ¥ 28.0 billion
(FY2014 +¥ 4.0 billion ⇒ FY2015 + ¥ 32.0 billion)
- Effect of increase of various costs, etc. — ¥ 1.6 billion

(6) Factors for Changes in Ordinary Income (Forecasts)



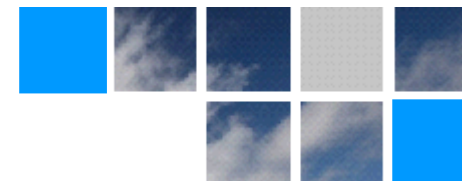
◆ Change from the forecasts (at the release of 2Q results)

Ordinary income (¥47.0 billion ⇒ ¥54.0 billion) + ¥ 7.0 billion

■ Effect of gas sales volume - ¥ 3.0 billion

■ Impact of time lag in fuel cost adjustment system + ¥ 10.0 billion
(Previous forecast + ¥ 22.0 billion ⇒ Revised forecast + ¥ 32.0 billion)

(7) Change from the previous forecasts



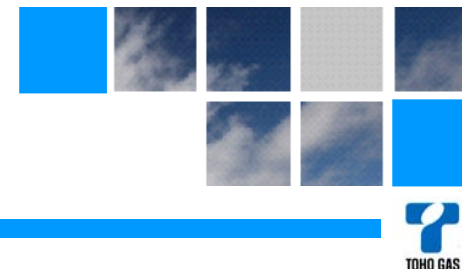
(¥ billion)

	Revised forecasts	Previous forecasts (as of 10/30)	Change
Gas sales Volume (million m ³)	3,958	4,063	-105
Sales	489.0	505.0	-16.0
Ordinary income	54.0	47.0	7.0
Net income attributable to the parent company	38.0	33.0	5.0

【 Assumption 】

	Revised forecasts	Previous forecasts	Change
Crude oil price (\$/bbl)	Jan.-Mar. 40	Second half 60	-20
Exchange rate (yen/\$)	Jan.-Mar. 125	Second half 125	± 0

〈Reference〉 Progress of Mid-term Management Plan



		FY2014	FY2015 (Forecasts)	Rate of change	FY2018 Projection	FY2013 to FY2018 Average Annual Rate of Increase	FY2022 100th Anniversary
Number of Customers	Natural Gas	2.39 million	2.41 million	0.8%	2.46 million	0.8%	2.5 million
	LPG *1	0.46 million	0.46 million	1.0%	0.48 million	1.8%	0.5 million
Gas Sales Volume	Natural Gas *2	4.1 billion m ³	4.0 billion m ³	-1.7%	4.5 billion m ³	2.2%	5 billion m ³
	LPG	430 thousand tons	440 thousand tons	2.5%	470 thousand tons	2.3%	500 thousand tons

* 1 Including the number of customers based on commissioned business for delivery

* 2 Including the number of gas sales volume of LNG

	FY2009 to 2013 Average	FY2014	FY2015 (Forecasts)	FY2018 Projection	FY2022 100th Anniversary
Operating Cash Flow	48.2 billion yen	62.3 billion yen	72 billion yen	58 billion yen	60 billion yen
Debt Equity Ratio	0.7	0.5	0.5	1.0 and under	1.0 and under
ROA	2.1%	3.6%	About 7%	About 3%	3% and over