

# Consolidated Financial Results

## Results for the 1st Quarter of FY2017 (April–June 2017)

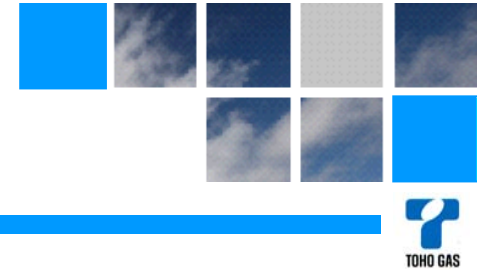
July 31, 2017



TOHO GAS CO.,LTD.



# Contents



**1. Results for the 1st Quarter of FY2017 ・ ・ 3**

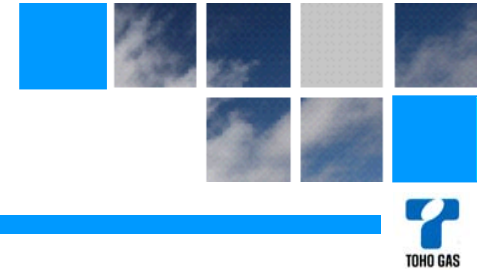
**2. Forecasts for FY2017 ・ ・ ・ ・ ・ 8**

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 1st Quarter of FY2017

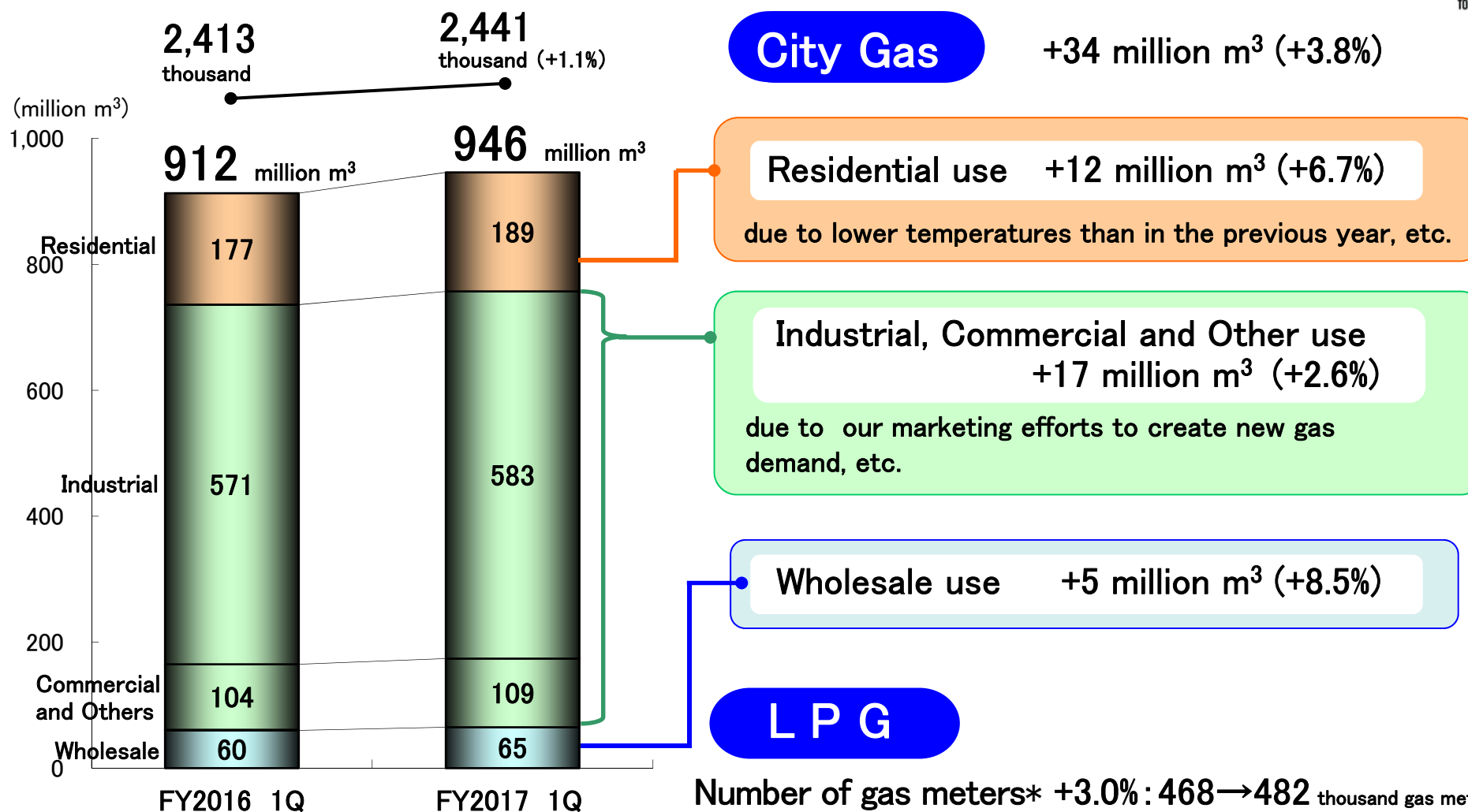
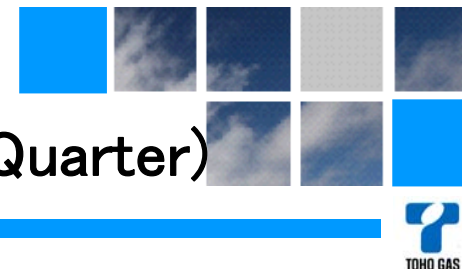
## (1) Summary

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- Gas sales volume was 946 million m<sup>3</sup>, an increase by 3.8% from the previous year.  
LPG sales volume was 112 thousand tons, an increase by 7.5%
- Sales were ¥97.8 billion, an increase by 2.0% from the previous year.  
Ordinary income was ¥9.9 billion, a decrease by 46.2%

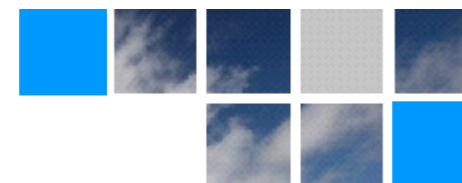
## (2) Number of gas meters, Gas sales volume (1st Quarter)



Average Temperature	19.8°C	19.2°C	-0.6°C
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\* Including the number of gas meters based on commissioned business for delivery

Gas sales volume +7.5%: 104→112 thousand tons



### (3) Sales, Incomes (1st Quarter)



(¥ billion)

	<b>FY2017 (1Q)</b>	<b>FY2016 (1Q)</b>	<b>Change from the previous year</b>	<b>Rate of change</b>
<b>Gas sales Volume (million m<sup>3</sup>)</b>	<b>946</b>	<b>912</b>	<b>34</b>	<b>3.8%</b>
<b>Sales</b>	<b>97.8</b>	<b>95.8</b>	<b>1.9</b>	<b>2.0%</b>
<b>Cost of sales</b>	<b>58.6</b>	<b>46.7</b>	<b>11.8</b>	<b>25.4%</b>
<b>Selling, general and administrative expenses</b>	<b>30.2</b>	<b>31.2</b>	<b>-1.0</b>	<b>-3.3%</b>
<b>Ordinary income</b>	<b>9.9</b>	<b>18.4</b>	<b>-8.5</b>	<b>-46.2%</b>
<b>Net income attributable to owners of the parent</b>	<b>6.9</b>	<b>12.9</b>	<b>-5.9</b>	<b>-46.2%</b>

(Notes) Crude oil price (CIF national average); FY2017 (Apr.-June) \$53.4/bbl, FY2016 (Apr.-June) \$41.1/bbl (+\$12.3/bbl)  
 Currency exchange rate (TTM) ; FY2017 (Apr.-June) ¥111.1/\$, FY2016 (Apr.-June) ¥108.2/\$ (+¥2.9/\$)



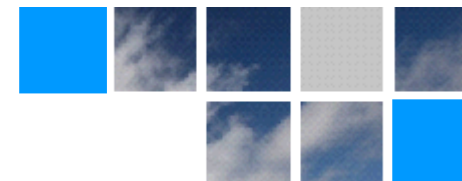
## (4) Factors for Change in Ordinary Income (1st Quarter)

### ◆ Change from the previous year

Ordinary income (¥18.4 billion⇒¥9.9 billion) — ¥ 8.5 billion

- Effect of gas sales volume + ¥ 1.5 billion
- Impact of time lag in fuel cost adjustment system — ¥ 12.0 billion  
(FY2016 (1Q) +¥ 9.0 billion ⇒ FY2017 (1Q) —¥ 3.0 billion)
- Others + ¥ 2.0 billion

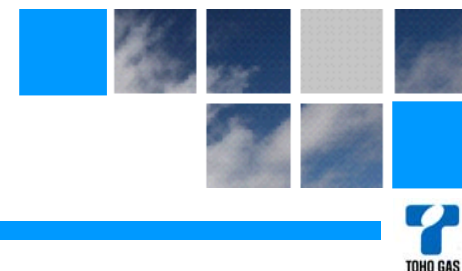
## (5) Balance Sheet (1st Quarter)



	(¥ billion)		
	FY2017 (end of 1Q)	FY2016 (end of FY)	Change
<b>Total assets</b>	<b>524.4</b>	<b>532.9</b>	<b>-8.4</b>
(unrealized gain on investment securities)	(56.1)	(51.7)	(4.3)
<b>Net assets</b>	<b>312.4</b>	<b>306.8</b>	<b>5.6</b>
<b>Equity ratio</b>	<b>59.6%</b>	<b>57.6%</b>	<b>2.0</b> Point
<b>Interest-bearing debts</b>	<b>123.5</b>	<b>114.9</b>	<b>8.6</b>
	FY2017 (1Q)	FY2016 (1Q)	Change
<b>CAPEX</b>	<b>13.1</b>	<b>13.8</b>	<b>-0.7</b>
<b>Depreciation</b>	<b>8.9</b>	<b>8.1</b>	<b>0.7</b>

## 2. Forecasts for FY2017

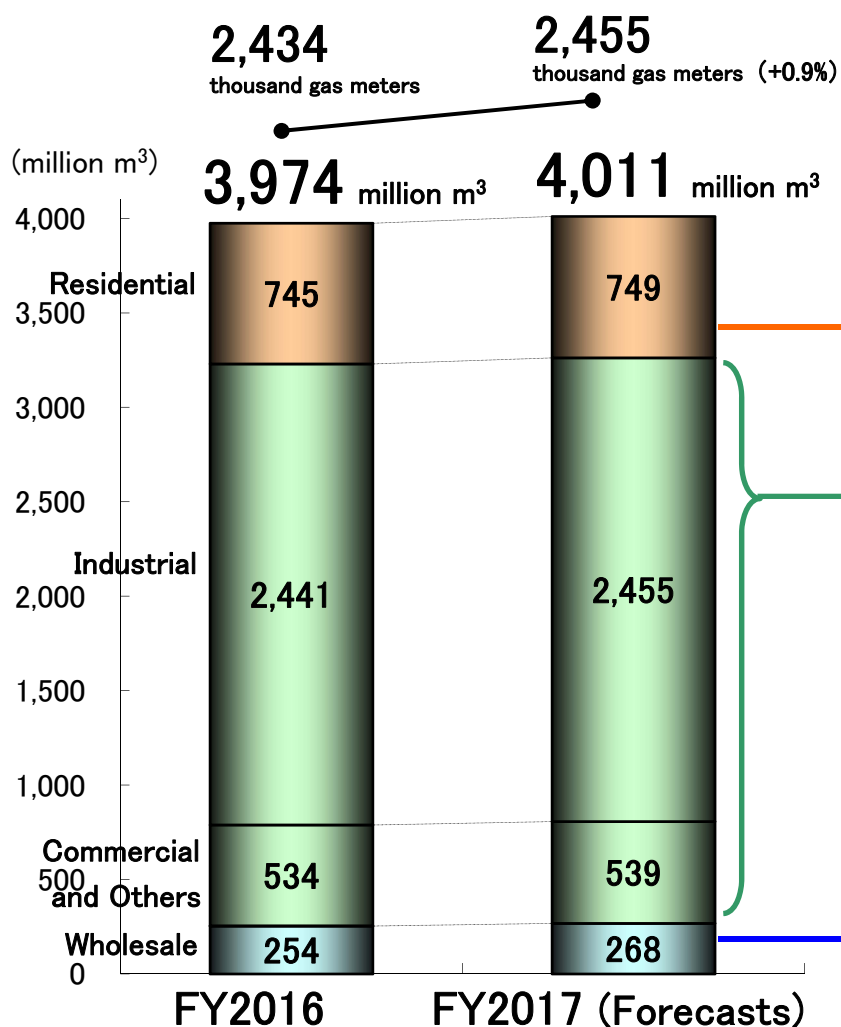
### (1) Summary



- Gas sales volume expected to be 4,011 million m<sup>3</sup>, an increase by 0.9% from the previous year, LPG sales volume to be 454 thousand tons, an increase by 0.2%  
(We have not changed the previous forecasts)
- Based on crude oil price of 60 dollars/barrel and exchange rate of ¥115/dollar after July, sales projected to be ¥435 billion, an increase by 11.4% from the previous year, ordinary income to be ¥25 billion, an increase by 2.1%  
(We have not changed the previous forecasts of assumption and income)
- We have revised down the forecast of sales by ¥6 billion based on the result of raw material cost etc. for the 1st quarter



## (2) Number of gas meters, Gas sales volume (Forecasts)



### City Gas

+37 million m<sup>3</sup> (+0.9%)

Residential use +4 million m<sup>3</sup> (+0.5%)

Industrial, Commercial and Others use  
+19 million m<sup>3</sup> (+0.7%)

Wholesale use +14 million m<sup>3</sup> (+5.2%)

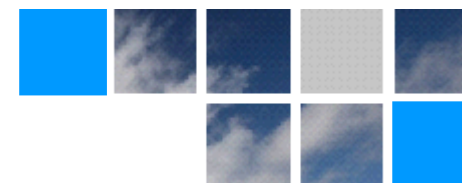
### L P G

Number of gas meters\* +1.2%: 479→485 thousand gas meters

\* Including the number of gas meters based on commissioned business for delivery

Gas sales volume +0.2%: 454→454 thousand tons

Average Temperature	16.6°C	16.5°C	-0.1°C
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### (3) Forecasts for FY2017



	(¥ billion)			
	FY2017 forecasts	FY2016	Change From the previous year	Rate of change
Gas sales Volume (million m <sup>3</sup> )	4,011	3,974	37	0.9%
Sales	435.0	390.4	44.5	11.4%
Ordinary income	25.0	24.4	0.5	2.1%
Net income attributable to owners of the parent	18.0	17.7	0.2	1.4%
CAPEX	46.4	49.2	-2.8	-5.7%
Depreciation	37.0	35.4	1.5	4.3%

#### 【Assumption】

(\$/bbl, yen/\$)

	FY2017*	FY2016 (Result)	Change
Crude oil price	58.3	47.5	10.8
Exchange rate	114.0	108.4	5.6

#### 【Sensitivity (full-year)】

	Gas resource cost	Gross profit
Crude oil price 1\$/bbl	¥ 2.2 billion	¥ 0.6 billion
Exchange rate 1yen/\$	¥ 1.0 billion	¥ 0.3 billion

\* Assumption after July: Crude oil price \$60/bbl, Exchange rate ¥115/\$



## (4) Factors for Change in Ordinary Income (Forecasts)

### ◆ Change from the previous year

Ordinary income (¥24.4 billion⇒¥25.0 billion)    + ¥ 0.5 billion

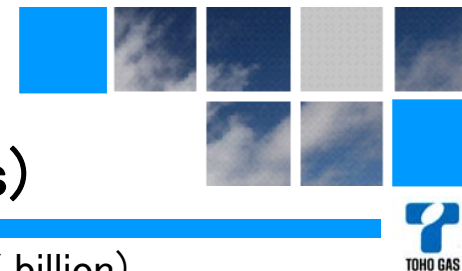
■ Effect of gas sales volume    + ¥ 1.0 billion

■ Impact of time lag in fuel cost adjustment system    − ¥ 6.0 billion  
( FY2016   −¥ 2.0 billion   ⇒   FY2017   −¥ 8.0 billion )

■ Decrease in fixed cost    + ¥ 2.8 billion

■ Others    + ¥ 2.7 billion

# 〈Reference〉 Forecasts for FY2017 (Changes from the previous forecasts)



(¥ billion)

	Revised forecasts	Previous forecasts (as of Apr. 28)	Change from the previous forecasts
Gas sales Volume (million m <sup>3</sup> )	4,011	4,011	—
Sales	435.0	441.0	−6.0
Ordinary income	25.0	25.0	—
Net income attributable to owners of the parent	18.0	18.0	—

## 【 Assumption 】

	Revised forecasts	Previous forecasts	Change
Crude oil price (\$/bbl)	July–Mar. 60	Apr.–Mar. 60	—
Exchange rate (yen/\$)	July–Mar. 115	Apr.–Mar. 115	—