

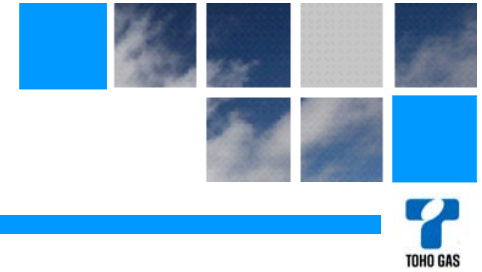
Consolidated Financial Results
Results for the 3rd Quarter of FY2017
(April–December 2017)

January 31, 2018



TOHO GAS CO.,LTD.





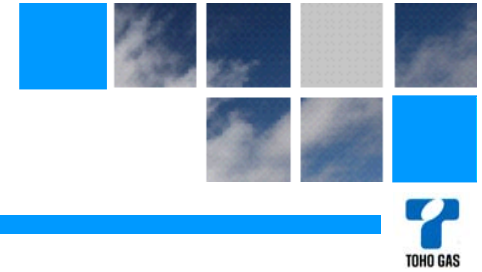
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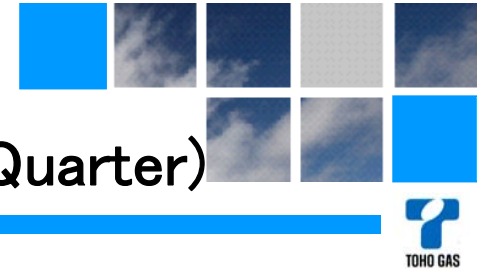
Earning forecasts and other forward-looking statements in this document are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual results to differ materially from those projected.

1. Results for the 3rd Quarter of FY2017

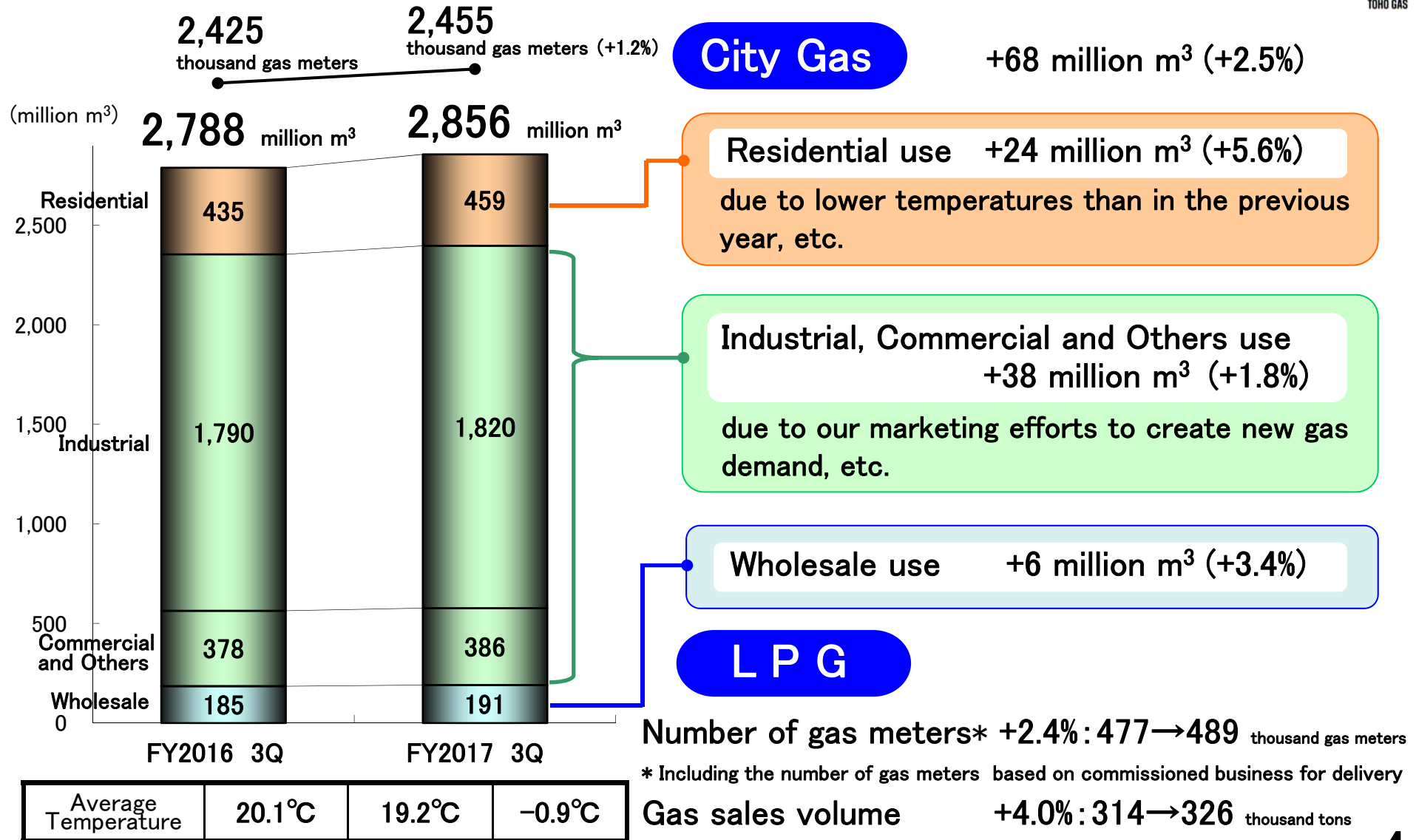
(1) Summary

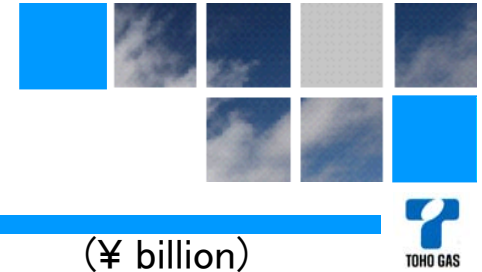


- Gas sales volume was 2,856 million m³, an increase by 2.5% from the previous year.
LPG sales volume was 326 thousand tons, an increase by 4.0%
- Sales were ¥297.6 billion, an increase by 11.0% from the previous year.
Ordinary income was ¥16.2 billion, a decrease by 9.5%



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



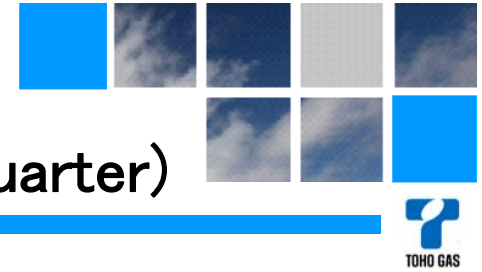


(3) Sales, Incomes (3rd Quarter)

(¥ billion)

	FY2017 (Apr.–Dec.)	FY2016 (Apr.–Dec.)	Change from the previous year	Rate of Change
Gas sales Volume (million m ³)	2,856	2,788	68	2.5%
Sales	297.6	268.0	29.6	11.0%
Cost of sales	189.8	154.1	35.7	23.2%
Selling, general and administrative expenses	93.9	97.3	–3.3	–3.5%
Ordinary income	16.2	17.9	–1.7	–9.5%
Net income attributable to owners of the parent	11.6	12.8	–1.1	–9.3%

(Notes) Crude oil price (CIF national average); FY2017 (Apr.–Dec.) \$53.9/bbl, FY2016 (Apr.–Dec.) \$44.9/bbl (+\$9.0/bbl)
 Currency exchange rate (TTM) ; FY2017 (Apr.–Dec.) ¥111.7/\$, FY2016 (Apr.–Dec.) ¥106.7/\$ (+¥5.0/\$)



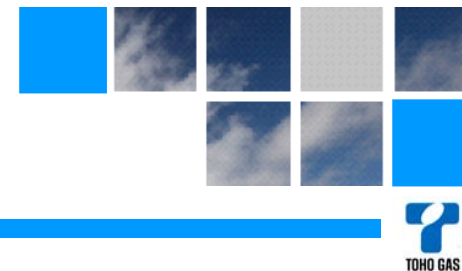
(4) Factors for Change in Ordinary Income (3rd Quarter)

◆ Change from the previous year

Ordinary income (¥17.9 billion⇒¥16.2 billion) − ¥1.7 billion

- Effect of gas sales volume + ¥3.0 billion
- Impact of time lag in fuel cost adjustment system − ¥5.5 billion
(FY2016 (Apr.-Dec.) +¥3.0 billion ⇒ FY2017 (Apr.-Dec.) −¥2.5billion)
- Others + ¥0.7 billion

(5) Balance Sheet (3rd Quarter)

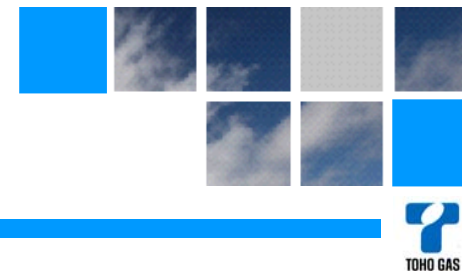


(¥ billion)

	FY2017 (End of 3Q)	FY2016 (End of FY)	Change		FY2017 (Apr.–Dec.)	FY2016 (Apr.–Dec.)	Change
Total assets	551.3	532.9	18.3	CAPEX	29.0	33.5	-4.5
(unrealized gain on investment securities)	(62.9)	(51.7)	(11.1)	Depreciation	27.1	26.3	0.7
Net assets	320.0	306.8	13.2				
Equity ratio	58.1%	57.6%	0.5 Point				
Interest-bearing debts	130.2	114.9	15.2				

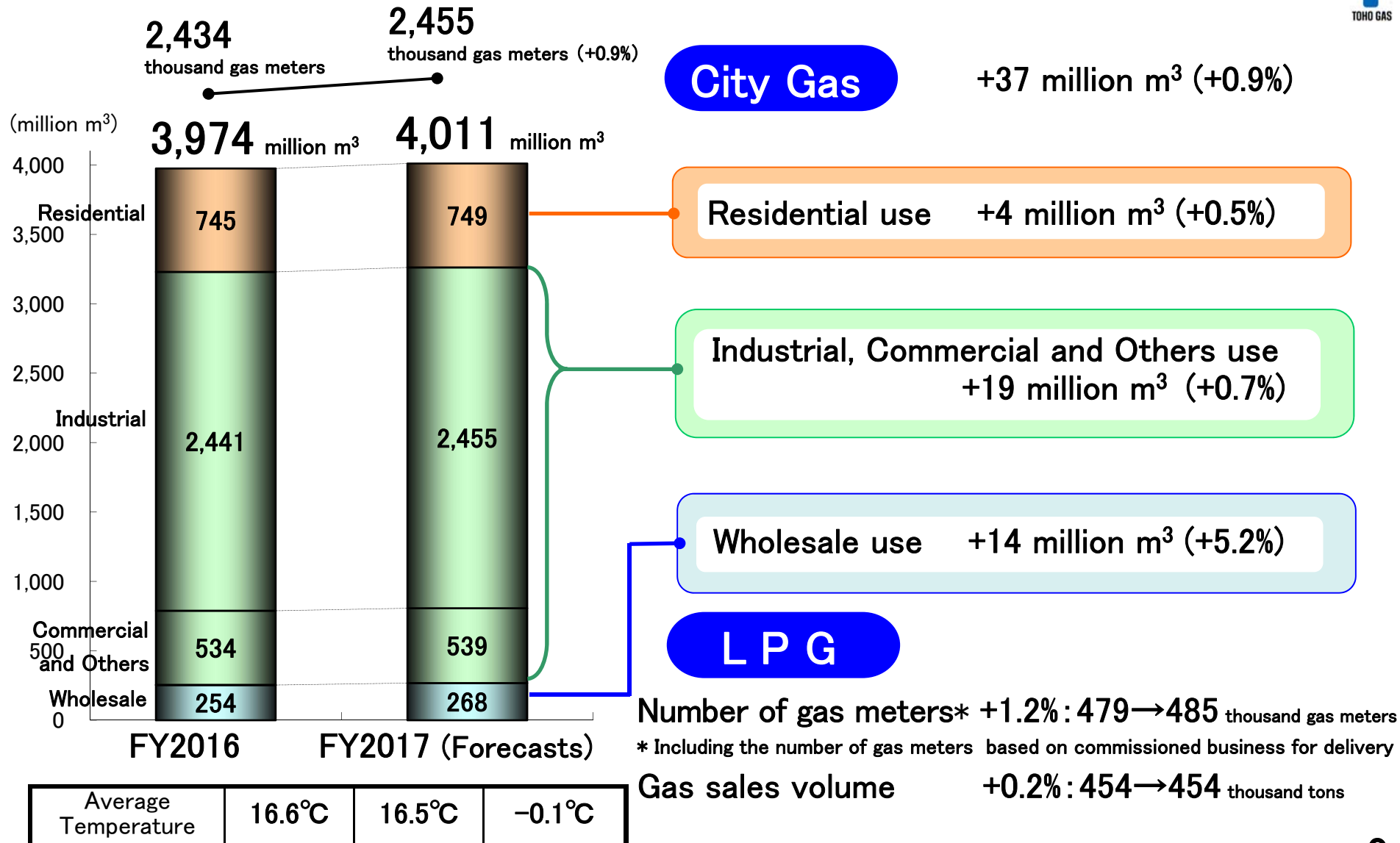
2. Forecasts for FY2017

(1) Summary

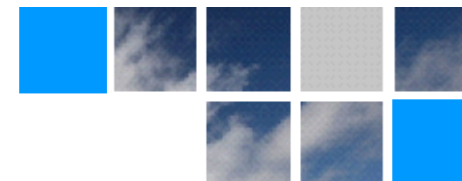


- Gas sales volume expected to be 4,011 million m³, an increase by 0.9% from the previous year, LPG sales volume to be 454 thousand tons, an increase by 0.2%
(We have not changed the previous forecasts)
- Based on crude oil price of 60 dollars/barrel and exchange rate of ¥115/dollar for the 4th quarter of FY2017, sales projected to be ¥428 billion, an increase by 9.6% from the previous year, ordinary income to be ¥25 billion, an increase by 2.1%
(We have not changed the previous forecasts)

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



(3) Forecasts for FY2017



(¥ billion)

	FY2017 forecasts	FY2016	Change from the previous year	Rate of change
Gas sales Volume (million m³)	4,011	3,974	37	0.9%
Sales	428.0	390.4	37.5	9.6%
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/\$)

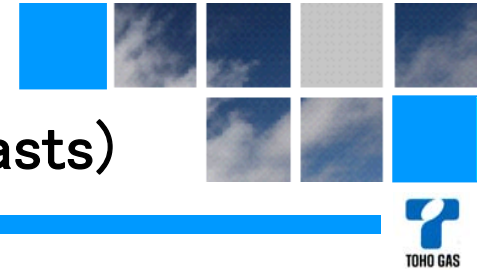
	FY2017*	FY2016 (Result)	Change
Crude oil price	55.4	47.5	7.9
Exchange rate	112.5	108.4	4.1

* Assumptions for the 4th quarter of FY2017:
Crude oil price \$60/bbl, Exchange rate ¥115/\$

【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

* Based on crude oil price of \$60/bbl and exchange rate of ¥115/\$ throughout the year



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

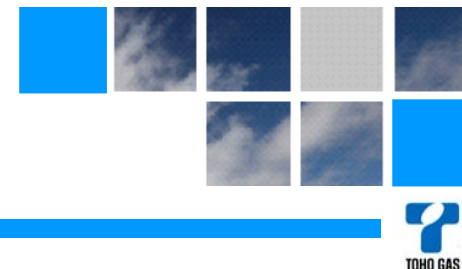
◆ Change from the previous year

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>

Progress of the Medium-term management plan



		FY2016	FY2017 (Forecasts)	Rate of change	FY2018 Projection	FY2013 to FY2018 Average Annual Rate of Increase	FY2022 100th Anniversary
Number of gas meters	Natural Gas	2.43million	2.46million	0.9%	2.46 million	0.8%	2.5 million
	LPG *1	0.48million	0.49million	1.2%	0.48 million	1.8%	0.5 million
Gas Sales Volume	Natural Gas *2	4.1billion m ³	4.1billion m ³	0.9%	4.5 billion m ³	2.2%	5 billion m ³
	LPG	454 thousand tons	454 thousand tons	0.2%	470 thousand tons	2.3%	500 thousand tons

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

* 2 Including the number of gas sales volume of LNG

	FY2009 to 2013 Average	FY2016	FY2017 (Forecasts)	FY2018 Projection	FY2022 100th Anniversary
Operating Cash Flow	48.2 billion yen	37.2 billion yen	55.0 billion yen	58 billion yen	60 billion yen
Debt Equity Ratio	0.7	0.4	0.4	1.0 and under	1.0 and under
ROA	2.1%	3.3%	About 3%	About 3%	3% and over