

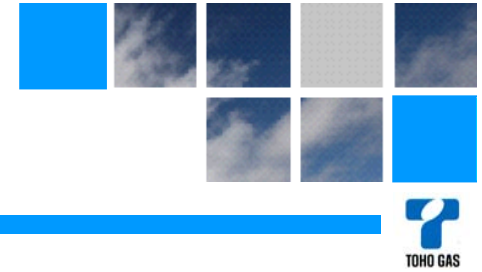
Consolidated Financial Results Results for the 1st Quarter of FY2015 (April–June 2015)

July 30, 2015



TOHO GAS CO.,LTD.





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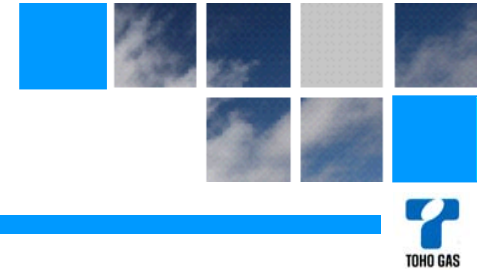
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Earning forecasts and other forward-looking statements in this document are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual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

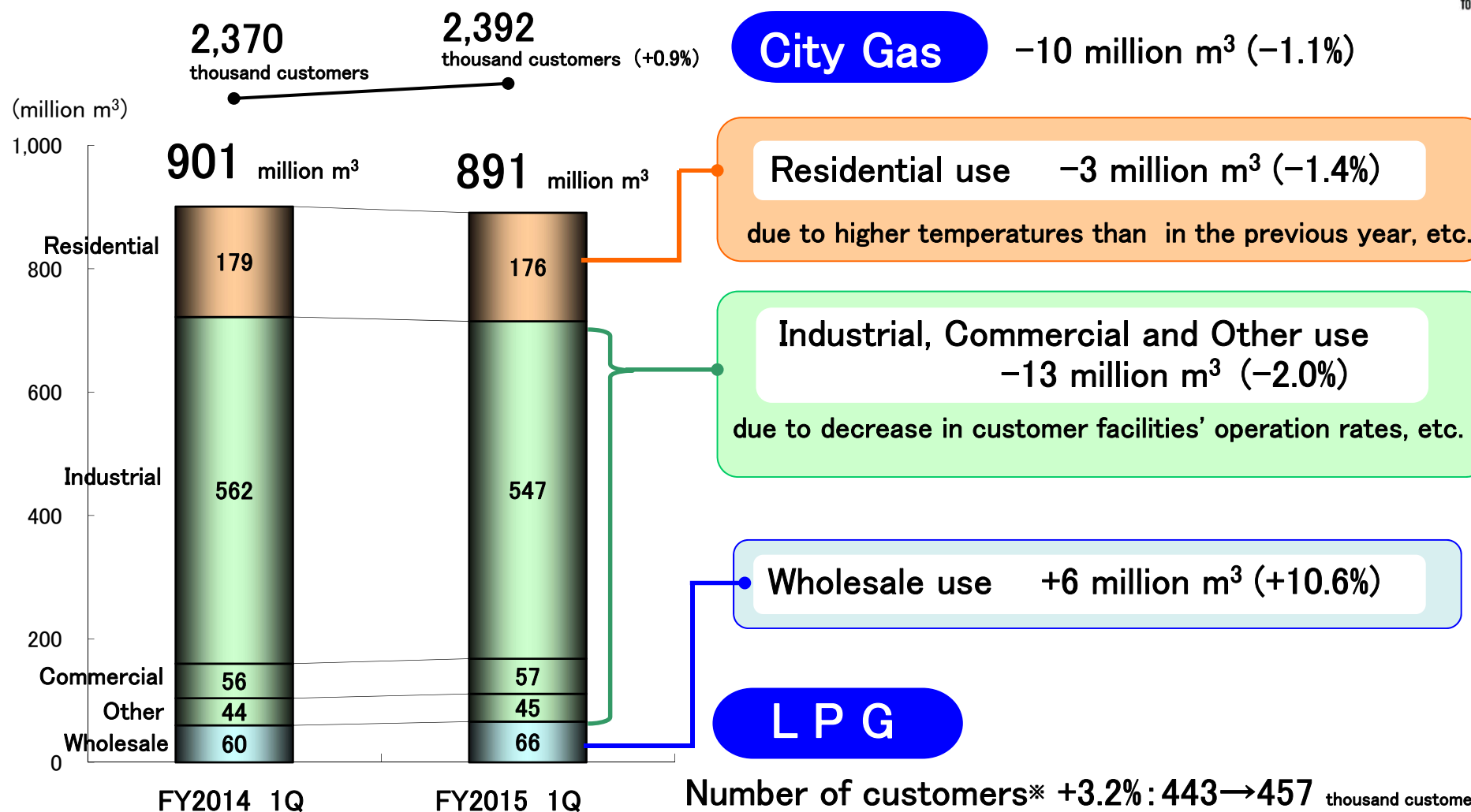
1. Results for the 1st Quarter of FY2015

(1) Summary



- Gas sales volume was 891 million m³, a decrease by 1.1% from the previous year.
LPG sales volume was 104 thousand tons, an increase by 3.1%
- Sales were ¥131.2 billion, a decrease by 3.5% from the previous year. Ordinary income was ¥31.1 billion, an increase of ¥17.4 billion

(2) Number of customers, Gas sales volume (1st Quarter)



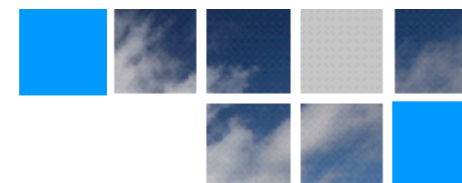
Average Temperature	19.4°C	19.6°C	+0.2°C
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Number of customers* +3.2%: 443→457 thousand customers

※Including the number of customers based on commissioned business for delivery

Gas sales volume +3.1%: 101→104 thousand tons

(3) Sales, Incomes



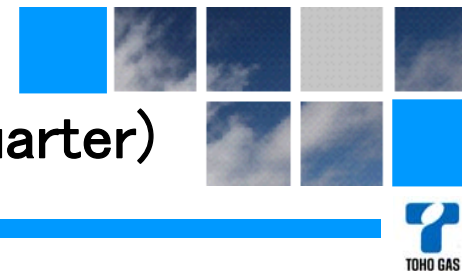
(¥ billion)

	FY 2015 (1Q)	FY 2014 (1Q)	Change from the previous year	Rate of change
Gas sales Volume (million m ³)	891	901	-10	-1.1%
Sales	131.2	136.0	-4.7	-3.5%
Cost of sales	66.4	92.1	-25.6	-27.9%
Selling, general and administrative expenses	34.4	30.7	3.6	11.9%
Ordinary income	31.1	13.6	17.4	127.5%
Net income attributable to the parent company*	22.3	9.5	12.8	134.1%

* '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.-June) \$59.5/bbl, FY2014 (Apr.-June) \$109.5/bbl (-\$50.0/bbl)
Currency exchange rate (TTM) ; FY2015 (Apr.-June) ¥121.4/\$, FY2014 (Apr.-June) ¥102.2/\$ (-¥19.2/\$)

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

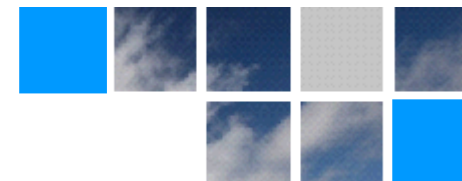


◆ Change from the previous year

Ordinary income (¥13.6 billion⇒¥31.1 billion) + ¥ 17.4 billion

- Effect of gas sales volume — ¥ 0.5 billion
- Impact of time lag in fuel cost adjustment system + ¥ 20.5 billion
(FY2014 (1Q) + ¥ 1.5 billion ⇒ FY2015(1Q) + ¥ 22.0 billion)
- Effect of increase of various costs, etc. — ¥ 2.6 billion

(5) Balance Sheet

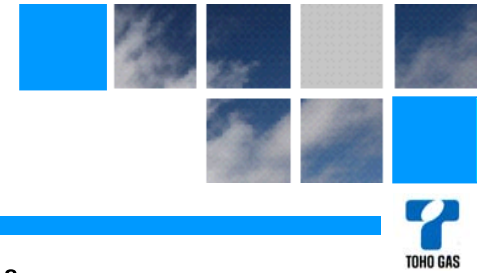


(¥ billion)

	FY 2015 (end of 1Q)	FY 2014 (end of FY)	Change
Total assets	559.9	543.2	16.6
(unrealized gain on securities)	(60.8)	(54.1)	(6.7)
Total net assets	304.4	282.8	21.6
Equity ratio	54.4%	52.1%	2.3 Point
Interest-bearing debts	147.8	149.7	-1.8
	FY 2015 (1Q)	FY 2014 (1Q)	Change
CAPEX	8.0	7.9	0.0
Depreciation	8.1	8.3	-0.2

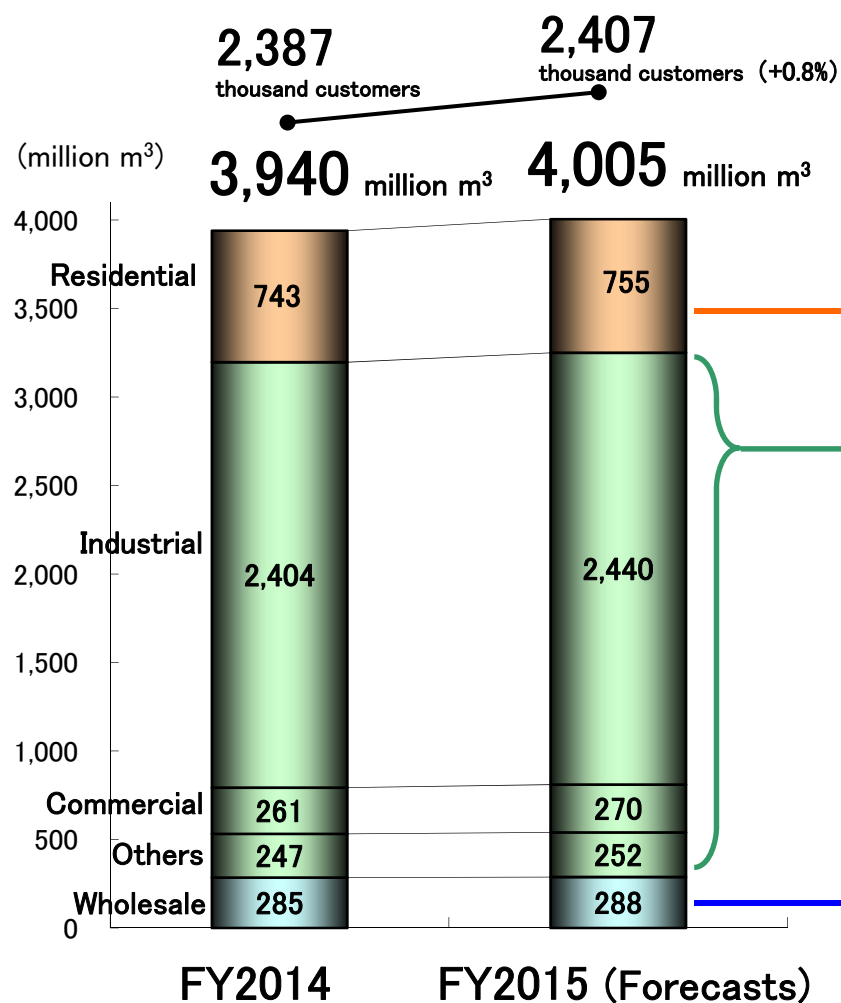
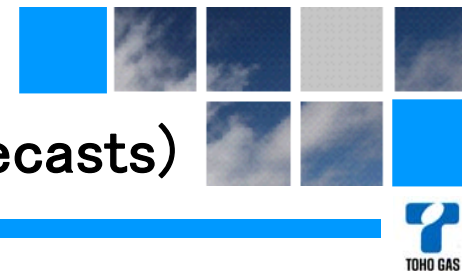
2. Forecasts for FY2015

(1) Summary



- Gas sales volume expected to be 4,005 million m³, an increase by 1.7% from the previous year,
LPG sales volume to be 444 thousand tons, an increase by 3.4%
- Based on crude oil price of 70 dollars/barrel (the first half of FY2015), 80 dollars/barrel (the second half of FY2015) and exchange rate of ¥125/dollar after July, sales projected to be ¥518 billion, a decrease by 10.8% from the previous year, ordinary income to be ¥30 billion, an increase by 1.6%
- We have not changed the previous forecasts of gas sales volume and income
- However, we have revised up the forecast of income for the first half of FY2015

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



City Gas

+65 million m³ (+1.7%)

Residential use +12 million m³ (+1.6%)

Industrial, Commercial and Others use
+50 million m³ (+1.8%)

due to our marketing efforts to develop new gas demand mainly for combustion use

Wholesale use +3 million m³ (+0.9%)

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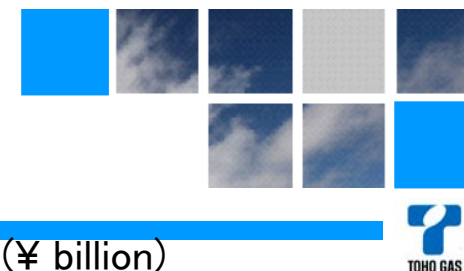
Number of customers* +1.0%: 456→461 thousand customers

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

Gas sales volume +3.4%: 430→444 thousand tons

Average Temperature	16.2°C	16.5°C	+0.3°C
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(3) Forecasts for FY2015/Sales, Incomes



	(¥ billion)			
	FY 2015 forecasts	FY 2014	Change from the previous year	Rate of change
Gas sales Volume (million m ³)	4,005	3,940	65	1.7%
Sales	518.0	580.9	-62.9	-10.8%
Ordinary income	30.0	29.5	0.4	1.6%
Net income attributable to the parent company※	21.0	19.0	1.9	10.2%
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.

【Assumption】

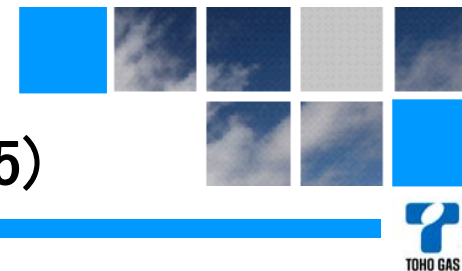
(\$/bbl, yen/\$)

	FY2015	FY2014(Result)	Change
Crude oil price	72.4	90.4	-18.0
Exchange rate	124.1	109.8	+14.3

【Sensitivity (full-year)】

	Gas resource cost	Gross profit
Crude oil price \$/bbl	¥ 2.4 billion	¥ 0.8 billion
Exchange rate yen/\$	¥ 1.6 billion	¥ 0.6 billion

(4) Factors for Change in Ordinary Income (FY2015)



◆ Change from the previous year

Ordinary income (¥29.5 billion⇒¥30.0 billion) + ¥ 0.4 billion

■ Effect of gas sales volume + ¥ 2.0 billion

■ Impact of time lag in fuel cost adjustment system ± ¥ 0.0 billion
(FY2014 + ¥ 4.0 billion ⇒ FY2015 + ¥ 4.0 billion)

■ Others — ¥ 1.6 billion

〈Reference〉 Forecasts for the 1st half and FY2015 (Change from the previous forecasts)



(¥ billion)

	Revised forecast 1st half	Previous forecast 1st half	Change from the previous forecasts	Revised forecast FY2015	Previous forecast FY2015	Change from the previous forecasts
Gas sales Volume (million m ³)	183.9	183.9	—	400.5	400.5	—
Sales	243.0	243.0	—	518.0	525.0	−7.0
Ordinary income	32.0	27.0	5.0	30.0	30.0	—
Net income attributable to the parent company	23.0	19.5	3.5	21.0	21.0	—

(Notes)

*1 Assumption for revised forecasts (after July 2015) ; Crude oil price \$70/bbl (first half), \$80/bbl (second half),
Currency exchange rate ¥125/\$

*2 Previous forecasts were announced on April 30, 2015

<Topics> Revision of Gas Rates and Decrease in the Standard Calorific Value of Service Gas



■ Revision of Gas Rates

- Reduce averaging 1.57 percent (relative to the existing levels) in our gas rates for the entire regulated sector (small-volume segment) encompassing both service and optional agreements from September 1, 2015

■ Decrease in the Standard Calorific Value of Service Gas

- Decrease the standard calorific value of the gas we supply to customers from the current 46.04655 MJ/m³ to 45 MJ/m³ from September 1, 2015