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* Gas Sales Volume is shown by $45MJ/m^3$ in this presentation since we decreased the standard calorific value of the gas we supply to customers from $46.04655MJ/m^3$ to $45MJ/m^3$ 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.



Gas sales volume was 3,908 million m³, a decrease by 3.0% from the previous year. LPG sales volume was 434 thousand tons, an increase by 1.1%

Sales were ¥479.8 billion, a decrease by 17.4% from the previous year.

Ordinary income was ¥61.1 billion, an increase by ¥31.6 billion





* 'Net income attributable to the parent company ' has been used instead of 'Net income' since FY2015.
(Note) Crude oil price (CIF national average); FY2015 48.7 \$/bbl, FY2014 90.4 \$/bbl (-41.7 \$/bbl) Currency exchange rate (TTM) ; FY2015 120.2 yen/\$, FY2014 109.8 yen/\$ (+10.4 yen/\$)



Effect of gas sales volume

- ¥ 4.0 billion

Impact of time lag in fuel cost adjustment system + ¥ 35.0 billion (FY2014 + ¥ 4.0 billion ⇒ FY2015 + ¥ 39.0 billion)

Others

+ ¥ 0.6 billion



Ordinary income (± 54.0 billion $\Rightarrow \pm 61.1$ billion) + ± 7.1 billion

Effect of gas sales volume

- ¥ 2.0 billion

Impact of time lag in fuel cost adjustment system + ¥ 7.0 billion (Forecasts + ¥ 32.0 billion \Rightarrow Results + ¥ 39.0 billion)

Others

+ ¥ 2.1 billion

(6) Balance Sheet (FY2015)

(¥ billion) TOHO GAS **FY 2014 FY 2015** Change **FY 2014 FY 2015** Change 543.2 555.2 11.9 **Total assets** Cash flows 114.9 62.3 52.6 from operating activities (unrealized gain Cash flows (44.0)(54.1)(-10.0)-4.3 -42.1-37.8 on securities) from investment activities (72.7)(24.4)(48.2)282.8 2.3 285.1 (Free cash flows) **Total net assets** Cash flows -31.8 -11.6 -20.1from financing activities -0.7 52.1% **51.4**% **Equity ratio** Net (decrease) increase in 40.8 5.1 35.7 Point cash and cash equivalents Interest-bearing 127.1 149.7 Cash and cash equivalents ·22.5 60.3 19.4 40.8 debts at end of term





Year-end dividend of FY2015 is ¥ 5, and ¥ 10 in annual base

Resolved share buy-back: up to 10 million shares or ¥ 8 billion

(¥ billion)

		FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
	et income attributable to ne parent company*(a)	14.4	8.5	8.5	11.2	19.0	43.0
	Cash dividend	4.4	4.6	4.9	4.9	5.1	5.4
	(per share)	(¥ 8)	(¥ 8.5)	(¥ 9)	(¥ 9)	(¥ 9.5)	(¥ 10)
	Share buy-back	2.7	_	—	_	2.9	8.0 (plan)
Dividend + share buy-back (b)		7.1	4.6	4.9	4.9	8.1	13.4
٦	「otal return ratio (b) / (a)	49%	54%	58%	44%	43%	31%

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



- Gas sales volume expected to be 4,023 million m³, an increase by 2.9% from the previous year, LPG sales volume to be 447 thousand tons, an increase by 3.0%
- Based on crude oil price of 45 dollars/barrel and exchange rate of ¥120/dollar, sales projected to be ¥405 billion, a decrease by 15.6% from the previous year, ordinary income to be ¥24 billion, a decrease by 60.7%

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





[Assumption]		(\$/	∕bbl, yen∕\$)	 [Sensitivity (full-year)]		
	FY2016	FY2015(Result)	Change		Gas resource cost	Gross profit
Crude oil price	45	48.7	-3.7	Crude oil price 1\$/bbl	¥ 2.1 billion	¥ 0.6 billion
Exchange rate	120	120.2	-0.2	Exchange rate 1yen/\$	¥ 0.7 billion	¥ 0.2 billion



Others

- ¥ 1.1 billion

As part of our efforts to be chosen by customers after complete liberalization of energy market, we have started new services.

- I. Starting sales of electricity (April 2016)
- Targeting residential customers in Aichi, Gifu and Mie Prefectures, and their vicinity—our group's main city gas and LPG service area
- We aims to sell 20,000 kW of electricity in 2016, the first year of complete liberalization of the electricity market. In the coming five years, we aims to sell 100,000 kW of electricity.
- We will secure various electricity sources, including the use of the wholesale power market, power procurement from other companies and electricity to be generated at a power source adjustment facility with an output capacity of 15,000 kW being constructed at the Yokkaichi Works for operations from around 2017.



Toho Gas mascot character for sales of electricity



II. Launch of "Club TOHOGAS," a Net-based membership service (March 2016)

- Provides contents for customers to feel more familiar with us
- Enables customers to earn points that can be converted into convenient items
- III. Launch of "Raku Raku Maintenance," a maintenance service for gas equipment (February 2016)
- Enables household customers to use gas equipment for long term^{*} without worrying about cost of repair by paying small monthly charge * water heater: maximum 10 years, gas stove: maximum 8 years

We will work together with ENEDO (sales shops) in providing various services in response to customer needs. $\langle Topics \rangle$ Recent efforts



- IV. Developing "smart town," named "Minato AQULS" designated as a model district for a comprehensive energy project.
- Open of some of its facilities, such as sports facility (February 2016)
- Completion of construction of "Minato AQULS Eco Station," which features a hydrogen refueling station, a natural gas filling station and an LPG filling station (April 2016)
- Plan to start operation of Energy Center (2017)
- Other facilities to be constructed toward the official open, set to start operating 2018







Progress of the Medium-term management plan



TOHO GAS

		FY2015	FY2016	Rate of change	FY2018 Projection	FY2013 to FY2018 Average Annual Rate of Increase	FY2022 100th Anniversary
Number	Natural Gas	2.41 million	2.43million	+1.0%	2.46million	+0.8%	2.5 million
of Customers	LPG ^{*1}	0.47million	0.47million	+1.5%	0.48million	+1.8%	0.5 million
Gas	*2 Natural Gas	4.0 billion m ³	4.1 billion m ³	+3.3%	4.5billion m ³	+2.2%	5 billion m ³
Sales Volume	LPG	434 thousand tons	447 thousand tons	+3.0%	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	FY2015	FY2016	FY2018 Projection	FY2022 100th Anniversary
Operating Cash Flow	48.2billion yen	114.9billion yen	52.5 billion yen	58 billion yen	60 billion yen
Debt Equity Ratio	0.7	0.4	0.5	1.0and under	1.0and under
ROA	2.1%	7.8%	About 3%	About 3%	3% and over