
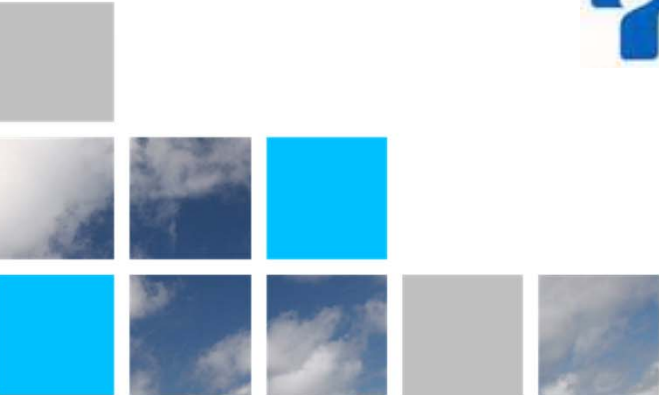
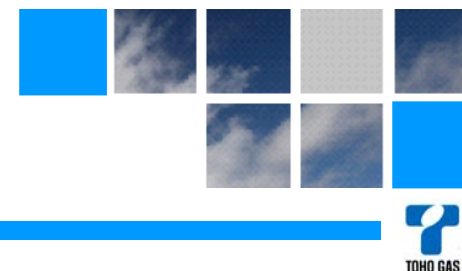


Consolidated Financial Results Results for the 1st half of FY2016 (April–September 2016)

October 31, 2016
 **TOHO GAS CO.,LTD.**





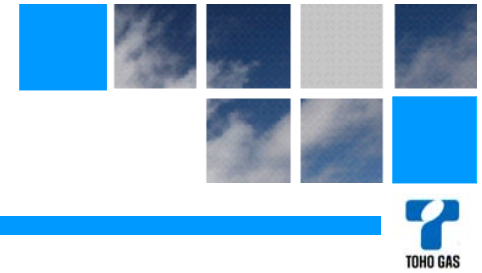
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Earning forecasts and other forward-looking statements in this document are management's current views and beliefs in accordance with data currently available, and are subject to a number of risks, uncertainties and other factors that may cause actual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

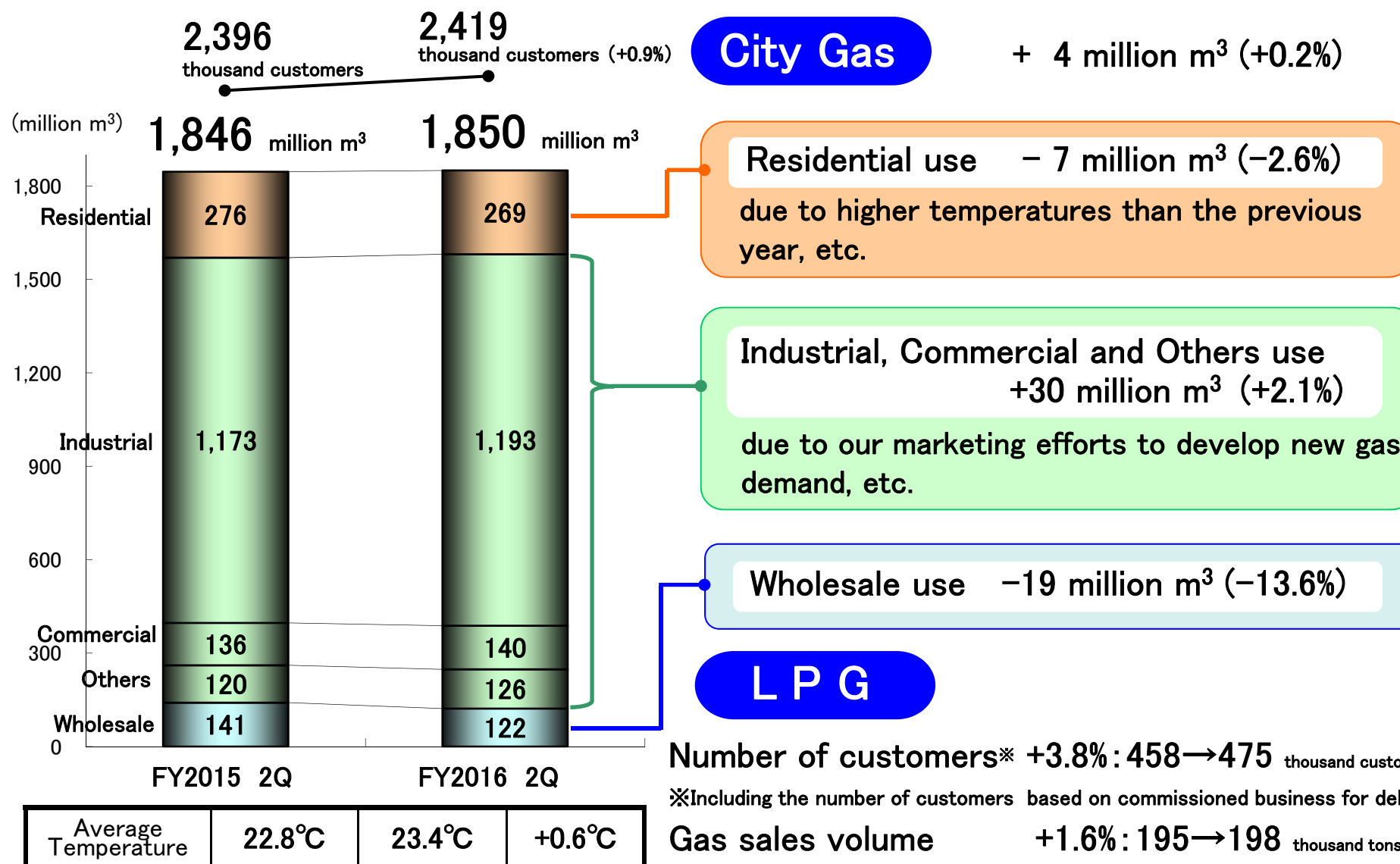
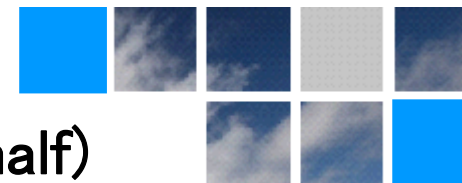
1. Results for the 1st half of FY2016

(1) Summary

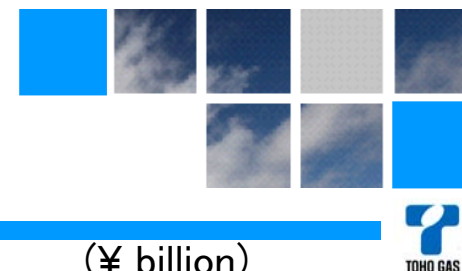


- Gas sales volume was 1,850 million m³, an increase by 0.2% from the previous year.
LPG sales volume was 198 thousand tons, an increase by 1.6%
- Sales were ¥177.0 billion, a decrease by 25.4% from the previous year.
Ordinary income was ¥18.7 billion, a decrease by 53.5%

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



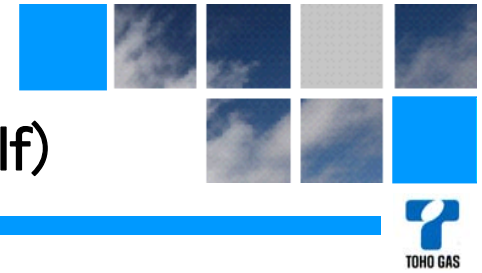
(3) Sales, Incomes (1st half)



	(¥ billion)			
	FY 2016 (1st half)	FY 2015 (1st half)	Change from the previous year	Rate of change
Gas sales Volume (million m ³)	1,850	1,846	4	0.2%
Sales	177.0	237.2	-60.1	-25.4%
Cost of sales	95.6	131.8	-36.1	-27.4%
Selling, general and administrative expenses	63.3	65.7	-2.3	-3.5%
Ordinary income	18.7	40.2	-21.5	-53.5%
Net income attributable to owners of the parent	13.4	28.9	-15.5	-53.6%

(Notes) Crude oil price (CIF national average); FY2016 (Apr.-Sept.) \$43.8/bbl, FY2015 (Apr.-Sept.) \$58.9/bbl (- \$15.1/bbl)
 Currency exchange rate (TTM) ; FY2016 (Apr.-Sept.) ¥105.3/\$, FY2015 (Apr.-Sept.) ¥121.9/\$ (-¥16.6/\$)

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

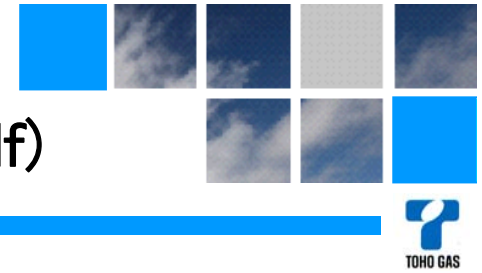


◆ Change from the previous year

Ordinary income (¥40.2 billion⇒¥18.7 billion) — ¥ 21.5 billion

- Effect of gas sales volume — ¥ 0.5 billion
- Impact of time lag in fuel cost adjustment system — ¥ 19.0 billion
(FY2015 (1st half) +¥ 27.5 billion ⇒ FY2016 (1st half) +¥ 8.5 billion)
- Others — ¥ 2.0 billion

(5) Factors for Change in Ordinary Income (1st half)

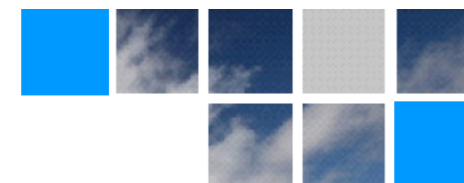


◆ Change from the forecasts (at the release of 1Q results)

Ordinary income (¥12.5 billion⇒¥18.7 billion) + ¥ 6.2 billion

- Effect of gas sales volume — ¥ 0.5 billion
- Impact of time lag in fuel cost adjustment system + ¥ 4.0 billion
(Previous forecasts +¥ 4.5 billion ⇒ FY2016 (1st half) +¥ 8.5 billion)
- Others + ¥ 2.7 billion

(6) Balance Sheet and Cash flows (1st half)



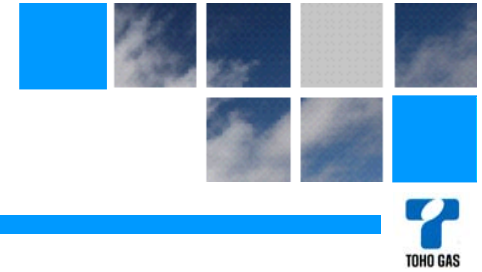
(¥ billions)



	FY 2016 (end of 2Q)	FY 2015 (end of FY)	Change		FY 2016 (1st half)	FY 2015 (1st half)	Change
Total assets	520.3	555.2	-34.8	Cash flows from operating activities	19.8	80.5	-60.6
(unrealized gain on investment securities)	(42.8)	(44.0)	(-1.1)	Cash flows from investment activities	-26.5	-20.4	-6.1
				(Free Cash flows)	(-6.7)	(60.1)	(-66.8)
Net assets	289.9	285.1	4.8	Cash flows from financing activities	-16.1	-18.7	2.6
Equity ratio	55.7%	51.4%	4.3 Point	Net (decrease) increase in cash and cash equivalents	-24.0	41.4	-65.5
Interest-bearing debts	115.6	127.1	-11.5	Cash and cash equivalents at end of period	36.2	60.8	-24.6
				CAPEX	23.7	18.3	5.4
				Depreciation	16.9	16.1	0.8

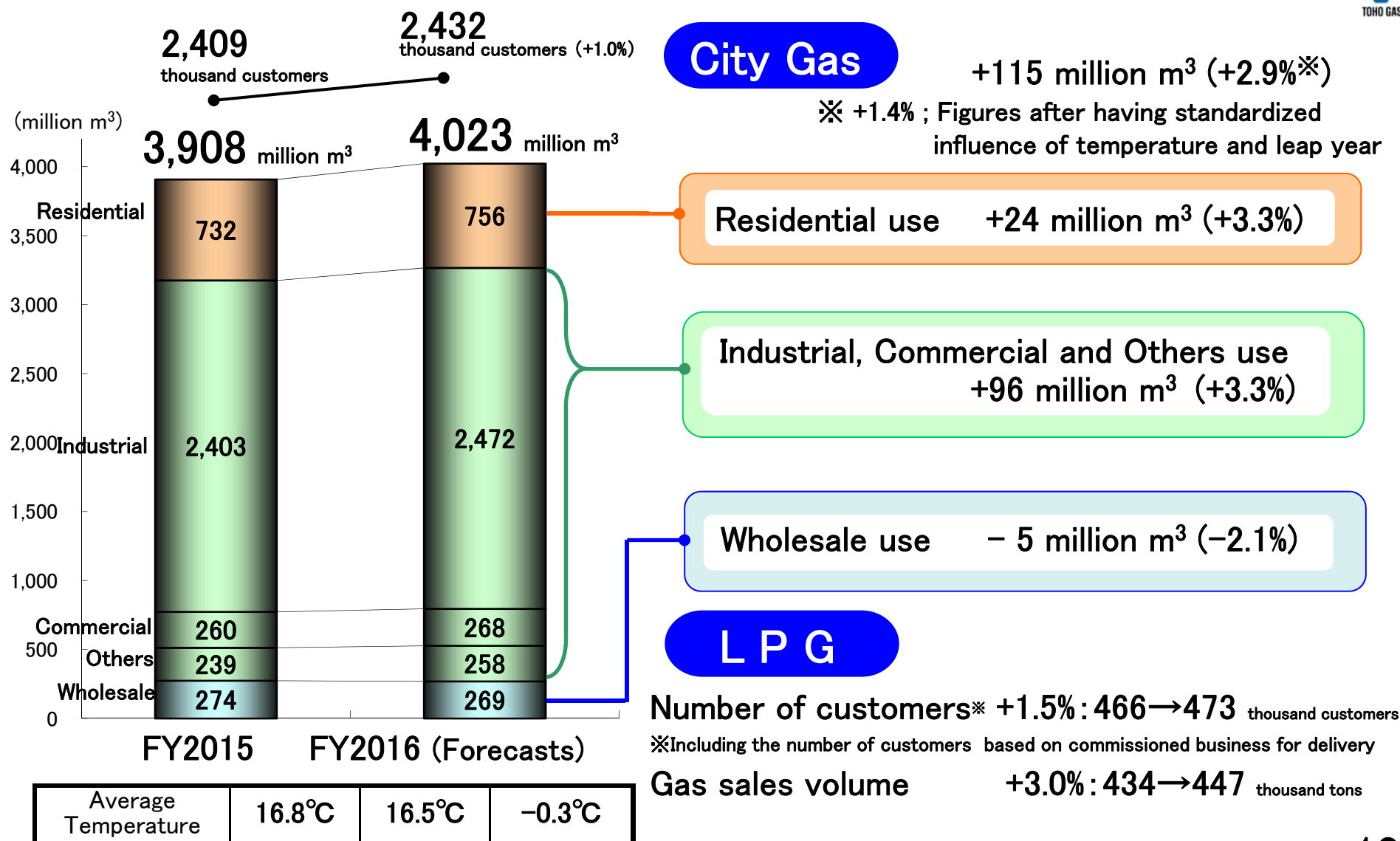
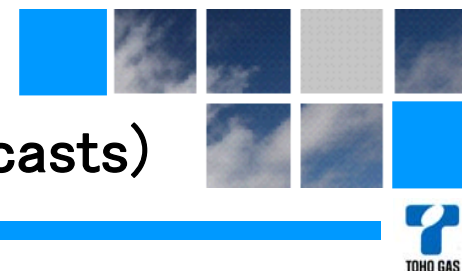
2. Forecasts for FY2016

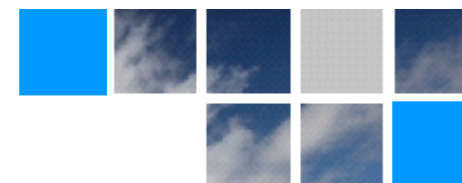
(1) Summary



- 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%
(We have not changed the previous forecasts)
- Based on crude oil price of 50 dollars/barrel and exchange rate of ¥110/dollar for the 2nd half of FY2016, sales projected to be ¥398 billion, a decrease by 17.1% from the previous year, ordinary income to be ¥24 billion, a decrease by 60.7%
(We have not changed the previous forecasts of income)
- We have changed the previous forecasts as below
 - Crude oil price: \$45/barrel → \$50/barrel (+\$5/barrel)
 - Exchange rate : ¥120/dollar → ¥110/dollar (−¥10/dollar)
 - Sales : ¥402 billion → ¥398 billion (−¥4 billion)

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





(3) Forecasts for FY2016



	(¥ billion)			
	FY 2016 forecasts	FY 2015	Change from previous year	Rate of change
Gas sales Volume (million m ³)	4,023	3,908	115	2.9%
Sales	398.0	479.8	-81.8	-17.1%
Ordinary income	24.0	61.1	-37.1	-60.7%
Net income attributable to owners of the parent	17.0	43.0	-26.0	-60.5%
CAPEX	54.0	40.1	13.8	34.7%
Depreciation	35.5	32.9	2.5	7.6%

【Assumption】

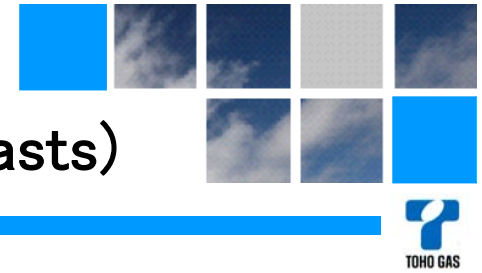
(\$/bbl, yen/\$)

	FY2016	FY2015(Result)	Change
Crude oil price	46.9	48.7	-1.8
Exchange rate	107.6	120.2	-12.6

【Sensitivity (full-year)】

	Gas resource cost	Gross profit
Crude oil price 1\$/bbl	¥ 1.8 billion	¥ 0.5 billion
Exchange rate 1yen/\$	¥ 0.7 billion	¥ 0.2 billion

(Notes) Assumption for the 2nd half of FY2016: Crude oil price \$50/bbl, Exchange rate ¥110/\$

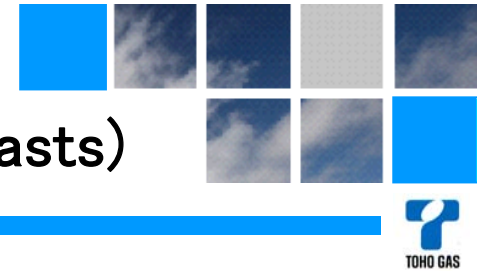


(4) Factors for Change in Ordinary Income (Forecasts)

◆ Change from the previous year

Ordinary income (¥61.1 billion⇒¥24.0 billion) — ¥ 37.1 billion

- Effect of gas sales volume + ¥ 3.0 billion
- Impact of time lag in fuel cost adjustment system — ¥ 40.0 billion
(FY2015 +¥ 39.0 billion ⇒ FY2016 —¥ 1.0 billion)
- Others — ¥ 0.1 billion



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

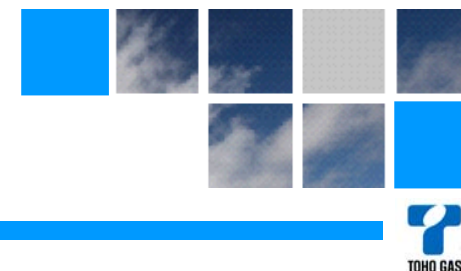
◆ Change from the forecasts (at the release of 1Q results)

Ordinary income (¥24.0 billion⇒¥24.0 billion) \pm ¥ 0.0 billion

- Effect of gas sales volume \pm ¥ 0.0 billion
- Impact of time lag in fuel cost adjustment system $-$ ¥ 1.0 billion
(Previous forecast \pm ¥ 0.0 billion \Rightarrow Revised forecast $-$ ¥ 1.0 billion)
- Others $+$ ¥ 1.0 billion

〈Reference〉

Progress of the Medium-term management plan



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