



Toho Gas Group Vision

—For the 100th Anniversary of our Establishment—

March 29, 2013
TOHO GAS CO.,LTD.

Ideal form of Toho Gas Group & our Four challenges



Ideal form of Toho Gas Group

Towards energy that opens up the way to the future

– Delivering higher and wider scope of value to customers –

Four challenges

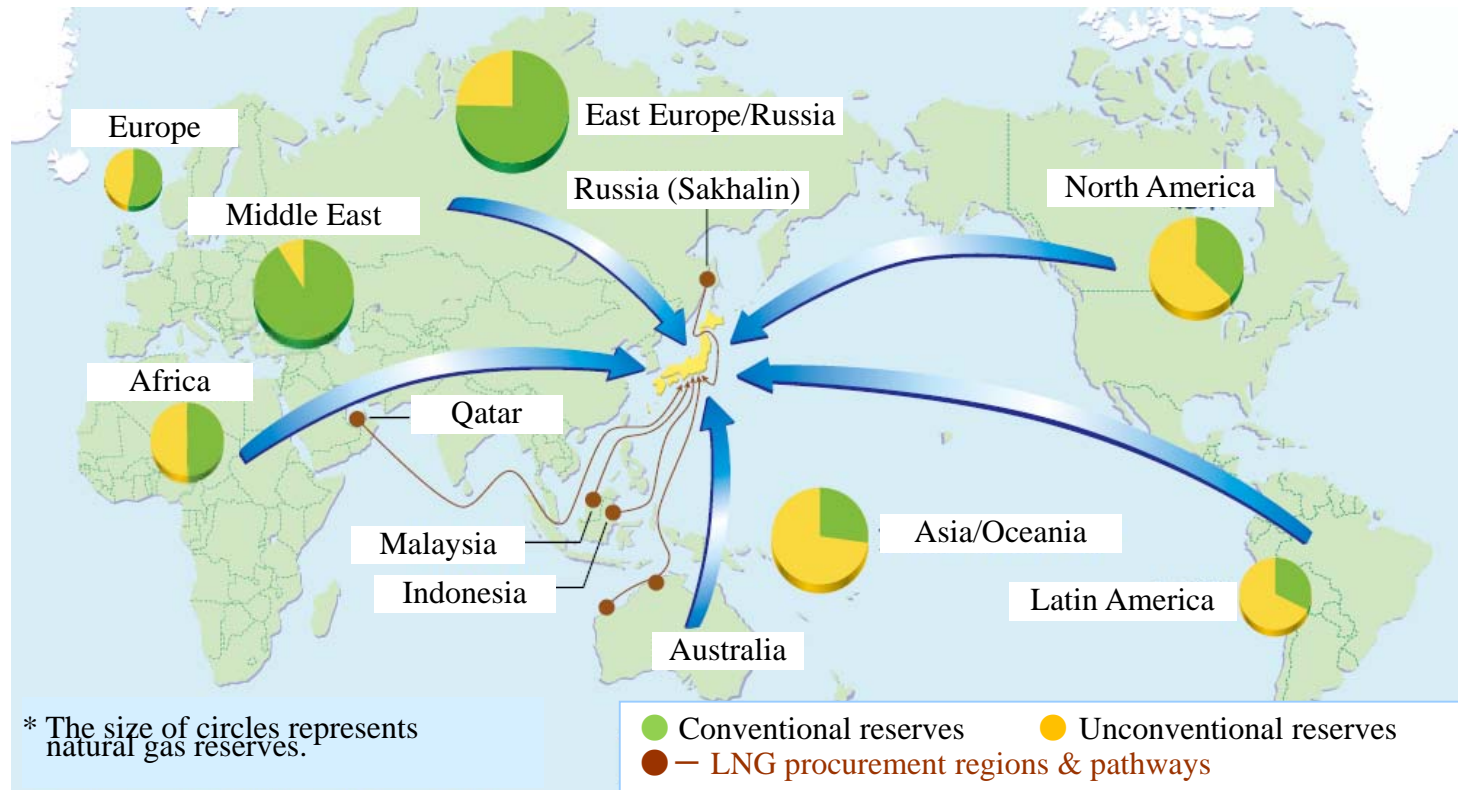
- 01 Ensure stable energy supply to customers in our expanding service area at a competitive price**
- 02 Promote energy use best suited to individual customers**
- 03 Support the development of communities that are in harmony with the local environment and resistant to disasters**
- 04 Ensure customer's safety and freedom from anxiety in gas use**

Strengthening of management foundation

Ensure stable energy supply to customers in our expanding service area at a competitive price

Diversification of LNG procurement

- Secure stable LNG supply at a competitive price by diversifying supply sources, type of contracts and price-index.



【Natural gas reserves and our procurement regions】

Source: IEA 「World Energy Outlook 2012 Special Report」

Ensure stable energy supply to customers in our expanding service area at a competitive price



Enhancement of gas resources receiving facilities and wide-area supply network

- Strengthen flexible and efficient system for receiving gas resources and wide-area supply network for natural gas and LPG.

City gas/LPG business

		FY2012	100th Anniversary (FY2022)	Average Annual Rate of Increase
Number of Customers	Natural Gas	2.34 million	2.5 million	0.6%
	LPG*	0.43 million	0.5 million	1.5%
Gas Sales Volume	Natural Gas	4 billion m ³	5 billion m ³	2.2%
	LPG	420 thousand tons	500 thousand tons	1.7%

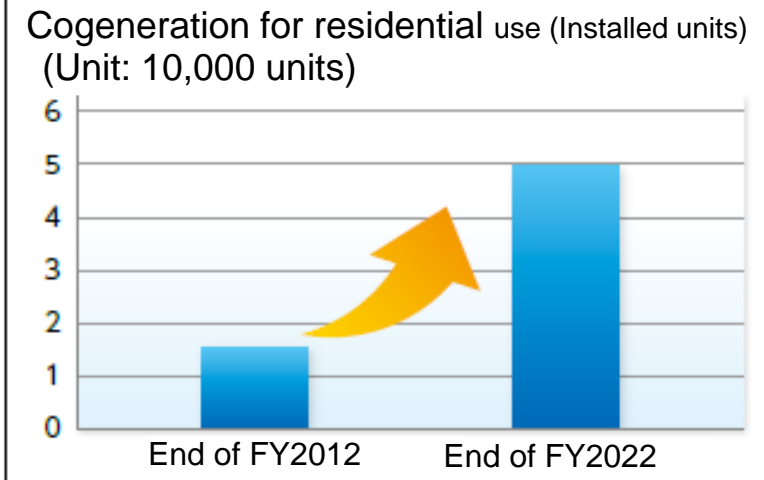
* Including the number of customers based on commissioned business for delivery

Promote energy use best suited to individual customers



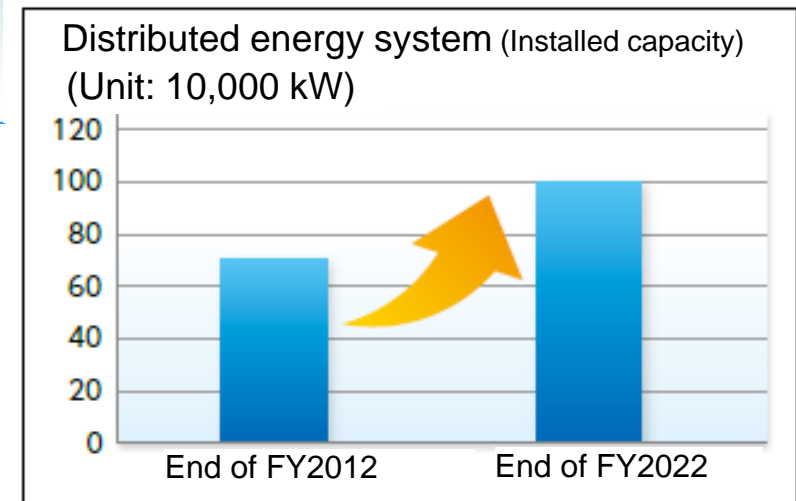
Optimal energy use for home

- Promote smart lifestyles with gas, through the diffusion and expansion of advanced gas equipment and development of community-based sales activities and services.



Optimal energy use in the manufacturing business

- Realize minimum cost and high security for customers by developing one-stop services to support energy-related matters and diffusion and expansion of distributed energy supply systems.



Support the development of communities that are in harmony with the local environment and resistant to disasters



Smart energy for communities

- By improving energy efficiency throughout entire towns, save energy and reduce CO₂ emissions, and realize improvements in energy security in a time of disaster.

Realization of smart towns

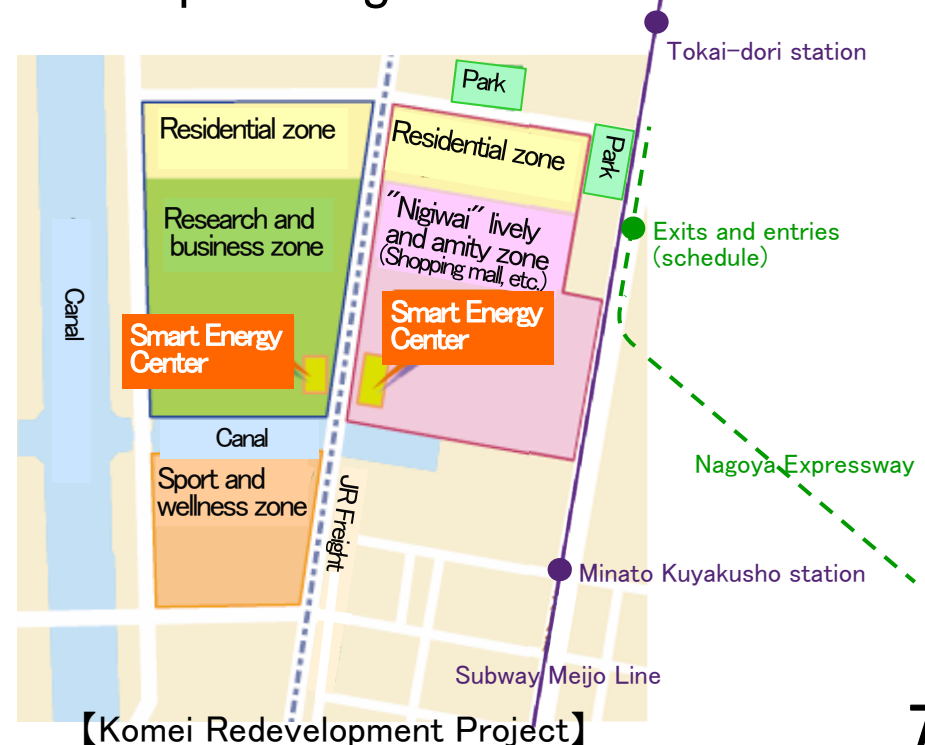
- By introducing advanced distributed energy systems, promote town planning with excellent environmental and disaster prevention aspects in the redeveloped areas.

Support the development of communities that are in harmony with the local environment and resistant to disasters

Komei Redevelopment Project

- ❑ Developing advanced communities through efforts to protect the environment and promote energy saving
- ❑ Developing disaster-resistant communities contributing to disaster prevention in local areas
- ❑ Developing lively communities where various persons gather and interact

【Location】



Ensure customer's safety and freedom from anxiety in gas use



Further enhancement of disaster prevention measures

- Consistently protect regional daily life and manufacturing by continuing to supply energy even in a time of large-scale disaster.

Maintenance & improvement of security levels

- Secure the safety of gas facilities and ensure customer's safety and freedom from anxiety in gas use by providing preventive maintenance services and scheduled replacement of gas facility.

Strengthening of management foundation

Improvement of R&D and Engineering

Enhancement of human resources and “Genba-Ryoku”
(capabilities needed at the front of business)

Strengthening of business structure

- Management efficiency development
- Improving Cash Flow
- Stable dividend and implementing share buy back depending on the situation

Thoroughness in CSR management

Enhancement of Toho Gas Group’s strengths

Financial performance indicators

	100th Anniversary (FY2022)
Operating Cash Flow	60 billion yen and over /year
D/E Ratio *1	1.0 and under
ROA *2	3% and over

* 1 D/E Ratio : Debt Equity Ratio (Interest-bearing debt/Equity)

* 2 ROA : Return On Assets (Net income/Total assets × 100)