

## Financial Highlights (consolidated)

	(FY)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net sales (million yen)	441,144	474,559	411,524	436,825	482,360	518,305	560,462	580,984	479,870	390,433	428,868
Operating income (million yen)	18,597	10,888	17,819	23,906	17,503	12,621	15,751	28,760	60,725	23,188	23,984
Ordinary income (million yen)	19,517	11,368	17,351	24,334	18,164	13,382	17,053	29,516	61,132	24,490	25,208
Net income attributable to owners of the parent (million yen)	12,129	5,808	10,976	14,491	8,570	8,526	11,241	19,053	43,008	17,749	18,022
Net cash flow from operating activities (million yen)	48,956	50,876	77,279	53,929	32,163	40,261	37,809	62,320	114,923	37,264	57,047
Free cash flow (million yen)	7,485	2,367	33,289	20,085	(1,426)	1,903	4,792	24,480	72,727	(20,703)	13,702
Total assets (million yen)	546,507	516,129	506,724	495,626	492,889	504,461	509,760	543,286	555,217	532,931	541,252
Equity capital (million yen)	238,304	205,653	220,854	221,425	224,292	236,470	245,890	282,827	285,186	306,801	326,279
ROA (%)	2.2	1.1	2.1	2.9	1.7	1.7	2.2	3.6	7.8	3.3	3.4
ROE (%)	5.0	2.6	5.1	6.6	3.8	3.7	4.7	7.2	15.1	6.0	5.7
Total asset turnover (times)	0.81	0.92	0.81	0.88	0.98	1.03	1.10	1.07	0.86	0.73	0.79
Equity ratio (%)	43.6	39.8	43.6	44.7	45.5	46.9	48.2	52.1	51.4	57.6	60.3
Interest-bearing debt (million yen)	187,323	193,200	171,051	161,400	164,325	162,015	164,517	149,703	127,163	114,954	112,199
D/E ratio (times)	0.79	0.94	0.77	0.73	0.73	0.69	0.67	0.53	0.45	0.37	0.34
EPS (yen)	107.53	51.91	98.38	131.09	78.42	78.12	103.05	174.72	397.06	164.87	169.28
BPS (yen)	2,128.94	1,838.36	1,996.84	2,011.23	2,054.78	2,167.63	2,254.58	2,593.74	2,634.72	2,865.00	3,068.29
PER (times)	22.32	43.55	25.91	16.36	31.12	39.25	27.27	20.06	10.06	23.87	19.32
PBR (times)	1.13	1.23	1.28	1.07	1.19	1.41	1.25	1.35	1.52	1.37	1.07
Number of issued shares at the end of the term (excluding treasury stock) (thousand shares)	111,935	111,867	110,602	110,094	109,156	109,091	109,062	109,042	108,241	107,086	106,339
Dividend per share (yen)	37.5	40.0	40.0	40.0	42.5	45.0	45.0	47.5	50.0	50.0	52.5
Capital expenditures (million yen)	41,081	48,446	43,672	33,259	32,546	35,198	33,093	36,570	40,101	49,298	39,629
Depreciation and amortization (million yen)	38,895	40,629	61,157	40,573	40,272	36,901	35,780	33,950	32,987	35,482	35,973
Pipeline length (km)	26,793	27,496	27,796	28,073	28,373	28,709	28,970	29,203	29,431	29,722	30,011
Number of city gas customers (installed gas meters) (thousand)	2,242	2,280	2,295	2,307	2,322	2,345	2,364	2,387	2,409	2,434	2,463
City gas sales volume (million m <sup>3</sup> )	4,034	3,765	3,711	4,001	4,035	4,045	4,073	4,031	3,908	3,974	4,024
Number of employees (persons)	4,711	5,506	5,643	5,654	5,668	5,662	5,813	5,817	5,818	5,860	5,892

\* The financial figures described in this section are rounded down to the nearest million yen.

Toho Gas consolidated its shares at the ratio of 5 shares to 1 share of common stock effective October 1, 2017. Accordingly, the dividend per share and the number of issues shares reflect the impact of the said consolidation of shares.

\* Although unaudited, financial figures in this section are based on our certified securities reports.

ROA = Net income attributable to owners of the parent / Total assets (average during the term) ×100

ROE = Net income attributable to owners of the parent / Equity capital (average during the term) ×100

Total asset turnover rate = Net sales / Total assets (end of the term)

Equity ratio = Equity capital / Total assets (end of the term) ×100

D/E ratio = Interest-bearing debt outstanding / Equity capital (end of the term)

EPS = Net income attributable to owners of the parent related to common shares / Average number of common shares during the term

BPS = Total net assets at the end of the term related to common shares / Number of issued common shares at the end of the term

PER = Stock price at the end of the term / Net income per share

PBR = Stock price at the end of the term / Net assets per share

## Consolidated Balance Sheets

million yen

	End of FY2016 (March 31, 2017)	End of FY2017 (March 31, 2018)
<b>Assets</b>		
Non-current assets		
Property, plant and equipment		
Production facilities	83,518	81,572
Distribution facilities	154,272	154,442
Service and maintenance facilities	26,845	26,263
Other facilities	31,784	35,356
Construction in progress	28,895	26,233
Total property, plant and equipment	<b>325,316</b>	<b>323,868</b>
Intangible assets		
Other	4,805	4,249
Total intangible assets	<b>4,805</b>	<b>4,249</b>
Investments and other assets		
Investment securities	82,706	92,020
Long-term loans receivable	5,060	5,701
Deferred tax assets	10,878	6,112
Other	6,059	7,143
Allowance for doubtful accounts	(80)	(83)
Total investments and other assets	<b>104,624</b>	<b>110,894</b>
Total non-current assets	<b>434,747</b>	<b>439,012</b>
Current assets		
Cash and deposits	16,575	17,955
Notes and accounts receivable-trade	45,773	48,874
Lease receivables and investment assets	8,567	9,825
Inventories	17,316	18,608
Deferred tax assets	3,221	3,082
Other	6,946	4,122
Allowance for doubtful accounts	(217)	(227)
Total current assets	<b>98,183</b>	<b>102,240</b>
<b>Total assets</b>	<b>532,931</b>	<b>541,252</b>

million yen

	End of FY2016 (March 31, 2017)	End of FY2017 (March 31, 2018)
<b>Liabilities</b>		
Non-current liabilities		
Bonds payable	70,000	50,000
Long-term loans payable	35,240	29,942
Deferred tax liabilities	953	773
Provision for gas holder repairs	1,518	1,653
Provision for safety measures	17,309	18,211
Provision for gas appliance warranties	4,081	3,932
Net defined benefit liability	15,945	8,534
Other	8,078	8,870
Total non-current liabilities	<b>153,127</b>	<b>121,918</b>
Current liabilities		
Current portion of non-current liabilities	2,807	23,576
Notes and accounts payable-trade	21,487	20,284
Short-term loans payable	5,573	5,383
Income taxes payable	4,732	7,067
Other	38,401	36,742
Total current liabilities	<b>73,002</b>	<b>93,054</b>
<b>Total liabilities</b>	<b>226,129</b>	<b>214,973</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	232,641	240,123
Treasury stock	(2,232)	(45)
Total shareholders' equity	<b>271,869</b>	<b>281,537</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	38,213	42,111
Deferred gains or losses on hedges	(443)	(21)
Foreign currency translation adjustment	2,867	3,199
Remeasurement of defined benefit plans	(5,705)	(548)
Total other comprehensive income	<b>34,931</b>	<b>44,742</b>
<b>Total net assets</b>	<b>306,801</b>	<b>326,279</b>
<b>Total liabilities and net assets</b>	<b>532,931</b>	<b>541,252</b>

## Consolidated Statements of Income

million yen

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Net sales	390,433	428,868
Cost of sales	230,490	271,686
Gross profit	<b>159,942</b>	<b>157,182</b>
Selling, general and administrative expenses	<b>136,753</b>	<b>133,198</b>
Operating income	<b>23,188</b>	<b>23,984</b>
Non-operating income		
Interest income	153	215
Dividend income	1,483	1,749
Rent income	708	701
Miscellaneous income	1,128	1,429
Total non-operating income	<b>3,473</b>	<b>4,095</b>
Non-operating expenses		
Interest expenses	1,010	821
Loss on bond retirement	674	1,462
Miscellaneous expenses	487	587
Total non-operating expenses	<b>2,172</b>	<b>2,871</b>
Ordinary income	<b>24,490</b>	<b>25,208</b>
Extraordinary income		
Gain on sales of investment securities	—	900
Total extraordinary income	—	<b>900</b>
Extraordinary loss		
Impairment loss	—	510
Total extraordinary loss	—	<b>510</b>
Net income before income taxes	<b>24,490</b>	<b>25,597</b>
Income taxes-current	6,745	6,695
Income taxes-deferred	(4)	879
Total income taxes	<b>6,740</b>	<b>7,574</b>
Net income	<b>17,749</b>	<b>18,022</b>
Net income attributable to owners of the parent	<b>17,749</b>	<b>18,022</b>

## Consolidated Statements of Comprehensive Income

million yen

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Net income	<b>17,749</b>	<b>18,022</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	5,733	3,900
Deferred gains or losses on hedges	3,769	426
Foreign currency translation adjustment	(436)	(189)
Remeasurement of defined benefit plans	4,550	5,152
Share of other comprehensive income of entities accounted for using equity method	260	520
Total other comprehensive income	<b>13,876</b>	<b>9,810</b>
Comprehensive income	<b>31,626</b>	<b>27,833</b>
Comprehensive income attributable to:		
Owners of the parent	31,626	27,833
Non-controlling interests	—	—

## Consolidated Statements of Cash Flows

million yen

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Net income before income taxes	24,490	25,597
Depreciation and amortization	35,482	35,973
Impairment loss	—	510
Gain on sales of investment securities	—	(900)
Increase (decrease) in provision	(864)	901
Decrease (increase) in notes and accounts receivable-trade	1,892	(3,100)
Decrease (increase) in inventories	(3,059)	(1,292)
Increase (decrease) in notes and accounts payable-trade	4,892	(1,202)
Income taxes paid	(17,464)	(4,545)
Other	(8,104)	5,105
Net cash provided by (used in) operating activities	<b>37,264</b>	<b>57,047</b>
Cash flows from investment activities:		
Purchases of non-current assets	(49,298)	(39,629)
Proceeds from sales of non-current assets	11	196
Purchase of investment securities	(5,840)	(3,306)
Proceeds from sales of investment securities	185	1,232
Other	(3,026)	(1,837)
Net cash provided by (used in) investment activities	<b>(57,967)</b>	<b>(43,345)</b>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(1,500)	(190)
Net increase (decrease) in commercial paper	—	2,000
Proceeds from long-term loans payable	15,605	10,060
Repayment of long-term loans payable	(16,716)	(4,265)
Proceeds from issuance of bonds	9,939	—
Redemption of bonds	(20,672)	(11,462)
Purchase of treasury stock	(4,614)	(3,021)
Cash dividends paid	(5,396)	(5,334)
Other	393	(27)
Net cash provided by (used in) financing activities	<b>(22,962)</b>	<b>(12,240)</b>
Effect of exchange rate change on cash and cash equivalents	<b>(151)</b>	<b>(82)</b>
Net increase (decrease) in cash and cash equivalents	<b>(43,817)</b>	<b>1,379</b>
Cash and cash equivalents at beginning of year	<b>60,314</b>	<b>16,497</b>
Cash and cash equivalents at end of year	<b>16,497</b>	<b>17,876</b>