

Consolidated Financial Results

Results for the 1st Quarter of FY2012

(April–June 2012)



July, 2012
TOHO GAS CO.,LTD.



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.

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1. Results for the 1st Quarter of FY2012

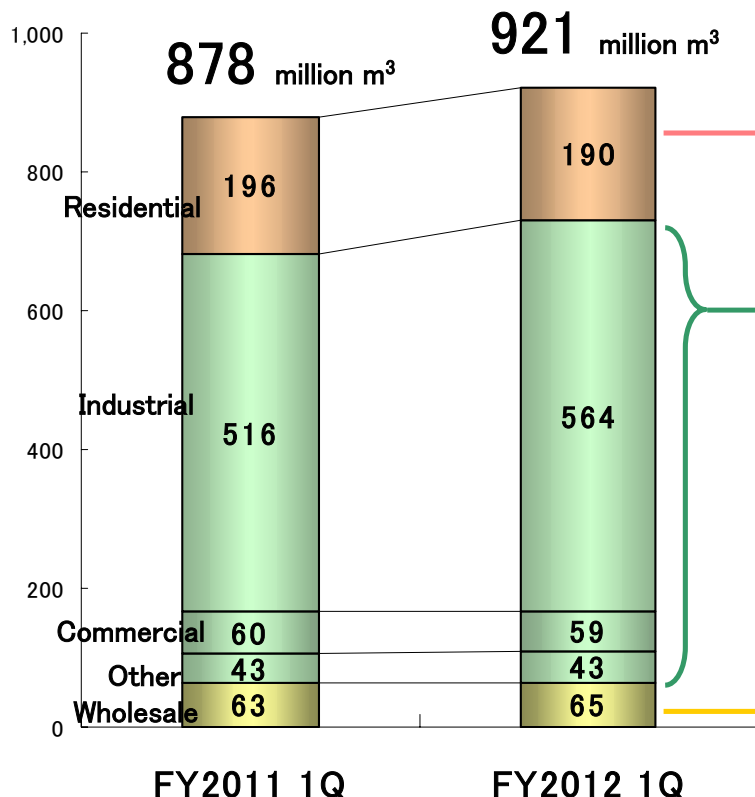
(1) Summary

- Gas sales volume was 921 million m³, an increase by 4.9% from the previous year.
LPG sales volume was 101 thousand tons, an increase by 4.0%
- Sales were ¥120.9 billion, an increase by 15.0% from the previous year due to increase of gas sales volume and the impact of fuel cost adjustment system
- Ordinary income was ¥7.5 billion, a decrease by 9.6% from the previous year

(2) Number of customers, Gas sales volume

2,309 thousand customers
(million m³)

2,326 thousand customers (+0.7%)



City Gas

+43 million m³ (+4.9%)

Residential use -6 million m³ (-2.9%)

Industrial, Commercial and Other use
+47 million m³ (+7.5%)

due to our marketing efforts to create new gas demand, and increase in operation rate of existing customer facilities, etc.

Wholesale use +2 million m³ (+3.5%)

L P G

Number of customers +1.6%: 323→328 thousand customers

Gas sales volume +4.0%: 97→101 thousand tons

Average Temperature	18.7°C	18.6°C	-0.1°C
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(3) Sales, Incomes

	(¥ billions)			
	Fy 2012 (1Q)	Fy 2011 (1Q)	Change From Previous year	Rate of change
Gas sales Volume (million m ³)	921	878	43	4.9%
Sales	120.9	105.1	15.7	15.0%
Cost of sales	81.5	64.6	16.8	26.1%
Selling, general and administrative expenses	32.1	32.6	-0.4	-1.5%
Ordinary income	7.5	8.3	-0.8	-9.6%
Net income	4.8	5.3	-0.4	-8.7%

(Notes) Crude oil price (CIF national average); FY2012(Apr.-Jun.) 122.6 \$/bbl, FY2011(Apr.-Jun.) 115.0 \$/bbl (+7.6 \$/bbl)
 Currency exchange rate (TTM) ; FY2012(Apr.-Jun.) 80.2 yen/\$, FY2011(Apr.-Jun.) 81.7 yen/\$ (-1.5 yen/\$)

(4) Factors for Changes in Ordinary Income (Change from the previous year)

Ordinary income (¥8.3 billion⇒¥7.5 billion) —¥ 0.8 billion

- Impact of time lag in fuel cost adjustment system +¥ 2.0 billion
(FY2011 (1Q) —¥ 6.5 billion ⇒ FY2012 (1Q) —¥ 4.5 billion)
- Impact of Gas rate revision —¥ 0.5 billion
- Others —¥ 2.3 billion

(5) Balance Sheet

	(¥ billions)		
	Fy 2012 (end of 1Q)	Fy 2011 (end of Fy)	Change
Total assets	477.4	492.8	-15.4
Total net assets	222.9	224.3	-1.3
Equity ratio	46.7%	45.5%	1.2 Point
Interest-bearing debts	168.2	164.3	3.9
(unrealized gain on securities)	(19.4)	(24.1)	(-4.6)
	Fy 2012 (1Q)	Fy 2011 (1Q)	Change
CAPEX	11.3	9.5	1.8
Depreciation	9.1	9.9	-0.7

2. Forecasts for FY2012

(1) Summary

- Gas sales volume expected to be 4,001 million m³, an increase by 1.5% from the previous year, LPG sales volume to be 410 thousand tons, a decrease by 2.3%
- Based on crude oil price of 120 dollars/barrel and exchange rate of ¥80/dollar after July, sales projected to be ¥520 billion, an increase by 7.8% from the previous year, ordinary income to be ¥19 billion, an increase by 4.6%
- We have not changed the previous forecasts of gas sales volume, sales and income

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

2,322
thousand customers

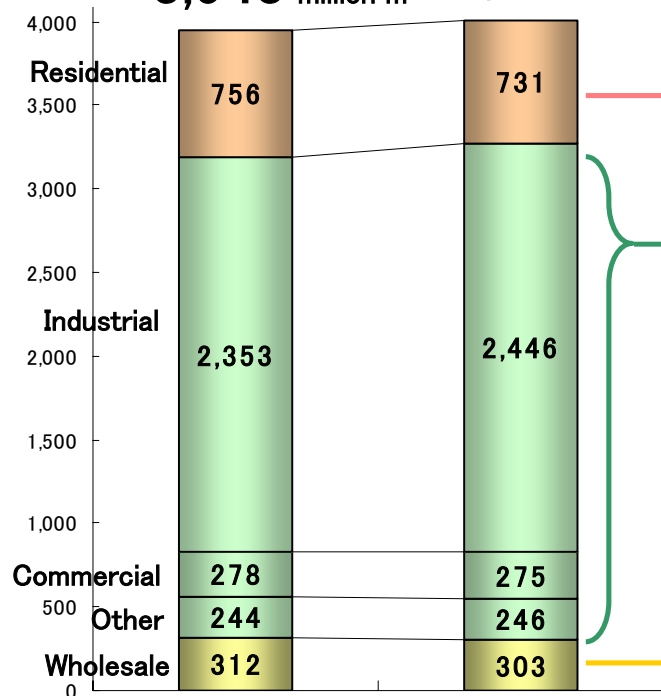
2,339
thousand customers (+0.7%)

City Gas

+58 million m³ (+1.5%※)

※ +2.8% ; figures after having standardized temperature influence, etc.

(million m³) 3,943 million m³ 4,001 million m³



Residential use -25 million m³ (-3.2%)

due to temperature influence

Industrial, Commercial and Other use
+92 million m³ (+3.2%)

due to our efforts to create new demands mainly for combustion use

Wholesale use -9 million m³ (-2.8%)

L P G

Number of customers -0.1%: 327→327 thousand customers

Gas sales volume -2.3%: 420→410 thousand tons

Average Temperature	16.1°C	16.5°C	+0.4°C
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(3) Forecasts for FY2012/Sales, Incomes

(¥ billions)

	Fy 2012 forecasts	Fy 2011	Change From Previous year	Rate of change
Gas sales Volume (million m ³)	4,001	3,943	58	1.5%
Sales	520.0	482.3	37.6	7.8%
Ordinary income	19.0	18.1	0.8	4.6%
Net income	12.0	8.5	3.4	40.0%
CAPEX	39.0	32.5	6.4	19.8%
Depreciation	37.0	40.2	-3.2	-8.1%

【Assumption】

(\$/bbl, yen/\$)

	FY2012 ※	FY2011 (Result)	Change
Crude oil price	120.6	114.2	+6.4
Exchange rate	80.1	79.1	+1.0

※ Assumption after July: Crude oil price 120\$/bbl, Exchange rate 80yen/\$

【Sensitivity (full-year)】

	Gas resource cost	Gross profit
Crude oil price 1\$/bbl	¥ 1.8 billion	¥ 0.6 billion
Exchange rate 1yen/\$	¥ 2.1 billion	¥ 0.7 billion

- Effect of gas sales volume —¥ 1.0 billion
- Impact of time lag in fuel cost adjustment system +¥ 9.0 billion
(FY2011 —¥ 17.0 billion ⇒ FY2012 —¥ 8.0 billion)
- Impact of Gas rate revision —¥ 2.0 billion
- Others —¥ 5.2 billion