

Consolidated Financial Results

for the Six Months Ended September 30, 2012 (2Q FY2012)

FY2012 ending March 2013
Toho Gas Co., Ltd.

Code No.: 9533

(URL <http://www.tohogas.co.jp/>)

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Scheduled date of filing quarterly financial report: November 13, 2012

Scheduled date of commencement of dividend payments: November 30, 2012

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (for institutional investors)

Shares listed on:Tokyo Stock Exchange, Osaka Securities Exchange,
Nagoya Stock Exchange

(Rounded down to the nearest million yen)

1. Consolidated Results for the Six Months Ended September 30, 2012

(1) Consolidated business results (Percentage figures indicate the percentage change on the results for the previous year)

	Sales		Operating income		Ordinary income		Net income	
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)
April 1 – September 30, 2012	236,470	13.6	8,520	166.2	8,790	150.8	4,973	145.4
April 1 – September 30, 2011	208,170	3.7	3,200	-79.1	3,504	-77.6	2,027	-77.8

Note: Comprehensive income 2nd Quarter ended September 2012: ¥1,459 million (-%), 2nd Quarter ended September 2011: -¥4,297 million (-%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – September 30, 2012	9.11	-
April 1 – September 30, 2011	3.71	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
2nd Quarter ended September 2012	469,342	223,348	47.6
FY2011 ended March 2012	492,889	224,364	45.5

Reference: Net assets (excluding minority interests)

2nd Quarter ended September 2012: ¥223,282million FY2011 ended March 2012: ¥224,292 million

2. Dividends

	Dividend per share				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of 4th Quarter	Total
	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)	(Unit: yen)
FY2011 ended March 2012	-	4.00	-	4.50	8.50
FY2012 ending March 2013	-	4.50			
FY2012 ending March 2013 (forecasts)			-	4.50	9.00

Note: Revision of previously announced dividend forecasts: No

3. Consolidated Results Forecasts for FY2012 Ending March 2013(April 1, 2012- March 31, 2013)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: yen)						
Full term	515,000	6.8	19,000	8.6	19,000	4.6	12,000	40.0	21.99

Note: Revision of previously announced forecasts: Yes

Notes

(1) Changes in significant consolidated subsidiaries: No

(2) Application of accounting treatment peculiar to quarterly consolidated financial statement preparation: Yes*

* Basis for the calculation of corporation tax: Calculated by multiplying quarterly income before tax, etc., by the estimated effective consolidated tax rate at the end of the fiscal year.

(3) Changes in accounting treatment principles, changes in accounting estimates, and retrospective restatements

- Changes accompanied by reform of accounting standards: Yes*

- Other Changes: No

- Changes in accounting estimates: Yes*

- Retrospective restatements: No

* In the 1st Quarter ended June 2012, Toho Gas Co., Ltd. and its domestic consolidated subsidiaries changed the depreciation method for tangible fixed assets acquired on or after April 1, 2012 in line with the revision of the Corporation Tax Act.

This change has minimal impact on income.

(4) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	2nd Quarter ended September 2012	545,966,429 shares	FY2011 ended March 2012	545,966,429 shares
Number of treasury stock at the end of the term	2nd Quarter ended September 2012	226,991 shares	FY2011 ended March 2012	185,265 shares
Average number of outstanding shares during the term	2nd Quarter ended September 2012	545,757,136 shares	2nd Quarter ended September 2011	546,977,376 shares

• Reference: Non- Consolidated Results Forecasts for FY2012 Ending March 2013(April 1, 2012- March 31, 2013)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: yen)						
Full term	450,000	7.5	15,000	9.9	16,000	2.9	11,000	46.9	20.16

Note: Revision of previously announced forecasts: Yes

* The above forecasts are based on information available at the time of the release of this document. Due to various factors, the actual result may vary from the forecasts data.

<Summary of Consolidated Statements>

1. Consolidated balance sheet

(Unit: million yen)

	Previous year (As of Mar. 31, 2012)	2nd Quarter (As of Sept. 30, 2012)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	61,741	60,304
Distribution facilities	171,233	165,987
Service and maintenance facilities	28,944	28,591
Other facilities	30,288	29,535
Construction in progress	19,092	20,353
Total property, plant and equipment	311,300	304,772
Intangible assets		
Other	2,207	4,135
Total intangible assets	2,207	4,135
Investments and other assets		
Investment securities	49,216	45,604
Other	20,624	21,521
Allowance for doubtful accounts	-88	-157
Total investments and other assets	69,753	66,969
Total noncurrent assets	383,261	375,876
Current assets		
Cash and deposits	17,040	11,898
Notes and accounts receivable-trade	55,397	47,622
Inventories	23,144	19,665
Other	14,009	14,336
Allowance for doubtful accounts	-343	-279
Total current assets	109,248	93,242
Deferred assets		
Development expenses	379	223
Total deferred assets	379	223
Total assets	492,889	469,342

(Unit: million yen)

	Previous year (As of Mar. 31, 2012)	2nd Quarter (As of Sept. 30, 2012)
Liabilities		
Noncurrent liabilities		
Bonds payable	89,992	79,993
Long-term loans payable	38,879	32,014
Provision for retirement benefits	20,631	20,696
Provision for gas holder repairs	1,247	1,301
Reserve for safety measures	12,829	11,704
Long-term deposits received	1,263	973
Other	6,721	6,532
Total noncurrent liabilities	171,566	153,216
Current liabilities		
Current portion of noncurrent liabilities	20,337	18,381
Notes and accounts payable-trade	22,742	12,152
Short-term loans payable	13,930	14,550
Income taxes payable	7,668	5,013
Other	31,956	42,434
Total current liabilities	96,634	92,532
Provision		
Provision for conversion of heating value of supplied gas	323	245
Total provision	323	245
Total liabilities	268,524	245,994
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	165,760	168,278
Treasury stock	-85	-106
Total shareholders' equity	207,135	209,632
Other comprehensive income		
Valuation difference on available-for-sale securities	17,244	14,303
Deferred gains or losses on hedges	-87	-569
Foreign currency translation adjustment	0	-85
Total valuation and translation adjustments	17,157	13,649
Minority interests	72	66
Total net assets	224,364	223,348
Total liabilities and net assets	492,889	469,342

2. Consolidated statements of income, Statements of comprehensive income

Consolidated statements of income for the Six Months

(Unit: million yen)

	2 nd Quarter of FY2011 (Apr. – Sept.,2011)	2 nd Quarter of FY2012 (Apr. – Sept.,2012)
Net sales	208,170	236,470
Cost of sales	138,675	162,379
Gross profit	69,495	74,091
Selling, general and administrative expenses	66,295	65,570
Operating income	3,200	8,520
Non-operating income		
Interest income	3	3
Dividends income	659	599
Rent income	286	301
Miscellaneous revenues	537	389
Total non-operating income	1,487	1,294
Non-operating expenses		
Interest expense	1,017	868
Miscellaneous expenses	166	155
Total non-operating expenses	1,183	1,024
Ordinary income	3,504	8,790
Extraordinary loss		
Loss on valuation of investment securities	-	1,149
Total extraordinary loss	-	1,149
Income before income taxes	3,504	7,640
Income taxes	1,483	2,672
Income before minority interests	2,021	4,967
Minority interests in loss	-6	-6
Net income	2,027	4,973

Statements of comprehensive income for the Six Months

(Unit: million yen)

	2 nd Quarter of FY2011 (Apr. – Sept.,2011)	2 nd Quarter of FY2012 (Apr. – Sept.,2012)
Income before minority interests	2,021	4,967
Other comprehensive income		
Valuation difference on available-for-sale securities	-3,876	-2,940
Deferred gains or losses on hedges	-2,442	-481
Foreign currency translation adjustment	-	-85
Other comprehensive income	-6,318	-3,507
Comprehensive income	-4,297	1,459
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-4,291	1,466
Comprehensive income attributable to minority interests	-6	-6

3. Note of going concerns' premise: No

4. Segment information

Segment information by category of business

Six months ended Sept. 30, 2011 (Apr. 1 – Sept. 30, 2011)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	Gas appliance and related construction	LPG and other Energies	Total				
Sales								
(1)Outside customers	148,024	14,676	35,286	197,987	10,183	208,170	-	208,170
(2)Inter segment	35	858	536	1,430	6,871	8,301	-8,301	-
Total	148,060	15,534	35,822	199,417	17,054	216,472	-8,301	208,170
Operating income (loss)	1,173	150	499	1,823	787	2,610	589	3,200

Notes: 1. "Other" segment incorporates operations not included in business segment reported, including LNG processing under contract, Lease of buildings, Data processing services, Design and construction, Leasing, etc.

2. Adjustments of segment income (589 million yen) refers to elimination of inter-segment transactions.

3. Operating income for segment is adjusted on operating income on the quarterly consolidated statement of income.

Six months ended Sept. 30, 2012 (Apr. 1 – Sept. 30, 2012)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	Gas appliance and related construction	LPG and other Energies	Total				
Sales								
(1)Outside customers	173,213	16,436	35,834	225,484	10,986	236,470	-	236,470
(2)Inter segment	42	982	497	1,521	7,158	8,680	-8,680	-
Total	173,255	17,418	36,332	227,006	18,145	245,151	-8,680	236,470
Operating income (loss)	6,739	150	243	7,132	817	7,950	569	8,520

Notes: 1. "Other" segment incorporates operations not included in business segment reported, including LNG processing under contract, Lease of buildings, Data processing services, Design and construction, Leasing, etc.

2. Adjustments of segment income (569 million yen) refers to elimination of inter-segment transactions.

3. Operating income for segment is adjusted on operating income on the quarterly consolidated statement of income.

5. Significant change in shareholders' equity: No