

Consolidated Financial Results

for the Six Months Ended September 30, 2013 (2Q FY2013)

Toho Gas Co., Ltd.

Code No.: 9533 (URL <http://www.tohogas.co.jp/>)

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Date of filing quarterly financial report: November 13, 2013

Commencement of dividend payments: November 29, 2013

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes (for institutional investors)

Shares listed on:

Tokyo Stock Exchange, Nagoya Stock Exchange

(Rounded down to the nearest million yen)

1. Consolidated Results for the Six Months Ended September 30, 2013

(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, 2013	250,346	5.9	4,845	-43.1	5,219	-40.6	3,274	-34.2
April 1 – September 30, 2012	236,470	13.6	8,520	166.2	8,790	150.8	4,973	145.4

Note: Comprehensive income 2nd Quarter ended September 2013: ¥10,465 million (616.9%), 2nd Quarter ended September 2012 : ¥1,459million (-%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – September 30, 2013	6.00	-
April 1 – September 30, 2012	9.11	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
2nd Quarter ended September 2013	496,650	244,463	49.2
FY2012 ended March 2013	504,461	236,470	46.9

Reference: Net assets (excluding minority interests)

2nd Quarter ended September 2013: ¥244,463 million FY2012 ended March 2013: ¥236,470 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)
FY2012 ended March 2013	-	4.50	-	4.50	9.00
FY2013 ending March 2014	-	4.50			
FY2013 ending March 2014 (forecasts)			-	4.50	9.00

Note: Revision of previously announced dividend forecasts: No

3. Consolidated Results Forecasts for the Year Ending March 2014 (April 1, 2013- March 31, 2014)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	557,000	7.5	15,000	18.8	15,000	12.1	10,000	17.3	18.33

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: No
- Other Changes: No
- Changes in accounting estimates: No
- Retrospective restatements: No

(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 2013	545,966,429 shares	FY2012 ended March 2013	545,966,429 shares
Number of treasury stock at the end of the term	2nd Quarter ended September 2013	541,191 shares	FY2012 ended March 2013	507,436 shares
Average number of outstanding shares during the term	2nd Quarter ended September 2013	545,438,772 shares	2nd Quarter ended September 2012	545,757,136 shares

Reference: Non- Consolidated Results Forecasts for the Year Ending March 2014(April 1, 2013- March 31, 2014)

	Sales		Operating income		Ordinary income		Net income		Net income per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	490,000	8.6	12,000	29.7	13,000	15.9	9,000	19.5	16.50

Note: Revision of previously announced forecasts during this period: 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, 2013)	2nd Quarter (As of Sept. 30, 2013)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	59,488	69,537
Distribution facilities	162,023	158,213
Service and maintenance facilities	28,548	27,816
Other facilities	29,542	29,007
Construction in progress	26,133	17,585
Total property, plant and equipment	305,736	302,160
Intangible assets		
Other	3,854	3,916
Total intangible assets	3,854	3,916
Investments and other assets		
Investment securities	60,599	67,523
Other	20,084	17,915
Allowance for doubtful accounts	-186	-182
Total investments and other assets	80,497	85,256
Total noncurrent assets	390,087	391,333
Current assets		
Cash and deposits	11,889	14,326
Notes and accounts receivable-trade	56,450	50,298
Inventories	31,197	26,476
Other	15,091	14,430
Allowance for doubtful accounts	-323	-249
Total current assets	114,305	105,282
Deferred assets		
Development expenses	68	34
Total deferred assets	68	34
Total assets	504,461	496,650

(Unit: million yen)

	Previous year (As of Mar. 31, 2013)	2nd Quarter (As of Sept. 30, 2013)
Liabilities		
Noncurrent liabilities		
Bonds payable	89,993	89,994
Long-term loans payable	28,356	19,031
Provision for retirement benefits	20,694	20,551
Provision for gas holder repairs	1,199	1,235
Reserve for safety measures	11,462	10,294
Other	7,795	7,841
Total noncurrent liabilities	159,502	148,947
Current liabilities		
Current portion of noncurrent liabilities	20,872	29,626
Notes and accounts payable-trade	26,585	18,933
Short-term loans payable	21,880	12,270
Income taxes payable	6,797	4,308
Other	32,185	38,016
Total current liabilities	108,321	103,155
Provision		
Provision for conversion of heating value of supplied gas	168	84
Total provision	168	84
Total liabilities	267,991	252,187
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	169,374	170,194
Treasury stock	-249	-267
Total shareholders' equity	210,585	211,387
Other comprehensive income		
Valuation difference on available-for-sale securities	24,665	29,827
Deferred gains or losses on hedges	896	2,148
Foreign currency translation adjustment	321	1,100
Total other comprehensive income	25,884	33,076
Total net assets	236,470	244,463
Total liabilities and net assets	504,461	496,650

2. Consolidated statements of income, Statements of comprehensive income
Consolidated statements of income for the Six Months

(Unit: million yen)

	2 nd Quarter of FY2012 (Apr. – Sept.,2012)	2 nd Quarter of FY2013 (Apr. – Sept.,2013)
Net sales	236,470	250,346
Cost of sales	162,379	182,292
Gross profit	74,091	68,053
Selling, general and administrative expenses	65,570	63,208
Operating income	8,520	4,845
Non-operating income		
Interest income	3	12
Dividend income	599	680
Rent income	301	310
Miscellaneous revenues	389	422
Total non-operating income	1,294	1,425
Non-operating expenses		
Interest expense	868	886
Miscellaneous expenses	155	165
Total non-operating expenses	1,024	1,051
Ordinary income	8,790	5,219
Extraordinary loss		
Loss on valuation of investment securities	1,149	-
Total extraordinary loss	1,149	-
Income before income taxes	7,640	5,219
Income taxes-current	2,672	1,945
Income before minority interests	4,967	3,274
Minority interests in loss	-6	-
Net income	4,973	3,274

Statements of comprehensive income for the Six Months

(Unit: million yen)

	2 nd Quarter of FY2012 (Apr. – Sept.,2012)	2 nd Quarter of FY2013 (Apr. – Sept.,2013)
Income before minority interests	4,967	3,274
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,940	5,161
Deferred gains or losses on hedges	-481	1,251
Foreign currency translation adjustment	-85	778
Other comprehensive income	-3,507	7,191
Comprehensive income	1,459	10,465
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,466	10,465
Comprehensive income attributable to minority interests	-6	-

3. Notes about Consolidated Statements

- Note of going concerns' premise: No

- Significant change in shareholders' equity: No

- Segment information

Segment information by category of business

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 sales and related construction	LPG and other Energies	Total				
Net sales								
(1)External customers	173,213	16,436	35,834	225,484	10,986	236,470	-	236,470
(2)Intersegment	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
Segment income	6,739	150	243	7,132	817	7,950	569	8,520

Notes: 1. The "Other" segment incorporates operations not included in business segment reported, including LNG processing under contract, leasing of buildings, data processing services, design and construction, and other leasing, etc.

2. The "Adjustments" column in "Segment income" (569 million yen) denotes eliminations of intersegment transactions.

3. Segment income in the table above is reconciled to operating income on the quarterly consolidated statements of income.

Six months ended Sept. 30, 2013 (Apr. 1 – Sept. 30, 2013)

(Unit: million yen)

	Business segment reported				Other (Note.1)	Total	Adjustments (Note.2)	Consolidated statements of income (Note.3)
	Gas sales	Gas appliance sales and related construction	LPG and other Energies	Total				
Net sales								
(1)External customers	189,583	15,134	36,018	240,736	9,610	250,346	-	250,346
(2)Intersegment	45	940	457	1,443	5,711	7,155	-7,155	-
Total	189,628	16,074	36,476	242,179	15,322	257,501	-7,155	250,346
Segment income or loss	3,871	-178	-1	3,692	556	4,249	595	4,845

Notes: 1. The "Other" segment incorporates operations not included in business segment reported, including LNG processing under contract, leasing and management of real estate, engineering of gas production plants, comprehensive utility service business, sales of housing equipment, data processing services, and other leasing, etc.

2. The "Adjustments" column in "Segment income or loss" (595 million yen) denotes eliminations of intersegment transactions.

3. Segment income or loss in the table above is reconciled to operating income on the quarterly consolidated statements of income.