

Consolidated Financial Results

for the Nine Months Ended December 31, 2013 (3Q FY2013)

Toho Gas Co., Ltd.

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

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Date of filing quarterly financial report: February 13, 2014

Commencement of dividend payments: -

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 Nine Months Ended December 31, 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 – December 31, 2013	387,013	6.6	6,081	-50.6	6,525	-44.9	4,172	-45.7
April 1 – December 31, 2012	362,956	11.3	12,311	307.8	11,838	231.1	7,686	-

Note: Comprehensive income 3rd Quarter ended December 2013: ¥20,600 million (128.3%), 3rd Quarter ended December 2012: ¥9,022million (-%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – December 31, 2013	7.65	-
April 1 – December 31, 2012	14.08	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
3rd Quarter ended December 2013	522,140	252,134	48.3
FY2012 ended March 2013	504,461	236,470	46.9

Reference: Net assets (excluding minority interests)

3rd Quarter ended December 2013: ¥252,134 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: No

※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)	3rd Quarter ended December 2013	545,966,429 shares	FY2012 ended March 2013	545,966,429 shares
Number of treasury stock at the end of the term	3rd Quarter ended December 2013	558,640 shares	FY2012 ended March 2013	507,436 shares
Average number of outstanding shares during the term	3rd Quarter ended December 2013	545,430,912 shares	3rd Quarter ended December 2012	545,748,715 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: No

* 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)	3rd Quarter (As of Dec. 31, 2013)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	59,488	70,239
Distribution facilities	162,023	156,898
Service and maintenance facilities	28,548	27,400
Other facilities	29,542	28,546
Construction in progress	26,133	18,110
Total property, plant and equipment	305,736	301,194
Intangible assets		
Other	3,854	3,846
Total intangible assets	3,854	3,846
Investments and other assets		
Investment securities	60,599	72,138
Other	20,084	16,212
Allowance for doubtful accounts	-186	-183
Total investments and other assets	80,497	88,167
Total noncurrent assets	390,087	393,208
Current assets		
Cash and deposits	11,889	11,494
Notes and accounts receivable-trade	56,450	59,506
Inventories	31,197	35,712
Other	15,091	22,492
Allowance for doubtful accounts	-323	-291
Total current assets	114,305	128,914
Deferred assets		
Development expenses	68	17
Total deferred assets	68	17
Total assets	504,461	522,140

(Unit: million yen)

	Previous year (As of Mar. 31, 2013)	3rd Quarter (As of Dec. 31, 2013)
Liabilities		
Noncurrent liabilities		
Bonds payable	89,993	89,994
Long-term loans payable	28,356	18,916
Provision for retirement benefits	20,694	20,667
Provision for gas holder repairs	1,199	1,191
Reserve for safety measures	11,462	9,624
Other	7,795	7,894
Total noncurrent liabilities	159,502	148,289
Current liabilities		
Current portion of noncurrent liabilities	20,872	29,538
Notes and accounts payable-trade	26,585	36,872
Short-term loans payable	21,880	12,900
Income taxes payable	6,797	3,603
Other	32,185	38,759
Total current liabilities	108,321	121,674
Provision		
Provision for conversion of heating value of supplied gas	168	42
Total provision	168	42
Total liabilities	267,991	270,005
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	169,374	168,638
Treasury stock	-249	-276
Total shareholders' equity	210,585	209,822
Other comprehensive income		
Valuation difference on available-for-sale securities	24,665	33,037
Deferred gains or losses on hedges	896	8,229
Foreign currency translation adjustment	321	1,044
Total other comprehensive income	25,884	42,312
Total net assets	236,470	252,134
Total liabilities and net assets	504,461	522,140

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

(Unit: million yen)

	3 rd Quarter of FY2012 (Apr. – Dec., 2012)	3 rd Quarter of FY2013 (Apr. – Dec., 2013)
Net sales	362,956	387,013
Cost of sales	250,225	285,308
Gross profit	112,731	101,705
Selling, general and administrative expenses	100,419	95,623
Operating income	12,311	6,081
Non-operating income		
Interest income	4	13
Dividend income	1,068	1,247
Rent income	384	406
Miscellaneous revenues	549	550
Total non-operating income	2,006	2,218
Non-operating expenses		
Interest expense	1,284	1,305
Miscellaneous expenses	1,195	469
Total non-operating expenses	2,479	1,774
Ordinary income	11,838	6,525
Income before income taxes	11,838	6,525
Income taxes-current	4,158	2,352
Income before minority interests	7,679	4,172
Minority interests in loss	-6	-
Net income	7,686	4,172

Statements of comprehensive income for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2012 (Apr. – Dec., 2012)	3 rd Quarter of FY2013 (Apr. – Dec., 2013)
Income before minority interests	7,679	4,172
Other comprehensive income		
Valuation difference on available-for-sale securities	1,019	8,372
Deferred gains or losses on hedges	492	7,333
Foreign currency translation adjustment	-168	722
Other comprehensive income	1,342	16,427
Comprehensive income	9,022	20,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,028	20,600
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

Nine months ended December 31, 2012 (April 1 – December 31, 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	265,215	25,009	55,369	345,595	17,361	362,956	-	362,956
(2)Intersegment	63	1,543	738	2,346	10,540	12,886	-12,886	-
Total	265,279	26,553	56,108	347,941	27,902	375,843	-12,886	362,956
Segment income or loss	9,954	178	-36	10,096	1,326	11,423	888	12,311

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 or loss" (888 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.

Nine months ended December 31, 2013 (April 1 – December 31, 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	291,469	23,948	57,104	372,522	14,491	387,013	-	387,013
(2)Intersegment	69	1,482	669	2,221	8,676	10,897	-10,897	-
Total	291,538	25,431	57,773	374,743	23,167	397,911	-10,897	387,013
Segment income or loss	5,263	-135	-633	4,495	664	5,159	922	6,081

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" (922 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.