

# Consolidated Financial Results

## for the Nine Months Ended December 31, 2011 (3Q FY2011)

**FY2011 ending March 2012**  
**Toho Gas Co., Ltd.**

Code No.: 9533

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

Representative: Takashi Saeki, President

Contact: Shinji Niwa, Executive officer/  
General Manager, Finance Dept.

Tel: +81-52-872-9341

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

Scheduled date of commencement of dividend payments: -

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 Nine Months Ended December 31, 2011**

(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, 2011	326,099	7.3	3,019	-83.7	3,575	-81.2	-516	-
April 1 – December 31, 2010	303,832	5.8	18,491	20.1	19,044	29.6	11,163	22.0

Note: Comprehensive income 3rd Quarter ended December 2011: ¥6,561 million (-%), 3rd Quarter ended December 2010: ¥2,949million (-%)

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – December 31, 2011	-0.95	-
April 1 – December 31, 2010	20.19	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
3rd Quarter ended December 31, 2011	477,268	208,793	43.7
FY2010 ended March 2011	495,626	221,501	44.7

Reference: Net assets (excluding minority interests)

3rd Quarter ended December 2011: ¥208,731 million, FY2010 ended March 2011: ¥221,425 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)
FY2010 ended March 2011	-	4.00	-	4.00	8.00
FY2011 ending March 2012	-	4.00	-		
FY2011 ending March 2012 (forecasts)				4.00	8.00

Note: Revision of previously announced dividend forecasts: No

**3. Consolidated Results Forecasts for the Year Ending March 2012 (April 1, 2011- March 31, 2012)**

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

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	475,000	8.7	18,000	-24.7	18,000	-26.0	10,000	-31.0	18.32

Notes: Revision of previously announced forecasts: Yes

#### 4. Other

(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 2011	545,966,429 shares	FY2010 ended March 2011	553,037,689 shares
Number of treasury stock at the end of the term	3rd Quarter ended December 2011	67,293 shares	FY2010 ended March 2011	2,563,343 shares
Average number of outstanding shares during the term	3rd Quarter ended December 2011	546,617,178 shares	3rd Quarter ended December 2010	552,975,943 shares

#### • Reference: Non- Consolidated Results Forecasts for the Year Ending March 2012(April 1, 2011- March 31, 2012)

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

	Sales		Operating income		Ordinary income		Net income		Net earnings per share
	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: million yen)	(%)	(Unit: yen)
Full term	415,000	10.3	14,000	-28.9	15,000	-30.8	8,000	-40.0	14.65

Notes: 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)

	FY2010 (As of Mar. 31, 2011)	3rd Quarter of FY2011 (As of Dec. 31, 2011)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	65,135	62,489
Distribution facilities	176,120	170,515
Service and maintenance facilities	28,613	28,043
Other facilities	31,069	29,922
Construction in progress	19,298	19,033
Total property, plant and equipment	320,236	310,005
Intangible assets		
Other	2,178	1,719
Total intangible assets	2,178	1,719
Investments and other assets		
Investment securities	50,559	42,518
Other	21,088	21,785
Allowance for doubtful accounts	-20	-103
Total investments and other assets	71,627	64,200
Total noncurrent assets	394,042	375,925
Current assets		
Cash and deposits	22,058	11,867
Notes and accounts receivable-trade	44,644	50,859
Inventories	19,616	21,172
Other	14,782	17,288
Allowance for doubtful accounts	-274	-318
Total current assets	100,826	100,869
Deferred assets		
Development expenses	757	473
Total deferred assets	757	473
Total assets	495,626	477,268

(Unit: million yen)

	FY2010 (As of Mar. 31, 2011)	3rd Quarter of FY2011 (As of Dec. 31, 2011)
Liabilities		
Noncurrent liabilities		
Bonds payable	79,992	79,992
Long-term loans payable	37,608	37,241
Provision for retirement benefits	20,342	20,596
Provision for gas holder repairs	1,671	1,330
Provision for safety measures	12,991	11,349
Long-term deposits received	4,595	2,094
Other	6,849	6,416
Total noncurrent liabilities	164,052	159,021
Current liabilities		
Current portion of noncurrent liabilities	26,121	26,102
Notes and accounts payable-trade	24,343	23,517
Short-term loans payable	13,150	15,760
Income taxes payable	8,750	2,138
Other	37,195	41,563
Total current liabilities	109,560	109,082
Provision		
Provision for conversion of heating value of supplied gas	512	370
Total provision	512	370
Total liabilities	274,125	268,474
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	164,361	156,673
Treasury stock	-1,053	-27
Total shareholders' equity	204,768	198,105
Other comprehensive income		
Valuation difference on available-for-sale securities	16,900	12,411
Deferred gains or losses on hedges	-242	-1,785
Total valuation and translation adjustments	16,657	10,625
Minority interests	75	61
Total net assets	221,501	208,793
Total liabilities and net assets	495,626	477,268

## 2. Consolidated statements of income, Statements of comprehensive income

### Consolidated statements of income for the Nine Months

(Unit: million yen)

	3 <sup>rd</sup> Quarter of FY2010 (Apr. – Dec., 2010)	3 <sup>rd</sup> Quarter of FY2011 (Apr. – Dec., 2011)
Net sales	303,832	326,099
Cost of sales	181,895	219,630
Gross profit	121,936	106,468
Selling, general and administrative expenses	103,445	103,449
Operating income	18,491	3,019
Non-operating income		
Interest income	5	4
Dividend income	958	1,136
Rent income	359	364
Miscellaneous income	923	879
Total non-operating income	2,246	2,383
Non-operating expenses		
Interest expenses	1,583	1,475
Miscellaneous expenses	110	351
Total non-operating expenses	1,693	1,827
Ordinary income	19,044	3,575
Extraordinary loss		
Loss on valuation of investment securities	1,093	-
Total extraordinary losses	1,093	-
Income before income taxes	17,951	3,575
Income taxes	6,805	4,105
Income (loss) before minority interests	11,146	-529
Minority interests in net income (loss)	-17	-12
Net income (loss)	11,163	-516

## Statements of comprehensive income for the Nine Months

(Unit: million yen)

	3 <sup>rd</sup> Quarter of FY2010 (Apr. – Dec., 2010)	3 <sup>rd</sup> Quarter of FY2011 (Apr. – Dec., 2011)
Income (loss) before minority interests	11,146	-529
Other comprehensive income		
Valuation difference on available-for-sale securities	-4,326	-4,489
Deferred gains or losses on hedges	-3,870	-1,542
Other comprehensive income	-8,196	-6,031
Comprehensive income	2,949	-6,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,966	-6,548
Comprehensive income attributable to minority interests	-17	-13

### 3. Note of going concerns' premise: No

### 4. Segment information

Segment information by category of business

Nine months ended December 31, 2010 (April 1 – December 31, 2010)

(Unit: million yen)

	Business segment reported				Other (Note.2)	Total	Adjustments (Note.3)	Consolidated statements of income (Note.4)
	Gas sales	Gas appliance and related construction	LPG and other Energies (Note.1)	Total				
Sales								
(1)Outside customers	215,782	21,754	50,963	288,500	15,332	303,832	-	303,832
(2)Inter segment	52	1,406	722	2,181	10,447	12,629	-12,629	-
Total	215,834	23,161	51,685	290,681	25,779	316,461	-12,629	303,832
Operating income (loss)	14,613	319	774	15,707	1,743	17,451	1,040	18,491

- Notes: 1. "LPG and other Energies" includes LPG sales, LPG appliance sales, LNG sales, District heating and cooling, and sales of Cokes and Petroleum products.  
2. "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.  
3. Adjustments of segment income (1,040 million yen) refers to elimination of inter-segment transactions.  
4. Operating income for segment is adjusted on operating income on the quarterly consolidated statement of income.

Nine months ended December 31, 2011 (April 1 – December 31, 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	233,277	23,556	53,865	310,700	15,399	326,099	-	326,099
(2)Inter segment	55	1,482	903	2,441	11,019	13,460	-13,460	-
Total	233,333	25,039	54,768	313,141	26,418	339,560	-13,460	326,099
Operating income (loss)	315	175	182	673	1,444	2,118	900	3,019

- 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 (900 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

The Company retired treasury stock as follows, based on a resolution of the Board of directors held on June 24, 2011, pursuant to Article 178 of the Corporation Code:

- |                                |                  |
|--------------------------------|------------------|
| 1 Type of shares retired       | Common Stock     |
| 2 Number of shares retired     | 7,071,260 shares |
| 3 Effective date of retirement | June 30, 2011    |