

# Consolidated Financial Results

## for the Three Months Ended June 30, 2012 (1Q FY2012)

**FY2012 ending March 2013**  
**Toho Gas Co., Ltd.**

Code No.: 9533

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

Representative: Koichi Yasui, President

Contact: Satoshi Yamazaki, General Manager, Finance Dept.

Tel: +81-52-872-9341

Date of filing quarterly financial report: August 10, 2012

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 Three Months Ended June 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 – June 30, 2012	120,912	15.0	7,272	-8.1	7,585	-9.6	4,845	-8.7
April 1 – June 30, 2011	105,175	2.4	7,912	-35.2	8,387	-33.4	5,306	-29.8

Note: Comprehensive income 1st Quarter ended June 2012: ¥1,078 million (-62.2%), 1st Quarter ended June 2011 ¥2,855 million (-%)

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – June 30, 2012	8.88	-
April 1 – June 30, 2011	9.68	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
1st Quarter ended June, 2012	477,418	222,978	46.7
FY2011 ended March 2012	492,889	224,364	45.5

Note: Net assets (excluding minority interests)

1st Quarter ended June 2012: ¥222,905million 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	-	-	-	-	-
FY2012 ending March 2013 (forecasts)	-	4.50	-	4.50	9.00

Note: Revision of previously announced dividend forecasts: No

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

	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)
Mid-term	232,000	11.4	4,500	40.6	4,500	28.4	3,000	48.0	5.50
Full term	520,000	7.8	19,000	8.6	19,000	4.6	12,000	40.0	21.99

Notes: \* (Mid-term) Percentage figures indicate the percentage change on the interim results for the previous year

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

\* 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: 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 Corporate Tax Act.

This change has minimal effect on profit/loss.

(4) Number of outstanding shares (common stock)

Number of outstanding shares at the end of the term (Inclusive of treasury stock)	1st Quarter ended June 2012	545,966,429 shares	FY2011 ended March 2012	545,966,429 shares
Number of treasury stock at the end of the term	1st Quarter ended June 2012	204,350 shares	FY2011 ended March 2012	185,265 shares
Average number of outstanding shares during the term	1st Quarter ended June 2012	545,767,272 shares	1st Quarter ended June 2011	548,057,670 shares

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

	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)
Mid-term	202,000	13.4	4,000	144.4	4,500	58.4	3,000	57.7	5.50
Full term	455,000	8.7	15,000	9.9	16,000	2.9	11,000	46.9	20.16

Notes: \*(Mid-term) Percentage figures indicate the percentage change on the interim results for the previous year

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

\* 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, 2012)	1st Quarter (As of Jun. 30, 2012)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	61,741	61,019
Distribution facilities	171,233	167,226
Service and maintenance facilities	28,944	28,367
Other facilities	30,288	29,683
Construction in progress	19,092	21,875
Total property, plant and equipment	311,300	308,172
Intangible assets		
Other	2,207	3,791
Total intangible assets	2,207	3,791
Investments and other assets		
Investment securities	49,216	45,044
Other	20,624	21,535
Allowance for doubtful accounts	-88	-97
Total investments and other assets	69,753	66,482
Total noncurrent assets	383,261	378,445
Current assets		
Cash and deposits	17,040	11,612
Notes and accounts receivable-trade	55,397	46,457
Inventories	23,144	26,534
Other	14,009	14,370
Allowance for doubtful accounts	-343	-304
Total current assets	109,248	98,670
Deferred assets		
Development expenses	379	301
Total deferred assets	379	301
Total assets	492,889	477,418

(Unit: million yen)

	Previous year (As of Mar. 31, 2012)	1st Quarter (As of Jun. 30, 2012)
Liabilities		
Noncurrent liabilities		
Bonds payable	89,992	89,993
Long-term loans payable	38,879	32,325
Provision for retirement benefits	20,631	20,758
Provision for gas holder repairs	1,247	1,274
Reserve for safety measures	12,829	12,248
Long-term deposits received	1,263	987
Other	6,721	6,544
Total noncurrent liabilities	171,566	164,131
Current liabilities		
Current portion of noncurrent liabilities	20,337	9,285
Notes and accounts payable-trade	22,742	18,211
Short-term loans payable	13,930	14,690
Income taxes payable	7,668	3,681
Other	31,956	44,154
Total current liabilities	96,634	90,023
Provision		
Provision for conversion of heating value of supplied gas	323	284
Total provision	323	284
Total liabilities	268,524	254,440
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	165,760	168,150
Treasury stock	-85	-94
Total shareholders' equity	207,135	209,515
Other comprehensive income		
Valuation difference on available-for-sale securities	17,244	13,909
Deferred gains or losses on hedges	-87	-522
Foreign currency translation adjustment	0	2
Total valuation and translation adjustments	17,157	13,389
Minority interests	72	72
Total net assets	224,364	222,978
Total liabilities and net assets	492,889	477,418

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

### Consolidated statements of income for the Three Months

(Unit: million yen)

	1 <sup>st</sup> Quarter of FY2011 (Apr. – Jun.,2011)	1 <sup>st</sup> Quarter of FY2012 (Apr. – Jun.,2012)
Net sales	105,175	120,912
Cost of sales	64,660	81,509
Gross profit	40,515	39,403
Selling, general and administrative expenses	32,603	32,130
Operating income	7,912	7,272
Non-operating income		
Interest income	0	0
Dividend income	659	581
Rent income	78	85
Miscellaneous revenues	295	171
Total non-operating income	1,034	839
Non-operating expenses		
Interest expense	503	448
Miscellaneous expenses	56	78
Total non-operating expenses	559	526
Ordinary income	8,387	7,585
Extraordinary loss		
Loss on valuation of investment securities	-	193
Total extraordinary loss	-	193
Income before income taxes	8,387	7,391
Income taxes-current	3,081	2,545
Income before minority interests	5,305	4,845
Minority interests in net income (loss)	-0	0
Net income	5,306	4,845

## Statements of comprehensive income for the Three Months

(Unit: million yen)

	1 <sup>st</sup> Quarter of FY2011 (Apr. – Jun.,2011)	1 <sup>st</sup> Quarter of FY2012 (Apr. – Jun.,2012)
Income before minority interests	5,305	4,845
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,479	-3,335
Deferred gains or losses on hedges	-970	-434
Foreign currency translation adjustment	-	2
Other comprehensive income	-2,449	-3,767
Comprehensive income	2,855	1,078
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,856	1,078
Comprehensive income attributable to minority interests	-0	0

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

### 4. Segment information

Segment information by category of business

Three months ended June 30, 2011 (Apr. – Jun.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	74,758	6,807	18,339	99,905	5,270	105,175	-	105,175
(2)Inter segment	14	416	241	672	3,484	4,156	-4,156	-
Total	74,773	7,223	18,580	100,577	8,754	109,332	-4,156	105,175
Operating income (loss)	6,163	34	893	7,091	534	7,625	286	7,912

- 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 (286 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.

Three months ended June 30, 2012 (Apr. – Jun.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	87,491	8,485	19,697	115,675	5,237	120,912	-	120,912
(2)Inter segment	18	437	245	702	3,331	4,033	-4,033	-
Total	87,510	8,923	19,943	116,377	8,568	124,946	-4,033	120,912
Operating income (loss)	5,784	56	712	6,553	419	6,973	299	7,272

- 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 (299 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