

# Consolidated Financial Results

## for the Three Months Ended June 30, 2013 (1Q FY2013)

**Toho Gas Co., Ltd.**

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

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Date of filing quarterly financial report: August 12, 2013

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 Three Months Ended June 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 – June 30, 2013	124,423	2.9	2,550	-64.9	2,973	-60.8	1,755	-63.8
April 1 – June 30, 2012	120,912	15.0	7,272	-8.1	7,585	-9.6	4,845	-8.7

Note: Comprehensive income 1st Quarter ended June 2013: ¥6,790 million (529.7%), 1st Quarter ended June 2012 ¥1,078 million (-62.2%)

	Net income per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – June 30, 2013	3.22	-
April 1 – June 30, 2012	8.88	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
1st Quarter ended June 2013	490,364	240,797	49.1
FY2012 ended March 2013	504,461	236,470	46.9

Reference: Net assets (excluding minority interests)

1st Quarter ended June 2013: ¥240,797million 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	-				
FY2013 ending March 2014 (forecasts)		4.50	-	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)
Mid-term	254,000	7.4	2,000	-76.5	2,000	-77.2	1,000	-79.9	1.83
Full term	565,000	9.0	15,000	18.8	15,000	12.1	10,000	17.3	18.33

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: 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)	1st Quarter ended June 2013	545,966,429 shares	FY2012 ended March 2013	545,966,429 shares
Number of treasury stock at the end of the term	1st Quarter ended June 2013	523,373 shares	FY2012 ended March 2013	507,436 shares
Average number of outstanding shares during the term	1st Quarter ended June 2013	545,448,362 shares	1st Quarter ended June 2012	545,767,272 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)
Mid-term	223,000	8.8	1,500	-79.3	2,000	-76.1	1,000	-80.4	1.83
Full term	498,000	10.4	12,000	29.7	13,000	15.9	9,000	19.5	16.50

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, 2013)	1st Quarter (As of June 30, 2013)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	59,488	58,764
Distribution facilities	162,023	158,329
Service and maintenance facilities	28,548	28,049
Other facilities	29,542	29,054
Construction in progress	26,133	27,853
Total property, plant and equipment	305,736	302,050
Intangible assets		
Other	3,854	3,879
Total intangible assets	3,854	3,879
Investments and other assets		
Investment securities	60,599	65,867
Other	20,084	18,232
Allowance for doubtful accounts	-186	-186
Total investments and other assets	80,497	83,913
Total noncurrent assets	390,087	389,843
Current assets		
Cash and deposits	11,889	12,952
Notes and accounts receivable-trade	56,450	48,722
Inventories	31,197	23,976
Other	15,091	15,063
Allowance for doubtful accounts	-323	-244
Total current assets	114,305	100,470
Deferred assets		
Development expenses	68	51
Total deferred assets	68	51
Total assets	504,461	490,364

(Unit: million yen)

	Previous year (As of Mar. 31, 2013)	1st Quarter (As of June 30, 2013)
Liabilities		
Noncurrent liabilities		
Bonds payable	89,993	89,993
Long-term loans payable	28,356	28,604
Provision for retirement benefits	20,694	20,747
Provision for gas holder repairs	1,199	1,232
Reserve for safety measures	11,462	10,887
Other	7,795	7,922
Total noncurrent liabilities	159,502	159,388
Current liabilities		
Current portion of noncurrent liabilities	20,872	20,652
Notes and accounts payable-trade	26,585	18,614
Short-term loans payable	21,880	12,240
Income taxes payable	6,797	2,267
Other	32,185	36,277
Total current liabilities	108,321	90,052
Provision		
Provision for conversion of heating value of supplied gas	168	126
Total provision	168	126
Total liabilities	267,991	249,567
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	169,374	168,676
Treasury stock	-249	-258
Total shareholders' equity	210,585	209,878
Other comprehensive income		
Valuation difference on available-for-sale securities	24,665	28,334
Deferred gains or losses on hedges	896	1,783
Foreign currency translation adjustment	321	801
Total other comprehensive income	25,884	30,919
Total net assets	236,470	240,797
Total liabilities and net assets	504,461	490,364

**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 FY 2012 (Apr. – June 2012)	1 <sup>st</sup> Quarter of FY 2013 (Apr. – June 2013)
Net sales	120,912	124,423
Cost of sales	81,509	90,485
Gross profit	39,403	33,937
Selling, general and administrative expenses	32,130	31,387
Operating income	7,272	2,550
Non-operating income		
Interest income	0	0
Dividend income	581	665
Rent income	85	85
Miscellaneous revenues	171	155
Total non-operating income	839	907
Non-operating expenses		
Interest expense	448	426
Miscellaneous expenses	78	57
Total non-operating expenses	526	483
Ordinary income	7,585	2,973
Extraordinary loss		
Loss on valuation of investment securities	193	-
Total extraordinary loss	193	-
Income before income taxes	7,391	2,973
Income taxes-current	2,545	1,218
Income before minority interests	4,845	1,755
Minority interests in net income	0	-
Net income	4,845	1,755

**Statements of comprehensive income for the Three Months**

(Unit: million yen)

	1 <sup>st</sup> Quarter of FY 2012 (Apr. – June 2012)	1 <sup>st</sup> Quarter of FY 2013 (Apr. – June 2013)
Income before minority interests	4,845	1,755
Other comprehensive income		
Valuation difference on available-for-sale securities	-3,335	3,668
Deferred gains or losses on hedges	-434	886
Foreign currency translation adjustment	2	479
Other comprehensive income	-3,767	5,034
Comprehensive income	1,078	6,790
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,078	6,790
Comprehensive income attributable to minority interests	0	-

### 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

Three months ended June 30, 2012 (Apr. – June 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	87,491	8,485	19,697	115,675	5,237	120,912	-	120,912
(2)Intersegment	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
Segment income	5,784	56	712	6,553	419	6,973	299	7,272

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" (299 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.

Three months ended June 30, 2013 (Apr. – June 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	93,799	7,284	18,798	119,882	4,541	124,423	-	124,423
(2)Intersegment	19	437	195	652	2,905	3,557	-3,557	-
Total	93,818	7,721	18,994	120,534	7,447	127,981	-3,557	124,423
Segment income (loss)	1,617	-177	409	1,850	409	2,259	290	2,550

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" (290 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.