

Consolidated Financial Results for the Three Months Ended June 30, 2010 (1Q FY2010)

FY2010 ending March 2011 Toho Gas Co., Ltd.

Code No.: 9533

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

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Date of filing quarterly financial report: August 10, 2010

Quarterly earnings supplementary explanatory documents: Yes

Quarterly earnings presentation: Yes

Shares listed on:

Tokyo Stock Exchange, Osaka Securities Exchange,

Nagoya Stock Exchange

Commencement of dividend payments: -

(Rounded down to the nearest million yen)

1. Consolidated Results for the Three Months Ended June 30, 2010

(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, 2010	102,698	-2.8	12,219	-48.2	12,593	-45.7	7,558	-49.3
April 1 – June 30, 2009	105,611	-4.0	23,578	505.2	23,212	482.1	14,905	527.4

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – June 30, 2010	13.67	-
April 1 – June 30, 2009	26.65	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
1st Quarter ended June 30, 2010	485,886	218,646	45.0	395.25
FY2009 ended March 2010	506,724	220,937	43.6	399.37

Note: Net assets (excluding minority interests)

1st Quarter ended June 2010: ¥218,567 million

FY2009 ended March 2010: ¥220,854 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)
FY2009 ended March 2010	-	4.00	-	4.00	8.00
FY2010 ending March 2011	-				
FY2010 ending March 2011 (forecast)		4.00	-	4.00	8.00

Note: Revisions to the quarter's dividend forecasts: No

3. Consolidated Results Forecast for the Year Ending March 2011(April 1, 2010- March 31, 2011)

	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	200,000	3.4	10,000	-56.3	10,000	-54.6	6,500	-53.9	11.75
Full term	438,000	6.4	20,000	12.2	20,000	15.3	12,500	13.9	22.60

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

* Revisions to the quarter's consolidated forecasts: Yes

4. Other

(1) Change in significant subsidiaries and affiliates: No

(2) Application of simple accounting treatment and accounting treatment peculiar to quarterly consolidated financial statement preparation: Yes

* Depreciation of fixed assets: Part of our estimated consolidated depreciation expense has been charged in the first Quarter.

* 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, procedures and expressions related to quarterly consolidated financial statement preparation (entries of changes in material matters that are basic to preparation of quarterly consolidated financial statements)

-Changes accompanied by reform of accounting standards: Yes

* Beginning in this consolidated accounting year, "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18 of March31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 of March31, 2008) are applied.

This change has no effect on profit/loss.

-Other Changes: 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 2010	559,792,197 shares	FY2009 ended March 2010	559,792,197 shares
Number of treasury stock at the end of the term	1st Quarter ended June 2010	6,804,508 shares	FY2009 ended March 2010	6,780,784 shares
Average number of outstanding shares during the term	1st Quarter ended June 2010	552,993,328 shares	1st Quarter ended June 2009	559,310,773 shares

*** Reference: Non- Consolidated Results Forecast for the Year Ending March 2011(April 1, 2010- March 31, 2011)**

	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	174,000	3.8	9,000	-56.3	9,500	-54.8	6,000	-56.8	10.85
Full term	381,000	7.2	16,000	22.1	17,000	20.6	11,000	19.5	19.89

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

* Revisions to the quarter's non-consolidated 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 forecast data.

<Summary of Consolidated Statements>

1. Consolidated balance sheet

(Unit: million yen)

	1st Quarter (As of Jun. 30, 2010)	Previous year (As of Mar. 31, 2010)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	68,213	69,422
Distribution facilities	172,941	176,760
Service and maintenance facilities	28,474	29,004
Other facilities	31,254	31,993
Construction in progress	23,563	21,248
Total property, plant and equipment	324,447	328,429
Intangible assets		
Other	2,775	2,980
Total intangible assets	2,775	2,980
Investments and other assets		
Investment securities	50,590	58,942
Other	18,686	16,435
Allowance for doubtful accounts	-134	-138
Total investments and other assets	69,143	75,239
Total noncurrent assets	396,366	406,649
Current assets		
Cash and deposits	10,420	17,157
Notes and accounts receivable-trade	37,994	42,133
Inventories	24,183	17,841
Other	16,104	21,997
Allowance for doubtful accounts	-263	-245
Total current assets	88,437	98,884
Deferred assets		
Development expenses	1,082	1,190
Total deferred assets	1,082	1,190
Total assets	485,886	506,724

(Unit: million yen)

	1st Quarter (As of Jun. 30, 2010)	Previous year (As of Mar. 31, 2010)
Liabilities		
Noncurrent liabilities		
Bonds payable	99,991	99,991
Long-term loans payable	26,756	26,984
Provision for retirement benefits	20,141	20,016
Provision for gas holder repairs	1,699	1,651
Reserve for safety measures	6,688	7,139
Long-term deposits received	7,098	7,932
Other	7,510	7,767
Total noncurrent liabilities	169,886	171,484
Current liabilities		
Current portion of noncurrent liabilities	22,348	22,326
Notes and accounts payable-trade	22,687	30,896
Short-term loans payable	21,097	13,867
Income taxes payable	1,597	5,205
Other	28,947	41,277
Total current liabilities	96,678	113,572
Provision		
Provision for conversion of heating value of supplied gas	675	729
Total provision	675	729
Total liabilities	267,240	285,787
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	163,055	157,709
Treasury stock	-3,440	-3,429
Total shareholders' equity	201,075	195,740
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	16,442	21,816
Deferred gains or losses on hedges	1,049	3,298
Total valuation and translation adjustments	17,492	25,114
Minority interests	78	82
Total net assets	218,646	220,937
Total liabilities and net assets	485,886	506,724

2. Consolidated statements of income for the Three Months

(Unit: million yen)

	1 st Quarter of FY2009 (Apr. – Jun.,2009)	1 st Quarter of FY2010 (Apr. – Jun.,2010)
Net sales	105,611	102,698
Cost of sales	45,960	57,637
Gross profit	59,651	45,061
Selling, general and administrative expenses	36,072	32,842
Operating income	23,578	12,219
Non-operating income		
Interest income	1	1
Dividend income	442	517
Rent income	96	78
Miscellaneous revenues	157	379
Total non-operating income	698	976
Non-operating expenses		
Interest expense	707	570
Miscellaneous expenses	356	31
Total non-operating expenses	1,064	601
Ordinary income	23,212	12,593
Extraordinary loss		
Loss on valuation of investment securities	-	271
Total extraordinary loss	-	271
Income before income taxes	23,212	12,322
Income taxes-current	8,312	4,766
Income before minority interests	-	7,555
Minority interests in net income (loss)	-5	-3
Net income	14,905	7,558

3. Consolidated statement of cash flows for the Three Months

(Unit: million yen)

	1 st Quarter of FY2009 (Apr. – Jun.,2009)	1 st Quarter of FY2010 (Apr. – Jun.,2010)
Net cash provided by (used in) operating activities		
Income before income taxes	23,212	12,322
Depreciation and amortization	14,145	10,000
Loss on valuation of investment securities	-	271
Increase (decrease) in provision	187	-369
Decrease (increase) in notes and accounts receivable-trade	9,051	4,138
Decrease (increase) in inventories	1,944	-6,341
Increase (decrease) in notes and accounts payable	-4,505	-8,194
Income taxes paid	-6,843	-3,333
Other	-3,456	-10,646
Net cash provided by (used in) operating activities	33,735	-2,153
Net cash provided by (used in) investment activities		
Purchases of noncurrent assets	-11,715	-10,922
Proceeds from sale of noncurrent assets	0	9
Purchase of investment securities	-1	-1
Proceeds from sale of investment securities	0	0
Other	-132	246
Net cash provided by (used in) investment activities	-11,848	-10,667
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,610	9,230
Proceeds from long-term loans payable	-	500
Repayment of long-term loans payable	-4,912	-703
Payments for long-term deposits received	-839	-838
Purchase of treasury stock	-18	-12
Cash dividends paid	-2,101	-2,084
Other	-1	-7
Net cash provided by (used in) financing activities	-6,262	6,083
Net increase (decrease) in cash and cash equivalents	15,623	-6,737
Cash and cash equivalents at beginning of term	13,208	16,904
Increase in cash and cash equivalents from newly consolidated subsidiary	265	-
Cash and cash equivalents at end of term	29,097	10,167

4. Note of going concerns' premise: No

5. Segment information

Segment information by category of business

Three months ended June 30, 2009 (Apr. – Jun.2009)

(Unit: million yen)

	Gas sales	Gas appliance and related construction	LPG sales	Other	Total	Elimination or corporate	Consolidated
Sales							
(1)Outside customers	78,942	7,514	11,530	7,624	105,611	-	105,611
(2)Inter segment	15	409	287	3,436	4,149	-4,149	-
Total	78,958	7,923	11,817	11,061	109,761	-4,149	105,611
Operating income (loss)	20,567	264	1,051	1,431	23,314	263	23,578

Three months ended June 30, 2010 (Apr. – Jun.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	73,531	6,716	17,797	98,045	4,653	102,698	-	102,698
(2)Inter segment	15	466	255	737	2,938	3,675	-3,675	-
Total	73,546	7,183	18,052	98,782	7,592	106,374	-3,675	102,698
Operating income (loss)	10,371	205	856	11,433	508	11,942	277	12,219

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.

3. Adjustments of segment income (277 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.

Additional information

Beginning in this consolidated accounting year, "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information"(ASBJ Statement No.17 of March 27,2009)) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information(ASBJ Guidance No.20 of March 21,2008) are applied.

6. Significant change in the number of shareholders' equity: No