

Consolidated Financial Results for the Nine Months Ended December 31, 2010 (3Q 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: February 10, 2011

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, 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 – December 31, 2010	303,832	5.8	18,491	20.1	19,044	29.6	11,163	22.0
April 1 – December 31, 2009	287,065	-14.4	15,401	-	14,699	-	9,151	-

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – December 31, 2010	20.19	-
April 1 – December 31, 2009	16.37	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	(Unit: million yen)	(Unit: million yen)	(%)	(Unit: yen)
3rd Quarter ended December 31, 2010	481,968	219,429	45.5	396.73
FY2009 ended March 2010	506,724	220,937	43.6	399.37

Note: Net assets (excluding minority interests)

3rd Quarter ended December 2010: ¥219,364 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	-	4.00	-	-	-
FY2010 ending March 2011 (forecast)	-	-	-	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)

(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	430,000	4.5	25,000	40.3	25,000	44.1	15,500	41.2	28.03

Notes: Revisions to the consolidated forecasts during this period: 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 third 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)

3rd Quarter ended December 2010 553,037,689 shares FY2009 ended March 2010 559,792,197 shares

Number of treasury stock at the end of the term

3rd Quarter ended December 2010 102,891 shares FY2009 ended March 2010 6,780,784 shares

Average number of outstanding shares during the term

3rd Quarter ended December 2010 552,975,943 shares 3rd Quarter ended December 2009 559,048,996 shares

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

(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	373,000	4.9	21,000	60.3	22,000	56.1	14,000	52.1	25.32

Notes: Revisions to the non- consolidated forecasts during this period: 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)

	3rd Quarter (As of Dec. 31, 2010)	Previous year (As of Mar. 31, 2010)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	66,312	69,422
Distribution facilities	174,166	176,760
Service and maintenance facilities	28,215	29,004
Other facilities	30,382	31,993
Construction in progress	19,399	21,248
Total property, plant and equipment	318,475	328,429
Intangible assets		
Other	2,314	2,980
Total intangible assets	2,314	2,980
Investments and other assets		
Investment securities	51,318	58,942
Other	17,920	16,435
Allowance for doubtful accounts	-128	-138
Total investments and other assets	69,110	75,239
Total noncurrent assets	389,900	406,649
Current assets		
Cash and deposits	11,015	17,157
Notes and accounts receivable-trade	43,553	42,133
Inventories	21,472	17,841
Other	15,448	21,997
Allowance for doubtful accounts	-288	-245
Total current assets	91,202	98,884
Deferred assets		
Development expenses	865	1,190
Total deferred assets	865	1,190
Total assets	481,968	506,724

(Unit: million yen)

	3rd Quarter (As of Dec. 31, 2010)	Previous year (As of Mar. 31, 2010)
Liabilities		
Noncurrent liabilities		
Bonds payable	89,991	99,991
Long-term loans payable	25,952	26,984
Provision for retirement benefits	20,355	20,016
Provision for gas holder repairs	1,647	1,651
Reserve for safety measures	6,344	7,139
Long-term deposits received	5,429	7,932
Other	7,260	7,767
Total noncurrent liabilities	156,981	171,484
Current liabilities		
Current portion of noncurrent liabilities	22,306	22,326
Notes and accounts payable-trade	25,136	30,896
Short-term loans payable	20,667	13,867
Income taxes payable	2,657	5,205
Other	34,222	41,277
Total current liabilities	104,990	113,572
Provision		
Provision for conversion of heating value of supplied gas	566	729
Total provision	566	729
Total liabilities	262,539	285,787
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	161,033	157,709
Treasury stock	-46	-3,429
Total shareholders' equity	202,446	195,740
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	17,489	21,816
Deferred gains or losses on hedges	-571	3,298
Total valuation and translation adjustments	16,918	25,114
Minority interests	64	82
Total net assets	219,429	220,937
Total liabilities and net assets	481,968	506,724

2. Consolidated statements of income for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2009 (Apr. – Dec.,2009)	3 rd Quarter of FY2010 (Apr. – Dec.,2010)
Net sales	287,065	303,832
Cost of sales	166,872	181,895
Gross profit	120,192	121,936
Selling, general and administrative expenses	104,791	103,445
Operating income	15,401	18,491
Non-operating income		
Interest income	18	5
Dividend income	879	958
Rent income	391	359
Miscellaneous revenues	564	923
Total non-operating income	1,854	2,246
Non-operating expenses		
Interest expense	1,903	1,583
Miscellaneous expenses	653	110
Total non-operating expenses	2,557	1,693
Ordinary income	14,699	19,044
Extraordinary loss		
Loss on valuation of investment securities	-	1,093
Total extraordinary loss	-	1,093
Income before income taxes	14,699	17,951
Income taxes-current	5,568	6,805
Income before minority interests	-	11,146
Minority interests in net income (loss)	-20	-17
Net income	9,151	11,163

3. Consolidated statement of cash flows for the Nine Months

(Unit: million yen)

	3 rd Quarter of FY2009 (Apr. – Dec.,2009)	3 rd Quarter of FY2010 (Apr. – Dec.,2010)
Net cash provided by (used in) operating activities		
Income before income taxes	14,699	17,951
Depreciation and amortization	45,370	30,394
Loss on valuation of investment securities	-	1,093
Increase (decrease) in provision	-924	-641
Decrease (increase) in notes and accounts receivable-trade	8,208	-1,420
Decrease (increase) in inventories	-4,224	-3,631
Increase (decrease) in notes and accounts payable	6,380	-5,745
Income taxes paid	-9,810	-3,801
Other	-4,056	-9,836
Net cash provided by (used in) operating activities	55,642	24,362
Net cash provided by (used in) investment activities		
Purchases of noncurrent assets	-31,758	-24,308
Proceeds from sale of noncurrent assets	12	133
Purchase of investment securities	-4	-49
Proceeds from sale of investment securities	1	0
Other	173	443
Net cash provided by (used in) investment activities	-31,574	-23,780
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	5,332	11,300
Proceeds from long-term loans payable	1,368	1,050
Repayment of long-term loans payable	-9,245	-2,097
Redemption of bonds	-10,000	-10,000
Payments for long-term deposits received	-2,511	-2,515
Purchase of treasury stock	-1,124	-37
Cash dividends paid	-4,470	-4,423
Other	-23	-22
Net cash provided by (used in) financing activities	-20,674	-6,747
Net increase (decrease) in cash and cash equivalents	3,393	-6,165
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	16,867	10,739

4. Note of going concerns' premise: No

5. Segment information

Segment information by category of business

Nine months ended Dec. 31.2009 (Apr. – Dec.2009)

(Unit: million yen)

	Gas	Gas appliance and related construction	LPG	Other	Total	Elimination or corporate	Consolidated
Sales							
(1)Outside customers	203,550	24,128	35,582	23,804	287,065	-	287,065
(2)Inter segment	46	1,339	739	11,786	13,911	-13,911	-
Total	203,596	25,468	36,322	35,590	300,977	-13,911	287,065
Operating income (loss)	10,658	833	226	2,977	14,695	705	15,401

Nine months ended Dec. 31.2010 (Apr. – Dec.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.

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.

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.

(Reference) Segment information rearranged in accordance with “ Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information ”

Nine months ended Dec. 31.2009 (Apr. – Dec.2009)

(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	203,550	24,128	43,421	271,100	15,965	287,065	-	287,065
(2)Inter segment	46	1,339	991	2,377	11,223	13,600	-13,600	-
Total	203,596	25,468	44,412	273,477	27,188	300,665	-13,600	287,065
Operating income (loss)	10,658	833	847	12,338	2,357	14,695	705	15,401

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 (705 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.

6. Significant change in shareholders' equity

The Company retired treasury stock as follows, based on a resolution of the Board of directors passed on July 28, 2010, as per Article 178 of the Corporation Code:

1 Type of shares retired	Toho Gas Common Stock
2 Number of shares retired	6,754,508 shares
3 Effective date of retire	July 30, 2010