

# Consolidated Financial Results

## for the Three Months Ended June 30, 2011 (1Q 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: August 10, 2011

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 Three Months Ended June 30, 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 – June 30, 2011	105,175	2.4	7,912	-35.2	8,387	-33.4	5,306	-29.8
April 1 – June 30, 2010	102,698	-2.8	12,219	-48.2	12,593	-45.7	7,558	-49.3

Note: Comprehensive income 1st Quarter ended June 2011: ¥2,855 million (-%), 1st Quarter ended June 2010: ¥ -67 million (-%)

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – June 30, 2011	9.68	-
April 1 – June 30, 2010	13.67	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
1st Quarter ended June 30, 2011	487,890	220,401	45.2
FY2010 ended March 2011	495,626	221,501	44.7

Reference: Net assets (excluding minority interests) 1st Quarter ended June 2011: ¥220,327million 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	-	-	-	-	-
FY2011 ending March 2012 (forecasts)	-	4.00	-	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)**

	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	205,000	2.1	-5,000	-	-5,000	-	-3,000	-	-5.50
Full term	480,000	9.9	13,000	-45.6	13,000	-46.6	8,000	-44.8	14.65

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

#### 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)	1st Quarter ended June 2011	545,966,429 shares	FY2010 ended March 2011	553,037,689 shares
Number of treasury stock at the end of the term	1st Quarter ended June 2011	52,716 shares	FY2010 ended March 2011	2,563,343 shares
Average number of outstanding shares during the term	1st Quarter ended June 2011	548,057,670 shares	1st Quarter ended June 2010	552,993,328 shares

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

	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	175,000	1.7	-5,000	-	-5,000	-	-3,000	-	-5.50
Full term	420,000	11.6	10,000	-49.2	10,000	-53.8	6,000	-55.0	10.99

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 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, 2011)	1st Quarter (As of Jun. 30, 2011)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	65,135	64,097
Distribution facilities	176,120	171,623
Service and maintenance facilities	28,613	28,064
Other facilities	31,069	30,362
Construction in progress	19,298	21,334
Total property, plant and equipment	320,236	315,481
Intangible assets		
Other	2,178	2,020
Total intangible assets	2,178	2,020
Investments and other assets		
Investment securities	50,559	48,580
Other	21,088	21,454
Allowance for doubtful accounts	-20	-21
Total investments and other assets	71,627	70,012
Total noncurrent assets	394,042	387,515
Current assets		
Cash and deposits	22,058	18,267
Notes and accounts receivable-trade	44,644	39,539
Inventories	19,616	26,143
Other	14,782	16,032
Allowance for doubtful accounts	-274	-269
Total current assets	100,826	99,713
Deferred assets		
Development expenses	757	662
Total deferred assets	757	662
Total assets	495,626	487,890

(Unit: million yen)

	Previous year (As of Mar. 31, 2011)	1st Quarter (As of Jun. 30, 2011)
Liabilities		
Noncurrent liabilities		
Bonds payable	79,992	69,992
Long-term loans payable	37,608	47,725
Provision for retirement benefits	20,342	20,494
Provision for gas holder repairs	1,671	1,712
Reserve for safety measures	12,991	12,521
Long-term deposits received	4,595	3,763
Other	6,849	6,747
Total noncurrent liabilities	164,052	162,959
Current liabilities		
Current portion of noncurrent liabilities	26,121	36,178
Notes and accounts payable-trade	24,343	22,459
Short-term loans payable	13,150	15,000
Income taxes payable	8,750	3,963
Other	37,195	26,464
Total current liabilities	109,560	104,065
Provision		
Provision for conversion of heating value of supplied gas	512	465
Total provision	512	465
Total liabilities	274,125	267,489
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	164,361	164,680
Treasury stock	-1,053	-20
Total shareholders' equity	204,768	206,119
Other comprehensive income		
Valuation difference on available-for-sale securities	16,900	15,421
Deferred gains or losses on hedges	-242	-1,213
Total valuation and translation adjustments	16,657	14,207
Minority interests	75	74
Total net assets	221,501	220,401
Total liabilities and net assets	495,626	487,890

## 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 FY2010 (Apr. – Jun.,2010)	1 <sup>st</sup> Quarter of FY2011 (Apr. – Jun.,2011)
Net sales	102,698	105,175
Cost of sales	57,637	64,660
Gross profit	45,061	40,515
Selling, general and administrative expenses	32,842	32,603
Operating income	12,219	7,912
Non-operating income		
Interest income	1	0
Dividend income	517	659
Rent income	78	78
Miscellaneous revenues	379	295
Total non-operating income	976	1,034
Non-operating expenses		
Interest expense	570	503
Miscellaneous expenses	31	56
Total non-operating expenses	601	559
Ordinary income	12,593	8,387
Extraordinary loss		
Loss on valuation of investment securities	271	-
Total extraordinary loss	271	-
Income before income taxes	12,322	8,387
Income taxes-current	4,766	3,081
Income before minority interests	7,555	5,305
Minority interests in net income (loss)	-3	-0
Net income	7,558	5,306

## Statements of comprehensive income for the Three Months

(Unit: million yen)

	1 <sup>st</sup> Quarter of FY2010 (Apr. – Jun.,2010)	1 <sup>st</sup> Quarter of FY2011 (Apr. – Jun.,2011)
Income before minority interests	7,555	5,305
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,374	-1,479
Deferred gains or losses on hedges	-2,248	-970
Other comprehensive income	-7,622	-2,449
Comprehensive income	-67	2,855
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-63	2,856
Comprehensive income attributable to minority interests	-3	-0

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

### 4. Segment information

Segment information by category of business

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 Coke 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 (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.

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.

### 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