

Consolidated Financial Results

for the Six Months Ended September 30, 2011 (2Q FY2011)

FY2011 ending March 2012
Toho Gas Co., Ltd.

Code No.: 9533

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

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Scheduled date of filing quarterly financial report: November 11, 2011

Scheduled date of commencement of dividend payments: November 30, 2011

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 Six Months Ended September 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 – September 30, 2011	208,170	3.7	3,200	-79.1	3,504	-77.6	2,027	-77.8
April 1 – September 30, 2010	200,769	3.8	15,335	-32.9	15,667	-28.9	9,138	-35.2

Note: Comprehensive income

2nd Quarter ended September 2011: ¥4,297 million (-%), 2nd Quarter ended September 2010: ¥459 million (-%)

	Net earnings per share	Diluted earnings per share
	(Unit: yen)	(Unit: yen)
April 1 – September 30, 2011	3.71	-
April 1 – September 30, 2010	16.53	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Unit: million yen)	(Unit: million yen)	(%)
2nd Quarter ended September 30, 2011	476,777	213,244	44.7
FY2010 ended March 2011	495,626	221,501	44.7

Reference: Net assets (excluding minority interests)

2nd Quarter ended September 2011: ¥213,175million 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	-	4.00	-	-	-
FY2011 ending March 2012 (forecasts)	-	-	-	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)

(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	480,000	9.9	13,000	-45.6	13,000	-46.6	8,000	-44.8	14.65

Notes: 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)	2nd Quarter ended September 2011	545,966,429 shares	FY2010 ended March 2011	553,037,689 shares
Number of treasury stock at the end of the term	2nd Quarter ended September 2011	60,767 shares	FY2010 ended March 2011	2,563,343 shares
Average number of outstanding shares during the term	2nd Quarter ended September 2011	546,977,376 shares	2nd Quarter ended September 2010	552,986,322 shares

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

(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	420,000	11.6	10,000	-49.2	10,000	-53.8	6,000	-55.0	10.99

Notes: Revision of previously announced forecasts: 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)	2nd Quarter (As of Sept. 30, 2011)
Assets		
Noncurrent assets		
Property, plant and equipment		
Production facilities	65,135	63,247
Distribution facilities	176,120	173,318
Service and maintenance facilities	28,613	28,390
Other facilities	31,069	30,433
Construction in progress	19,298	17,411
Total property, plant and equipment	320,236	312,800
Intangible assets		
Other	2,178	1,891
Total intangible assets	2,178	1,891
Investments and other assets		
Investment securities	50,559	44,921
Other	21,088	22,689
Allowance for doubtful accounts	-20	-34
Total investments and other assets	71,627	67,576
Total noncurrent assets	394,042	382,268
Current assets		
Cash and deposits	22,058	11,985
Notes and accounts receivable-trade	44,644	41,657
Inventories	19,616	24,016
Other	14,782	16,552
Allowance for doubtful accounts	-274	-271
Total current assets	100,826	93,941
Deferred assets		
Development expenses	757	568
Total deferred assets	757	568
Total assets	495,626	476,777

(Unit: million yen)

	Previous year (As of Mar. 31, 2011)	2nd Quarter (As of Sept. 30, 2011)
Liabilities		
Noncurrent liabilities		
Bonds payable	79,992	79,992
Long-term loans payable	37,608	37,432
Provision for retirement benefits	20,342	20,432
Provision for gas holder repairs	1,671	1,721
Reserve for safety measures	12,991	11,991
Long-term deposits received	4,595	2,930
Other	6,849	6,572
Total noncurrent liabilities	164,052	161,073
Current liabilities		
Current portion of noncurrent liabilities	26,121	26,141
Notes and accounts payable-trade	24,343	17,362
Short-term loans payable	13,150	13,990
Income taxes payable	8,750	3,378
Other	37,195	41,169
Total current liabilities	109,560	102,041
Provision		
Provision for conversion of heating value of supplied gas	512	417
Total provision	512	417
Total liabilities	274,125	263,533
Net assets		
Shareholders' equity		
Capital stock	33,072	33,072
Capital surplus	8,387	8,387
Retained earnings	164,361	161,400
Treasury stock	-1,053	-24
Total shareholders' equity	204,768	202,836
Other comprehensive income		
Valuation difference on available-for-sale securities	16,900	13,023
Deferred gains or losses on hedges	-242	-2,685
Total valuation and translation adjustments	16,657	10,338
Minority interests	75	68
Total net assets	221,501	213,244
Total liabilities and net assets	495,626	476,777

2. Consolidated statements of income, Statements of comprehensive income

Consolidated statements of income for the Six Months

(Unit: million yen)

	2 nd Quarter of FY2010 (Apr. – Sept., 2010)	2 nd Quarter of FY2011 (Apr. – Sept., 2011)
Net sales	200,769	208,170
Cost of sales	117,777	138,675
Gross profit	82,991	69,495
Selling, general and administrative expenses	67,655	66,295
Operating income	15,335	3,200
Non-operating income		
Interest income	4	3
Dividend income	521	659
Rent income	284	286
Miscellaneous revenues	697	537
Total non-operating income	1,508	1,487
Non-operating expenses		
Interest expense	1,087	1,017
Miscellaneous expenses	88	166
Total non-operating expenses	1,176	1,183
Ordinary income	15,667	3,504
Extraordinary loss		
Loss on valuation of investment securities	890	-
Total extraordinary loss	890	-
Income before income taxes	14,777	3,504
Income taxes-current	5,647	1,483
Income before minority interests	9,129	2,021
Minority interests in net income (loss)	-8	-6
Net income	9,138	2,027

Statements of comprehensive income for the Six Months

(Unit: million yen)

	2 nd Quarter of FY2010 (Apr. – Sept., 2010)	2 nd Quarter of FY2011 (Apr. – Sept., 2011)
Income before minority interests	9,129	2,021
Other comprehensive income		
Valuation difference on available-for-sale securities	-6,375	-3,876
Deferred gains or losses on hedges	-3,213	-2,442
Other comprehensive income	-9,589	-6,318
Comprehensive income	-459	-4,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-451	-4,291
Comprehensive income attributable to minority interests	-8	-6

3. Note of going concerns' premise: No

4. Segment information

Segment information by category of business

Six months ended Sept. 30, 2010 (Apr. 1 – Sept. 30, 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	143,015	13,803	33,535	190,354	10,414	200,769	-	200,769
(2)Inter segment	35	899	497	1,433	6,349	7,782	-7,782	-
Total	143,051	14,703	34,033	191,787	16,763	208,551	-7,782	200,769
Operating income (loss)	12,192	484	815	13,492	1,116	14,609	726	15,335

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, etc.

3. Adjustments of segment income (726 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.

Six months ended Sept. 30, 2011 (Apr. 1 – Sept. 30, 2010)

(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	148,024	14,676	35,286	197,987	10,183	208,170	-	208,170
(2)Inter segment	35	858	536	1,430	6,871	8,301	-8,301	-
Total	148,060	15,534	35,822	199,417	17,054	216,472	-8,301	208,170
Operating income (loss)	1,173	150	499	1,823	787	2,610	589	3,200

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 (589 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